



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL
TERRITORY**

STANDING COMMITTEE ON PUBLIC ACCOUNTS

(Reference: Annual and financial reports 2007-08)

Members:

**MS C LE COUTEUR (The Chair)
MR B SMYTH (The Deputy Chair)
MS J BURCH**

TRANSCRIPT OF EVIDENCE

CANBERRA

THURSDAY, 22 JANUARY 2009

**Secretary to the committee:
Ms A Cullen (Ph: 6205 0142)**

By authority of the Legislative Assembly for the Australian Capital Territory

Submissions, answers to questions on notice and other documents relevant to this inquiry that have been authorised for publication by the committee may be obtained from the Committee Office of the Legislative Assembly (Ph: 6205 0127).

APPEARANCES

Chief Minister's Department	1
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Amended 21 January 2009

The committee met at 9.31 am.

Appearances:

Stanhope, Mr Jon, Chief Minister, Minister for Transport, Minister for Territory and Municipal Services, Minister for Business and Economic Development, Minister for Indigenous Affairs and Minister for the Arts and Heritage

Chief Minister's Department

Cappie-Wood, Mr Andrew, Chief Executive

Davoren, Ms Pam, Deputy Chief Executive, Policy

Stewart, Mr Dan, Director, Economic, Regional and Planning

Centenera, Ms Liesl, Acting Deputy Chief Executive, Governance and Acting Commissioner for Public Administration

McAlary, Mr Luke, Director, Public Sector Management

Dawes, Mr David, Deputy Chief Executive, Business and Projects

Tomlins, Mr George, Executive Director, Strategic Project Facilitation

McKay, Mr Ross, Director, Strategic Project Facilitation

Kinsmore, Mr Simon, Director, Communications, Events and Protocol

Hunt, Ms Dita, Senior Manager, Enterprise Development, Business and Industry Development

Van Aalst, Mr Robert, Senior Manager, Innovation and Industry Development, Business and Industry Development

THE CHAIR: Good morning, everybody. Thank you for attending this first hearing of the Standing Committee on Public Accounts. There being no further business, we will start on Chief Minister's Department questions. I understand that we will do this in chunks, not do the whole report in one hit. I start by thanking you all for attending. I hope this will be interesting; it certainly will be informative.

My first question is on outcomes from the innovation summit, page 7. There was the innovation summit. Did we have any outcomes from it?

Mr Smyth: The second paragraph.

THE CHAIR: The second, thank you.

Mr Stanhope: I will ask Mr Van Aalst to respond on the summit, its genesis and the progress that has been made in the pursuit of those outcomes. Mr Van Aalst, could you respond to the chair's question?

Mr Van Aalst: The 2020 summit, which was devised by the Chief Minister's Department, was in the lead-up to the Rudd 2020 summit. It was in line with other jurisdictions: other states and territories were also putting together local summits so that they could feed a range of information and input into the national context.

The summit was given an innovation theme as a result of some of the work that was done in the department over the previous 12 to 18 months in doing the study of the ACT innovation system, which resulted in a report *Innovation, creativity and*

leadership. I was not directly involved in the organisation of the summit, but I think it attracted some 300 participants who were quite broadly representative of the community and covered a whole range of community interests across the territory. There were tables that were themed during the day across a range of areas, including business and industry, community, education, health et cetera.

As far as the outcomes of the summit and the sort of work that has been done post that are concerned, I have not been directly involved in those. I am not sure whether Andrew knows and can inform us a bit more about where the resultant work has gone. I presume that it has been fed into the national context.

Mr Cappie-Wood: Yes, we deemed it to look at innovation as a general input to the national summit. It was a very successful outcome. We continue to have people comment upon the success of the general discussions. There were a number of things that came out of it as well as various threads. All those were posted on the web and provided to the national summit organisers.

What came out of that for us was that yes, it was looking at the national perspective but through the eyes of Canberra. We have taken a lot of the ideas, issues and outcomes and applied them through to the Canberra plan update, through to—well, the innovation strategy itself and the outcomes of that which were subsequent to the summit. The citizen-centred governance strategy also picked up on some of the issues and ideas associated with that. And we would have to say that it continues to provide input and we will be looking to see some of the issues and ideas from the summit integrated into the future transport strategies, the social plan update and even the arts review.

THE CHAIR: Thank you. On page 11 you talk about the mature age employment strategy and grandparents leave, which sound like great things. Can you just let us know if this is making a difference?

Mr Stanhope: The grandparents leave—

THE CHAIR: It is page 11, the third para from the bottom.

Mr Stanhope: Mature age employment and grandparents leave.

THE CHAIR: Are grandparents taking leave and are they staying?

Mr Stanhope: I will defer to Mr Cappie-Wood or Ms Davoren in relation to the implementation of both of these particular initiatives, but I think it is probably fair to say that, responding as a good employer in the first instance and secondly responding to issues around skills and the nature of our work or structure, we have worked hard through skills development, with the appointment of the Skills Commission and the development of the strategies to deal with issues around work and maintaining a sustainable workforce and also a skilled workforce.

It is unsurprising that two of the areas that we—with all employers and all governments—have looked at is the re-engagement of older workers within workplaces or actually maintaining and developing a workforce to ensure that our

workplaces remain attractive for older people—or, as we say euphemistically, mature age people, such as myself.

Within employment, we have developed strategies. There are some quite interesting quirks around issues like superannuation that actually militate against staying at work. In the current environment, they are of course issues that we need to address—and similarly the role of older or mature workers as grandparents and the role which we grandparents take in an environment or a world where almost all younger families these days, for reasons around meeting their own needs, are engaged as couples in the workforce. We now have a high proportion of families, of couples at least, where each is engaged, putting some of the pressure, I believe, on grandparents. We have sought to respond to that.

In the context of our workforce and the way in which these policies are being implemented for take-up, it is early days, particularly in relation to grandparental leave. I would have to defer to Mr Cappie-Wood or Ms Davoren if there is any additional information to give.

Mr Cappie-Wood: These two initiatives in terms of the mature age employment strategy and grandparental leave all come under the general campaign to promote the benefits of working in the ACT public service. The overall strategy—as you would, hopefully, have seen in the paper—the “Great careers come with the territory” campaign, was launched in May 2008 and has been deemed to be a considerable success. There are many elements to that. I might ask the acting public service commissioner if she would like to elaborate upon not only these two—mature age and grandparental leave—but any of the other elements associated with this successful campaign.

Ms Centenera: As far as grandparental leave is concerned, the provisions allow for up to 52 weeks of grandparental leave without pay to be granted over a three-year period to permanent full-time or permanent part-time staff and to long-term temporary staff. The leave is provided to staff members who are immediate family—grandparents, step-grandparents and grandparents through adoption or through their children—taking parental responsibility.

The leave must be taken within the first three years of the child’s life. That period is consistent with the period currently available under collective agreements to parents for unpaid parental leave. The way the leave can be taken is extremely flexible. You can take it as a single period of a block or you can take it as single days in a week—say, every Monday for a period of time.

Agencies can refuse the leave on operational grounds, but it is a requirement to advise the applicant in writing if there is a refusal, and the decision is subject to appeal. It is likely that grandparental leave will be reviewed in the context of the upcoming negotiations for the next template agreement and for other agreements. In terms of the mature age strategy—

Mr Stanhope: Part of the question was about the take-up. Do we have any—

THE CHAIR: Have any grandparents taken leave?

Ms Centenera: They have. I do not have exact figures but I can take that on notice and provide you with more information.

THE CHAIR: Thank you.

Ms Centenera: We have had take-up of the provisions.

With the mature age employment strategy, basically the strategy was in response to the concerns often expressed by staff that, once they attained the age of 70, superannuation arrangements prevented them from contributing to super schemes and receiving employer superannuation contributions. We sought advice from the commonwealth. It confirmed that some schemes do exclude 70-year-olds from those schemes, so it was a problem.

The government has now moved to counter the situation. From 1 July 2008, agencies are required to inform all employees 65 years and older that once staff reach 70 they will be eligible to receive an additional amount in salary on a fortnightly basis to compensate for any loss of employer super contributions attributable to their particular scheme not allowing payment of that contribution. Employees are paid an amount approximately equivalent to what they would have received if employer contributions had been allowed to continue within their existing scheme. And agencies are required to advise employees to seek appropriate financial assistance so that they do not lose out. The government will also examine changes that could be made to collective agreements from 2010 that will mandate superannuation employer contributions to those employees.

Just to give you an idea of how many people that affects, as at 30 June 2008 the ACT public service employed over 100 staff who were 70 years or older. So it is an important initiative.

Mr Stanhope: They are the stark bones of the policies that Ms Centenera has just outlined. But this is part of a broad framework for attracting and retaining workers within the ACT public service, ensuring that we do have a sustainable workforce and ensuring that we are an employer. There is a whole range of benefits associated with policies of this order.

THE CHAIR: Thank you. On page 24 you mention that you are delivering a more streamlined planning system. I do not want to go into all the details of streamlined planning systems; I just want to ask how much time has been reduced for claim applicants with the streamlined system—just the outcome, not the whole process.

Mr Stanhope: Which page is this?

THE CHAIR: Page 24, the second dot point from the bottom. How much quicker is it for people—rather than all the details, just the outcome?

Mr Stanhope: David, can you give just the outcome of the policy?

Mr Dawes: It is an ongoing process, obviously, with the new territory plan coming

into being in March of 2008. We actually have been working closely with ACTPLA to look at how we can improve the time lines and the approval time lines. That has been part and parcel of the affordable housing action plan. It is a work in progress and we will see improvements, we believe, in the coming six to 12 months.

MR SMYTH: When the lodgement system went live there were some teething problems. Are you aware whether they have been corrected and is it working better at this time?

Mr Dawes: It is starting to improve. Obviously when you implement something as huge and as large as a new territory plan variation there are going to be some teething problems. I think we have seen ACTPLA over the course of the last couple of months, the last three months, working proactively with industry to look at how these can be improved.

There have been a number of discussions with industry groups on working towards educating their members as well. When you have got something as large as what has occurred, there needs to be education on both sides. The industry needs to improve some of their processes and documentation, as does ACTPLA. So there has been quite a lot of training. These are questions really for the planning minister but there are some improvements washing through the system.

THE CHAIR: In regard to the arboretum, at page 25, again I have a quick question. Lots of trees have been planted. Do we know how many have survived or what proportion of them have survived?

