

ESTIMATES 2007

Question on Notice

Treasurer

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1 Treasurer Smyth

Housing Affordability

Brendan Smyth MLA : To ask the Treasurer:

In relation to Budget 2007-08 Paper 3, page 30, and the improvements to housing affordability –

1. What has been the lower threshold, for each of the past five years, at which the full concession for conveyancing duty has applied.
2. How has the lower threshold been determined each time it has been changed in the past five years.
3. What has been the upper threshold, for each of the past five years, at which the full concession for conveyancing duty has ceased.
4. How has the upper threshold been determined each time it has been changed in the past five years.

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

The five year period referred to in the question is assumed to cover 2002-03 to 2006-07 financial years.

(1) During 2002-03, the lower threshold was \$116,000. This was adjusted to \$180,000 for the 2003-04 financial year. From 1 July 2004, the thresholds have been adjusted every six months. The lower dwelling value threshold over the past five years together with the relevant determining instruments is detailed in the table below.

Period	Property Threshold (Lower) \$	Determining Instrument
01/07/2002-30/06/2003	116,000	DI2000-189
01/07/2003-01/07/2004	180,000	DI2003-169
01/07/2004-01/01/2005	273,000	DI2004-78
01/01/2005- 01/07/2005	282,500	DI2004-263
01/07/2005-07/07/2005	285,000	DI2005-123
07/07/2005-31/12/2005		DI2005-158
01/01/2006 – 30/06/2006	287,100	DI2005-295
01/07/2006- 31/12/2006	285,000	DI2006-105
01/01/2007-01/07/2007	290,000	DI2006-266
01/07/2007-	290,000	DI2007-113

Instruments can be viewed at:

<http://www.legislation.act.gov.au/di/default.asp>

The lower dwelling value threshold over the previous five years, 1997-98 to 2001-02, together with the relevant determining instruments is detailed in the table below.

Period	Property Threshold (Lower) \$	Determining Instrument
01/07/1997-31/01/1997	116,000	DI1993-147
31/01/1997-30/06/1997	116,000	DI1997-34
01/07/1997-30/06/1998	116,000	DI1997-34
01/07/1998-01/03/1999	116,000	DI1997-34
01/03/1999-30/06/1999	116,000	DI1999-44
01/07/1999-30/06/2000	116,000	DI1999-44
01/07/2000-30/06/2001	116,000	DI2000-189
01/07/2001-30/06/2002	116,000	DI2000-189

(2) For each of the previous five years, from 1997-98 to 2001-02, the lower threshold remained static at \$116,000. The adjustment in 2003-04 was based on an analysis of the growth in prices to ensure that concession remains available to first home buyers. From 2004-05, a different methodology has been adopted that automatically links the threshold to market prices over the previous two quarters. As an example, the threshold applicable on 1 July 2007 would be based on the prices in the December 2006 and March 2007 quarters. The data source used for prices is ACTPLA sales data, which provides the most complete information on property prices in the Territory. Further details are provided in the explanatory memoranda to each of the determining instruments as listed in the above table.

(3) During 2002-03, the upper threshold was \$140,000. This was adjusted to \$249,000 for the 2003-04 financial year. From 1 July 2004, the upper threshold has been adjusted every six months. The upper dwelling value threshold over the past five years together with the relevant determining instruments is detailed in the table below.

Period	Property Threshold (Upper) \$	Determining Instrument
01/07/2002-30/06/2003	140,000	DI2000-189
01/07/2002-30/06/2003	140,000	DI2000-189
01/07/2003-01/07/2004	249,000	DI2003-169
01/07/2004- 01/01/2005	375,000	DI2004-78
01/01/2005- 01/07/2005	386,000	DI2004-263
01/07/2005-07/07/2005	385,000	DI2005-123
07/07/2005-31/12/2005		DI2005-158
01/01/2006 – 30/06/2006	389,300	DI2005-295
01/07/2006- 31/12/2006	326,000	DI2006-105
01/01/2007-01/07/2007	331,000	DI2006-266
01/07/2007-	365,000	DI2007-113

The

instruments can be viewed at:
<http://www.legislation.act.gov.au/di/default.asp>.

The upper dwelling value threshold over the previous five years, 1997-98 to 2001-02, together with the relevant determining instruments is detailed in the table below.

(4)

Period	<u>Property Threshold (Upper) \$</u>	Determining Instrument
01/07/1997-31/01/1997	140,000	DI1993-147
31/01/1997-30/06/1997	140,000	DI1997-34
01/07/1997-30/06/1998	140,000	DI1997-34
01/07/1998-01/03/1999	140,000	DI1997-34
01/03/1999-30/06/1999	140,000	DI1999-44
01/07/1999-01/07/2000	140,000	DI1999-44
01/07/2000-30/06/2001	140,000	DI2000-189
01/07/2001-30/06/2002	140,000	DI2000-189

For each of the previous five years, from 1997-98 to 2001-02, the upper threshold remained static at \$140,000. The adjustment in 2003-04 was based on an analysis of the growth in prices to ensure that concession remains available to first home buyers. From 2004-05, a different methodology has been adopted that automatically links the threshold to market prices over the previous two quarters. As an example, the threshold applicable on 1 July 2007 would be based on the prices in the December 2006 and March 2007 quarters. The data source used for prices is ACTPLA sales data, which provides the most complete information on property prices in the Territory. Further details are provided in the explanatory memoranda to each of the determining instruments as listed in the above table.

2 Treasurer Smyth

Conveyancing Duty

Brendan Smyth MLA : To ask the Treasurer:

In relation to Budget 2007-08 Paper 3, page 78, and the proposal to defer conveyancing duty –

1. What interest rate will be applied to conveyancing duty that is deferred.
2. How will the interest rate be applied to duty that is deferred.
3. Will the interest rate be compounded until repayments commence.
4. Will the interest rate continue to be compounded until the full debt is repaid.
5. What modeling of the impact of this concession has been undertaken.
6. If any modeling has been made, what have been the results of this modeling.
7. If no modeling was undertaken, why was this so.

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

(1) The legislation providing for the deferral of conveyancing duty has been introduced in the Legislative Assembly. Under the proposed legislation, the interest rate will be specified in a Disallowable Instrument to be determined by the Minister. The proposed interest rate is the 10-year government bond rate. With reference to the commercial benchmark rate, this is generally 2 percentage points lower.

(2)-(4) The interest rate will be applied monthly. Similar to the arrangements for general rates, interest will be compounded until the debt is paid.

(5) The modelling considered the impact of the deferral on household debt servicing costs and the upfront costs of house purchase. The interest payable on deferred stamp duty at the 10-year bond rate was compared to the household's debt servicing costs at a commercial borrowing rate over the deferral period and over a full 30-year mortgage.

(6) The modelling indicated that the benefits a household derives from this arrangement will depend upon its circumstances and its choices. The option provides real benefits for people who would otherwise include the amount of stamp duty costs in their borrowing. For such families, while the overall debt does not change, their debt servicing costs would be lower.

The use of the 10-year government bond rate compared to a commercial rate of interest is expected to generate a potential saving for eligible households. For a household, which would otherwise have borrowed the amount as part of a mortgage, the benefit over the deferral period could be up to \$2,000. The modelling showed that the deferral can provide a significant reduction in the upfront cost of purchasing a property – a key issue for first home buyers.

Households who would otherwise be paying stamp duty from their savings could also potentially benefit from this option if they opted to do so. Such households could use

those savings to increase equity (and thereby reduce borrowing at a commercial rate) and achieve a reduction in debt servicing costs.

(7) Not applicable.

3 Treasurer Foskey

Objectives of the 2007-08 Budget

DR FOSKEY: To ask the Treasurer:

In relation to the objectives of the 2007-08 budget:

1. Given that a surplus has been achieved each year for the past five years consecutively, has the Government changed its budget strategy to achieve a surplus every year?
2. Can the Treasurer explain why the budget surplus is as large as it is given the many pressing social needs that have been highlighted by the community sector, primary health care providers and others?
3. Could the Treasurer indicate whether it was possible to allocate more funds to the public and community sectors, resulting in a smaller surplus?
4. Given that the budget is in surplus at a time of great social need, does the Treasurer believe that the surplus is of greater priority than meeting the needs of the community and delivering robust services?

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

- (1) There has been no change to the Fiscal Strategy. The Government's Fiscal Strategy includes its strategic financial priority to '*Achieve a General Government Sector net operating surplus*' (refer page 7 of 2007-08 Budget Paper No. 3). This is consistent with the strategy outlined in the 2006-07 Budget Papers.

It was recognised in the 2006-07 Budget that the move to Government Finance Statistics and the Net Operating Balance as its reporting framework would mean that a Net Operating Surplus, without relying on land sales, would not be achieved in the short term. At that time, it was forecast that the first Net Operating Surplus would be achieved in 2008-09.

The 2007-08 Budget forecasts a Net Operating Surplus in the 2007-08 budget year, and also for the 2006-07 estimated outcome. The strategy has simply been achieved ahead of schedule.

(2) The 2007-08 budgeted Net Operating Surplus is higher than those forecast in the forward years. A substantial part of this surplus relates to one-off factors including:

- the effect of Government's significantly accelerated land supply program as part of its affordable housing strategy; and
- a number of large commercial settlements that have been carried over from 2006-07 as well as the increased residential program.

It should not be viewed that the 2007-08 surplus is at the expense of pressing community needs. It would also be incorrect to assume that this surplus has not been utilised to make significant investment into community needs.

On the contrary, the size of the 2007-08 surplus has allowed for significant, yet prudent investments in infrastructure to support the growth of the city, the residential land release program, and social infrastructure such as schools, roads, parks, paths, and health facilities. The surpluses in the forward estimates provide a buffer against fiscal shock, and the capacity to respond to any unforeseen circumstances.

(3),(4) The Government does not consider the achievement of surplus to be a virtue and an end in itself. For any Government, however, particularly for service focussed State and Territory Governments, surpluses over a cycle are evidence of sustainability of services to the community. The Government considers prudent financial and economic management as an essential means to meeting community needs and improving the well being of the Territory residents on a sustainable basis.

The forecast surpluses across the forward years are modest at an average of around 2 per cent of the total expenditure. These surpluses provide a buffer against fiscal shock, and the capacity to respond to any unforeseen circumstances. This is important. As an example, a 1 percentage point improvement in the value of the Australian dollar would have a negative impact of around \$5 million on the budget. As another example, a 1 per cent variation in the discount rate used in the valuation of superannuation liabilities would translate into around \$50 million per annum variation in superannuation related expenses.

It should be noted that the 2007-08 Budget provides for a substantial investment in the ACT community. Under the Government's Community Sector funding model, eligible community organisation delivering human services will receive indexation of 3.75% in 2007-08. In addition, significant initiatives include:

- Increased Disability Services - an additional \$15.7 million over four years is being provided to respond to unmet need within the disability sector.

- Return to work for Indigenous, Culturally and Linguistically Diverse, and Low Income Women - \$0.883 million over four years is being provided for grants of up to \$1,000 to support women returning to the workforce after having a child.
- ACT Indigenous Elected Body - an additional \$0.7 million over four years will provide resources for the establishment and ongoing operations of an elected Aboriginal and Torres Strait Islander body.
- Additional Investment in Public Housing - \$4.3 million is being provided to increase public housing stock.
- Upgrade Infrastructure at the Narrabundah Long Stay Caravan Park - \$0.6 million is being provided to undertake a safety upgrade and maintenance at the Narrabundah Long Stay Caravan Park.
- New Schools for the ACT – funding is being provided for a senior secondary college at Gungahlin and a new preschool to year 10 school in Tuggeranong, representing combined funding of more than \$110 million.
- Expanded Youth Health Services - funding of \$1.899 million over four years is being provided for the expansion of the Junction Youth Health Service located at Civic for the provision of youth health services in the Tuggeranong and Belconnen/Gungahlin areas.
- Women and Children Detox Program - funding of \$0.209 million over four years is being provided for a residential detoxification and withdrawal program for women and women with children.
- Targeted Support for At Risk Children and Families - \$2.078 million of funding over four years is being provided for the provision of an integrated approach to clients of Mental Health ACT and Opiate Replacement Therapy. This service will largely target women who are pregnant and provide support for improving the health and safety outcomes for the children identified as being at risk. This support will continue until the youngest child is two years old.
- Dental Health Program – Restorative Waiting List Reduction - \$1.699 million of funding over four years is being provided to reduce the waiting list for dental services. This funding will allow an additional 415 clients from the restorative waiting list to access dental services.
- Mental Health Service Enhancement - recurrent funding of \$12.6 million over the next four years to increase the number of specialist mental-health providers, enable greater access to community mental-health care and create community-supported accommodation options; capital funding of \$3.5 million has been provided for forward design of two mental health facilities: a 40-bed adult ward and a 15-bed forensic facility.
- Aged Care and Rehabilitation - Service Enhancement – recurrent funding of \$10.4 million over the next four years to increase the capacity of the Aged Care and Rehabilitation Service (ACRS) to meet the need for more acute level inpatient care. It will directly benefit all patients requiring admission to the acute

and sub-acute rehabilitation units, including elderly clients. The initiative provides for the conversion of post acute care beds to sub-acute care beds at the new Sub and Non-Acute Service (SNAS) Facility at Calvary Hospital and addresses the costs associated with increased patient acuity in the ACRS Units.

- Community Events in Canberra - \$0.610 million over four years to provide capacity for the special events program that will continue to be developed in preparation for the Canberra Centenary in 2013, and to support a significant event to mark the arrival in Canberra of the 2008 Beijing Olympic Torch Relay.
- Expanded Service Delivery to Victims of Crime - \$2.203 million over four years for provision of services to victims of crime to reduce waiting times for counselling and improve access for individuals to services, information and support.
- Affordable Housing - \$9.250 million in funding to support the Affordable Housing Action Plan, including the release of new house and land packages priced between \$200,000 to \$300,000, regular englobo land sales, over-the-counter sales of affordable housing blocks and expanded tenant information and advocacy services to increase support for rental tenants.
- Belconnen Arts and Cultural Centre – Stage 1 - \$9 million in capital funding and \$0.800 million in recurrent funding has been provided for finalising design and allowing construction of Stage One of the project, which supports current arts development initiatives in the region and better meet the arts and cultural needs of the Belconnen, Gungahlin and Inner North communities into the future.

Without maintaining a strong fiscal base, the capacity of the Government, any government, to deliver robust services to address community need is diminished.

4 Treasurer Foskey

Triple Bottom Line Accounting

DR FOSKEY: To ask the Treasurer:

In relation to Triple Bottom Line accounting:

1. Given that the Chief Minister has committed to Triple Bottom Line accounting, and indeed this was recommended by the auditor general, why has no explicit mention been made of Triple Bottom Line practices?
2. How can the Treasurer claim that Triple Bottom Line principles are reflected in the strategic indicators when no significant description of social and environmental impacts are made therein?
3. Given that social and environmental impacts are central to Triple Bottom Line accounting, and bearing in mind the above, does the Treasurer understand what Triple Bottom Line accounting entails?
4. Can the Treasurer point to any specific incidence within the budget where social and environmental impacts are weighed up against economic outcomes?
5. If not, can the Treasurer continue to contend that the Australian Capital Territory has adopted Triple Bottom Line accounting practices?

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

(1), (2) There would be little dispute over the underlying philosophy of Triple Bottom Line or sustainability. The Government recognises that there is, however, a broad range of opinion on what specifically constitutes Triple Bottom Line. The approaches to implementing Triple Bottom Line, or incorporating sustainability, are equally diverse.

The Government's approach to Triple Bottom Line/sustainability has been well articulated over the past several years in a series of papers, for example:

- the 2002 discussion paper *Towards a sustainable ACT*;
- the 2003 report outlining progress towards sustainability *Reporting on progress*;
- Government's sustainability policy *People Place Prosperity*; and
- the 2004-05 Supplementary Budget Paper *Format of Future Budget Papers*.

The Government is committed to Triple Bottom Line/sustainability as a philosophy, and has clearly indicated that its preference is to adopt a wider approach to Triple Bottom Line/sustainability rather than simply focusing on accounting.