Mr Stanhope: Interestingly, I had a discussion with Mr Burgess from Urban Contractors, who was contracted most specifically to plant and maintain the forest. I bumped into him just for 10 minutes last week and asked him that very question. He indicated to me that he believes that, across all the species that have been planted, the survival rate would be between 96 and 98 per cent. It is a better survival rate than normal. I think it is because of the level of attention and some sensitivity around the issue. The survival rate advised to me by Mr Burgess last week was a rate he believed to be between 96 and 98 per cent. He suggested to me it was probably a higher survival rate than any other plantings in the ACT. I think it is a response to the level of attention.

That is across the board. The survival rate for some species is almost 100 per cent. The average across all species—that is right, is it not, George?

Mr Tomlins: Yes.

Mr Stanhope: He said that he thought that the loss rate was between two and four per cent across all species. He acknowledged, for instance, the early planting of the Wollemi resulted in a significant loss but the issue has now been resolved. I believe, although it is not fully understood, that the cause of a significant loss in the early plantings of the Wollemi was due to the fact that there was perhaps some binding of the roots and that perhaps there was an issue there. But that has now been resolved and the Wollemi are now thriving. Indeed, as I understand, essentially all of the species, though with variable survival rates, overall have a very high survival rate.

MR SMYTH: As a supplementary to that, on page 95, there is the reconciliation of the capital works in volume 1. There is a footnote that says that it was transferred from TAMS during the year. That might have some effect on this. The budgeted financing was \$5 million but the expenditure has been revised down to \$2 million. Is there a reason for the \$3 million revision?

Mr Stanhope: I will have to take some advice on that, but I can only assume that it is probably just a rollover or carryover from year to year. It may be that Mr Tomlins does not have the answer here but we can take that question on notice, but I believe it is probably just a rationalisation of approximate use.

Mr Tomlins: Yes, there was quite a bit of that because the main planting season spreads from April to September, so it goes across financial years. There was some money reduced from the arboretum budget in one of the previous budgets and that was subsequently put back in a later budget. So this process could also reflect that. But we can get you the detail.

Mr Stanhope: It might be best if we actually provide a detailed rationalisation.

MR SMYTH: Sure. On that, the last two columns say that total financing to date is \$4 million. When you say “total” is that for the entire life of the arboretum?

Mr Tomlins: Yes. To date being—

MR SMYTH: From the start of the project until 30 June?

Mr Tomlins: Until June 2008, yes.

MR SMYTH: The total financing available is \$4 million but only \$3.6 million has been spent. Is that correct?

Mr Tomlins: Was spent, that is right, because some was committed in a contract for planting, which was just after the end of the financial year, for example.

MR SMYTH: So that all we have spent on the arboretum to date is \$3.6 million in total?

Mr Stanhope: To the end of June, yes, but there has been significant work in this financial year.

MR SMYTH: To 30 June 2008?

Mr Tomlins: Yes.

Mr Stanhope: Yes.

MR SMYTH: You will get a reconciliation of all the expenditure and what it has been spent on?

Mr Tomlins: Yes, till June 2008, for you.

MR SMYTH: Thank you.

THE CHAIR: Moving on to page 43, where we are talking about the business mentoring and we have got lots of outcomes in terms of visits, do we have any idea of the outcomes in terms of successful businesses? I know it is a lot harder but it is probably what we are aiming to get out of it.

Mr Stanhope: Yes, sure. Ms Dita Hunt from business will be able to respond to that. I think it probably is fair, as you have indicated, to actually assess the outcome of some of the business mentoring. The information that is provided relates particularly to that part of the advisory service that is contracted to Deloitte Growth Solutions. I have attended a couple of their functions, their awards, and the service that has been provided through Canberra BusinessPoint seemed incredibly popular. In the context of the statistics on perhaps successful creations or businesses it is probably very difficult for us to be involved in that but it may be that Ms Hunt has more information.

Ms Hunt: We do not actually have specifics as to the outcomes on the businesses themselves but just statistics in connection with the number of interventions and assistance given. I think privacy would stop us from getting that particular amount of information, because we could not ask the businesses themselves unless they were willing to share that information. So it is not a question that we have asked them specifically, other than surveying how they have responded to the particular services provided and whether they thought that they were adequate and helpful. But as far as turnover improvements, that type of thing, are concerned, we do not have those sorts of statistics.

THE CHAIR: You said you surveyed the businesses. What sort of approval rating are you getting?

Ms Hunt: The approval rating is very high. It is around 95, 96 per cent. But I can get you specific statistics on that if you would like.

Mr Stanhope: In terms of the statistics and the extent that we can determine the success or the attractiveness, some of the outcomes that are detailed in the report, I think, give some indication of the response by the business community of the ACT to this sort of program. There have been over 6,000 visits to the website in the year; 64,000 hits on the Canberra BusinessPoint website; 500 people attending networking events; 366 business people have attended the workshops. We find that range of statistics for that information particularly pleasing in terms of the responsiveness of businesses to this particular program. It may be that in terms of our other avenues for determining success, which we do monitor, we can provide further information.

Ms Hunt: And there are some statistics on how many employees each business has, and I believe that there might be some statistics on how many employers have increased as well. So I will see what I can get for you through BusinessPoint.

THE CHAIR: Thank you.

MR SMYTH: Just a supplementary there: what is the evaluation process? What are the measures that you put in place that say an intervention is successful or not? And how do you judge the success of a business?

Ms Hunt: We are planning to do a mid-term review, an independent review, in 2009.

MR SMYTH: Who will do that?

Ms Hunt: We have not determined that yet. It will be contracted out.

MR SMYTH: On page 108, this is the \$627,000 contract that Deloitte has for delivering the BusinessPoint, to date there has been no evaluation of its effectiveness?

Ms Hunt: It is only mid-way through the second term.

MR SMYTH: When you say the “second term”, the second year?

Ms Hunt: The second year.

MR SMYTH: Are there comparisons available with other states and their business programs and the effectiveness of them? And are we benchmarking ourselves against how others deliver these things?

Ms Hunt: We do not have any particular figures but, in doing the mid-term review, we would plan to do that.

Mr Cappie-Wood: I might point out that, as far as I am aware, there is not a directly comparable BusinessPoint service of this nature, which is providing mentoring services by, effectively, an agency outside of government. But we would certainly, as part of the review, be wanting to make sure that we were being as competitive as possible in terms of alternative strategies offered by other jurisdictions.

Ms Hunt: And in fact, from discussions with my interstate colleagues, our program is looked on very favourably and with great interest.

MS BURCH: You said earlier that there was a high satisfaction rate—

Ms Hunt: That is for the surveys. BusinessPoint, following each of their seminars, survey the clients.

MS BURCH: And there is an opportunity to feed back, to come back in and to improve? I think 95 per cent is a high rate of satisfaction anyway.

Ms Hunt: Absolutely. We get monthly reports from BusinessPoint and we sit down and discuss the outcomes with them each month.

MS BURCH: So that is an ongoing feedback process?

Ms Hunt: Ongoing each month.

THE CHAIR: Moving on to page 44, I refer to outsourced industry development for screen-based businesses. My question here is: why is this outsourced? My understanding is that in other jurisdictions this is a government function. Why is it outsourced here?

Mr Stanhope: In relation to some of those issues—Mr Van Aalst can provide a more complete answer to this than I will—and just in terms of perspective, for a jurisdiction of our size, there are issues around our capacity as a small jurisdiction to efficiently provide in-house a full range of support services for things such as film and screen. We have taken a decision during our major rationalisation as to how we can most effectively support industry across the board, including the film or screen industry, and the best method of delivery. I think that is the case in relation to Deloitte, and the partnership that we have developed with Deloitte Growth Solutions for the provision of industry information and assistance. I refer to the discussions that I have had with business in relation to it.

One method that I use as a minister to determine the success of a government-funded initiative is simply the conversations and the feedback that I receive face to face. I have yet to receive any criticism from industry, business or any of the industry representative groups of Canberra BusinessPoint. I regard that feedback as being particularly significant. We have strong partnerships with business representative organisations. In relation to ScreenACT, the successful tenderer to provide this service impartially to the government is the Canberra Business Council. I have deep faith in the Canberra Business Council. I believe this is an innovative model that allows us very effectively and efficiently to deliver a service.

So that is the background regarding the perspective and the environment in which we operate here, as a small jurisdiction. In relation to the specifics, I am sure Mr Van Aalst can add something regarding your question.

Mr Van Aalst: When ScreenACT was originally established, it was run as an in-government model. Two full-time people were employed and there was a close association with the regional film production development officer funded by the New South Wales government, who sat in the office as well. After about a year and a half of that sort of process, there was a reasonable amount of feedback from industry suggesting they thought that that model was not as effective as one that could be run by industry for industry.

I think a lot of it, as the Chief Minister just alluded to, goes to the size and scale of the ACT. We certainly do not have the industry size or probably the resource base to be able to fund an office the size of the New South Wales Film and Television Office or even Film Victoria or Screen Tasmania, who have significant resources pumped into them.

When we listened to industry back in 2006-07, the outsourced model was one that came up that everybody in industry, and within our own development team in the department, realised would probably be a most effective model to use in a small jurisdiction such as the ACT.

Subsequent to that we developed some criteria and had a public expression of interest or public tender process, from which we received three or four decent applications. The Canberra Business Council one was assessed during that process as being the best value for money and with the potential for a better outcome. Since then, the Business Council have run the contract using an oversighting task force, as they do with many of their initiatives and activities. It is a ScreenACT task force and it comprises industry professionals. At the moment there are around 10 industry people who are on that task force and who provide advice and direction. The Business Council employ a manager to run the service and they provide a range of other services through the secretariat office of the Business Council.

They get a substantial amount of free and in-kind support out of the task force members. They provide terrific guidance on the direction, activities and initiatives that need to be run. I think that, for the territory, the value for money we are getting for that exercise is terrific. The model that is used now costs the territory about half of what it did when it was run in-government, and I believe it is delivering a far better model that is acceptable by industry, and industry are comfortable and happy with the development and progress of initiatives under that.

THE CHAIR: I understand there are some conflict of interest issues because this body is putting up commercial projects for government approval, but it is also representing part of the industry. Could you talk a bit more about how you are dealing with the conflict of interest issues?

Mr Van Aalst: As part of the contract, or as part of the work that the Business Council do to run ScreenACT, they have a small amount set aside for a small grants program. I think they are called production development grants. There is a well-documented and readily accessible process which is available through the ScreenACT website which shows exactly what processes need to be undertaken and the process that the Business Council go through to assess the applications and determine which are deemed worthy of support.

We were not directly involved in those processes because it is being run by the Business Council, but when the Business Council developed those processes, they spoke to artsACT, within the Chief Minister's Department. They used a model which is a peer review model, which is well accepted and used across the country in many arts and creative industry granting programs. So it is a peer review process.

The process that the Business Council have in place, I believe, is very solid, very robust and there is a clear and defined process. There are conflict of interest processes as well. It is a fairly small industry within the ACT, so it is often the case that people know people who know people, and everyone in the industry knows each other. So to get those sorts of perceived issues—this person got the money and this one did not—is not unique to the ScreenACT film model. I understand that it happens throughout a lot of the arts granting programs as well, where it is done on a peer review basis.

As manager of that contract with the Business Council, I am extremely comfortable with the processes they have in place. The panel that they have to assess the grant applications is at arm's-length from the task force itself, although the task force does have a representative on it. It is chaired by an external professional reader and

assessor for grant programs who is from Sydney and who is not involved in the local industry. There is also a representative of artsACT on there. So the process of assessment and determining where the grant funding goes to is done independent of the task force itself, and it is oversighted by the Business Council through its chief executive and the executive committee of the Business Council as well.

THE CHAIR: Thank you. Finally, in the—

MR SMYTH: Before you move off that, the third paragraph on page 44 says that the primary role of ScreenACT is to increase the economic contribution of the industry to the ACT. How are you going to evaluate that? Can you enlighten us on your progress so far?

Mr Van Aalst: As Dita Hunt mentioned with the last one, it is reasonably hard to evaluate those things in the context of measuring the value of the industry now. The definition of any creative industry is actually extremely difficult because there are a lot of crossovers. The value of the industry at one point compared to the value of the industry at the other point is an extremely difficult thing to assess. Certainly, we believe that the work they are doing by offering the grant program and offering all the other activities that they do—facilitation, training and liaison—encourages industry players to stay in the ACT. It attracts industry participants to the ACT and it expands the confidence and knowledge base of practitioners in that area. I say that without having hard statistics to back that up.

MR SMYTH: Will you endeavour to get hard statistics?

Mr Van Aalst: We have not planned to at this stage, no.

MR SMYTH: Perhaps this is for the head of the department or for the minister: if the primary role is to increase the economic contribution, how will you know if you have achieved that, if you cannot measure it?

Mr Cappie-Wood: There is a long list of, if you like, achievements which have been notched up by ScreenACT. If you use the usual evaluative methodologies that you would see in normal programs, it is not easily applicable. How would you, for instance, judge the relative value of ScreenACT meeting with Indian production companies to look at locational shots here or working with the *Wolverine* production crews to try and get ancillary location shots in the ACT et cetera? There are a range of one-off industry linkage issues, quite apart from what I would see as productive meetings and outcomes associated with information being provided on a fairly dynamic and flexible industry. There are means by which it can be done, but it is also a matter of recognising the fluid nature of the particular industry they are in.

I think you have raised a very valid point: how do we judge the relative capacity and outcomes associated with this particular arrangement? To this point—and I think we will have to reflect upon what you have raised—it has been about how pleased the industry are with the services which they are partly crafting themselves. It is about having the industry involved in crafting the systems we are looking for, which points to the success of ScreenACT today.

MR SMYTH: I do not disagree with any of that, but you have set yourself the primary role and you have got no way in which to measure or judge it. The paragraph states that another measure is then increasing export opportunities. Do we have any data on whether export opportunities have been created or increased as a consequence of this funding?

Mr Cappie-Wood: We will have to take that on board, but I think we are going to be committing ourselves to getting a more robust evaluative framework around this program.

MR SMYTH: The third thing you have set yourself is growing employment in the sector. Is there any indication of growth in the sector as a consequence of the contract?

Mr Van Aalst: As part of any program that we manage, and that we have contracted out to somebody, as Dita Hunt mentioned with the Canberra BusinessPoint program, the Canberra Business Council contract will come up for renewal. I think the original one was a three-year contract. So before we enter into the next one we will certainly do a fairly rigorous evaluation of how successful this current program has been before we do it again next time.

MR SMYTH: But if you have not worked out where you started, how will you know that you have actually finished? If you have got no starting point on which to judge this, surely we are just saying, “Gee, that was good”?

Mr Van Aalst: It is a difficult one in that industry because there are so many angles to creative industries. We have a fairly robust digital media sector as well which ScreenACT have an interest in, and we certainly have some very successful businesses with great export activities there. But there is also the impact.

Some of the work that ScreenACT have done has been to attract and assist productions to come to the territory. They have done some work with *Wolverine* and with a telemovie called *The Informant*. Anybody who saw that on Channel 10 a couple of months ago would have picked up some fairly high profile ACT landmarks—inside the Crowne Plaza hotel et cetera. ScreenACT was fairly instrumental in making all of that happen.

Mr Cappie-Wood: If I could now move it up to a systemic discussion, there is work being undertaken at the moment within the Chief Minister’s Department around reviewing the accountability frameworks that sit across government. That is really to look at the current suite of accountability measures and evaluative arrangements that are in place. That is a systemic review as opposed to an exclusively programmatic review. I think this is a good case in point in providing some degree of support as to why we are undertaking work around an accountability framework which is going to be more robust and be able to link down into the individual program areas.

MS BURCH: With some of these arrangements, at a contract level or a program level, the attribution back to the dollar that comes through the contract is very difficult to track. That reporting and evaluation is sometimes loose because attribution to that program dollar through the industry is hard, as you have said in the examples that you

have quoted.

Mr Van Aalst: We do rely quite heavily on qualitative feedback, as well as contracts.

MS BURCH: I think the feedback from the industry, as far as growth in employment is concerned, is that technology itself will change employment patterns and numbers in the industry. I recognise the difficulty.

THE CHAIR: At the top of page 45 we have the ACT Industry Capability Network. The last sentence says it has recently been involved in supporting Actew's water projects. Are you doing additional work with Actew that you are not doing with other businesses?

Ms Hunt: I can take that answer. We certainly support any business that comes to us through the Industry Capability Network in dealing with inquiries on capability throughout the ACT, and throughout the country in fact, because it is a national network and a national database, but where there are very large projects, such as the Actew one, we work more closely with them and meet on a very regular basis to help them with their procurement activities to source local product.

THE CHAIR: So you do it on the basis that Actew is large rather than on the basis that the project is large?

Ms Hunt: No, the project is large and the procurement, obviously, is correspondingly large, but we do work with small companies as well to assist them.

THE CHAIR: So Actew's government connection is not relevant?

Ms Hunt: It is totally irrelevant. Well, it is not totally irrelevant—sorry.

THE CHAIR: But it could be in this context.

Ms Hunt: It could be any company that has a large project. We have worked closely with other companies that have had large projects. Again, it is a government one, but we have put a lot of effort into the defence headquarters at Bungendore and the large telescope project at Stromlo. There have been a number of large projects that we have worked with closely.

THE CHAIR: Moving on to the next page, you talk about an exchange system with Timor-Leste, as outlined in the Skills Future Strategy. Can you tell us some more about that?

Mr Stanhope: Just for some background on our relationship with Timor-Leste, the committee may be aware that the ACT has constructed a friendship relationship with the city of Dili. Canberra and Dili have a formal friendship relationship, which we take quite seriously. We have sought over a number of years now to provide real physical and practical assistance to Timor-Leste in a number of ways. The most significant of those has been that for probably four years now or thereabouts—and I will probably have to check the dates—the ACT has provided to Timor-Leste, at no cost, a facility for its embassy within Australia.

THE CHAIR: Good.

Mr Stanhope: That is, I think, the most significant practical assistance that we have yet been able to provide. We have also provided—the ACT, through ActewAGL; indeed it was a project that was facilitated and supported by ActewAGL—a backup support pump for Dili’s urban water supply, and the ACT government has provided funding to provide a radio communication network for the Dili municipal council. We are looking for other opportunities to support. With great respect to Dili and East Timor, it is quite difficult, as a result of capacity and communication issues, and we have been working with other governments around Australia to overcome some of the difficulties. It is quite frustrating, but we stand ready to provide far greater support than we have been able to provide as a result of some of those issues.

The issue that you raise most specifically is a further opportunity that we have identified, and I think it falls within that category of issues we are seeking to pursue. We have begun the process of seeking to provide some domestic violence or family violence support. There are, unfortunately, very high levels of family violence within East Timor and shocking high levels of violence against women within that community. The Rape Crisis Centre and Relationships Australia were supported by the ACT government, with air fares and a couple of days support, to visit and investigate how we might support a domestic violence or family violence support program. There are none at all in Dili or East Timor. We have not yet been able to advance that; we are seeking to do that.

We are seeking, through parks and conservation within TAMS, to provide some practical support in relation to reforestation in East Timor as the majority of families rely on wood for cooking. The forests around Dili have been almost completely denuded. That is a project which, from discussions that I held with the East Timorese Minister for Foreign Affairs, the East Timorese government were very keen for us to pursue. Once again, we are working on it, but it is a slow and tortuous process. That is also a project that we have identified but have not been able to advance. This latest initiative, which indeed Mr Cappie-Wood proposed, is just at the stage of what practicable support we can provide, as Mr Cappie-Wood has advanced. I think the answer at this stage is that there has been no progress, but our will is strong.

Mr Cappie-Wood: There have been some changes in officials in Dili as well which has not assisted us as we would have liked. We still have an ongoing desire to have people from Dili come out and experience government, particularly government related issues which they are interested in looking at. They have also expressed interest in assisting in training and acquisition of a preliminary skills base. These relate to very fundamental issues around, particularly, plumbing, electrical, carpentry et cetera. So there are a variety of things, from government to very practical training aspects, that they are looking to do. We are looking at how we can assist in that. This is on top of the successful delivery and installation of radio and radio relay equipment to enable communications through Dili and outlying villages. The nature of this industry, as you are well aware, is poor. I am happy to say that there has been quite an active capacity and delivery of outcomes for East Timor, but I think there is more that we can do to assist funding expertise in the public sector and help the upskilling of people who work within that area.

THE CHAIR: Thank you.

Mr Stanhope: I believe the issue of capacity is an issue on which we might in future seek to focus. That is what we sought in relation to family violence. The idea was to provide some capacity building in relation to the issue. I might just say—I do not want to take the committee's time—that there is a strong developing relationship between Dili, East Timor and Canberra. I think there is a real recognition of the level of support we have provided, particularly through the embassy, to the extent that the President of Timor-Leste, President Ramos Horta, is visiting Australia in three weeks and he has asked to meet with me, as did the Prime Minister when he visited late last year. I use those opportunities to continue to insist that the ACT community has a very strong feeling of attachment or empathy for Dili and East Timor and stands ready to provide further assistance. I keep making the offer. There is some frustration in our capacity to deliver but we are continuing to work.

THE CHAIR: Thank you. Could I ask you something else relating to the Skills Future Strategy document. Are we on track for introducing long service leave portability in the community sector by the start of the next financial year? I am referring to page 19 of the Skills Future Strategy.