In relation to the Budget Papers, the Government outlined the approach that it intended to adopt in the 2004-05 Supplementary Budget Paper *Format of Future Budget Papers*.

The Government's approach places equal emphasis on economic, environmental and social aspects – the so called “three-pillar approach”. The Paper, however, stressed that the Government did not intend to introduce any additional bottom line metrics. Likewise, as a service focussed state/local level jurisdiction, the Government did not consider it appropriate or relevant to introduce extended accounts or composite indicators other than the usual economic/financial indicators. The framework for the adoption of Triple Bottom Line was to be based on performance measures.

In early 2005, the Government provided an Exposure Draft on the proposed Budget Paper 4 presentation, incorporating the principles outlined in the Discussion Paper (*Format of Future Budget Papers*) to the Legislative Assembly. I am advised officers from Treasury met with the Member to discuss the framework.

The Government has clearly achieved the key principles that underpin triple bottom line as set out below:

Broader scope and focus: The Government has developed a framework of performance measures that is more relevant to the needs of the users, and provides meaningful information on performance of the agency, service area or Government. These performance indicators reflect financial, social and environmental outcomes in the relevant areas of Government operations. For example, the Government's performance indicators include achieving a budget surplus (financial), access to a range of services such as hospital care, housing assistance etc. (social) and the reduction in waste going to landfill and increase in material recovered from the waste stream (environmental). The horizon of the performance measures has also been expanded through the introduction of strategic indicators which also serve to link agencies' outputs to strategic outcomes.

Transparency: The Government has improved the format and presentation of the budget papers to provide information on Government's objectives and goals, its decisions on resource allocation, and the targets to be achieved by agencies, service areas and the Government

Accountability: The Government has enhanced the reporting framework (both budget papers and departmental annual reports) to improve accountability through reporting against strategic objectives and budget targets for individual agencies as well as at whole of government level. The Government has simplified the legislative and audit framework to reduce audit and compliance burden while maintaining accountability

Integrated planning and operations: The Government has introduced sustainability into budgeting and resource allocation decisions. One of the major challenges highlighted in the Discussion Paper is balancing the short term imperatives against a long term perspective. The 2006-07 Budget was framed particularly in that context in order to put ACT's finances and services on a sustainable footing for the future

generations. The Government also aligned its administrative structures to its strategic objectives.

(3) Yes.

(4) All Government decisions involve the weighing up of financial, social and environmental impacts.

(5) Not applicable, given the above.

29 Treasurer Burke

QTON - Output 1.3 - Objection

MRS BURKE: To ask the Treasurer

In relation to: Output 1.3 - objections

MRS BURKE: Do you have a breakdown of the objections in terms of categories you have just listed? And what is the breakdown? You may need to take this on notice, and that is fine. What is the breakdown probably going back the last three years?

So if you could give us a breakdown of the objections and the nature of those objections and probably a cost, you know, in terms of what it is costing the taxpayers to actually deal with those objections, if that is possible. And that may be hard to extrapolate.

And if you can give us an indicative cost of that back to the taxpayer?

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

Attachment 1 provides a breakdown of objections by category.

The nature and complexity of the objection varies depending on the category but generally the issues for each category are: First Home Owner Grants – eligibility for the grant; Duty – interpretation of legislation, liability and level of penalties; Home Buyer Concession – eligibility for the concession; Land Tax – liability and level of penalties; Payroll tax – liability, grouping provisions and level of penalties; Rates – increases in rates charges; and Unimproved Values for Rates – valuation.

It is not possible to accurately quantify the cost back to the taxpayer as the cost varies significantly depending on the complexity of the objection case and whether the matter proceeds to the Administrative Appeals Tribunal or court.

Attachment 1

Objections 1 July 2004 to 16 June 2007

Year	Duty	First Home Owner Grant	Home Buyer Concession	Land Tax	Payroll Tax	Rates	Unimproved Values	Total
2004-05	15	6	21	12	7	2	173	236
2005-06	23	20	12	22	5	4	83	169
2006 - 16 June 2007	18	19	12	26	25	4	155	259

QTON - Estimates savings from expenditure reforms

MR STEFANIAK : To ask the Treasurer

In relation to: estimated savings from expenditure reforms.

MR STEFANIAK: You mentioned the reforms last year at some length, I think in answer to Mr Gentleman's question. Now Chief Minister in the 2006-07 Budget, Budget Paper 3 page 71, table 5.2.3 summarises the estimated savings from planned reforms, generally referred to as re-shaping the bureaucracy. Our total savings from the reforms was estimated at \$29.950 million in '06-'07 and \$49.245 million in '07-'08, the total's there in that Budget Paper. Is there an equivalent table in the '07-'08 Budget, and if yes, where is it, and if not why isn't it there? The only information by the way on the reforms appears to be at BP 3 at page 21 and for a couple of pages after that. But it's not possible to compare that, which is generalised information in prose, to the quantity of estimates provided a year earlier in your graph.

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

In relation to savings associated with 2006-07 Budget reforms, the amounts identified in the 2006-07 Budget and across the forward estimates (as referred to in the 2006-07 Budget Paper No. 3 on page 71) were effectively removed from agency budgets at that time. There were no updated tables included in the 2007-08 Budget, as there are no new savings requirements over and above those published in the previous Budget.

It is common practice that only **new** expenditure, revenue and savings initiatives are published in the Budget Papers in the year in which they are initiated.

The savings targets applied in the 2006-07 Budget, as reflected at page 71 of BP3, still apply and agencies have had to manage resources within their revised budget allocations.

32 Treasurer Mulchay

QTON - Tax reform

MR MULCHAY : To ask the Treasurer

In relation to : tax reform

MR MULCHAY: So, therefore, have you taken up the Treasurer's offer to re-look at arrangements, financial arrangements, to achieve more tax-reform in the state level and potentially general more support from the Commonwealth? I think that offer was made towards the end of March, as I recall. Have you, as the territory government, put a submission?

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

- Consistent with the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations* (IGA), in March 2005, the ACT, along with the States and the Northern Territory, reviewed the need to retain a number of business related taxes. All States¹ agreed to abolish six of the seven taxes, with the exception of duty on conveyances of real non-residential property, where there was no agreement made for the removal of this tax.
- In undertaking the review, the States fulfilled their commitments under the IGA.
- In a Media Release of 20 March 2007 (copy attached), I reiterated this position:

“...the ACT had met all of its obligations under the Intergovernmental Agreement to review state-based taxes and had reached agreement with the Commonwealth on a timetable for the removal of a range of business-related taxes.”
- No commitment has ever been made to abolish stamp duty on business conveyances of real property. The States only ever committed themselves to review their capacity to abolish the tax.
- At the 2007 Ministerial Council meeting, the States clearly outlined to the Australian Treasurer that they had fully complied with the terms of the IGA and there was no intention to abolish duty on business conveyances of real property.
- The Australian Treasurer indicated that he would consider proposals for alternative tax reform of equivalent value, including stamp duty relief of residential conveyances:
 - this proposal is contradictory to the Australian Government's public position on the need for States to remove inefficient business taxes in exchange for larger than expected GST revenues.

¹ The word “States” refers to both States and Territories unless otherwise stated.

- The Australian Treasurer wrote to all State Treasurers on 1 May 2007 to “confirm” the outcomes of the 2007 Ministerial Council meeting:

I made it clear at the meeting that the Commonwealth remains committed to the full implementation of the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations* and expects to receive firm undertakings from each State and Territory (the States) on the abolition of stamp duties on conveyances of non-residential real property. This is the last remaining tax listed for abolition in the Intergovernmental Agreement, but for which the States have yet to agree to an abolition timetable.

The Australian Government is willing to be flexible as to the timing and phasing of the abolition of this tax. In particular, I am willing to consider an abolition schedule that does not commence until 2010-11, once the bulk of the other Intergovernmental Agreement taxes have been abolished. Consideration would also be given to any proposal to phase in the abolition. I indicated, in response to a request from one of the States, that the Australian Government would also be willing to consider proposals for alternative tax reforms of equivalent value, and that this could include providing stamp duty relief in respect of residential conveyances.

The Australian Government will continue to pursue this matter until it is resolved satisfactorily. The public mandate to introduce the GST was on the basis that it would replace a range of inefficient business taxes, including this tax. The States themselves nominated this as one of the inefficient business taxes to be abolished. All States now have the financial capacity, through higher GST revenues compared to the previous financial arrangements, to implement their Intergovernmental Agreement commitments to the full extent.

- The ACT has not responded to this letter, as its position has not changed from that conveyed at the Ministerial Council meeting:
 - the ACT has fulfilled its commitments under the IGA;
 - there is no obligation to abolish this tax; and
 - the ACT does not have the fiscal capacity within its budget to abolish this revenue stream, estimated at approximately \$40 million per annum.

QTON - Estimated savings from expenditure reforms

MR MULCAHY: To ask the Treasurer

In relation to: estimated savings from expenditure reforms.

MR MULCAHY: Treasurer, then could you be quite specific and tell us how much revenue has been forsaken by the ACT under the terms of the intergovernmental agreement and how does this compare with the amount of revenue that you've received from GST payments through the "rivers of gold", as you call them?

MR MULCAHY: Well, Treasurer – right. Would you acknowledge that the amount of revenue received from GST, significantly exceeds the revenue foregone as part of the intergovernmental agreement?

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

- Under the *Intergovernmental Agreement on the Reform of Commonwealth State Financial Relations* (IGA), in return for the Goods and Services Tax (GST) revenues, States and Territories are required to forego a range of revenues including: Financial Assistance Grants, Revenue Replacement Payments, certain State and Territory taxes, and to undertake reviews of other nominated State and Territory taxes.
- In addition, the States and Territories are required to meet the costs of the First Home Owners Grant Scheme and the costs arising from the Australian Tax Office's administration of the GST.
- The IGA includes an undertaking that no State or Territory would be worse off under the new arrangements. Where the GST revenue is less than the revenues foregone by a State or Territory, Budget Balancing Assistance (BBA) is provided to bring the total payment up to the Guaranteed Minimum Amount (GMA).
- GST payments to the ACT have exceeded its GMA since 2003-04 and in 2006-07, it is estimated that the ACT's GST revenue will exceed its GMA by \$54.9 million. Since 2003-04, the accumulated GST revenue above GMA equates to \$202.1 million.

Table 2 - GST Gains Above GMA

ACT	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m	2005-06 \$m	2006-07 \$m
GST Revenue *	472.6	543.9	615.7	658.1	684.4	718.0	761.9
GMA**	517.8	607.0	619.7	619.5	625.0	668.8	707.0
BBA	45.2	63.1	4.0	0.0	0.0	0.0	0.0
GST above GMA	0.0	0.0	0.0	38.6	59.4	49.2	54.9
<i>Accumulated</i>					98.0	147.2	202.1

*GST Revenue estimates from 2007-08 ACT Budget Paper No. 3 (and past years)

**GMA estimates from 2007-08 Federal Budget Paper No. 3 (and past years)

- The current calculation of the GMA does not accurately reflect the circumstances had the GST not been introduced, and importantly does not reflect broader fiscal pressures on State and Territory budgets. Reasons include:
 - the GMA calculation does not take into account revenue foregone from the abolition of an IGA State tax until all States have abolished it, therefore GST in excess of GMA is overstated where a State has abolished an IGA tax before all States have done so;
 - the cost of revenue foregone from the abolition of State taxes has been consistently underestimated in calculations of the gain to States from GST;
 - the loss of Federal payments, such as the National Competition Policy (NCP) Payments, have had a negative impact on State and Territory budgets; and
 - the Commonwealth has reduced its contribution to vital services managed by States such as hospital care, housing assistance and services to the disabled. General and Specific Purpose Payments (SPP) over the post-GST period remain at levels below the pre-GST average of 6 percent of GDP for the whole period of the 1980s and 1990s. States and Territories have been left to cover the significant growth in the cost of these services.
- The position is further eroded for the ACT:
 - the loss of the Corporate Affairs Regulation Compensation (estimated at approximately \$4.5 million per annum), and the decision by the Commonwealth Government to fund the ACT's other Special Revenue Assistance (SRA) payments from the GST pool, is not factored into the GMA calculation.
 - : If the loss of both the NCP payments and the ACT's SRA were factored into the GST gains above GMA, the amount in 2006-07 would be approximately \$25.0 million. The accumulated gains would reduce to \$154.9 million.
 - : The 2006-07 amount (\$25.0 million) represents 0.9 percent of total ACT revenues.

- : The accumulated benefit of \$154.9 million over 7 years represents an annualised benefit of \$22.1 million (or less than 1 percent of total ACT revenues). The table below illustrates.

Table 3 - GST Gains Above GMA (less foregone Cwlth payments)

ACT	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m	2005-06 \$m	2006-07 \$m
Foregone Cwlth Payments							
<i>(minus)</i> SFN - Corporate Affairs Compensation						4.5	4.5
<i>(minus)</i> SFN - Police						10.0	10.0
<i>(minus)</i> SFN - Roads						2.8	2.8
<i>(minus)</i> National Competition Payments							12.6
GST above GMA net Foregone Cwlth Payments				38.6	59.4	31.9	25.0
Accumulated					98.0	129.9	154.9

*GST Revenue estimates from 2007-08 ACT Budget Paper No. 3 (and past years)

**GMA estimates from 2007-08 Federal Budget Paper No. 3 (and past years)

- between 2001-02 and 2005-06, per capital SPP funding from the Commonwealth actually decreased by more than 10 percent in real terms. In 2001-02, the Commonwealth contributed 31 percent of the acute care costs to the ACT. This has now dropped to 23 percent. In 2001-02, the Commonwealth contributed around 18 percent towards the cost of disability services. This has now dropped to 14 percent.

Budget 2007-08 Paper 4, page 101

BILL STEFANIAK: To ask the Treasurer:

In relation to Budget 2007-08 Paper 4, page 101 –

- (1) How much has it cost to set up the Shared Services Centre;
- (2) How many staff worked for the Shared Services Centre as at 1 July 2007;
- (3) How many staff do you anticipate will work for the Shared Services Centre as at 30 June 2008;
- (4) Could you please provide a staffing profile of the Shared Services Centre as at 1 July 2007;
- (5) How much do you anticipate will be saved by the introduction of the Shared Services Centre and what is the basis of the claim?

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

- (1) The total cost to set up the Shared Services Centre was \$6,661,476 comprised of \$1,782,738 for change management and transition costs and \$4,878,738 for building refurbishment and fit-out costs.
- (2) The total number of budgeted positions in Shared Services Centre as at 1 July 2007 was 846 of which 762 were filled. In addition to these staff, Shared Services employed 98 contractors, primarily at InTACT.
- (3) The total number of budgeted position as at 30 June 2008 for the Shared Services Centre is 846 plus an anticipated 80 contractors.
- (4) The staffing profile of the Shared Services Centre as at 1 July 2007 was as follows:

• InTACT	350 (plus 95 contractors)
• Procurement Solutions	84
• Human Resource Services	186
• Finance Services	120 (plus 3 contractors)
• Business Services	22
- (5) In 2006-07 the Shared Service Centre savings were \$12.3 million and in 2007-08 the savings will be \$20 million. Funding equivalent to these amounts was removed from agencies' budgets as part of the 2006-07 Budget.

ACTEW Corporation

ACTEW Corporation

Bill Stefaniak MLA : To ask the Treasurer, in relation to Budget 2007-08 Paper 4, page 443 –

- (1) What was the monthly rainfall in the catchment areas for each of the ACT's dams in each of the years 2001/02 to present and how do these rainfalls compare to the long-term averages?
- (2) What were the monthly inflows to each of the ACT's dams in each of the years 2001/02 to present?
- (3) What was the monthly water consumption in the ACT for each of the years 2001/02 to present?
- (4) What were the monthly water releases from each of the ACT's catchment dams for environmental flows in each of the years 2001/02 to present? What was the notional value of those monthly releases?
- (5) What were the reasons for any variations from year to year?
- (6) Do these figures include outflows from the Lower Molonglo Water Treatment Plant? If not, why not?
- (7) What were the monthly outflows from the Lower Molonglo Water Treatment Plant for each of the years 2001/02 to present?
- (8) What were the reasons for any variations from year to year?
- (9) What were the legislated environmental flows required for each of the years 2001/02 to present?
- (10) What were the reasons for any variations from year to year?
- (11) What adjustments are made to simulate natural seasonal and/or climatic flows?