Mr Stanhope: It would best to ask Ms Centenera if she could respond.

Ms Centenera: The matter of community sector portable long service leave is on track. The matter is still very much with the Department of Housing and Community Services. They are undertaking the consultation with the community sector because they have the ties with that sector. Once that consultation has been undertaken there will be a review of what that face-to-face consultation brings, as well as the results from a discussion paper distributed. They will inform the legislation in relation to that scheme.

THE CHAIR: Thank you. While reading through this and the department's report in general, I have not seen any reference to social enterprises. Is this something the government is interested in? The Brisbane City Council does social tendering. Have you considered this?

Mr Cappie-Wood: Generically it is an issue for procurement in terms of what sits under a procurement strategy. There is a continuing review of the procurement strategy, but it also requires a more systemic discussion—that is to say, what degree of outsourcing, because it is effectively work done outside government, and to whom and where do the skills and benefits lie? There is a cost-benefit analysis that has to be conducted along those lines. There is not a clear and articulated strategy in place at the moment. However, there has been. There have been discussions internally within the CEOs forum around the opportunities that the community sector may present and we need to look into this in a more structured way in the future.

Mr Stanhope: I must just add that the question that Ms Centenera has just responded to in relation to long service leave is a question of: would more profit be addressed to Ms Gallagher and Ms Sandra Lambert? Perhaps you would meet with them.

THE CHAIR: Yes.

MS BURCH: I have a general question on the skills strategy. Very briefly, because I am conscious of time, it concerns the process leading up to it. Are you happy with the implementation of that to date?

Mr Stanhope: Yes. The issue of skills, as it is seen here in the ACT, remains a significant issue. It has been a significant issue for a number of years. Indeed, in conversations and consultations that the government has had in recent years, the last five years, with business—and I think this may have changed to some extent now with the economic circumstances that we find—the issue of most significant concern to business within the ACT has been that of skilled workers. It is not just skilled workers; indeed it is managing to attract workers with any sort of skill, or unskilled, or just a workforce. We have had a labour force issue as much as a skills issue within the ACT and we have combined the two.

Because of some complexities and the relationships when one looks broadly at the issue of a lack of a skills, or skilled workers, it is complex and it crosses a whole range of areas. The recognition of that led us to appoint a commission, initially chaired by Professor Ian Chubb, the Vice-Chancellor of the ANU, to look at all of those aspects of a community that leads to a lack of skills necessary to meet the community's needs.

The model that we pursued was a broad-ranging, very high-powered commission, comprising significant influential people from this community, representatives of all of the business representative organisations, representatives of all our universities and representatives of, as I say, major employers. I think the process was very good. It was a rigorous report that touched upon almost all issues around skills and what leads to skills shortages in the workforce and it provided a number of recommendations. The report has been embraced by the government. In last year's budget we provided, I think across the board, somewhere in the order of \$50 million over the cycle to begin the process of implementing the recommendations.

As with any such investment there is always a time lag in relation to a capacity to be able to quantify the outcomes or the effects of the expenditure. There was a very significant \$50 million expenditure which focused directly on recommendations which the Skills Commission raised in its report to the government. Many of those were about strengthening our workforce in areas that we believe are at risk of not being able to sustain a workforce, such as nursing. Of course, there was a very strong focus on vocational education in CIT and there are some very strong additional resources in those areas. I think it was a great process. We have embraced the report and we have invested in the ways that it was advised to us would be best.

THE CHAIR: Thank you. Mr Smyth, have you any other questions on section A, because we will take it by sections?

MR SMYTH: On pages 12 and 63 there is reference to the memorandum of understanding of the commonwealth concerning the Griffin legacy and, in particular, Constitution Avenue. Can you update the committee on what progress had been made to get a commitment from the feds to spend the money they owe us?

Mr Stanhope: We are making some progress. In relation to the issue, my feelings about it are probably exactly the same as yours. I share the sentiment that you have just expressed, that this is money that is owed to the territory. I believe that is a fair and appropriate description of the nature of the relationship or of this issue. The \$40 million plus that was committed by the commonwealth to Constitution Avenue is, as far as I am concerned and as just expressed by you, in the context of the arrangement that was structured between the ACT government and the commonwealth government, money which is owing to the territory. I put that position strongly and repeatedly to the Prime Minister, the minister for finance and the minister for territories.

I am meeting the minister for finance again, I think in the next two to three weeks. This is, indeed, an agenda item for the meeting. There has been some correspondence between the minister for finance and me. I think there is an understanding within the commonwealth that this is money that is owing to the territory. That is not particularly formal. As I say, I think there is an understanding. It is not an understanding that has been formally committed to but it is an understanding that I continue to press the commonwealth to commit to, and I am hopeful that at the end of discussions that I will be having with Mr Tanner in the next few weeks we will agree on a way forward.

So, to answer your question, this is an issue of great frustration for the government. It is money that is owed to us. I do not want to overstate it but it is fair to say that Mr Tanner has agreed to meet with me to discuss a way forward.

MR SMYTH: In that same sort of vein, on pages 7, 34 and 36 there is reference to the Olympic torch relay. What is the status of the payments that the federal government made on that?

Mr Stanhope: The agreement with the commonwealth in relation to costs has been an agreement to meet all of the costs, most particularly of the Australian Federal Police. They were costs that were quite significant—I think somewhere in the order of \$400,000. To that extent it is fair to say that the commonwealth has met somewhere in the order of \$400,000 of the costs.

I approached the Prime Minister some considerable time ago in relation to what the ACT government believes to have been an undertaking by the commonwealth, an undertaking delivered by Mr Peter Shergold, the chief executive of the Prime Minister's department, that the commonwealth would meet half of the expected cost of a million dollars. The commonwealth has not honoured what we believe to have been a commitment. The status of the issue to date is that I have again approached the Prime Minister with a further request that the commonwealth meet the commitment that was made by Mr Shergold and I am awaiting a response to that request by me of the Prime Minister.

I must say that, whilst I am hopeful, the previous attitude of the commonwealth to the undertaking by Mr Shergold does not exactly fill me with confidence. But there is a quite clear undertaking. I have decided to express this view and this position publicly before. There has to be some honour between governments. There was a very

clear commitment given by Mr Shergold. I believe, when the secretary of the Prime Minister's department gives a commitment, its commitment should be honoured. I believe that it would be unacceptable between governments for a commitment of that sort not to be met, and that is the position that I put to the Prime Minister.

MR SMYTH: The cost was expected to be a million dollars. What was the total, final cost?

Mr Stanhope: It was \$1.54 million.

MR SMYTH: The agreement was that the commonwealth would pay half a million dollars of the expected \$1 million, or half of the all-up cost?

Mr Stanhope: My understanding is that the discussion was around an ultimate cost or an expected cost of \$1 million. The very explicit commitment made was that, yes, the commonwealth would meet \$500,000. So it was a dollar amount of an anticipated \$1 million. But that was at a stage when we did not anticipate that the costs of security associated with the relay would essentially double and take the ultimate cost to \$1½ million dollars.

We would have assumed, in the context and the nature of the relationship and honour between governments, that the nature of the arrangement, which was a fifty-fifty split, would of course have applied to an increase in the cost of the event. We would have been expecting that, in the spirit of the partnership, the commonwealth might have seen fit to meet half of the costs. It has to be said that, by the time of the relay, I am not sure that Mr Shergold was still actually in the position. I am not sure; I will have to check that.

To be fair, it was a discussion on an anticipated cost of a million dollars, with a very clear understanding taken by us that the commonwealth would meet \$500,000 of that million dollars, but that was before we had any expectation or suspicion that the cost of this event at the end would blow out as a result, as everybody knows, of the experience of London, Paris and other places in relation to the riots that occurred in those cities around the relay. So we bolstered security, enormously and appropriately and responsibly, which of course had an impact on the cost, which drove the cost from an anticipated million dollars to an ultimate \$1.5 million.

MR SMYTH: The feds have paid approximately \$400,000 as payment for the provision of AFP officers?

Mr Stanhope: I would have to go through all of these numbers but the Australian Federal Police contribution, I am just advised, was costed by them at \$480,000. I will have to check whether that is included in the \$1.5 million or not.

Mr Cappie-Wood: No.

Mr Stanhope: It is not? That is over and above the \$1.5 million, is it?

Mr Cappie-Wood: The \$1.5 million is the cost incurred by the ACT government.

MR SMYTH: Of which we expected a minimum of half a million dollars?

Mr Stanhope: We expected the commonwealth to pay half the cost and we had an explicit understanding on \$500,000.

Mr Cappie-Wood: That figure of a million dollars was pretty much on track until things went off the track in London and Paris in terms of the relay. Acting on the advice from the AFP and the federal government in terms of the threat levels associated with the nature of the event, the response had to be clearly recalibrated, and that included an additional cost of almost \$140,000 for putting out additional crowd control barriers et cetera, a significantly increased police presence et cetera. So the million dollars was not looking too bad, but things changed and we had to respond to the advice coming from the federal government and the AFP in terms of how we then planned for this committed event.

MS BURCH: I have a question on that. It started in one environment and came to Canberra in a different environment. Costings aside, were you happy with how it went through and how we responded? I think we did well, compared to what happened in other capitals.

Mr Stanhope: We did, and I am particularly happy. The cost is a continuing frustration for the government. The event cost us far more than we had anticipated. In the context of the event, it was, I think, in a managerial sense and in the terms of the way in which the relay was managed, an overwhelming success. It is a great credit to the organisation and indeed it is a great credit to officers of the Chief Minister's Department that they delivered such a successful event; accepting that there were some incidents of violence and intimidation and argy-bargy between people that came that might be described, for want of better descriptions, as China supporters or pro-Chinese and people that came to support the legitimate expectations of people within Tibet for sovereignty.

We had three very identifiable groups: Canberrans wanting to experience the event, in a significant number; we believe in excess of 10,000 people overtly supporting China; and a smaller but nevertheless reasonably strong group of perhaps 2,000 to 3,000 people quite explicitly supporting Tibet. The presence of people wishing to demonstrate or support did add a significant tension.

There were some incidents of violence which were, of course, always to be regretted and abhorred. But accepting those incidents, the relay was an outstanding success. I think it reflected extremely well on those that organised it and I believe it reflected extremely well on Canberra as the national capital.

If one wants to be very pragmatic, the level of exposure of Canberra throughout Australia and the world was exceptional. The fact that we were the first of those that had been honoured with the relay to successfully complete the relay without riot and without the sorts of scenes that were broadcast from London and Paris was a great credit to Canberra. In the context of the audience—and we seek always opportunities for presenting Canberra to the world as a wonderful place—I believe we achieved some of those other aims. So yes, with the exceptions that I mentioned, we were particularly pleased in an organisational sense, and in a presentational sense, with the

relay.