MR CORBELL: The answer to the Member's question is as follows:

The attached data is provided as a basis for answers to questions 1, 2, 3, 4, 7 and 9. Further information and the responses to the remaining questions are below.

4. Environmental flow releases are not considered to be a loss of revenue to ACTEW and so a notional value is not applied.
5. Variations in environmental flow releases are a result of the long period of drought that the ACT has experienced. The changes made during the revision of the Environmental Flow Guidelines in 2006 (that were first developed in 1999) reflected how environmental flows are to be managed during times of drought.

In light of the worsening drought that the ACT has experienced, the Department of Territory and Municipal Services has approved a reduced environmental flow release regime for the ACT water supply reservoirs, which enables flows to be maintained at a minimum level, whilst allowing more water to be made available for domestic consumption. ACTEW continues to liaise with the best ecological experts to advise on how to better manage environmental flows whilst maintaining water supply security.

6. The environmental flow releases provided do not include discharges from Lower Molonglo Water Quality Control Centre (LMWQCC). These discharges are not an environmental flow requirement recognised under the Environmental Flow Guidelines 2006.
8. The LMWQCC processes all available sewer flows from the ACT community. Changes in the community consumption of drinking water and in the reuse of greywater, such as occurs during higher levels of water restrictions can result in less sewer inflows to the facility and hence less discharges. Higher rainfall can result in increases in sewer inflows and hence greater discharges.
10. See answer to question 5.
11. Environmental flow releases from ACT water supply reservoirs are designed to mimic natural flows and have been developed from extensive research and monitoring of our river systems. Adjustments that simulate natural seasonal and climate flows include variations in flow such as smaller weekly releases and larger bi-monthly riffle maintenance releases. Annual pool flushing occurs concurrently to natural rain events.

Refer to the Environmental Flow Guidelines 2006 for further information.
(For details of the Guidelines, please contact Committee office)

ACTEW Corporation

ACTEW Corporation

Bill Stefaniak MLA : To ask the Treasurer, in relation to Budget 2007-08 Paper 4, page 443 –

- (1) What effect is reduced water consumption having on ACTEW's revenue turnover?
- (2) What will be the effect of stage 4 water restrictions on ACTEW's revenue?
- (3) Is ACTEW recovering or does ACTEW intend to recover any revenue losses arising from lower water consumption through an application to the Independent Pricing and Regulatory Commission for a compensatory price increase? If so, what percentage increase has or will be sought? If not, how will ACTEW mitigate any potential loss in revenue?
- (4) What have been the annual water rating structures and associated water allowances in the ACT since self government?
- (5) What was the per household average water rates cost per kilolitre each year since self government?
- (6) What assessment has ACTEW or the Government made of the economic cost to the ACT of the drought? What are the components of that cost and what has been the cost for each component each year since 2001/02?

MR STANHOPE: The answer to the Member's question is as follows:

1. ACTEW's 2006-07 estimated outcome for water revenue, excluding Water Abstraction Charge (WAC) and Utilities Networks Facilities Tax (UNFT), is forecast to be \$5.0 million below budget. The 2006-07 estimated outcome including the WAC and UNFT is forecast to be \$8.2 million below budget.
2. A full year of Stage 4 water restrictions is forecast to result in water revenue being \$40 million below budget and WAC \$11 million below budget.
3. Yes, this is covered in the 2006-07 and the 2007-08 price submission that ACTEW provided to the ICRC requesting the recovery of drought, bushfire and augmentation pass through costs in water prices. Copies of the submissions are available on the ICRC's website (www.icrc.act.gov.au).

In terms of current and future revenue losses, ACTEW will seek recovery of losses to ensure a satisfactory and sustainable commercial return on investment.

4. Please refer to attached spreadsheet.

5. Information dating back to self government is not available. The table below shows average actual consumption and water and sewerage bills by stand alone houses from the year 2000 onwards.

Year ending 30 June	2000	2001	2002	2003	2004	2005	2006
Average usage - houses (kL)	317	336	363	354	274	268	297
Water bill	\$359	\$376	\$425	\$424	\$380	\$360	\$431
Sewerage bill	\$378	\$364	\$366	\$367	\$374	\$387	\$389
Total bill	\$737	\$740	\$791	\$791	\$754	\$747	\$820

6. The Centre for International Economics has estimated the economic cost of spending one year in Stage 3 restrictions at \$81 million (in their report, Stage 4 restrictions are current Stage 3 restrictions) and \$163 million in Stage 4 (note Stage 5 restrictions are the current Stage 4 restrictions). These estimates are in 2005 dollars.

Further detail is available at www.actew.com.au under future water options. It should be noted also that in the Future Water Options Report, Stage 4 restrictions are current Stage 3 restrictions.

ACTEW Corporation

ACTEW Corporation

Bill Stefaniak MLA : To ask the Treasurer, in relation to Budget 2007-08 Paper 4, page 443 –

ACTEW Corporation proposes reintroduction of Permanent Water Conservation Measures when storage levels adequately meet unrestricted demand.

- (1) What do these measures involve?
- (2) What storage levels will trigger their reintroduction?
- (3) What public education campaign is planned, and at what cost?
- (4) How are these measures different from water restrictions?

MR CORBELL: The answer to the Member's question is as follows:

- (1) Permanent Water Conservation Measures (PWCM) were introduced on an ongoing basis to help our community meet the water saving targets set out in the long-term water resource strategy *Think water, act water*. When PWCM apply in the warmer months, garden watering must not occur between 9am and 6pm on any day. In winter there are no time limitations on garden watering.

No pooling or run-off is to be caused and all hoses in use must be fitted with a trigger nozzle. Paved areas may only be cleaned using a bucket and mop or a high-pressure, low-volume cleaner. Vehicle washing may only occur on lawn or other porous surfaces, and then only by using a bucket, high-pressure, low-volume cleaner or a trigger nozzle hose. Non-potable water should be used where practicable in construction and related activities. Water flow devices must be fitted to dust suppression vehicles and on other machinery where practicable.
- (2) This will depend on the time of year, since trigger levels vary according to the season and month. In January for example, all temporary restrictions would cease when storage levels approached 60% and PWCM would then operate. ACTEW anticipates that temporary water restrictions can be lifted at a time when combined water storage is around 60%. However, this should be seen as an indicator only as other factors are taken into account when making decisions on restrictions, such as water consumption and weather forecasts.
- (3) ACTEW would consider a public information campaign similar to that implemented in 2006. However, due to the intensity of the current restrictions, details have not yet been formulated.
- (4) PWCM apply regardless of water storage levels. Temporary restrictions cut in when demand levels are relatively low, with the trigger level varying according to the season and month e.g. Stage 1 restrictions would be enforced in January if water levels fell to 52%.

The purposes of PCWM and temporary restrictions are different. PWCM are aimed at producing long term behavioural change, encouraging sensible but relatively low level measures that are designed to have minimal impact on the way we go about our lives. Their rules are set out in the PWCM Scheme.

In contrast, the Temporary Water Restrictions Scheme is implemented to achieve significant reductions in order to maintain reservoir levels at an acceptable level, for example in times of drought.

ACTEW Corporation

ACTEW Corporation

Bill Stefaniak MLA : To ask the Treasurer, in relation to Budget 2007-08 Paper 4, page 451 –

Other Gains – described as “gifted assets given to ACTEW by the developers”

- (1) What assets were gifted to ACTEW in 2006/07 and what were their values?
- (2) What assets are anticipated will be gifted to ACTEW in 2007/08 and out years and what are their values?
- (3) How are these values determined and who determines them?
- (4) Are these gifted assets brought into the Balance Sheet? If not, why not? If so, where are they shown and to what level of detail, and are they depreciated?

MR STANHOPE: The answer to the Member’s question is as follows:

1. ACTEW is forecast to receive \$5.5 million in gifted assets in 2006-07. Further detail is provided below.

ACTEW Gifted Assets	Sewer	Water	Total
	\$'000	\$'000	\$'000
Fyshwick S48 Stage 1a internal infrastructure works	467	301	767
Kingston Foreshore pressure sewer rising main	1,795		1,795
Kingston Foreshore sewerage pumping station	2,477		2,477
Harrison Estate 1 Stage 4	256	219	475
Total Gifted Assets	4,994	520	5,514

2. ACTEW’s 2007-08 budget for gifted assets is estimated at \$6.724 million. These are based on the totals provided by the Land Development Agency (LDA), which are split between TAMS and ACTEW based on expected quantities or expected percentages (historical averages) of infrastructure type.

ACTEW’s gifted assets estimates in the outyears are as follows:

Gifted Assets \$'000	2008-09	2009-10	2010-11
	5,343	5,405	5,884

3. Values are determined by the Land Development Agency (LDA).
 - For land developed by the LDA:
 - The value used consists of the actual expenditure for the construction contract plus the actual expenditure for the contract management.
 - In forecasting this amount, the LDA splits the amount between TAMS and ACTEW based on expected percentages (based on historical average of infrastructure type), or split based on expected quantities, or as determined by the LDA's contract manager.
 - for land sold at auction
 - The value used for small blocks consists of estimate of the works required, as a condition of the sale, by engineers employed by the LDA or ACTPLA (this is known as the bond calculation).
 - The value used for large blocks consists of the Schedule of Works included in the sale documentation/valuation report unless the actual amount is obtainable from the purchaser.
4. Gifted assets fall under the category Property, Plant and Equipment in the balance sheet and are depreciated.

ACTEW Corporation

ACTEW Corporation

Bill Stefaniak MLA : To ask the Treasurer, in relation to Budget 2007-08 Paper 4, page 446 –

Interest revenue is budgeted to fall below the 2006/07 estimated outcome by 42% due to lower cash balances being held (BP4, p 451).

(1) Why is this the case when annual turnover has been increasing at least since 2005/06 (and will increase by 20% over the 06/07 estimated outcome) and interest rates have been steady or increasing for much of that time?

MR CORBELL: The answer to the Member's question is as follows:

It is anticipated that ACTEW's cash balances will be lower than in prior years due to an increase in investment expenditure on infrastructure.

ACTEW Corporation

ACTEW Corporation

Bill Stefaniak MLA : To ask the Treasurer, in relation to Budget 2007-08 Paper 4, page 446 –

- (1) How is the income tax equivalent calculated?
- (2) Is it based on target figures required by Treasury?
- (3) What impact does it have on water use charge rates?

MR CORBELL: The answer to the Member's question is as follows:

- (1) In the past there have been significant fluctuations between taxation expense estimates and final assessments. This has been due to the complex nature of taxation accounting. In recognition of this, ACTEW's income tax equivalent is conservatively budgeted at 33 per cent of estimated net profit before tax.
- (2) No.
- (3) No impact.

ACTEW Corporation

ACTEW Corporation

Bill Stefaniak MLA : To ask the Treasurer, in relation to Budget 2007-08 Paper 4, page 443 –

- (1) What are the current barriers to resolving the matter of the ownership of Googong Dam and how are these barriers being dealt with?
- (2) By when will the ownership question be resolved?

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

- (1) Officers from the Department of Territory and Municipal Services and ACTEW have been negotiating with the Australian Government Department of Finance and Administration to resolve the Googong dam ownership issue. Progress has been promising.
- (2) This issue is expected to be resolved in the next few months.

ACTEW Corporation

ACTEW Corporation

Bill Stefaniak MLA : To ask the Treasurer, in relation to Budget 2007-08 Paper 4, page 443 –

- (1) What did the Future Water Options project cost?
- (2) Was this cost charged to water users?
- (3) Is all the material produced for Future Water Options, including the Tennent Dam fact sheets and the video of Mr Michael Costello shown at Regatta Point, available on ACTEW's website? If so, what are the hyperlinks? If not, why not?
- (4) What were the estimates for a new Lower Cotter Dam and a new dam at Tennent in ACTEW's April 2004 Technical Paper? Is that paper available on ACTEW's website? If so, what is the hyperlink? If not, why not?
- (5) What are the most recent estimates for these options? What are the reasons for any variations to the estimates contained in the April 2004 Technical Paper?
- (6) In the April 2004 report, did ACTEW reject recycled water from sewerage as being potentially unsafe?
- (7) Has ACTEW changed its position on recycled water from sewerage since the April 2004 report? If so, what is its position now, and why has it changed its position?
- (8) What has the Water2WATER advertising campaign cost to date and what are the budgeted costs to completion of the campaign?
- (9) Has ACTEW's Water2WATER advertising put all available options, including those set out in its April 2004 paper and the Future Water Options report? If not, why not?

MR CORBELL: The answer to the Member's question is as follows:

- (1) The Future Water Options project cost \$3.479 million.
- (2) Yes. ACTEW recovered the costs through the Independent Competition and Regulatory Commission and this was reflected in water price changes in July 2006.
- (3) No. The Future Water Options website has been scaled down and superseded by websites related to ACTEW's new water security program. However, final reports from Future Water Options are still available on the website.

The Tennent Dam Option report is available as the final summary document of the Tennent options at www.actew.com.au/futurwateroptions/default.aspx.

Other specific material can be provided upon request, including the video of Mr Costello which was produced for the purposes of the consultation forum.

- (4) In 2004, the cost estimate for a new Lower Cotter Dam was \$102.6 million and a new Tennent Dam was \$131 million. The paper is available at www.actew.com.au/futurwateroptions/default.aspx.
- (5) Current cost estimates are \$150 million for an enlarged 78 gigalitres Cotter Dam and \$300 million for a 159 gigalitres Tennent Dam. These are based on the 2005 Future Water Options estimates plus 20% for cost escalation.
- (6) No, ACTEW did not reject the option as being potentially unsafe. ACTEW recognised that the option was a viable means of augmenting the ACT's water supply but only after other measures have been exhausted. The option was therefore not short listed for further detailed work for the Future Water Options project in 2004-05.
- (7) No. Consistent with the need to exhaust all options, ACTEW has been intensively reviewing a wide range of water supply options and continuously assessing water planning variables since the 2004 report. In late 2006, ACTEW identified the need to do more analysis on the recycled water option. This was mainly in response to climate change uncertainty, particularly after experiencing extremely low inflows in 2006.
- (8) The cost to date of the *Water2WATER* community consultation campaign has been \$0.3 million - the budgeted cost to completion is \$0.45 million.
- (9) No, these options had been presented in detail in the Future Water Options project. The analysis of the *water2WATER* option needed to be developed to a similar level as for the options assessed in Future Water Options 2004-05. The focus has been on presenting this option to the community to gauge their level of support and identify any issues which needed to be addressed.

ACTEW Corporation

ACTEW Corporation

Bill Stefaniak MLA : To ask the Treasurer, in relation to Budget 2007-08 Paper 4, page 443 –

- (1) What proportion of Canberra's water supply is required for drinking purposes or for other purposes that require drinking quality water?
- (2) Does Canberra face a shortage of water required for drinking or for other purposes that require drinking quality water?
- (3) If not, why is consideration being given to putting recycled water into the supply of water that is of drinking quality?
- (4) Does Canberra face a shortage of water for non-drinking purposes such as gardens irrigation, cleaning, washing cars, flushing toilets etc?

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

- (1) It is difficult to determine the exact proportion of Canberra's water supply that is required for drinking purposes or for other purposes that require drinking quality water. Studies have shown typical usage within the ACT and Queanbeyan communities as follows:
 - Detached homes 54%
 - Commerce 19%
 - Government 11%
 - Queanbeyan 10%
 - Units 6%

Typical usage within a detached dwelling is as follows:

- Kitchen 6%
- Laundry 13%
- Toilet 18%
- Bathroom 20%
- Garden 39%
- Other outdoor 4%

This data is drawn from the 2004 Think water, act water ACT Government strategy. Further information can be found in volume one of the *Think water*,

act water strategy for sustainable water resource management in the ACT at <http://www.thinkwater.act.gov.au>.