I do not resile from the decision to accept the invitation to conduct the relay here in the Australian Capital Territory. I do not think at any stage anyone of any persuasion or colour would have rejected the offer of the Beijing organising committee to host the relay. It was essentially an invitation that would have been impossible to refuse. The consequences of accepting that invitation and the consequences of the way in which previous relays were conducted left us no option but to ensure that it was secure. That cost us, and we might regret that cost. I certainly regret the fact that the commonwealth did not support us to the extent that we expected but I do not resile from the decision to conduct the relay. Whilst I have some regret that the cost was greater than the cost we expected, at the end of the day I am essentially satisfied.

MR SMYTH: You mentioned, on page 36 of your annual report, the demonstrations and you just talked about the incidents. Were any charges laid? Were any complaints made to either an official body like the Human Rights Commission or others; and, if so, what numbers were there and what follow-up and outcomes were there?

Mr Stanhope: My memory is that there were seven arrests and charges. It was of that order. I understand that somewhere in the order of seven people were arrested and charged. I believe those matters have been completed. I believe, interestingly, that, of those arrested, five were described broadly as China supporters and two were described broadly as Tibet supporters. I believe those matters have all been concluded. But as to other further issues of complaints and anything that might have been pursued, I just confirmed those broad details but I will be happy to confirm all that.

MS BURCH: I think we have talked about skill shortages and other bits and pieces so my question is about the living—

Mr Stanhope: I am sorry to interrupt.

MS BURCH: That is all right.

Mr Stanhope: I should just say, just to complete, I regard the response of the Australian Federal Police and ACT Policing during the conduct of that relay as one of the most outstanding and exemplary exercises in policing that I have ever seen and confirmed for me my quite honest feeling that we in the ACT have probably the best police force in the world. I believe that event confirmed that.

MS BURCH: It was just a question on the great careers in the territory. There is an awareness-raising program about attracting and retaining public servants in the ACT. Is that program working well?

Ms Centenera: It is. It is still in its first year. As you will notice from reading the *Canberra Times* job pages—not that any of you would be—the ad pages are all branded “Great careers come with the Territory”. All non-executive positions in ACT government come under that banner and are co-branded. We have had an increased number of hits also on the remodelled jobs.act website, coming from the campaign and from the remodelled website. I would have to get back to you if you wanted more

exact figures but I know that we have had much more success with recruitment and application processes through there.

MS BURCH: The numbers will be available as you—

Ms Centenera: Yes.

MS BURCH: Through the department's process?

Ms Centenera: Yes. There is about to be another, I suppose, push of it in the next six months. It is going to be not relaunched but a second phase of that campaign is going to come through in the next six months, yes.

MS BURCH: And that is linked with good support and training and retention programs in the ACTPS?

Ms Centenera: Through the great career program, we have a dedicated staff within the Chief Minister's Department that is working on the campaign itself. They are not just running the advertising campaign but they are also looking at training, particularly executive training, future leaders training, first-time managers training—no matter what level, whenever somebody has the opportunity to supervise staff.

That is in addition to the graduate program that we already have and some more performance feedback training as well. Yes, it is very, very well supported. I think it is under the strengthening public service capacity line in the budget and it is continuing funding.

MR SMYTH: Still on page 36, the live in Canberra campaign, is there any evaluation being done on the effectiveness of the program and is there any comparison being done with its effectiveness with similar programs run interstate or internationally?

Mr Stanhope: I ask Mr Kinsmore to respond.

Mr Kinsmore: There is an ongoing evaluation being conducted on the Live in Canberra program. We assess the amount of unique website visits that the Live in Canberra website receives each month. That comes out in a report, and of course we have got the hard-and-fast figures associated with the skilled and business migration program on sponsorships through the ACT government. We assess it through migration figures provided to us through the Australian Bureau of Statistics and we do some satisfaction surveys on the welcome events that we conduct twice-monthly for new residents, and they are coming along very well. I am happy to provide the outcomes of those results, if need be.

MR SMYTH: That would be great. How do you determine that migration is as a result of the Live in Canberra campaign and it is not just a matter of somebody who was coming here anyway?

Mr Kinsmore: It is really difficult to quantify that sort of result. Anecdotally, we get people coming along to the welcome events who say, "Oh, I spoke to you at a seminar in Sydney; we were tossing up between two jurisdictions and you won us over." Or

perhaps it was some of our marketing material or they were coming here anyway and we provided a level of assistance. Unless we do some real qualitative research on just about everyone who has come or who has been assisted through the campaign, it is really hard to get a figure on that.

MR SMYTH: How much has it cost to date?

Mr Kinsmore: To date? If I could take that on notice, I can be very specific about that and talk about government contributions and, importantly, contributions from the private and tertiary sectors from the time of the launch of the program in April 2006. So if you don't mind, I will take that on notice and get that to you.

Mr Stanhope: In that context, it is a point of interest to me that 28 non ACT government organisations are partners in the program. Just in this financial year, those 28 organisations have contributed \$140,000 to participate in the Live in Canberra program. In the context, once again, of the qualitative responses regarding the success or the opportunity that a particular government program offers, they are around the responsiveness of organisations.

Four organisations that joined for the first time this year, for instance, are the Defence Community Organisation, the Apparel Group, Allied Pickfords and EDS. They are four quite disparate groups but they all obviously have labour force issues and have come to us and said, "We've got a particular issue, we're looking for workers who can fill these gaps within our organisation." They have come to us as just one avenue that they will pursue in trying to identify people that can meet their particular needs. It is interesting to look at those 28 organisations and see just how disparate they are. They have joined the program because they believe it will work for them.

MR SMYTH: The last paragraph on page 36 says that the campaign has been conducted with "great success". How do you measure that great success? South Australia had a Live in Adelaide program, and other places have done it as well. Is there any data that we can compare ourselves with?

Mr Stanhope: As Mr Kinsmore said, the website averages 100,000 hits a year. If you create a website and you have a specific purpose and you actually achieve 100,000 hits, you say, "That's a great success." We can probably detail all of that for you in terms of the level of obvious interest that can be measured in that way, and the number of people that take that next step, and who go from hitting the web and then ask, "Can you send me more information?" There is also the number of information packs that we distribute, when people are following up and saying, "Well, give me more information." We have all of that detail.

MR SMYTH: Thank you for that, but how do you define "great success"?

Mr Cappie-Wood: I define "great success" by not having a net out-migration from Canberra. In fact, some of the earlier statistics in terms of what is net in-migration and out-migration within Canberra going back to 2003-04 can be provided to you, but you have to ask, "What contribution would be beyond merely just economic circumstances?" One of the points I was going to raise earlier was: what part does this information availability play in terms of people's cognitive decisions to actually

relocate? It is fair enough to say that going to one of our seminars would be because people are thinking of relocating anyway, to somewhere. Have we tipped them over the edge because of that? That is a qualitative rather than a quantitative process.

Having this information available, having the services there, and certainly having it seen as a process which is beyond government in terms of it being a combined government and private sector initiative mean that people can see that this is a whole community approach to try to attract and welcome people to Canberra. Hence there are the welcome packs when they arrive, instead of just saying “Hey, we got you here, see you later.” The welcome packs are very important as well.

It is a contributory process towards decision making. It is not part of a binary process in terms of saying: “Do I go? Yes/no. Therefore I will go to Canberra.” But not having that, it is clearly indicated from some of the feedback—and it is qualitative feedback as opposed to quantitative feedback—that this has been formative in people taking decisions about Canberra as a location, not only internationally but from other parts of Australia. It is those qualitative responses that we do rely upon. Yes, we can look at the comparators as to what other states did and the extent or not that they actually demonstrated in their own mind what advertising does, because this is a form of advertising in its own right. So we are happy to provide those issues, but it is a contributory process to the decision making as opposed to the sole outcome.

MR SMYTH: Did the government set itself some KPIs or targets or indicators when the project was started, to measure this great success against?

Mr Cappie-Wood: Growing the amount of private sector support for it is one very strong indicator that it is—

MR SMYTH: Sure, but is that written down in a document that the committee could have?

Mr Kinsmore: Yes. I can chase up some business planning we did early on. We did not identify strict KPIs that we were going to work against; I think that would be bold considering the long pipeline that migration or interstate movement has. It can take years for the decision process to come to light. But the engagement of the private, tertiary and commonwealth sectors was high on our list of targets. We feel that is a strong measure of our success. They come back year after year and they contribute to almost half of the operational cost of the Live in Canberra program. They do work shoulder to shoulder with us. They travel with us, they provide marketing collateral and we cross-brand things. So it really is a combined effort that was in the target. But I will take that on notice and get you that information.

MS BURCH: I have one question on Live in Canberra. Given the economic environment that we are in at the moment, with a program such as this that we have had in place for a long time, is it proving to be a buffer for the ACT?

Mr Kinsmore: We are looking at the current environment and we are undertaking some primary research with our supporters and people out there, and some desktop. We have just about got that completed. It is about the messages that we put out in this current environment. We have got to be very focused on who we talk to, who we say

Canberra is good for in terms of business migration or skilled migration, and the accompanying marketing collateral that goes along with that. So we are looking at that environment, we have completed some research and we are in the process, very shortly, of providing a report on that.

Mr Cappie-Wood: I mentioned some stats earlier: in 2003-04, international migration stood at about 450; in 2006-07, international migration to Canberra stood at 800. So that is an 85 per cent improvement. In terms of interstate migration, for the same period of time there was a net loss of interstate migration of 1,600; in 2006-07 there was a net interstate migration gain of 1,900. So that is a complete turnaround.

MR SMYTH: Which are fine numbers, but how much of it is attributable to the program?

Mr Cappie-Wood: And that is—

MR SMYTH: The question.

Mr Cappie-Wood: It is a good question because you could not define it absolutely. I think you would agree that it is almost impossible to say, “That was the reason.”

MR SMYTH: Sure, but I did not write the words “great success”.

Mr Cappie-Wood: I would put that as a great success in terms of those numbers.

MR SMYTH: Yes, but you do not know what it is attributable to. It may have occurred anyway.

Mr Cappie-Wood: In the absence, yes.

MS BURCH: But it is picked up through the qualitative work that comes through, with sponsored employment and things like that.

Mr Cappie-Wood: Yes, it is the qualitative responses on the base of that qualitative effort.

MR SMYTH: Prove the linkage.

THE CHAIR: Are there any more questions under that section?

MS BURCH: No.