- (2) ACTEW undertook major water supply planning investigations during the Future Water Options study in 2004-05 that identified viable options to secure the ACT's future water supply. However, since this time, assumptions regarding climate variability and change have been significantly adjusted as a result of the long period of drought that the ACT has experienced.

Should the ACT face a repeat of the extremely low 2006 inflows to its reservoirs over the next couple of years, it is expected that there will be an even greater shortage of drinking water for essential uses than has been experienced over the last 4 years. It should be noted that to separate drinking quality water supplies from non-drinking quality water would require dual pipe systems throughout Canberra which would be prohibitively expensive.

- (3) See (2) above.
- (4) Yes, that is why the ACT is currently in Stage 3 Water Restrictions, and planning for the introduction of Stage 4, should the need arise. See 2 above.

ACTEW Corporation

ACTEW Corporation

Bill Stefaniak MLA : To ask the Treasurer, in relation to Budget 2007-08 Paper 4, page 443 –

- (1) If level 4 water restrictions are introduced, how will compliance be monitored?
- (2) Eleven industry groups, many of them small and others critical to the on-going economic well-being of Canberra have been identified on the ACTEW Corporation website as being at risk of closure in the event of stage 4 restrictions. What consultations have taken place with, and what support and assistance has been provided to those industry groups to minimise the risk of closure?
- (3) How much water does each of the industry groups use? Please provide the Committee with a copy of any relevant studies or reports.
- (4) What assessment has been made of the impact of closure of each of these groups on the economy, overall water usage, and financial and health impact on business owners, employees and families? Please provide the Committee with a copy of any relevant studies/reports.
- (5) What alternatives for saving water in level 4 restrictions have been considered, including indoor use by large users, for example commercial buildings for air conditioning? Please provide the Committee with copies of relevant studies/reports.
- (6) Some businesses are prepared to invest in water-saving equipment as long as their businesses are able to continue to operate under higher level water restrictions. Can ACTEW Corporation assure those businesses they will not be closed after making those new investments? If not, why not?
- (7) On 9 June 2007, The Canberra Times reported the closure of a Fyshwick car detailing business, attributed to water restrictions, even before stage 4 restrictions were introduced. What did ACTEW Corporation do to work with the business to mitigate the risk of this happening?
- (8) What will the effect of level 4 water restrictions on major events such as Floriade, SummerNats, the National Folk Festival, major sporting events, etc?
- (9) Has ACTEW undertaken any analysis as to the “psychological” impact that an announcement about level 4 water restrictions might have on tourism? If so, what is the outcome of that analysis? If not, why not?

MR CORBELL: The answer to the Member’s question is as follows:–

- (1) ACTEW’s Water Conservation Office utilises a range of techniques to monitor and enforce restrictions. The Office receives reports of potential breaches from members of the public. All reports are followed up, either by phone contact, correspondence or site visits. Dedicated field officers also undertake patrolling and targeted site visits. The Office follows up on witnessed breaches by issuing infringements. The Office is currently considering ways for effectively

monitoring compliance amongst the industries who may receive exemptions during Stage 4.

- (2) ACTEW recognises the impact that Stage 4 restrictions will have on industry and has planned to incorporate some exemptions in the initial implementation of Stage 4 (Tier 1). Tier 1 would be introduced with the intent of reducing the impact on core business activities and to minimise job losses. These exemptions would be removed if the water situation deteriorated further.

When Stage 4 restrictions were foreshadowed on 15 May 2007, ACTEW advised the relevant businesses of the proposed Tier 1 exemption policy and invited comment at industry forums that were held in subsequent weeks. Comments and suggestions made at these forums have been taken into account and ACTEW is currently finalising its Tier 1 policy.

ACTEW is also investigating the possibility of providing recycled water to relevant industries to further minimise the impact of Stage 4.

- (3) This information is not available to ACTEW.
- (4) The ACT Government, through its Interdepartmental Committee, is currently investigating economic, social and health impacts.
- (5) The ACT Government, in its *Think Water, Act Water* strategy, has been working with large water users to identify water saving measures that might be appropriate for the ACT. It should also be noted that internal use of water is a relatively small percentage of observed water use.

Members of the community have raised the suggestion of household water allocations as an alternative system of temporary water restrictions. There are currently resource issues in monitoring this type of scheme, for example, as water meters are currently read quarterly. ACTEW is currently looking at how to achieve reductions beyond Stage 4 should this be needed in the future.

- (6) The impact of severe water restrictions must be endured by many sectors of the Canberra community. In order to remain fair and unbiased, consistency must be maintained in the exemptions granted. While ACTEW makes every effort to ensure that the Canberra economy is not dramatically impacted by the lack of water, it also has a responsibility to the broader Canberra community to provide a safe, secure supply of drinking water. Consequently, ACTEW cannot guarantee a continuous exemption to temporary water restrictions. Any actions taken to reduce potable water use are considered when determining whether an exemption may be granted.
- (7) ACTEW met with representatives from the car detailing industry on 4 June 2007 to discuss Stage 4 Water Restrictions – at this time it was understood that the proposed policy details were sufficient.

Throughout the current Stage 3 water restrictions, car detailing businesses have been eligible for exemptions to allow them to continue using potable water. The business referred to did not approach ACTEW to advise of the difficulties it faced during the current Stage 3 water restrictions

- (8) ACTEW is currently working with the relevant ACT Government bodies and the venues in question to minimise the impact of Stage 4 water restrictions.
- (9) Australian Capital Tourism has not advised ACTEW of any impact on tourism as a result of temporary water restrictions, particularly as events are still anticipated to take place.

ACTEW Corporation

ACTEW Corporation

Bill Stefaniak MLA : To ask the Treasurer, in relation to Budget 2007-08 Paper 4, page 443 –

- (1) What is the nature of the feedback ACTEW has received from the general community, and the technical, engineering, economic and scientific sectors on the concept of purified water since the Water2WATER project started?
- (2) What are the statistics of weekly frequency, methods (whether by phone, email, personal visit, letter, etc), comment/opinion groupings?
- (3) What overseas facilities have been visited?
- (4) Are those facilities providing water for a similar purpose to that proposed under the Water2WATER project? If not, what are the differences?
- (5) What scientific, economic and engineering studies have been undertaken as to the health, environmental, economic cost/benefit and engineering outcomes for the proposed water purification project?
- (6) What existing Australian and international scientific, economic and engineering studies have been examined in this context and, in general terms, what are their conclusions?
- (7) What alternative water management strategies have or are being considered?
- (8) Have those strategies been assessed for health, environmental, economic cost/benefit and engineering outcomes? If so, what conclusions were drawn? If not, why not?
- (9) How do they compare to the proposed water purification project?
- (10) What will be the cost of enlarging Cotter Dam?
- (11) What is the dam's current capacity and what will its capacity be after it is enlarged?
- (12) If the enlarged dam were filled, would water restrictions be required? If so, at what level and for how long.
- (13) Based on average rainfall patterns, how long would it take to fill the enlarged dam from rainfall?
- (14) What catchment capacity would likely be created if an investment equivalent to that to enlarge Cotter Dam were spent on a new dam at another location?
- (15) The Coree catchment has emerged recently as a possible option. Has ACTEW examined that option? If so, what conclusions did it draw? If not, will it examine the Coree option?
- (16) Is there already a degree of recycled or purified water in Canberra's potable water supply? If so, in what proportion and from where?

- (17) In a letter dated 3 April 2007 to an interested individual, ACTEW Corporation's Chief Executive says the recycled water project should be seen as "essential insurance which we hope we will seldom, if ever, have to call upon".
- a. How will ACTEW gain a return on its investment in the recycled water plant if it is seldom, if ever, used?
 - b. What will be the recurrent costs of administering and maintaining the plant in these circumstances and how will ACTEW recover that cost?
- (18) Has ACTEW engaged in discussions with any private sector organisations who have a potential or expressed interest in an involvement in the design, development, construction or on-going administration and maintenance of a recycling plant? If so, with whom and in what areas of interest?
- (19) What has been the nature of those discussions?
- (20) Has ACTEW given any commitments or made any undertaking either formally or informally to any of those organisations? If so, to whom, for what purpose and in what form?

MR CORBELL: The answer to the Member's question is as follows:

- (1) ACTEW has sought feedback from the community through the mechanisms detailed below. A summary report on the outcome of the consultation is currently being prepared by ACTEW and is due to be received by the Government in late July.
- Community briefings.
 - Community forums.
 - Stakeholder meetings.
 - Random telephone surveys.
 - Online survey.
 - Feedback form at information displays.
 - Through project office contact centre.
- (2) A report showing these statistics is currently being prepared by ACTEW and is due to be received by the Government in late July. See question 1.
- (3) The following facilities were visited:
- USA**
- Upper Occoquan Sewage Authority - Regional Water Reclamation Plant, Centreville, Virginia
 - Fort Wayne Hill Water Resources Centre, Buford, Georgia

- Clayton County Water Authority, Jonesboro, Georgia
- West Basin Water Recycling Program, El Segundo, California
- Orange County Sanitation District Wastewater Treatment Plant No. 1, Fountain Valley, California
- Orange County Water District, (OCWD), Fountain Valley, California

All USA facilities provide water for similar purposes to that proposed under the *water2WATER* project i.e., for potable drinking water supply. Some of the USA facilities also provide water for additional purposes, including as a barrier against seawater intrusion, to protect water quality and replenish waterways, and for municipal, commercial and industrial use.

Singapore

- Bedok NEWater Factory and Visitors Centre
- Seletar NEWater Factory
- Marina Barrage Site
- SingSpring Desalination Plant
- Keppel Seghers Ulu Pandan NEWater Plant

Only a small amount of water produced from the facilities in Singapore enters the potable water supply (approximately 1%). Given the high level of purity of the water, most of the water produced from these facilities is used for production in the high technology industry, for which there is a greater demand for purified water. As production of NEWater is expanded, it is anticipated it will be further used for potable supply. The goal is for the quantity of water in potable supplies to double from its current rate of 5 megalitres per day to 10 megalitres per day by 2011.

- (4) See question 3.
- (5) The following scientific, economic and engineering studies have been undertaken as to the health, environmental, economic cost/benefit and engineering outcomes for the proposed water purification project:

Report Title	Consultant
Technical Feasibility Assessment of a Water Purification Plant at Lower Molonglo WCC	CH2M Hill
Preliminary Review of Environmental Factors for discharge of Recycled Water into Cotter Reservoir	Ecowise

Water Purification Plant Options Assessment Study	CH2M Hill
Salt Management Study LMWQCC Water Purification Plant	CH2M Hill/Manidis Roberts
Subreport 1 - Treatment Options for Dewatering Brine Waste	CH2M Hill/Manidis Roberts
Subreport 2 - Review of Offsite Disposal Options - Evaporation Ponds	CH2M Hill/Manidis Roberts
Subreport 3 - Review of Offsite Brine Disposal Options - Pipelines	CH2M Hill/Manidis Roberts
Subreport 4 - Review of Offsite Brine Disposal Options - Landfill and Other Alternatives	CH2M Hill/Manidis Roberts
Subreport 5 - Discharge to Molonglo/Murrumbidgee River System	CH2M Hill/Manidis Roberts
Subreport 6 - Social & Human Impacts - Part 1 Subreport 6 - Social & Human Impacts - Part 2 Subreport 6 - Social & Human Impacts - Part 3	CH2M Hill/Manidis Roberts
Subreport 7 - Review of Options - Multi Criteria Analysis	CH2M Hill/Manidis Roberts
Water Quality Monitoring Program for Indirect Potable Water Reuse in the Canberra Water Supply Network	Ecwise
Power Supply Study for IPU & LMWQCC	PACE Engineering
Pumping Station and Pipeline from LMWQCC to Cotter - Preliminary Sizing and Cost Estimate	ActewAGL
IPU Project Report	ActewAGL / W2W Team
Risk assessment of trade waste discharges to Canberra's sewer network	Water Futures

Planning Approvals	CBRE
Seawater Desalination Concept Report Seawater Desalination Conclusions	ACTEW/ GHD
Future Water Options Review - The performance of future water options in recovery from current drought and beyond	ActewAGL
Wetlands Report	Ecowise
Consultation Report	Manidis Roberts
Cotter Recreation Issues Paper	CBRE
Terrestrial Flora & Fauna Preliminary Analysis	Biosis
Water Security for the ACT and Region - Recommendations to ACT Government	Actew

- (6) ACTEW is currently finalising a report which will detail these issues. The report is expected to be provided to Government in late July.
- (7) The options that have or are being considered include:
- Enlarged Cotter dam
 - Tennent dam
 - Tantangara Transfer
 - Seawater option
 - Groundwater options
 - Indirect potable use
 - Non potable reuse
 - Stormwater
 - Rainwater tanks
 - Greywater use
 - Accelerated Demand Management
 - Cloud Seeding
 - Sewer Mining

These options are covered in the reports, *Options for the next ACT Water Source*, 2004, and *Future Water Options*, 2005.

- (8) ACTEW is currently finalising a report assessing each of the options under a multicriteria analysis. The report is expected to be provided to Government in late July.
- (9) See question 8.
- (10) The enlarged Cotter Dam is estimated to cost \$150 million.
- (11) The current capacity of the Cotter Dam is 4 Gigalitres (GL) and would increase to 78 GL if enlarged.
- (12) Hydrological modelling indicates that if an enlarged Cotter dam was added to the Canberra water supply network, restrictions will be required for about 7% of the time. This modelling is based on ACTEW's present planning assumptions regarding population growth, the effect of bushfires on the catchments, environmental flows, achievement of demand management targets, the effect of water restrictions and 2030 climate change having already occurred.
- (13) Approximately 4-8 years.
- (14) ACTEW's modelling indicates that an enlarged Cotter Dam provides the highest yield of all dam options being considered.
- (15) Coree Dam has been previously assessed, most recently in the 2004 ACTEW Report *Options for the next ACT water Source*. That report had the following findings:

Positives

- Planning is consistent with the National Capital Plan.
- Minimal treatment would be required.
- The dam site is relatively close to existing infrastructure.
- The catchment is part of the protected area of Namadgi National Park which should contribute to higher water quality.
- Coree is higher, so requires marginally less energy costs when pumping.

Negatives

- The length of the river to be dammed contains significant populations of two-spined Blackfish and Macquarie Perch. These species are endangered and protected under ACT and Commonwealth legislation.
- New access road and power supplies would be required.
- New pipeline, pump station and balancing reservoir may be required.

Coree has been assessed as being less preferable than the enlarged Cotter dam. This is due to cost, the Coree option is more expensive than Cotter enlargement (early estimates suggest \$20 million to \$30 million more), and the environmental risk posed by the inundation of endangered fish habitat.

(16) No. However, as ACTEW is pumping water from the Murrumbidgee River when flows are available, there may be treated wastewater in the Murrumbidgee River from upstream communities.

(17)

(a) ACTEW would request that the asset be included in the regulated asset base.

It must be noted that the effects of climate change include an increased variability in rainfall. All water utilities must respond to this situation with a flexible infrastructure network that can deal with such variances. This has the potential to create under utilised assets during periods of average to high rainfall periods, but these assets are essential in dealing with drought periods.

(b) This level of detail has not been assessed at this point in time.

(18) See question 20 below.

(19) See question 20 below.

(20) ACTEW has had some initial discussion with the private sector regarding a number of the options being considered in its report to the ACT Government. This is part of the normal process to assist in making the private sector aware of the proposal being developed to better ensure that ACTEW can obtain a positive response from the private sector should a decision to proceed be made on any of the possible options.

No commitments have been made to any private sector company, nor have the contractual mechanisms regarding the delivery of any proposal been finalised. Initial discussion have been held with ActewAGL, SMEC, Manidis Roberts, Veolia and Degremont. Other private sector consultants have been involved in the studies carried out to date, which also includes preliminary design and costing.

101 Treasurer Stefaniak

ACTEW Corporation

Bill Stefaniak MLA : To ask the Treasurer, in relation to Budget 2007-08 Paper 4, page 446 –

User charges (government and non-government) are budgeted to increase by \$38.056m, or 22.3%.

- (1) Provide details of the components and component revenues of the Government and non-Government user charges for 2007/08 and out years, together with variance explanations.
- (2) Provide a history of the charge types and rates for Government and non-Government users for the years 2001/02 to 2007/08, together with explanations for any increases.
- (3) Provide a history of concession types and discount factors for the years 2001/02 to 2007/08, together with explanations for any variances.

ACTEW Corporation

ACTEW Corporation

Bill Stefaniak MLA : To ask the Treasurer, in relation to Budget 2007-08 Paper 4, page 446 –

Supplies and Services – an increase of 22% to \$5.281m. The note at p 451 explains that the increase in expenditure of \$946,000 over the estimated outcome for 2006/07 was due to water planning and regulatory review expenditure.

- (1) Provide details of the components and cost for each component for Supplies and Services.
- (2) Explain the purpose for the expenditures relating to water planning and regulatory review expenditure.

ACTEW Corporation

ACTEW Corporation

Bill Stefaniak MLA : To ask the Treasurer, in relation to Budget 2007-08 Paper 4, page 451 –

Additional staff were engaged in 2006/07 for Stage 3 water restrictions.

- (1) How many staff were engaged and what is the full-year cost for these additional staff?
- (2) What were the functions of these staff? Why could they not be achieved from existing resources?
- (3) Will more staff be required when Stage 4 restrictions are introduced? If so what will be the additional cost and what will their functions be?
- (4) If so, why were they not included in the 07/08 budget, considering Stage 4 has been a possibility for some time?

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

- (1) The number of staff employed to implement and monitor water restrictions varied during 2006-07. The full year cost is yet to be determined, as the 2006-07 financial statements are currently being finalised.
- (2) ACTEW's Water Conservation Office is staffed through temporary contracts and staff numbers vary depending on needs and the level of restrictions. In early 2006, staff numbers were reduced as a result of eased restrictions and the introduction of Permanent Water Conservation Measures. In Spring 2007, Stage 2 and 3 water restrictions resulted in an increase in enquiries, correspondence, exemption applications and public reports.

The following staff were recruited to deal with the increased demand:

- three Water Conservation Officers to undertake core duties such as responding to customer queries, processing exemptions and non-compliance issues;
- two Field Officers to enforce restrictions in the field through patrolling and site visits; and
- one team leader.

A manager role existed from March to July 2007, during the preparation of Stage 4 water restrictions.

- (3) It is anticipated that the existing staffing arrangements will be sufficient if Stage 4 restrictions are introduced.
- (4) Refer to question 3.

ACTEW Corporation

ACTEW Corporation

Bill Stefaniak MLA : To ask the Treasurer, in relation to Budget 2007-08 Paper 4, page 444 –

- (1) What is the organisation's staffing profile for the estimated outcome for 2006/07 and the budget for 2007/08?

Mr Corbell: The answer to the Member's question is as follows:

- (1) ACTEW 2006-07 estimated outcome and 2007-08 budgeted staff levels are:

- ACTEW Corporation – 19
- Water Conservation Office – 5

During projects and activities such as the securing Canberra's water supply project and activities relating to water restrictions, additional staff are employed on an as needs basis. ACTEW has also employed temporary contractors for during these periods. These numbers will alter as circumstances change e.g. the lifting of water restrictions.

ACTEW Corporation

ACTEW Corporation

Bill Stefaniak MLA : To ask the Treasurer, in relation to Budget 2007-08 Paper 4, page 443 –

- (1) Which community organisations did ACTEW Corporation support during 2006/07 and at what cost?
- (2) Do the arrangements for support of any of these organisations extend beyond 12 months?
- (3) Considering ACTEW Corporation operates as a monopoly, what benefits flow to the Corporation as a result of supporting community organisations?
- (4) On average how many applications are submitted each year by community organisations?
- (5) How and by whom are the applications assessed?
- (6) What formal arrangements are entered into between the Corporation and the community organisations?

MR CORBELL: The answer to the Member's question is as follows:

- (1) ACTEW supported a total of 28 individuals and organisations, as detailed in the attached list. The cost of the community support and sponsorship program for 2006-07 was \$268,700.
- (2) Yes. ACTEW has a three year funding arrangement with ArtSound FM and the Canberra Symphony Orchestra. Funding for the Australian Science Festival is reviewed and considered on an annual basis.
- (3) ACTEW has a strong commitment to supporting the ACT community and to fulfil its role as a socially responsible organisation and good corporate citizen. The aim of the community support and sponsorship program is to provide financial support and assistance and in-kind support and assistance to a variety of programs, events, charities, individuals and organisations that are considered to benefit the community.
- (4) On average, the number of applications submitted each year by community organisations and individuals is about the same as the organisations and individuals supported by ACTEW each year. In the past three years, ACTEW has only rejected a couple of requests for support from individuals and they did not meet ACTEW's sponsorship criteria.

In 2006-07 ACTEW provided support to 28 individuals and organisations. In 2005-06 ACTEW provided support to 32 individuals and organisations. In

2004-05 ACTEW provided support to 25 individuals and organisations. As well as receiving requests for support, ACTEW makes donations to a number of local charities each year.

- (5) Requests for support and funding are assessed against the sponsorship funding criteria and on a case by case basis. These include that an event or program:
- plays a significant role in the support of initiatives and events that benefit the ACT community and surrounding areas;
 - is relevant to ACTEW's broad interests, activities, responsibilities and mandate;
 - positions ACTEW as a socially responsible organisation and good corporate citizen; and
 - provides opportunities to form networks and relationships within the business environment and community.

ACTEW's Managing Director considers and approves all requests for funding within the budget approved annually by the Board. Any large or substantial funding is discussed with the Chairman and/or the Board.

- (6) Formal arrangements are not entered into for small or minor donations which are the majority of donations provided by ACTEW. However written and/or verbal confirmation of the donation and its purpose is provided to an individual or organisation that will receive funding. Formal arrangements such as agreements or exchange of letters are in place for large or significant funding e.g Canberra Symphony Orchestra, Australian Science Festival and the Australian National University.

2006-07 Community Support Program

Ref No.	Name	Amount
1	Canberra Symphony Orchestra	\$30,000
2	Barnardos	\$12,500
3	Australian National Eisteddfod	\$7,500
4	Australian Science Festival	\$75,000
5	Australian Water Association	\$1,000
6	ArtSound FM	\$15,000
7	National Breast Cancer Foundation	\$2,500
8	ACT Workcover	\$1,500 (approx)
9	Mackillop Catholic College	\$2,000
10	Australian National Botanic Gardens	\$6,000
11	The Salvation Army	\$3,000
12	Australian Red Cross	\$3,000
13	The Smith Family	\$3,000
14	St Vincent de Paul	\$3,000
15	Cancer Council of the ACT	\$3,000
16	Australian National University	\$11,500
17	Yass Picnic Race Club	\$3,000
18	Australian National University	\$2,400
19	ACT Calisthenics	\$1,500
20	ACT Sport and Recreation Services	\$5,000
21	ANU School of Music	\$25,000
22	Artists Society of Canberra	\$1,000
23	Amy Banson	\$20,000

24	Chief Minister's Command Performance	\$5,000
25	Canberra Symphony Orchestra	\$15,000
26	Australian National University	\$1,000
27	Softball ACT	\$10,000
28	Queanbeyan Art Society	\$300

ACT Auditor-General

Jacqui Burke MLA: To ask the Treasurer:

In relation to Budget 2007-08 Paper 4, page 27 –

The 2006-07 Budget provided for a new fit out for the Auditor-General's offices. The 2007-08 budget showed the actual outcome cost \$54,000 more than budgeted.

- (1) What percentage of the total works cost is represented by this budget over-run?
- (2) If more than 10%, what caused the over-run?

MR STANHOPE: The answers to the Member's questions are as follows:–

1. In 2004-05, the Auditor-General's Office received a capital injection of \$650,000 as part of *Appropriation Act No. 2 of 2004-05* for the fit out of its new accommodation at 11 Moore Street.

The variance is caused by the budget being shown against two different asset types (cash and property, plant and equipment).

The notes to the financial statements refer to expenditure against the budget for the single line item of property, plant and equipment, rather than the budget for the project as a whole. The total budget, however, has not been exceeded.

2. Not applicable. There was no overrun on the accommodation fit out project.

Budget 2007-08 paper 4 page 499

Jacqui Burke MLA: To ask the Treasurer:

In relation to Budget 2007-08 Paper 4, page 27 –

The 2006-07 Budget provided for a new fit out for the Auditor-General's offices. The 2007-08 budget showed the actual outcome cost \$54,000 more than budgeted.

- (3) What percentage of the total works cost is represented by this budget over-run?
- (4) If more than 10%, what caused the over-run?

MR STANHOPE: The answers to the Member's questions are as follows:–

- 3. In 2004-05, the Auditor-General's Office received a capital injection of \$650,000 as part of *Appropriation Act No. 2 of 2004-05* for the fit out of its new accommodation at 11 Moore Street.

The variance is caused by the budget being shown against two different asset types (cash and property, plant and equipment).

The notes to the financial statements refer to expenditure against the budget for the single line item of property, plant and equipment, rather than the budget for the project as a whole. The total budget, however, has not been exceeded.

- 4. Not applicable. There was no overrun on the accommodation fit out project.

Exhibition Park Corporation

Jacqui Burke MLA: To ask the Treasurer, in relation to Budget 2007-08 Paper 4, page 499 –

- (1) Given revenue for Exhibition Park Corporation is forecast to fall by 14% from the estimated outcome for 2006/07 to the budget for 2007/08, why are the Corporation's budgeted expenditure and staffing levels for 2007/08 static as against the estimated outcome for 2006/07?
- (2) How many client and customer complaints did the Corporation deal with in 2006/07 and in what particular area or areas were those complaints concentrated?
- (3) How quickly were those complaints dealt with and what proportion of them resulted in a satisfactory outcome?
- (4) How many paying clients used the Exhibition Park facilities in each of the years 2001/02 to 2006/07 and what is the budgeted number of paying clients to use the facilities in 2007/08?
- (5) How many non-paying clients used the facilities in each of the years 2001/02 to 2006/07 and what is the budgeted number of non-paying clients to use the facilities in 2007/08?
- (6) How much has the Corporation spent on marketing, promotions and publicity in each of the years 2001/02 to 2006/07 and what is budgeted for 2007/08?
- (7) A priority for 2007-08 is to finalise the Corporation Master Plan for 2005-2025. Given that we now are half-way through 2007, and the Master Plan started in 2005, why is it not yet complete?
- (8) What are the main elements of the Master Plan?
- (9) What additional financial support or capital injection does the Master Plan seek from the government during the period of its operation, and for what purposes?
- (10) How many OHS audits were either commissioned by the Corporation or undertaken by a government agency during each of the years 2001/02 to 2006/07 and what is the status of implementation of the recommendations arising from those audits?
- (11) Has the Corporation identified any operational efficiencies for implementation during 2007/08? If so, what are they? If not, why not? (ref 7th dot point, BP 4, page 499)
- (12) What outcomes are sought from the Corporation's development of a database on the "efficiency, cost and life cycle of plant, equipment and facilities"? (ref 8th dot point, BP 4, page 499)
- (13) Provide a FTE staffing profile, for the estimated outcome for 2006/07 and the budget for 2007/08.

- (14) What was the cost of wages for casual staff during each of the years 2001/02 to 2006/07 and what is the budgeted cost for 2007/08?
- (15) Why is there a budgeted increase in catering and water costs for 2007/08, when there is a budgeted fall in non-government revenue for the year?
- (16) Will the Corporation's business be in jeopardy if Stage 4 water restrictions are introduced? If so to what extent?
- (17) How will the Corporation use the capital injection of \$462,000 (ref: BP 4, page 507)?
- (18) When will the Grey Water Network capital works project be completed and operational (ref: BP4, page 508)?
- (19) What will be the total invested in this project?
- (20) By how much (in both quantity and percentage terms) will the completed project reduce the Corporation's consumption of potable water?

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

- (1) Exhibition Park Corporation (EPC) takes a conservative approach when budgeting for revenue and expenditure in the development of the annual budget. Historically, Exhibition Park in Canberra (EPIC) has managed to attract one-off events during the course of the year (such as concerts) which have resulted in a general increase in revenue that is very difficult to foresee at the time of development of its budget. If however, a comparison were made between the 2006-07 and 2007-08 Budgets for total revenue, EPC has actually budgeted for an increase in revenue of 2.8% in 2007-08. Similarly, EPC budgets conservatively for expenditure and staffing levels and endeavours to forecast the upper limit of expenditure in these areas.
- (2) EPC received two complaints during 2006-07. The first was in regard to a television commercial promoting EPIC, and the other concerned the behaviour of a resident in the camping area.
- (3) The first complaint concerning the television commercial was made by way of a letter dated 2 November 2006 and was received by EPC on 6 November 2006. A formal letter was sent to the complainant on 6 November 2006 and was resolved satisfactorily. The complaint regarding the camping resident was received on 8 November 2006 and contact was made with the complainant the same day. Resolution was achieved by 15 November 2006.
- (4) Please refer to table below:

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
No. of Events	245	262	199	285	266	336	350
No. of Clients	78	83	63	91	85	107	79

- (5) Please refer to table below:

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
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No. of Events	24	11	12	17	10	36	23
No. of Clients	7	3	4	5	3	12	7

(6) Expenditure on marketing, promotions and publicity is as follows:

Year	Total Expenditure (\$)
2001-02	130,958
2002-03	84,045
2003-04	116,202
2004-05	127,157
2005-06	100,070
2006-07	120,365
2007-08 (Budgeted figure)	124,966

(7) The final EPC Master Plan was submitted to Treasury on 4 April 2007. Treasury is currently in the process of preparing a Submission to Government to facilitate discussion on the EPC Master Plan.

(8) It would be inappropriate at this stage to divulge the main elements of the EPC Master Plan prior to it being considered by Government.

(9) Please refer to the response to question (8) above.

(10) Since 2001-02 the EPIC Corporation has undertaken the following OHS related audits:

October 2001	Safety risk analysis. Hirer safety risk management template.
November 2001	Electricity safety.
November 2002	Ground irrigation and safety aspects.
July 2004	Complete building audit.
August 2004	Audit to determine extent and condition of hazardous building materials.
July 2006	Soil contamination audit.
November 2006	Building condition assessment.

A priority order for attention to recommendations was compiled for each audit conducted and in all cases action has been undertaken to remedy any issues.

(11) During 2007-08 EPIC intends to investigate its operations in the following areas with a view to implementing operational efficiencies if appropriate:

- (i) grounds and general maintenance;
- (ii) catering; and
- (iii) catering.

(12) The outcomes sought by the development of a database on the “efficiency, cost and lifecycle of plant, equipment and facilities” is to ensure there are no malfunctions that critically affect the running of events at EPIC. EPC believes preventative maintenance is critical in a major events venue such as EPIC.

(13) Please refer to the 2007-08 Budget Papers (ref: BP4, page 500).

(14) Please refer to table below:

Year	Total Casual Wages (\$)
2001-02	114,474
2002-03	185,547
2003-04	182,015
2004-05	195,521
2005-06	155,661
2006-07	246,259
2007-08 (Budgeted figure)	176,488

(15) As stated in the response to question (1) above, EPC takes a conservative approach when budgeting for revenue and expenditure. The cost of water has increased and consequently so has EPC's budgeted expenditure for this item. Water for irrigation is however only one component of EPC's total water expenditure. Similarly it is anticipated that the cost of food will increase, which will in turn increase EPC's catering costs.

(16) EPC does not believe that its business will be in jeopardy should Stage 4 water restrictions be introduced in the future.

(17) The \$462,000 capital injection in 2007-08 will be used for:

- upgrading of toilet facilities in the Budawang Building;
- provision of dual flush appliances to toilets throughout the venue; and
- upgrading catering and camping facilities.

(18) The Grey Water Network will be completed with the reticulation of reusable water to the site. It is anticipated that this project will be completed and operational by 2008-09.