MR SMYTH: On page 19 there is a section called “Future of Canberra Studies”. It talks about two studies that apparently have been done. Have they both been completed and is the committee allowed to have copies of those?

Mr Cappie-Wood: One was an economic footprint study which was a feed-in to Canberra planning and the economic strategy as well. I might ask Dan Stewart if he could update us on those two.

Mr Stewart: As pointed out, there were two projects. The economic footprint study which was undertaken by Access Economics is available on the CMD website now. The other project was a demographic projection update which we utilised both for the capital development publication and also to undertake some internal planning across agencies. Those numbers are now being fed into further work which is being undertaken by our new demographer for which we received funding through the 2008-09 budget. There will be publications flowing out of that work over the next three to six months, I expect.

MR SMYTH: And the demographic modelling report? Where is it? Is it available?

Mr Stewart: The numbers were retained for internal use by agencies. The main output from that was a set of spreadsheets. There was an accompanying report which articulated the assumptions used by Access Economics, but the numbers were retained internally for consideration by agencies and to feed into that further work that we did. Now that work, coupled with the recent release by the ABS of their own projections, is being considered by our new demographer in formulating an updated set of projections—40-year projections, I believe—for the territory.

MR SMYTH: Is the committee allowed a copy of the second report?

Mr Cappie-Wood: Once those figures have been confirmed, we intend to make them public.

MR SMYTH: And when is—

Mr Cappie-Wood: Once they have been validated with ABS and worked through, those projections will certainly be made public. It is essential that those demographic assumptions also be made clear at the same time.

MR SMYTH: And that is expected when?

Mr Cappie-Wood: That is expected within the next three to four months.

Mr Stewart: Yes, that is right.

MR SMYTH: Right. I move to a subject dear to your heart, I know, Mr Cappie-Wood. Page 20 refers to the accountability in government project.

Mr Cappie-Wood: Yes.

MR SMYTH: It seems that the report put to government was scheduled for late 2008.

Mr Cappie-Wood: Yes.

MR SMYTH: Has that been finalised?

Mr Cappie-Wood: There have been discussions with the CEOs around some of the initial opportunities and directions. We are finalising those discussions with CEOs at the moment before bringing it to government for consideration. We would be looking

to bring something to government within the next month or two.

MR SMYTH: What is the process from there?

Mr Cappie-Wood: The process from there, subject to government agreement, would be a refinement of the nature and form of the accountability structures across government to see where there is means of improvement for trying to make sure that we have clarity around what sets or indicators are being used, what the reporting mechanisms for them are, how they are cascaded into agencies' particular internal corporate documents, and what public reportage is applied in terms of the accountability framework. It is a fairly comprehensive look at ways of improving not only accountability for the sake of improving service delivery and direction setting but also the means by which there could be improvements in terms of public availability of those accountability measures and indicators.

MR SMYTH: So we need to wait a bit longer until the government makes a decision?

Mr Cappie-Wood: Yes, but it is being very actively pursued at the moment.

MR SMYTH: On page 21 there is a reference that the revised framework for specific payments by COAG was to be concluded in December 2008. Did that actually occur and is there a report or a copy of the review available?

Mr Cappie-Wood: In terms of what the commonwealth government was offering, there was obviously a series of proposals put to the jurisdictions which jurisdictions would sign off as being sought. That was broken down into a series of either specific purpose payments or payments around national reform priorities. There are still some fine details being resolved, largely due to the commonwealth government wishing to finetune and get some greater clarity. They are being worked through at the moment. I would imagine that there will be a final suite of those agreements that would be concluded, I would say, in a matter of weeks.

MR SMYTH: All right. And that will be made public?

Mr Cappie-Wood: I think they are public anyway?

Ms Davoren: Yes. COAG released its communique at the end of the last meeting. There is an enormous amount of detail in that. We would be tabling our agreements in the Assembly in the normal way in the following sitting periods, but also the commonwealth will be putting out fact sheets around each of those agreements, so they will be publicly available.

Meeting adjourned from 11.03 to 11.21 am.

MR SMYTH: I want to just finish that section on some of the events. Page 38 refers to the national balloon spectacular. What was the department's expenditure on the spectacular?

Mr Stanhope: Miserly, I think. Sufficient. I can give the generic descriptions. Well targeted. Mr Kinsmore.

Mr Kinsmore: The total cost of the balloon spectacular was \$162,000.

MR SMYTH: From Chief Minister's or across government?

Mr Kinsmore: That was from across government. Some \$50,000 was provided by the Department of Tourism and \$20,000 by the Chief Minister's Department. Some \$87,000 was raised in sponsorship; that was cash and in kind from the Kaz Group, Hotel Heritage, ActewAGL, Canberra CBD Ltd, Southern Cross Ten, the *Canberra Times* and ABC 666 radio. That included cash, media partnership and in-kind through accommodation.

MR SMYTH: The estimated 25,000 people attending the event—who made that estimate and what was the basis of the estimation?

Mr Kinsmore: I think it came from a number of sources. ACT Tourism conducted some surveys and some research and provided us with an indication of those numbers. I would take that on notice and check with my tourism colleagues.

MR SMYTH: But no independent non-government research was undertaken?

Mr Kinsmore: I think Tourism did engage someone, but again I would like to confirm that with my colleagues and take that on notice.

MR SMYTH: All right. You mention here that over 30 balloons committed to the event. In previous years it has been up around the 55 or 60 mark, I understand. Why so few this year or in this event?

Mr Kinsmore: I must say that I do not have an answer to why so few. I could take that on notice and get some indications from my colleagues.

MR SMYTH: All right. There is a point. Was the event run by Chief Minister's or was the event run by Tourism?

Mr Kinsmore: The event was coordinated by the Chief Minister's Department. There was input from Tourism in marketing, as in destination marketing, and it was outsourced to a company to run the logistics. It was coordinated by Chief Minister's.

MR SMYTH: So the body most responsible in the government is the Chief Minister's Department?

Mr Kinsmore: Yes.

MR SMYTH: What is the budget for this year's event? Will there be an event this year, a spectacular? What is the budget for it?

Mr Kinsmore: There is an event this year. There has been a request for tender to deliver the logistics. That has been sorted out. I do not have the budget to hand; I could take that on notice. There is some sponsorship that is yet to be negotiated. We have negotiated a major sponsorship, not a name sponsorship, with the Kaz Group but

we are in the process of getting in-kind sponsorship through ActewAGL, Elgas and an accommodation sponsor. I could get those hard and fast figures to you.

MR SMYTH: All right. The \$70,000 that the government committed as the cash component—has any costing been done on what in-kind support was given and the cost to the various departments?

Mr Kinsmore: Across government?

MR SMYTH: Yes.

Mr Kinsmore: No, there has not as yet.

MR SMYTH: Will there be?

Mr Kinsmore: I can endeavour to chase that up for you.

MR SMYTH: Thank you.

THE CHAIR: I would just like to ask about the centenary celebrations, partly about commonwealth funding. Has this been secured and, more generally, what are you planning for us?

Mr Stanhope: In relation to the centenary, we are planning a fantastic celebration for the community. To go to what we are planning, we are hopeful of a great celebration for this centenary. From all of our research we believe that Canberrans most particularly are very aware of the centenary. We have been doing some significant research in recent times nationally and we have previously worked quite closely with community organisations and the Canberra community in relation to the centenary.

We are aware of very high levels of interest and support within the Canberra community for a celebration of our centenary as a community and as a city. We have most recently had some very strong responses from the rest of Australia in relation to celebrating the centenary. It was very pleasing to us to find from that research that there are perhaps higher levels of engagement or empathy by the broader Australian community than what Canberra, as the capital of Australia, and we Canberrans sometimes imagine there may be from our fellow Australians.

And it is on the strength of that that we will seek to reinforce with the commonwealth our desire in what we believe to be the appropriate support of the commonwealth for the celebration of the centenary. The way our negotiations and discussions with the commonwealth have proceeded in the past is that the ACT government accepts that we should be heavily involved and should resource aspects of the celebration that we Canberrans essentially own, as our celebration as residents or citizens of this city of its centenary, but we look to the commonwealth to accept that responsibility in celebrating the national capital's existence and celebrating it, or resourcing that aspect of the celebration on behalf of all other Australians.

It is fair to say that we have made the advances in our discussions or consultations or agreements with the commonwealth that we would have liked. The day gets closer; it

is only four years and two months now, and in the context of major celebrations and planning that is not long at all. The commonwealth have agreed in the last few months to a combined way forward. I think we have made significant progress. We now have a signed memorandum of understanding with the commonwealth government which I signed, in company with the minister for territories, Mr Bob Debus. That really is just an agreement to cooperate and work together, but we believe it is a significant stepping stone on the way to a joint approach.

At the end of the day, of course, it is about money, as all these things are—it is all a bit tawdry at times—and it is about the level of investment or resourcing which the commonwealth is prepared to bring to the celebration. One of our difficulties and frustrations has been that without some indication from the commonwealth it makes it harder for us to do some of the planning that we would like to do. We are putting the case strongly to the commonwealth that we need some better indication from them of their thinking and some of the parameters, or the ballpark, that they are prepared to operate in in relation to supporting. At this stage we have no indication other than a commitment by the commonwealth to be part of the celebration and they have made that commitment.

We have been through a significant community engagement. We have sought feedback from the Canberra community about what they would like and those responses have been released. The community does want a celebration. They want a party; they want a celebration. They want some enduring legacies and we are in the process of starting to identify some significant events—sporting events, cultural events and other events that could be featured throughout the year.

I am very pleased with the way in which our community organisations, our service clubs, have responded. Organisations are looking, for instance—and this is part of the work that we have been doing—to hold their conferences in Canberra that year. I know that organisations such as Lions and Rotary have responded tremendously by saying, “Maybe we can hold our annual convention or maybe even an international convention in Canberra during that year.” All of that work is proceeding.

In the context of decisions that we have taken, we are in significant and serious negotiations with Golf Australia in relation to the Women’s Open golf being held in Canberra in 2013. There is a price tag to all of these, of course, and a significant price tag. We are in serious negotiations with Cricket Australia. England is touring Australia in 2013 and we have put the hard word for a test. We do not regard it as an ambit; we think it is reasonable. There is a significant cost associated with that, but we are certainly negotiating with Cricket Australia. We are negotiating for a test match. They have suggested that they think that might be just a road too far but that a one-day international between Australia and England in 2013 is, they believe, potentially achievable.

Those are the sorts of negotiations that we are in having regard to the long lead times in setting up these things. We are negotiating with the Australian Rugby League for a rugby league test in 2013. At this stage we have suggested that we would be very keen to host an Australian-New Zealand rugby league test in 2013—hopefully before that but certainly in 2013. So those are the things that we are doing.