(19) Expenditure on the Grey Water Network to date totals \$587,000. EPC and ActewAGL are currently undertaking scoping studies to determine the best method of supplying reusable water, costings and a time-frame for the project and as such it is difficult to estimate the total cost of the project before this is complete.

(20) It is difficult to estimate, in either quantity or percentage terms, by how much the completed project will reduce EPC's consumption of potable water as this will depend on many factors, such as the number of events held, the number of patrons to the various facilities, and weather conditions. However, over the past four financial years EPC's average water usage was approximately 60 megalitres per annum and it is estimated that 70% of this usage is for irrigation. It is anticipated that the grey water network will completely replace this usage in due course.

Sewage treatment and ventilation in Weston Creek

Mr Zed Seselja MLA: To ask the Chief Minister in relation to sewage treatment and ventilation in Weston Creek:

- (1) What consultations with residents in the Weston Creek region have been undertaken regarding the known problem of sewage ventilation in the Weston Creek region?
- (2) What studies have been undertaken in relation to the continuing odour emanating from vents associated with sewage pipes in the Weston Creek region?
- (3) Has the Government or its agencies ever commissioned a consultancy to investigate the above problem?
- (4) If so:
 - At what cost?
 - What is the current status of the consultancy?
 - When will the results of the consultancy be made public?
- (5) Does the Government propose to take any action to remedy the problem associated with sewage venting in the Weston Creek region?
- (6) If so:
 - What action is proposed?
 - What consultation process will occur as part of that proposal?
 - What is the expected date for completion of any works proposed?

MR STANHOPE: The answer to the Member's question is as follows:

- (7) ActewAGL has recorded 6 customer complaints in total with regard to odour from Holder/Weston residents from 2004 to date – one complaint in 2004, 2 complaints in 2005 and 3 complaints in 2006. ActewAGL has requested the residents who have complained to maintain diaries for review.

In addition, as part of a study into the sewer vents to the north of Weston Creek, included in a report released in November 2006, a survey was circulated to around 370 dwellings in Holder and Weston. 138 Properties provided feedback to the survey: 64 respondents had not noticed any odours and 71 noticed some odour. Of the 71, 51 found the odours to be offensive.

- (8) Following a proposal by the ACT Planning and Land Authority to develop the land surrounding the vents, studies have been carried out to determine the potential impact of relocating the vent structures on development in the adjacent area and to identify measures that need to be put in place to enable that development. The work was in two parts – an investigation study and a mitigation options study.

In addition, a study is currently underway into minor improvements to a vent near the Weston Oval and Stirling.

- (9) The above studies were carried out under a consultancy commissioned by ACTEW Corporation.

(10)

- a. The cost of the consultancy was approximately \$0.090 million.
- b. The consultancy has been finalised.
- c. The report is of a technical nature and not intended to be released publicly. However, consultation will be undertaken once a proposed course of action is determined.

- (11) ActewAGL is working towards implementing capital works to overcome the issues.

(12)

- a. It is proposed that new sewer ventilation and odour facilities will be installed.
- b. ACTEW will confirm the consultation process after it receives advice from the ACT Planning and Land Authority.
- c. It is anticipated that work will commence in 2008-09 and be completed in 2009-10.

205 Treasurer Mulcahy

Home loan portfolio

MR MULCAHY: To ask the Treasurer

In relation to Budget 2007-08 Paper 4, page 94:

- (1) What is the staffing profile for each of the staff and independent contractors working for the Home Loan Portfolio?

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

Home Loan Portfolio has two permanent positions for 2007-08:

1 SOG C

1 ASO5

206 Treasurer Mulcahy

Home loan portfolio – shortfall

MR MULCAHY: To ask the Treasurer

In relation to Budget 2007-08 Paper 4, page 93:

- (2) For the home loans in the Home Loan Portfolio which had a shortfall in security and are now unsecured (identified by Mr Dowell in Estimates 26 June 2007, Hansard, p. 2), why was the security on each of these loans insufficient to pay out the outstanding balance?

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

The loans were secured with mortgage on the properties. When those properties were sold, the sale price was less than the debt outstanding. These properties were sold before the recent rise in the property market.

Shortfalls are written off as bad debts only if it is certain that the debt cannot be recovered.

207 Treasurer Mulcahy

Home loan admin costs

MR MULCAHY: To ask the Treasurer

In relation to Budget 2007-08 Paper 4, page 93:

1. Does the Government expect the administrative costs per home loan managed by the Home Loan Portfolio to continue to increase as the number of outstanding loans declines?
2. How do these administrative costs compare with the average administrative costs per home loan managed from the various private home loan lenders such as the major banks?
3. What, if any, investigation has the Government undertaken to determine the costs incurred by private lenders to administer home loans?

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

- (1) Administration costs include both fixed and variable. The variable costs will reduce, as the number of loans decrease but the fixed costs are expected to remain unchanged. On this basis it is expected that the administration costs per home loan will increase.
- (2) These administrative costs cannot be compared with the average administrative costs for private sector home loan providers. The design considerations for the various schemes under the Home Loan portfolio were quite different from those that a private home loan lender would have in structuring its product. For example, in the Portfolio, there are 9 types of loans varying in conditions of repayments according to the individual income level of the borrowers. Some schemes have 'Deferred Assistance arrangements' where the borrowers can defer a part of their payment and repay that deferred assistance with the outstanding principal.
- (3) The market was canvassed in 1998 for potential purchasers and managers of the portfolio. At that time there were no applicants for the purchase of the portfolio, and only two tenderers for its ongoing management.

The management was contracted out for three years. Before the expiry of that three-year contract, investigations were carried out to determine the best available option for management of the Portfolio moving forward. Considerations such as the high cost of management and the social policy implications of the scheme resulted in management being brought back into the Department.

214 Treasurer Mulcahy

Claims experience

MR MULCAHY: To ask the Treasurer

In relation to Budget 2007-08 Paper 4, page 429:

1. Should the note 'Other Expenses' (p435) read "a deterioration of claims experience in the six months to 31 December **2006**"? If not, then how could this six month period affect the 2006-07 financial year results?
2. For those policies that had claims for hailstorm damage, who were the insured parties and what was the nature of the coverage?
3. Why were hailstorm risks insured by the Authority rather than being insured by an outside insurer?
4. What is the total amount spent on claims for the hailstorms so far?
5. Is the decrease in excepted reinsurance recoveries in 2007-08 also due to higher than normal reinsurance recoveries in 2006-07 from the hailstorms, or is there another reason?
6. What is the total amount recovered in reinsurance from the hail storms so far?

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

- (1) Yes.
- (2) The agencies affected by hailstorm damage were the Legislative Assembly, Chief Minister's Department, Treasury, ACT Health, Department of Disability, Housing and Community Services, Department of Education and Training, Department of Justice and Community Services, and the sub-agencies Housing ACT, Parks, Conservation and Land, Property ACT, Recreation and Environment, Roads ACT, the Magistrates Court and the Supreme Court, ACT Libraries, Arts ACT, CIT, and the Cultural Facilities Corporation.

The coverage is for Industrial and Special Risks, which covers damage to Government assets for storm and tempest, including hail damage.

- (3) The cost of damage from the hailstorms will be partially met by ACTIA and partially by outside insurers. The ACT Insurance Authority is the insurer of Territory risks and as appropriate, it purchases reinsurance from external insurers to limit its exposure. This is the most cost effective model as insurance premiums for low level losses would be prohibitive and for more moderate premiums costs insurance for catastrophic losses is obtained.
- (4) Current total estimates of these storms are:

- \$5.4m in the December storms, comprised mainly of damage to infrastructure such as roads and stormwater assets, with some building damage.
 - \$5.0m in the February storms, comprised mainly of damage to infrastructure in the outer suburban areas and buildings in Civic.
- (5) Yes. A provision for hailstorm reinsurance recoveries was accrued in 2006-07.
- (6) Recoveries from reinsurance will happen progressively over time as agency claims are finalised. To date, no recoveries have been made.

215 Treasurer Mulcahy

Budget 2007-08 paper 4 page 429

MR MULCAHY: To ask the Treasurer

In relation to Budget 2007-08 Paper 4, page 429:

- (1) What have been the results of progressive reviews of arrangements between agencies and external bodies to ensure that the appropriate level of risk is transferred to contractors? Will these reviews be made public?
- (2) What principles are currently used to determine whether a risk should be transferred to a contractor or retained by the Territory?

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

- (1) 2007-08 Budget Paper 4, page 429 identifies that one of the strategic and operational issues the ACT Insurance Authority will pursue in 2007-08 is the conduct of progressive reviews of arrangements between agencies and external bodies to ensure that the appropriate level of risk is transferred to contractors. In this context, the reviews to which Mr Mulcahy refers have not commenced and will be pursued during the course of 2007-08 and beyond.

No decision has been made as to whether or not any individual reviews, once they had been completed, would be made public.

- (2) In relation to Government Procurement and the level of risk to be retained by the Territory in individual contracts, there is a statutory requirement embodied in the risk management procurement principle. In accordance with the relevant requirements, as part of the procurement planning process agencies undertake risk assessments and determine appropriate risk treatments to be pursued to protect the Territory's interest. These assessments help determine the appropriate procurement methodology to be used, the issues to be addressed in tender documentation and the detailed provisions of individual contracts.

216 Treasurer Mulcahy

ACT insurance authority - self-insured retentions

MR MULCAHY: To ask the Treasurer

In relation to Budget 2007-08 Paper 3, page 20:

1. What, if any, results and recommendations arose from the review of the ACT Insurance Authority's self-insured retentions?
2. Will the Government publish this review? If so, when?
3. What proportion of the overall insurance for the Territory (in terms of the total sum insured) is provided by the ACT Insurance Authority?

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

- (1) Self insured retentions are reviewed on an annual basis in conjunction with the renewal of reinsurance policies. The level of self-insured retention is decided upon in consultation with Treasury, ACTIA's insurance broker, the availability and price of cover and ACTIA's history of claims.

The results of this process are reflected in the final reinsurance arrangements. Changes in self-insured retentions for 2007-08 are:

- A reduction of the Government's excess for Directors' and Officers' cover to \$250,000 for each and every claim; and
 - A reduction of the excess for the Compulsory Third Party component of the Property Policy from \$10 million to \$5 million (covers ACTION buses and Emergency Services vehicles).
- (2) No. This is an internal review process and no formal report is prepared.

- (3) It is very difficult to estimate what proportion of the insurance risk is retained by ACTIA because of the complex arrangements involved; however, the following details of the 2007-08 insurance arrangements may help explain the situation:
- ACTIA's self insured retention for property insurance is \$5 million in the aggregate (ie capped at \$5 million in any one insurance year), out of a total insurance coverage limit of \$500 million for any one loss or location, and \$1 billion any one event.
 - The medical malpractice retention for ACTIA is \$17.5 million in the aggregate with reinsurance cover of \$100 million more (for each and every claim) above that amount.
 - For public liability and professional indemnity, ACTIA carries the risk below a deductible (or excess) of \$5 million, with maximum cover of \$500 million for each and every claim.
 - Most other classes are purchased direct in the market with commercial insurers, as there is no worthwhile saving to be gained by retaining a portion of the risk. However, these smaller policies also involve a small excess.

218 Treasurer Mulcahy

ACT insurance authority – staff

MR MULCAHY: To ask the Treasurer

In relation to Budget 2007-08 Paper 4, page 430:

- (3) What is the staffing profile for each of the staff and independent contractors working for the ACT Insurance Authority?

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

- (1) The Authority's estimated staff profile for 2007-08 is shown below. ACTIA does not have any external contract staff.

<u>Position and Salary Level</u>	<u>FTE Number</u>
General Manager – Senior Executive	1
Senior Risk Manager – Senior Officer Grade B	1
Risk Manager - Senior Officer Grade C	1
Claims Manager - Senior Officer Grade B	1
Underwriting Manager - Senior Officer Grade B	1
Finance Manager – Senior Officer Grade B	1
Finance Officer – Administrative Service Officer 6	1
Claims Officer - Administrative Service Officer 6	2
Claims Officer - Administrative Service Officer 5	2
Risk Officer - Administrative Service Officer 3	0
Office Manager - Administrative Service Officer 5	<u>1</u>
TOTAL	<u>12</u>

Note: On page 430 of Budget Paper No. 4, the estimated total FTE figure for 2007-08 was given in error as 11, but should have been shown as 12.

219 Treasurer Mulcahy

Shared Services centre

Richard Mulcahy, MLA: To ask the Treasurer:

In relation to Budget 2007-08 Paper 4, page 73

1. What was the reason for the correction in the 2007-08 Budget Technical Adjustment to 'Correct Transfer of Procurement Services to Shared Services'?
2. Does this correction indicate a reduction in the savings to be made from the Shared Services Centre?
3. Does the Government anticipate any further corrections to occur that would decrease the savings to be made from the Shared Services Centre?

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

- (1) The 2006-07 ACT Budget contained numerous adjustments in relation to Procurement Solutions including the transfer of Procurement Solutions from Treasury to the Shared Services Centre (SSC) due to an Administrative Arrangement Orders change and the consolidation of all agency procurement activities in Procurement Solutions.

An error occurred in Treasury's budget numbers for the above two adjustments. Treasury effectively lost funding twice in relation to the transfer of the administration of the Government Procurement Board from Treasury to the SSC.

The adjustment corrects this error. No adjustment was required to the SSC's budget as the budget for Procurement Solutions was correct for the adjustments in question.

- (2) No.
- (3) No.

220 Treasurer Mulcahy

Internet availability

Richard Mulcahy, MLA: To ask the Treasurer:

In relation to Budget 2007-08 Paper 4, page 107

1. Does the indicator for email availability include times when Internet access is unavailable? If not, can you provide corresponding figures for 'Internet availability across government during core business hours' for 2006-07 and 2007-08?
2. What was the average time taken for telephone service requests to be answered by a service desk officer in 2006-07?

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

- (1) No, internet access is not included in the indicator for email availability.

Figures for 2006-07 and 2007-08 are not obtainable. While availability via the contracted Internet Service Provider (Telstra) is 100 per cent, InTACT does not record specific outage data for all of the other components associated with internet availability.

- (2) The average time taken for telephone service requests in 2006-07 was 15.54 seconds.

221 Treasurer Mulcahy

Shared Services centre – staff

Richard Mulcahy, MLA: To ask the Treasurer:

In relation to Budget 2007-08 Paper 4, page 102

- (6) What is the staffing profile for each of the staff and independent contractors working for the Shared Services Centre?

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

- (6) The total number of budgeted positions for 2007-08 for the Shared Services Centre(SCC) is 846, plus an anticipated 80 contractors.

The SSC staffing profile for each of the staff and independent contractors for 2007-08 is:

Classification	
Senior Executive	15
Senior Officer Grade A	31
Senior Officer Grade B	75
Senior Officer Grade C	200
Info Technology Officer 2	118
Info Technology Officer 1	48
Administration Officer 6	107
Administration Officer 5	66
Administration Officer 4	149
Administration Officer 3	62
Administration Officer 2	20
Administration Officer 1	18
ICT Trainee	17
Total	926

222 Treasurer Mulcahy

Benchmark investment performance

MR MULCAHY: To ask the Treasurer

In relation to Budget 2007-08 Paper 4, page 127:

- (4) Why did the account fail to exceed benchmark investment performance in 2006-07 as targeted?
- (5) In light of the higher than expected gains to superannuation assets that have occurred in the last few years, is there an opportunity to fully fund all superannuation liabilities before 2030? What, if any, analysis has been done by the Government on this issue?
- (6) Is the 2030 date for full funding of superannuation liabilities “more or less set in concrete” as stated by Mr Broughton at Estimates Committee hearings on 26 July 2007 (p. 9 Hansard)?

MR STANHOPE: The answer to the Member’s question is as follows:–

- (1) The 2007-08 Budget Paper 4, pg 127, incorporated an estimated outcome for the 2006-07 financial year, with the portfolio expected to meet the performance benchmark. The actual performance for the investment portfolio for the 2006-07 financial year is currently being finalised.

Whilst the SPA investment portfolio performance target is to deliver returns in excess of the established benchmark, it is expected that at a minimum the portfolio returns at least equal that of the established benchmark.

A major component of the SPA investment portfolio is indexed, or passively invested. This provides the Territory with market benchmark returns in Australian and international fixed interest and equities at very low cost. This type of investing, however, provides no material out-performance of the established benchmarks. The SPA investment portfolio also incorporates active investment management that aims to provide out-performance of relevant performance benchmarks through manager skill over time. Active investment management is utilised to out-perform over a certain time period (usually a market cycle of 3-5 years) – not necessarily every financial year.

Two of the SPA’s active equity investment managers were estimated to under-perform their respective performance benchmarks for the 2006-07 financial year. However, this underperformance is likely to be offset by out-performance by other SPA active equity managers. The two under-performing investment managers will be reviewed, along with all the SPA’s investment managers, during the strategic asset allocation review with the ACT’s newly appointed asset consultant, Russell Investment Group.

Another contributing factor is the investments in domestic private equity. These investments are expected to significantly under-perform the respective domestic listed equity benchmark for at least four to five years due to the commitment and

draw-down profile of these investment funds and the “front-loading” of fees and costs – the “J Curve” effect. Over the life of the program, the investments are expected to deliver an internal rate of return (IRR) of five percent above the domestic listed equity market.

It should be noted that there was a very high absolute level of equity returns over the 2006-07 financial year. For example, the Australian S&P/ASX300 index returned in the order of 29 per cent. This high level of return is unusual and makes out-performance of the benchmark, through active management, more difficult.

The estimated result of the SPA investment portfolio, of at least meeting the portfolio performance benchmark, should be viewed in light of the very high absolute level of investment performance achieved, with an estimated portfolio gross investment return in the order of 16.7 per cent for the 2006-07 financial year. The Mercer median superannuation fund returned 14.8 per cent during 2006-07 (Financial Review, 6 July 2007).

(2) The funding of the defined benefit superannuation liabilities is modelled on the expected long-term performance of the current portfolio. While it is expected that the long-term return will average 5 per cent real, in any individual year the actual return will vary from the expected rate, either above or below.

Notwithstanding that over the last couple of years the actual performance of the investment portfolio has been above the long term expected return estimate, this is not an indication that this level of financial performance will continue into the future. There is always the possibility of returns being lower than the target or potentially negative.

The second element of the funding plan is the capital injection provided through the budget. By modifying the level of capital injection, the government is able to ensure the target funding date of 2030 is achieved.

(3) The 2030 target date is the Government’s current stated funding policy for the defined benefit superannuation liabilities.

223 Treasurer Mulcahy

Superannuation provision account

MR MULCAHY: To ask the Treasurer

In relation to Budget 2007-08 Paper 4, page 126:

1. What is the staffing profile for each of the staff and independent contractors working for the Superannuation Provision Account?

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

The classification structure proposed for the 2007-08 year is:

- SOGB x 2
- ASO6 x 1
- ASO5 x 1
- ASO4 x 2

Of these, three are independent contractors (SOGB, ASO6 and ASO4).

224 Treasurer Mulcahy

Territory banking account

MR MULCAHY: To ask the Treasurer

In relation to Budget 2007-08 Paper 4, page 138:

- (1) What is the staffing profile for each of the staff and independent contractors working for the Department of Treasury who work on the Territory Banking Account?
- (2) Which of these staff also work on other duties apart from the Territory Banking Account?

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

- (1) The classification structure proposed for the 2007-08 year is:
 - (3) SOGB x 1
 - (4) SOGC x 1
 - (5) ASO6 x 2

There are currently no independent contractors who work on the Territory Banking Account.

- (2) Nil. (It should be noted that the staff who work in the Territory Banking Account function are accounted for in the total Treasury staffing numbers.)

225 Treasurer Mulcahy

Rate of interest charges

MR MULCAHY: To ask the Treasurer

In relation to Budget 2007-08 Paper 4, page 148:

- (1) What are the basic terms of each of the following loans including the rate of interest charged and the required repayment schedule?
 - a. The Land Development Agency (\$37.057 million)
 - b. Department of Treasury (\$12 million)
 - c. ACTEW Corporation (\$60 million)

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

Refer to the response to E07-403, the same Question, taken on Notice on Tuesday 26 June 2006.

226 Treasurer Mulcahy

ACT's share of GST revenue

MR MULCHAY: To ask the Treasurer

In relation to Budget 2007-08 Paper3, page 41:

1. How much of Treasury's resources (in money and staff) are spent on activities related to securing the ACT's share of GST revenue from the Commonwealth?
2. Do any employees work specifically towards this priority? If so, how many?

MR STANHOPE: The answers to the Member's questions are as follows:-

- The majority of Treasury's resources devoted to securing the ACT's share of GST revenue (under the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations* (IGA) which incorporates the GST), is located within the Commonwealth-State Finances Unit located in the Investment and Economics Division of the Department of Treasury.
- The Unit is responsible for overseeing the day-to-day operations of the ACT Government's broader participation in Commonwealth-State financial arrangements which also includes operational and policy aspects of the GST, namely:
 - managing the ACT's participation in the deliberations with the Commonwealth Grants Commission (CGC) which is responsible for recommending the States' and Territories' shares of the GST; and
 - over sighting the implementation of the provisions of the IGA via policy advice and monitoring the Australian Tax Office's administration of the GST, through the GST Administration Sub-Committee and GST Policy Advisory Group.
- The Unit normally comprises 6 officers with a total budget of approximately \$600,000 for 2007-08. It is currently headed by 1 x Senior Manager Grade A (13 years experience in this field), and supported by 1 x Manager Grade B (10+ years experience), 1 x SOG C (4+ years experience) and 2 x ASO 6s with one vacant position at the ASO4/5 level.
- Recruitment action for the vacant position is currently underway.
- In addition to the full time activities of the Unit, the Territory is supported by the Under Treasurer and the Executive Director (20 years experience). The Unit also draws on agency experience and knowledge on an as-required basis.

- Overall, the existing team is regarded by its peers in other Treasuries to be one of the most senior teams in terms of their collective experience and contributions to the Commonwealth-State Finances field.

227 Treasurer Mulcahy

Budget 2007-08 paper 4 page 70

Housing affordability

MR MULCAHY to ask the Treasurer in relation to Budget 2007-08 Paper 4, page 70:

1. How will the increases in taxation in 2007-08, expected to increase to \$820 million, affect housing affordability?

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

The figure referred to by the Member relates to the amount of taxation collected by the Revenue Office, and provides an indication of the level of activity in the Office. It is neither the total amount of taxation collected by the Government nor the change in amount of taxation from the previous year. As such, it is not the appropriate base to use in assessing the increase in taxation or its impact on housing affordability.

The ACT Government expects to collect around \$924 million in taxes in 2007-08 to finance the provision of Government services. This represents an increase of 4.8 per cent on the estimated outcome for 2006-07.

This rate of growth is consistent with (actually slightly lower than the) expected nominal growth in the ACT economy. It is also lower than the trend growth in taxation revenue over the last six years for State Governments (5.8 per cent) and the Commonwealth Government (6.6 per cent).

It is incorrect to link an increase in the overall level of taxation, which is in line with the growth in the economy, to housing affordability. There are many public policies that have a profound impact on the circumstances of householders, their tenure choice and the affordability of that tenure choice.

For example, wage policies determine employment, affordability, and the cost of housing. Retirement income policies affect ownership as a preferred tenure. Education policies impact on the capacity to save, and broader macroeconomic policies influence interest rates which in turn impact on demand and affordability of mortgages.

The affordability of mortgages is also heavily dependent upon interest rates, which are now at their highest levels in five years.

In the 2007-08 Budget, the Government has funded a range of measures relating to housing affordability to support its Affordable Housing Action Plan, at a cost of \$9.250 million over four years. This includes \$6 million in taxation revenue foregone.

There is no increase in the rates of duty on conveyancing in the 2007-08 Budget – and in fact this Government has never increased the rates of duty on residential conveyancing.

229 Treasurer Mulcahy

Treasury - contract staff

MR MULCAHY: to ask the **TREASURER** in relation to Budget 2007-08 Paper 4, p. 68:

1. What is the staffing profile, broken down by Output Class, for each of the staff and independent contractors working in the Department of Treasury?

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

- (1) Treasury only has one Output Class - Financial and Economic Management. The staffing profile for Treasury for 2007-08 is as follows:

Classification	Funded FTE Staff 2007-08 Budget
Senior Executive	11.0
Senior Officer Grade A	18.0
Senior Officer Grade B	15.0
Senior Officer Grade C	34.0
Administrative Services Officer 6	31.0
Administrative Services Officer 5	30.5
Administrative Services Officer 4	24.5
Administrative Services Officer 3	15.0
Administrative Services Officer 2	1.0
Administrative Services Officer 1	1.0
Total Staff	181.0

Treasury uses contractors to fill positions on a short term basis due to vacancies and back filling requirements. At present Treasury expects to employ 2 contractors in 2007-08 to fill funded positions. Prevailing market conditions for qualified and experienced financial, economic or accountancy staff are also such that often suitable staff can not be attracted, resulting in the use of contractors.

230 Treasurer Smyth

Home buyer concession scheme

Brendan Smyth MLA : To ask the Treasurer.

In relation to Budget 2007-08 Paper 4, page 70, and the Home Buyer Concession Scheme:

- (1) What is the reason for the projected reduction in concessions from 2,000 in 2006-07 to 1,500 in 2007-08.
- (2) How many Stamp Duty Homebuyer Concessions were processed in 2006-07.
- (3) In each of the periods 1 July – 31 December 2005, 1 January – 30 June 2006, 1 July – 31 December 2006 and 1 January – 30 June 2007, how many applications were approved for households in each of the following categories:
 - (a) No dependent children
 - (b) 1 dependent child
 - (c) 2 dependent children
 - (d) 3 dependent children
 - (e) 4 dependent children
 - (f) 5 or more dependent children.
- (4) For each of the categories mentioned in (3) over each of the periods 1 July – 31 December 2005, 1 January – 30 June 2006, 1 July – 31 December 2006 and 1 January – 30 June 2007, what was the average amount of stamp duty foregone by the Territory per transaction.

- (5) In each of the periods 1 July – 31 December 2005, 1 January – 30 June 2006, 1 July – 31 December 2006 and 1 January – 30 June 2007, how many applications approved in each of the categories mentioned in (3) were in each of the categories of vacant land, houses (individual title) and units (strata-title).
- (6) In each of the periods 1 July – 31 December 2005, 1 January – 30 June 2007, 1 July – 31 December 2007 and 1 January – 30 June 2008, how many concessions were approved in each of the categories of vacant land, houses (individual title) and units (strata-title).
- (7) How many households were granted a concession under the scheme and how much foregone revenue does that represent in each of the periods 1 July – 31 December 2005, 1 January – 30 June 2006, 1 July – 31 December 2006 and 1 January – 30 June 2007.

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

- (1), (2) The number of Home Buyer Concession Scheme (HBCS) recipients is expected to increase between 2006-07 and 2007-08. The number of HBCS recipients was estimated at 2,000 in the 2006-07 Budget but the actual number of recipients was 1,483. The published estimate for 2007-08 did not include an additional 200 households expected to access the HBCS as a result of the Housing Affordability Action Plan initiative to enhance the HBCS. The Revenue Office now expects 1,700 recipients in 2007-08, based on the 2006-07 result and enhancement of the scheme.
- (3) A record of the number of children in a household is not maintained for the purpose of administering the HBCS. However, data from two samples of recipients shows that there has been no significant change in the number of children in households receiving the HBCS. Care should be taken in comparing households with children due to the small sample sizes.

Number of children	1 January – 31 December 2005	1 January – 31 December 2006
	% of sample	% of sample
Zero¹	79	85
One	9	7
Two or more	12	8

¹ Includes single person households.

- (4) The table below shows the average duty foregone for each period specified by the Member.

	Average duty revenue foregone
1 July 2005–31 December 2005	\$6,425
1 January 2006–30 June 2006	\$6,083
1 July 2006–31 December 2006 ¹	\$6,174
1 January 2007–30 June 2007 ¹	\$5,752

¹ Data for 2006-07 are preliminary and have not been audited.

- (5) The sample data is too small to produce reliable estimates when divided in the manner requested by the Member.

(6) This information is not recorded for all households applying for the HBCS. However, sample data suggests there has been a shift from houses to units amongst HBCS recipients. There may be a variety of factors underpinning this shift including changes in preferences and the availability of different products in the market. As land sales represent only a very small proportion of total housing market turnover, it is not surprising that the proportions are very low. Care should be taken in using the land only data due to small sample sizes.

Type of property	1 January – 31 December 2005	1 January - 31 December 2006
	% of sample	% of sample
House	65	40
Unit	33	58
Land	2	2

- (7) The following table sets out the number of HBCS recipients and the total revenue foregone for the periods identified by the Member.

	Number of recipients	Revenue foregone
1 July 2005–31 December 2005	969	\$6,226,128
1 January 2006–30 June 2006	1010	\$6,143,329
1 July 2006–31 December 2006 ¹	779	\$4,809,531
1 January 2007–30 June 2007 ¹	704	\$4,049,232

¹ Data for 2006-07 are preliminary and have not been audited.

281 Treasurer Burke

Housing affordability

MRS BURKE: To ask the Treasurer

In relation to Budget 2007-08 Paper 3, page 78, and the housing affordability initiatives:

- (7) For each of the years 2001-02 to 2006-07, what was the cost of the median block of land, the median unit and the median house.
- (8) For each of the years 2001-02 to 2006-07, what fees and charges applied to the median block of land.
- (9) For each of the years 2001-02 to 2006-07, what fees and charges applied to the median house.
- (10) For each of the years 2001-02 to 2006-07, what fees and charges applied to the median unit.

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

- (1) It is understood the question refers to market prices rather than development and construction costs. These prices are set out in the table below:

Year	Average Prices – ACTPLA data	Median Prices – ACTPLA data	
	Block of land **	Unit/flat	House
2001-02	112,304	175,000	231,000
2002-03	114,736	230,000	283,000
2003-04	165,733	281,000	354,750
2004-05	255,423	307,000	365,000
2005-06	226,181	312,000	377,000
2006-07	not available	307,750*	392,000*

* 2006-07 median prices are based on September Quarter 2006 to March Quarter 2007

** Block of land prices are the average price for the year

(2), (3) & (4) A range of fees and charges apply to the development and construction of dwellings, such as development applications. These are detailed on the ACTPLA website at http://www.actpla.act.gov.au/_data/assets/pdf_file/0009/2043/fees.pdf.

Duty is also levied on the transfer of property, including established dwellings, these are detailed on the ACT Revenue Office website at http://www.revenue.act.gov.au/duties/property_purchases.

302 Treasurer Stefaniak

QTON - Gaming machines

MR STEFANIAK: To ask the Treasurer

In terms of the number of gaming machines have you got a break up of just how many Class C's are out there, how many Class B's, and what the organisations have, how many each?

Perhaps if you could provide further details on that issue indicated.

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

The attached table provides a list of all gaming machine licensees by category (ie. clubs, hotels and taverns) and lists the number and class of gaming machines that each licensee is approved to operate as at 26 June 2007.