I will just conclude on this point. In my meetings with the Prime Minister, the current Prime Minister, and his predecessor and in my meetings with all ministers in the territory that I have been dealing with over the last five years I have sought to get commitments from the commonwealth around a physical enduring legacy, such as a convention centre. The commonwealth is always polite in all of those conversations and nothing more. And that is one of the difficulties we have without some idea or signal from the commonwealth or an indication of their thinking about what they would see. That is work that we need to do. I have asked my office to arrange a meeting with the Prime Minister to deal just with this issue of the centenary and the need for us four years out to have some better and some more concrete understandings or indications from the commonwealth about how he proposes to proceed in working in partnership with us.

We are working hard. We have provided significant funding now through the Chief Minister's Department. I think last year's budget provided for recurrent funding over the next four years of around three quarters of a million dollars to allow us to build up capacity to bring all of this thinking and all of these plans together. But that is where we are at.

THE CHAIR: You touched on the idea of an enduring legacy. Have you looked at that being in any way something that will make Canberra more environmentally sustainable, given that we are looking presumably 100 years out into the future and that is what we are going to need?

Mr Stanhope: Yes. We have a very open mind. We have come to no concluded decisions on what that might be. It is probably time for a reinvigorated and new assessment of enduring legacies. I think that is quite consistent with what other cities do. I think every city at this juncture uses occasions like centenaries to think about what we, this generation, at this time, celebrating this particular anniversary, can develop or generate or create that is a legacy for those generations that come after us.

Having recently visited Quebec, which has just celebrated its 400th anniversary, I know that the government of Canada and the government of Quebec contributed \$Can35 million each to a complete restoration of a large section of the St Lawrence shore which had been significantly impacted by factories and oil storage facilities. They have restored the entire area to parkland for the benefit of the city of Quebec and for the people. That was the legacy that they chose and they committed \$70 million to restoration and reclamation of the St Lawrence. That is just one example of a decision that that particular community took.

Mr SMYTH: On a new subject, on page 5 it says that the major change in the department in the financial year we are looking at was the creation of the project facilitation unit. What has the unit achieved in the year? It is curious, I note, that there is absolutely no comment in the report about the data centre and the power station proposal. How can such a significant thing have been overlooked in your reporting?

Mr Cappie-Wood: I might pass to David Dawes in terms of listing some of the achievements. You suggest that we might have left something out there. Partly, the data centre is a facilitation—it is one of many facilitations about many projects—and we have not gone into excruciating detail about all of those, largely because we are

not running the statutory process. We are not in the business of taking away statutory responsibilities from other agencies. In the delivery of the project facilitation capabilities, we have not put all of the actions that that group has undertaken, largely because many of those ongoing formative discussions try to attract business to the ACT, appropriate business, and in the instance of the data centre it was quite an environmentally sustainable business as well, imperative to using black coal as an energy source.

A wide variety of activities are underway. The activity was not necessarily concluded in the reporting period. In fact, I would have to say that it is still quite active in the reporting period. You asked, "What have been the achievements?" I think certain mentions in this house would probably be one of its achievements, but I think—

Mr SMYTH: Degree of notoriety?

Mr Cappie-Wood: Degree of notoriety. I am happy to pass to David Dawes or Ross McKay about the number of actions that have been undertaken. For instance, work with Integrated Forest Products is not mentioned either, which I think was another success of this area. We worked very hard to try and make sure that we could have the landing of the administrators being called in as soft as possible, and worked with unions and the workforce to see what alternatives could be there.

There are many actions and activities which have not been reported in fine detail because we were not taking a statutory role; we were taking a facilitated role for which the end outcome was trying to achieve a better economic outcome largely for the ACT. I do not know if Mr Dawes would like to answer.

Mr Dawes: If I can just elaborate a little further and then I will pass over to Ross to talk about some of the achievements that we have had. I think we have to understand what the project facilitation role is—that is, it is to act as a single point of contact for major investment. It is not just about facilitating major construction projects. It may be a business wanting to come to Canberra and establish itself here. What we actually do is facilitate a number of meetings with different agencies to assist them, whether it is registration of a business name or whether it is an occ health and safety matter and they need to go through some of those regulatory requirements.

Once we get an understanding of what their requirements are we know who—one of the great advantages of Canberra being a small jurisdiction is that we know a lot of the players here. Attaching it to some of the land that has been released, we know the purchasers of that land. We even try and match up some of these businesses with some of the property owners as well to devise an office for them or a factory or a warehouse. It is facilitating that to ensure that when any project is identified as a major project we get the relevant agencies around the table.

We have achieved greater results in getting all the decision makers in the one room for those particular proponents to meet and discuss their particular proposal. We can look at any potential issues that may arise. We try and encourage the proponents to ensure that they can meet all of their requirements, whether it be an environmental plan or whether it be an issue around the heritage study on a particular site or any other planning issues that may arise.

We have had some success in that. It is not just about large projects. Sometimes we have achieved some quite good outcomes for some small projects as well where people have not been sure where to go in government and we have been able to at least form those linkages. As to some of the success that we have had, I will just pass over to Ross to identify a couple of those. As you would be aware, some of them are commercial-in-confidence, so we just need to be mindful of that.

Mr McKay: Currently, we are managing 15 projects that are underway. We have got 17 projects that are completed, on hold or awaiting other information from the proponents, and we are also managing 28 direct sales proposals. With respect to things that we have completed, with the direct sales reform project, we have an interdepartmental eligibility assessment panel. The purpose of this panel is to assess an applicant's eligibility for a direct sale and speed up the delivery of direct sales. Through that process, we have had six meetings and we have looked at about 20 different direct sales applications.

We have had interagency liaison on development issues on about six projects which range from the Blue Gum school to the Casey 1 estate, Castletower site leases, scout leases and aged persons accommodation direct sales. I will give you an example of what we do with Blue Gum. There is interagency liaison with Territory and Municipal Services, the planning authority, the Land Development Agency, the Government Solicitor's Office and the Department of Education and Training. They had a building on a wrong site that needed to be moved and they could not come to an understanding with the Land Development Agency that they wanted to buy the block of land that they were on. They could not work through issues with ACTPLA because it was on TAMS land; it was incorrectly placed. They had insurance issues.

We facilitated the movement of that particular building. They wanted extra classrooms and they did not fulfil the requirements of the policy for community leases in the way they were registered as a not-for-profit organisation. They had maintenance issues and they needed a long-term lease to enable registration and expansion of the school. Because they had a number of different issues—and this has been going on for a long time—we were able to work with all the departments. We put things in as “completed” or “on hold”. Just yesterday, we had another issue with Blue Gum which we are working through—some repairs to their building to enable them to commence school in a couple of weeks time.

There are other ones like Goodwin Monash, where we worked with the Land Development Agency, Territory and Municipal Services, the Department of Health, Environment, Roads ACT, ActewAGL and the commonwealth government to do territory plan variations, to implement the requirements of the building for an ageing community strategy, to ensure that beds were retained within the ACT, to create the lease and the consolidation of parcels to build over territory land, to build a pond within territory land, and to work through design issues which are often challenging when you create a large development in a suburban context. That required work over many, many months. There was a fairly protracted negotiation over the costs of the site but in the end the project is underway. If you like, I would be happy to go into a number of other projects to detail what we are doing with them and how we are providing value to that process.

MR SMYTH: Yes, go on.

Mr McKay: One of our projects is the Village Creek school, Mount Neighbour former school and Rivett former school sites. They are a strategic project and they are in the land release. They are going to be aged accommodation land releases. We time aged accommodation land releases to coordinate with the commonwealth's release of beds, so that we can release blocks of land in a timely manner and release the correct amount of land to deliver what are the ongoing needs. Part of our duties is to maintain the building for an ageing community strategy, which is evolving, and we are delivering on that. It is a fairly constant challenge, in an evolving industry, to keep providing land and assistance to the aged industry.

With respect to the Hume Resource Recovery Estate, we are undertaking an expression of interest for a recycling project. With these recycling projects, I am not on the evaluation committee but we have had a number of expressions of interest for release of blocks which can be by a number of different tenure methods—by sublease, by direct sale or potentially through competitive release. With the Hume Resource Recovery Estate, some of the issues that we faced when working with the Land Development Agency, NOWaste, the planning authority and Territory and Municipal Services were about existing tenants. The method of tenure is to be able to deliver the land in an affordable fashion and for the territory to be able to deliver the land and the infrastructure works basically without having to put in a budget bid for those works.

There is the matter of determining who is eligible and who will take away the maximum amount of the waste streams going into landfill and determining how much land they need. It needs to be considered that, over the next 50 or 99 years, recycling inevitably will evolve and what is demanded today will not necessarily be demanded in 10, 20 or 50 years time. So there needs to be some form of future proofing built in. We need to try to look for innovative methods of recycling, so from collection to delivery of an alternative product. We need to ensure that this is an attractive, well-thought-out development that provides maximum opportunities for the maximum number of organisations, and we support those organisations.

There is also the matter of keeping the watercourses as pure as they can be. There is the matter of working with National Capital and ensuring that their requirements are met and that we are able to allow the maximum number of valid organisations to be assessed, with the aim of reducing the waste streams. Another project that we are working on—sorry, I have got another 37.

MR SMYTH: No, that is fine; I can listen all day. You might like to furnish a list.

Mr McKay: I would be happy to.

MR SMYTH: A lot of what you talk about—

THE CHAIR: Can I just ask about that project that you have just been talking about—the Resource Recovery Estate. You said there were two objectives. One was that there be no impact on the budget and the other was recycling. How do you balance the two? Clearly, we have a problem with waste in the ACT; we are not

achieving the “no waste by 2010”.

Mr McKay: No impact on the budget is—

THE CHAIR: I would have put that as a higher—

Mr McKay: With respect to there being no impact on the budget, that is the way I operate because I do not want to put in a budget bid to do works if they can be provided within the normal course of business. So it is not an objective of government; it is a personal objective.

Mr Stanhope: It helps in the creation of the estate. The comment that Mr McKay makes is not in the context of resourcing Waste ACT; it is in the context of creating a resource recovery estate at Hume and the facilitation work which project facilitation is doing is in the creation of the estate—actually determining a client group, working with business, determining the level of commercial interest in being involved in recycling or the reduction of waste. So it is about the land development or the creation of the estate, not the pursuit of recycling of itself. He is talking about a land development strategy or opportunity rather than an investment in waste reduction.

THE CHAIR: But given that you are doing waste reduction there, I am taking it that commercial viability is one higher criterion, given the “no impact on budget” aspect. From my point of view, waste reduction should be the highest criterion rather than the impact on the budget.