Gaming Machine Licensee Summary as at 26 June 2007

Club Licensee		
Trading Name	Class	Quantity
ACT Public Service Sports Club Limited (Kaleen Sports)	C	150
ACT Rugby Union Club Incorporated (The)	C	15
ACT Tennis Association Incorporated	B (1), C (17)	18
Ainslie Football & Social Club Limited	C	219
Akuna Club Limited	C	35
Australian Croatian Club Limited	C	13
Austrian Australian Club Incorporated	C	17
Belconnen Bowling Club Incorporated	C	15
Belconnen Magpies Sports Club Limited	C	78
Belconnen Soccer Centre Limited	C	70
Belconnen Soccer Club Limited	C	74
Benjamin Club Limited	C	30
Braddon Club (The)	C	46
Calwell Club	C	105
Canberra & District Bocce Club Incorporated	C	6
Canberra Bowling Club Incorporated	C	11
Canberra City Bowling Club	C	9
Canberra Club Limited (The)	C	45
Canberra Highland Society and Burns Club Limited	C	130
Canberra Irish Club Limited	C	36
Canberra Labor Club Limited	C	257
Canberra Racing Club Incorporated	C	14
Canberra Raiders Leagues Club (Southside) Limited	C	150
Canberra Raiders Sports Club Limited	C	142
Canberra RSL Memorial & Citizens Club Limited	C	40
Canberra Services Club Limited	C	15
Canberra Southern Cross Club Limited	C	270
Canberra Tradesmen's Union Club Limited	C	400
Chisholm Sports Club	C	150
City Club (The)	C	50
City Labor Club	C	58
Croatia Deakin Soccer Club Limited	C	40
Eastern Suburbs Rugby Union & Amateur Sports Club Inc.	C	21
Eastlake Football Club Limited	C	90
Federal Golf Club Limited	C	9
Ginninderra Labor Club	C	95
Gungahlin Lakes Golf & Community Club	C	195
Harmonie German Club Incorporated	C	20
Hellenic Club of Canberra Limited	C	233
Hockey Centre Incorporated (The)	C	6
Italo Australian Club (ACT) Limited	C	60
Lanyon Valley Rugby Union & Amateur Sports Club	C	140

Magpies Golf Club	C	15
Murrumbidgee Country Club Incorporated	C	8
National Press Club Incorporated	C	10
Serbian Cultural Club "St Sava" Incorporated	C	27
Soccer Club Of Canberra	C	30
Southern Cross Club Tuggeranong	C	155
Southern Cross Yacht Club	C	30
Spanish Australian Club Incorporated	C	14
Trading name	Class	Quantity
Town Centre Sports Club	C	183
Tuggeranong Valley Leagues Club Limited	C	50
Tuggeranong Valley Rugby Union & Amateur Sports Club	C	231
Vikings Capital Golf Club	C	30
West Belconnen Rugby League Football Club Limited	C	153
West Deakin Hellenic Bowling Club Incorporated	C	12
Western District Rugby Union Club Limited	C	140
Weston Club (The)	C	90
Weston Creek Labor Club	C	63
Wests @ Kaleen	C	35
Wests @ Turner	C	16
White Eagle Club Incorporated	C	16
Woden Tradesman's Union Club	C	140
Yamba Sports Club	C	67
Yowani Country Club Limited	C	26
Club Sub-Total		5118

General Licensee (Hotels)		
Trading name	Class	Quantity
Bel Boa Pty Ltd T/A Statesman Hotel Motel	B	10
Bragon Traders Pty Ltd T/A Fyshwick Tavern	B	10
Bresheld Pty Ltd T/A Kambah Inn	B	10
Civicflow Pty Ltd T/A Civic Pub	B	10
Dawsal Pty Ltd T/A Kingston Hotel	B	10
Dohm Hotel Group Pty Ltd T/A Jamison Hotel Motel	B	10
Schwartz Family Co Pty Ltd T/A Olims Canberra Hotel	B	10
Hotel Sub-Total		70

On Licensee (Tavern)		
Trading name	Class	Quantity
G & B Enterprises (ACT) Pty Ltd T/A PJ O'Reilly's	B	2
Iousta Pty Ltd T/A Calwell Tavern	B	2
Leslie Henry & Rhonda Henry T/A Moby Dick's Tavern	B	2
McBryohn Pty Ltd T/A Old Canberra Inn	B	2
Rokbard Pty Ltd T/A O'Neils of Dickson	B	2
Tochnetium Pty Ltd T/A Wood Duck Inn	B	2
Tavern Sub-Total		12
TOTAL LICENSED GAMING MACHINES		5200

353 Treasurer Pratt

Sewerage drains in Weston Creek

402 Treasurer Burke

QTON - Government procurement Act

MRS BURKE: To ask the Treasurer

In relation to: review of the Government Procurement Act

Chief Minister, is that review public? And could you make it available to the community if so?

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

The Treasurer made a Ministerial Statement to the Assembly on 23 November 2006, and tabled the report *Review of the Operation of the Government Procurement Act 2001*.

Public access to the Report is available at the following sites:

www.basis.gov.au and

www.procurementboard.act.gov.au

403 Treasurer Mulcahy

QTON - LDA loans

MR MULCAHY: To ask the Treasurer...

in relation to notes on 148 makes reference to loans provided to the LDA and to the Department of Treasury and ACTEW Corporation, respectively amounts of \$37 million, \$12 million and \$60 million. I'm just wondering if you could provide the details on the reasons for each of these loans, as well as the terms of the loan, including interest rate charge and the required repayment schedule.

Do you know what those loans are intended to fund, in particular?

Ms Smithies: The LDA ones?

MR MULCAHY: Yes.

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

The details on the reasons for each of these loans, as well as the terms of the loan, including interest rate charge and the required repayment schedules are:

- **Land Development Agency**

A loan facility will be established in 2007-08.

The need for the loan reflects:

- LDA's desire to retain an appropriate level of working capital;
- increases in inventory holdings across the forward estimates; and
- the requirement to fund major capital works, such as the Kingston Foreshore Harbour.

The loan facility will be a revolving credit facility meaning amounts can be drawn down and repaid at any time so long as the outstanding loan amount does not exceed the maximum amounts approved in each financial year.

The current estimates in the budget are as follows:

	2007- 08	2008- 09	2009- 10	2010- 11
	\$'000	\$'000	\$'000	\$'000
Total loan drawn down during year	41 557	38 000	0	10 000
Principal repayments required	(4 500)	(11 000)	(2 000)	0
Balance outstanding at 30 June	37 057	64 057	62 057	72 057

The terms and conditions for the facility have not yet been established. Section 59 of the *Financial Management Act 1996* allows the Treasurer to lend public money to a Territory Authority on the terms and conditions the Treasurer considers appropriate.

An approval of a loan facility under Section 59 (5) is a disallowable instrument.

- **Department of Treasury**

Refer to page 575, 2007-08 Budget Paper No.4

- **ACTEW Corporation**

New loan funding of \$60 million is estimated in 2007-08 for ACTEW Corporation. These funds will be an increase to the existing loan facility of \$135 million as at end June 2007.

The main purpose of these loans is to fund higher than expected capital costs on a number of existing projects, and to fund a number of new capital works projects through 2007-08 and the forward years that have arisen as a result of water scarcity.

The terms and conditions of the loan facility are:

- i. The loan must be repaid by ACTEW no later than 31 October 2011;
- ii. ACTEW may make principal repayments at any time, without penalty;
- iii. The loan will bear interest at the rate equivalent to the 3-month Bank Bill Swap Rate (BBSW), as determined below, plus a margin of 2 basis points;
- iv. The interest rate will be re-set every 90 days (or such other period as may be agreed between the Territory and ACTEW);
- v. Interest will be calculated on the outstanding daily balance of the loan. ACTEW must pay interest to the Territory, in arrears, on each interest rate re-set date, and when the loan is repaid in full.

415 Treasurer Stefaniak

QTON - ACTEW Corp - water supply for environmental flows

MR STEFANIAK: To ask Mr Costello, Managing Director, ACTEW Corporation:

Environmental Flows –

Could you tell us, going back, say, to 2000 and 2001 how much water was released from our water supply for environmental flows in each of those years? Would you be able to break that down, preferably on a monthly, but even just on a quarterly figure? Also, you could indicate how much is being released now, and if you could track that back, say, to the start of this year, at least, on a monthly basis?

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

See attached paper (Attachment A).

Please note environmental flow guidelines were introduced on 11 December 1999.

Attachment A

Monthly environmental flow releases from ACT water supply dams from 2001 to present (ML)

Month	Bendora **	Cotter * **	Googong
Jan-00	799		520
Feb-00	601		666
Mar-00	613		653
Apr-00	1256		906
May-00	1445		851
Jun-00	1745		1845
Jul-00	3182		1995
Aug-00	5148		2306
Sep-00	7456		2487
Oct-00	4695		1543
Nov-00	2619		1005
Dec-00	1703		682
Jan-01	1186		861
Feb-01	640		724
Mar-01	906		491
Apr-01	1294		467
May-01	1357		1315
Jun-01	1359		1072
Jul-01	1024		2026
Aug-01	2429		1841
Sep-01	5058		1767

* Cotter Dam was reinstated back into the water supply in 2005 to supplement supply and relieve pressure on the dwindling water storages.

Cotter had not been routinely used since the 1960's, largely due to the poorer water quality in comparison with the other Cotter system reservoirs.

The upgrade of Stromlo Water Treatment Plant has made it possible to use this water as a reliable source.

** In the Cotter system, there are three dams. Water released from the Corin reservoir as environmental flows goes down to the Bendora reservoir, the flows from which go to the Cotter.

Oct-01	4809		1543
Nov-01	2833		1152
Dec-01	1776		736
Jan-02	670		610
Feb-02	554		809
Mar-02	569		621
Apr-02	811		601
May-02	1289		940
Jun-02	1409		874
Jul-02	3109		1436
Aug-02	4134		1899
Sep-02	6748		1372
Oct-02	4602		546
Nov-02	1942		138
Dec-02	914		23
Jan-03	142		30
Feb-03	270		107
Mar-03	404		233
Apr-03	379		218
May-03	495		141
Jun-03	1100		208
Jul-03	1349		181
Aug-03	2651		191
Sep-03	2560		129
Oct-03	995		106
Nov-03	1328		223
Dec-03	863		83
Jan-04	638		198

So what is "lost" to Canberra's water supply is only that net amount of water which ends up flowing from the Cotter dam.

Total system releases due to total environmental flows is the sum of Bendora and Googong environmental flows until start of 2005, then the sum of Cotter and Googong environmental flows as Cotter came on line at start of 2005.

Feb-04	1029		108
Mar-04	753		104
Apr-04	1209		115
May-04	651		185
Jun-04	525		107
Jul-04	802		124
Aug-04	480		101
Sep-04	1030		135
Oct-04	640		104
Nov-04	720		191
Dec-04	1140		161
Jan-05	711		51
Feb-05	1146	500	120
Mar-05	802	570	133
Apr-05	1075	835	113
May-05	618	670	94
Jun-05	1182	718	157
Jul-05	1463	635	305
Aug-05	1493	635	143
Sep-05	1150	600	194
Oct-05	640	605	171
Nov-05	1000	590	229
Dec-05	1558	565	249
Jan-06	1648	465	536
Feb-06	1165	505	324
Mar-06	520	465	479
Apr-06	914	535	279
May-06	544	566	339
Jun-06	1102	676	362

Jul-06	1470	465	602
Aug-06	2135	550	376
Sep-06	2279	535	590
Oct-06	1097	465	163
Nov-06	690	450	127
Dec-06	361	236	103
Jan-07	819	233	121
Feb-07	326	224	177
Mar-07	367	251	247
Apr-07	396	195	131
May-07	939	175	212

416 Treasurer Foskey

QTON - ACTEW Corp - Elasticity of demand for price paper

DR FOSKEY: To ask the Treasurer

In relation to ACTEW:

Could you make those papers you mentioned available to me, Mr Costello?
(Elasticity of demand for price – University of Canberra paper)

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

A copy of the paper is provided at Attachment A.

(Details of attachment A, please refer to Committees Office)

417 Treasurer Stefaniak

QTON - ACTEW Corp - no of submission

MR STEFANIAK: To ask Mr Costello, Managing Director, ACTEW Corporation:

Going back to your recycling proposal, how many written submissions have you got? In a short period of time, you have had a number of consultation meetings, but how many written submissions have you got?

Also, how many of them have a scientific or economic slant? There are obviously some interesting issues around how much it is going to cost and the health hazards

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

The following table summarises the number of inquiries, and the means of engagement, in relation to the water recycling proposal.

Means of engagement	Number
Phone calls received	110
Emails received	189
Letters received	13

During the community consultation program, six key issue areas emerged from the community, each containing a number of sub issues. These issues have been individually analysed and categorised. The two primary issues identified were:

- health and planning/other options; and
- cost, environment, quality assurance and government transparency.

ACTEW Corporation is currently writing a report to the Government on the outcomes of the consultation process. A copy of this report will be provided when available.

425 Treasurer Foskey

Rhodium asset solutions

DR FOSKEY: To ask the Treasurer

In relation to: Rhodium Asset Solutions

Could the cost-benefit analysis which persuaded the Government that a complete sale was appropriate be extracted from the functional review and tabled?

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

No. The information has Cabinet in Confidence status.

QTON – ACTEW Corp- Criteria under stage 4

MR SMYTH: To ask the Treasurer

In relation to ACTEW, can you outline the criteria under Stage 4 that will leave ovals open or have them closed?

MR STANHOPE: The answer to the Member’s question is as follows:

Stage 4 water restrictions prohibit outside watering with potable water, therefore any fields that rely on potable water sources would technically be required to be closed.

In recognition of the value of sport within the community, ACTEW has sought from Territory and Municipal Services (TAMS) a priority listing of sports grounds to maintain 'a minimum level of sporting competition' within the ACT under Stage 4 Water Restriction conditions. This priority listing will be developed by TAMS in consultation with sporting organisations and venue managers. ACTEW will then grant exemptions to identified priority fields as they deem acceptable.

There is no strict criteria for determining the priority listing due to the unique nature of each individual facility. However, the following elements need to be considered to assist in determining the priority venues, in TAMS’ discussions with the sports and the venue managers;

- Type and condition of the facility (overall quality)
- Priority ranking and usage of the facility as determined by key sporting groups
- Level of amenities that are available at the facility
- Access to lighting at the facility
- Capital investment in the development of the facility
- Capacity of the facility owner to extend access or usage of the facility
- Geographic area of the facility
- The need to have a balance of facilities that meets the needs for all the different sporting groups and activities

431 Treasurer Smyth

QTON - ACTTAB

MR SMYTH: To ask the Treasurer:

Is it possible to get a breakdown of what ACTTAB spends on their community profile?

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

ACTTAB's total spend on enhancing its community profile for the 2005-06 year, including sponsorship, donations and marketing, was \$663,010 or 2.6% of total expenditure. ACTTAB's total sponsorship expenditure for 2005-06 was \$401,990. Further detail of this expenditure is provided in the following table.

ACTTAB Sponsorship 2005-06	
Celebrate in the Park	\$275,000
ACT Brumbies	\$40,000
Lifeline Clubcare Agreement	\$30,000
Canberra Raiders	\$20,500
Live In Canberra Campaign	\$10,000
Salvation Army - Red Shield Appeal	\$5,000
ACT Multicultural Festival	\$4,000
Snowy Hydro Winter Wonderland Gala Ball	\$4,000
ACT Short Film Festival - Belinda Barancewicz	\$4,000
Cancarians Black and White Ball	\$2,591
West Belconnen Warriors (3 year agreement)	\$2,000
Rotary Club ACT - Circus	\$1,600
Diabetes Australia ACT	\$909
Belconnen Magpies Football Club	\$800
PCYC Sponsorship	\$700
Hellenic Club Charity Golf Day	\$636
Cancer Support Charity Golf Day	\$254
TOTAL	\$401,990

ACTTAB's total marketing and advertising expenditure for 2005-06 was \$219,748. Further detail of this expenditure is provided in the following table.

ACTTAB Marketing and Advertising 2005-06	
Advertising costs – all mediums	\$101,479
General marketing – promotions	\$78,954
Corporate Branding – research	\$30,412
Printing	\$8,903
TOTAL	\$219,748

ACTTAB's total community and charitable donations expenditure for 2005-06 was \$41,272. Further detail of this expenditure is provided in the following table.

ACTTAB Community and Charitable Donations 2005-06	
Canberra Museum and Art Gallery	\$25,000
Ray Silburn Appeal	\$10,000
Walk with a Rose Appeal	\$3,000
Koomari Association ACT	\$2,727
Lions Club	\$545
TOTAL	\$41,272

Information in respect to the 2006-07 financial year is not yet available due to the audit for that year not being complete.