Mr McKay: I am not on the evaluation committee so I cannot comment on a particular development. But they need to be sustainable; that is one of our principal issues. There is a need to be commercially viable. To have an ongoing lease sale, they need to be commercially viable.

Mr Stanhope: It might be useful perhaps if Mr Dawes explains what it is that we are trying to achieve in the Resource Recovery Estate proposal here.

Mr Dawes: One of the things that we looked at with the Hume Resource Recovery Estate was that there were some commercial operators who wanted to relocate to the estate. For example, if you look at the Corkhill operation, that is being conducted at Mugga. Because they only have a licence agreement to conduct some of their activities there, that prevents them from investing in the order of \$5 million or \$6 million in some machinery and other equipment they need to, say, handle all the food wastes. As you know, that is operating in some other jurisdictions. That particular product is then returned to compost and it can go back into gardens.

Mr Stanhope: One of our hopes in our next step is to deal with that issue, through a commercial provider. This is not a business that the ACT government is going to get into—converting organic waste into a saleable product. Corkhills are doing it with 90 per cent of our green waste, along with some of their colleagues at Belconnen and in Mitchell.

I must say I think it is rather unfortunate that, in the waste debate we have had over the last day, it has not at any stage acknowledged the absolutely outstanding success

that has been achieved in the ACT—the best waste recovery results in the whole of the Australian economy and probably amongst the best in the world. That is what we have achieved here. Of course, it is a bit too much to ask us to focus on the positives in any story. We have achieved absolutely stunning results in the ACT. Corkhills, the company that David has just mentioned, is exemplary—the leading Australian green recycler.

That is the story that we should be talking about today. We should be talking about the success of Corkhills at Mugga, in producing a commercial product, being part of a group of businesses within the ACT that, between them, recycle between 90 and 95 per cent of all green waste. It is a stunning story, a stunning result and a stunning outcome.

We want to replicate that. The Resource Recovery Estate which we are proposing for Hume is to move to that next step with a commercial operator. You have companies such as Corkhills. The point that David just made is that Corkhills had somewhere between \$4 million and \$5 million of plant at Mugga. Their colleagues in ACT Recycling, up the hill from Corkhills, have invested \$5 million in the recycling of cement, wood and metal. These are stunning businesses employing 36 people. Corkhills are employing 18 people on that site. We have done remarkable things and we want to extend that.

We are looking at the creation of an estate at Hume that would allow companies such as Corkhill to make those massive investments in plant that are needed to allow them, for instance, to move to the next stage of green waste and to organic waste, and that is the—

MR SMYTH: When did this planning start for the recovery estate?

Mr Stanhope: It has been something that has been worked on by Project Coordination over the last year at least.

Mr McKay: Yes. We have been—

MR SMYTH: So it languished until July last year, nothing was done between 2001 and 2007?

Mr Stanhope: No, I would not say that. This is why it is such a success. One of the crowning successes of Chief Minister's has been the appointment of Mr Dawes and the creation of the section. I am embarrassed, when I go around, at the number of companies that are upset that they have made approaches to project facilitation and project facilitation's books are full. There is an inclination these days, because of the quality of the service, to actually come to David Dawes, and project facilitation is the first point of call. The nature of the service of a project management facility in the government is to cut across any bureaucracy, and any bureaucracy creates bureaucracy and we have seen the need to try to fast-track and get these things on the rails. That is why the innovation of a project facilitation unit has been the success that it has.

In relation to some of the measures that we talk about today, about qualitative

v quantitative assessment of any government service program or project, it would be embarrassing to Mr Dawes and his staff if I were to relay to them, I think, the quality of the commendation that I received from places like master builders and property council, people like Ross Barrett, John Miller and Catherine Carter, and every other significant developer in town about the service that they receive from this group.

THE CHAIR: Thank you, Mr Stanhope, we are getting a bit short on time.

Mr Stanhope: I could keep going.

THE CHAIR: I think Ms Burch has a question.

Mr Stanhope: I am a bit like Mr McKay in this regard.

MS BURCH: It is time but there were two things you mentioned. They were buildings for the ageing and the notion of the facilitation group being involved with direct sales. It may have some link to this. With direct sales processes, because it is sometimes a point of concern, how has the group improved processes for direct sales?

Mr Dawes: I might just start off with that. I think governments have recognised this for quite some time as well. We looked at the direct sales process. One of the key issues has been the way that that has been conducted in the past. Obviously we get a lot of applications and we have got a finite resource as far as land is concerned. So it is a matter of prioritising as well.

Many community organisations put in an application for a direct sale where they do not have the financial ability or even the financial viability to carry out that particular project that they are seeking. Some of the things that we are doing there as well to short-circuit that to a certain extent are looking at those applications. We do not reject them out of hand. We actually work with those particular organisations, encourage them and put them in touch with some people that will be able to help them from a financial perspective as well so that down the track, when they are in a better position, they are then able to perhaps do what they would ultimately like to do.

The other thing with the new direct sales process as well is that we tried to streamline it and be able to give organisations or businesses that do have that capacity advice up front rather than letting land sit where we might have committed a direct sale. I think it is fair to say that some of the direct sales that we inherited go back several years.

What triggered those processes or what triggered payment for land was an approved DA. We might have given an organisation a direct sale of land to do a particular purpose. It might be aged care. I think Ross can elaborate a little further on that. This is a prime example: some community organisations have been given a direct sale, they have had an allocation of beds from the commonwealth but have not had the financial capacity to deliver that particular project.

One of the things that we now do is assess it right up front to ensure that anyone we are letting through the gate, as it were, has got the financial capacity to do it and build and develop it if, for example, it were granted a direct sale. Our focus has been very much to turn that on its ear and process the applications, give them a definitive answer

up front and we can then create that lease which will reflect what they want to then do. We can then get payment for the land in a far more timely manner and then we hand them over to ACTPLA to help them develop their DA and their BA process.

Where they need assistance, we will then obviously coordinate that process through a number of different agencies as well. Ross might like to elaborate on some of the sales. I think that tends to impact as well. We have seen a bit of an impact where we have had some shortage of aged accommodation as well because they have been held up in some of these processes that go back, as I said, several years.

Mr McKay: Thank you. The objective of the panel is, right up front, to work with the organisations. In a lot of cases they are community organisations; they have no experience in land development; they come in and they are seeking a significant government benefit to be able to deliver their community benefit. We provide them with a facilitation service but we also provide them with documentation that quite clearly sets out what they need to do.

It is pretty pointless, if you want to get a grant of a hectare of land, if you do not know how to deliver a set of financials or a feasibility on your proposal. We work with that. That criterion that we work under to ensure that they can deliver what they want to deliver or be able to refine their proposals until we can understand is the Planning and Development Act. The panel then reviews it.

The panel is represented by all the relevant agencies. We then make recommendations to government on what should be done with this particular applicant. The recommendation can be to support by way of direct sale. It can be to support but because there are similar applicants there should be consideration of an expression of interest process or a commercial process or, alternatively, not to support. That is for community organisations.

There are always a number of commercial organisations which also would like land. A number of these are via contiguous land which has a strict set of criteria which they must fulfil. We assess that and then that goes to the planning minister. If a commercial organisation or a commercial community organisation wants to develop land for the purpose of a commercial activity or straight-out commercial development, then they must be able to deliver a benefit to the public that could not be delivered by a competitive process. So we make that assessment and we make the same recommendation to government.

As far as direct sales that we have been looking at are concerned, the panel has considered 10 applications for eligibility. We have had six meetings. We are undecided on one because they need more information, two are not supported and seven have been supported. There are six applications yet to be considered. I think we have received seven over the past month or so. So we are quite popular.

MS BURCH: I am happy with that, thanks.

MR SMYTH: Mr Stanhope points out that people are beating a path to Mr Dawes's door because they obviously cannot get to other parts of government. I think it is an indictment of other parts of government, particularly ACTPLA, that the projects are

left languishing in this way.

Mr Stanhope: That is simply not the case, with respect.

MR SMYTH: How do you determine which projects get dealt with by your unit? What are their criteria? Are there policies and guidelines in place?

Mr Dawes: Yes, there are, and I am quite happy to table those.

MR SMYTH: That would be good. For instance, if a child care centre came and said they wanted a block of land or some assistance, would they be dealt with by you guys?

Mr Dawes: Depending on the nature of the inquiry. It comes back to the nature of it. In some cases, it may be just a simple thing like we did with Blue Gum school. It is just a matter that some of those organisations may not know where to go and it can be a quick organisation of a meeting to facilitate that. It depends on the type of application, I suppose, or inquiry. But we try not to knock anyone back at the end of the day. I have certainly had a policy—it might sound a bit corny—that the government are here to help. I think that is a very important thing.

When we look at it we certainly want to encourage investment in the territory. I think that is an important thing because I recognise from a previous life how moveable capital is and investment is. So we certainly try to do whatever we can. But we have got limited resources and we do have to prioritise things. It might be just a quick phone call to say, “Look, this is whom you need to speak to.” It might just clear the way. They happen in different forms.

MR SMYTH: I know Teddy Bears Child Care Centre at Curtin was looking for a block of land. Are they being assisted through your group?

Mr Dawes: I have not seen anything from Teddy Bears.

Mr McKay: Teddy Bears has not asked for our assistance. They are on the north Curtin site and they are a tenant of government but they have not asked for our assistance.

THE CHAIR: Thank you. I think, given the timing—and we have still got to do the Commissioner for Public Administration—further questions will be on notice. Thank you all very much for your participation and answers.

We will move on to the Commissioner for Public Administration. I acknowledge the presence of the commissioner. The first question I would like to ask you is: you have guidelines for salary packaging. Do these include any green items like pushbikes or bus tickets?

Ms Centenera: At this stage I believe that it is limited to cars, computing equipment, superannuation and possibly some other electronic devices. I could get the full list but at the moment it would not extend to pushbikes or to bus tickets.

Mr McAlary: I think that is correct. Ms Centenera is correct in that respect.

THE CHAIR: The graduate program: is it up or down on what it has been? You have got a graduate program; have you got more of them or less of them?

Ms Centenera: This year it is about the same number as it was last year. Luke will probably be able to provide more figures.

Mr McAlary: The number in the 2008 program was 17, I think. At this point we have got 21 graduates lined up for the 2009 program. In past years it has generally tended to sit around that sort of high teens, low 20s level.

Ms Centenera: We did get a much larger number of applicants this year, though, compared to last year.

THE CHAIR: You indicate on page 3 that you have got a focus on retention of staff and you have been doing focus groups. I am interested partly in the outcomes in general. Specifically, is the superannuation rate an issue, given that I understand the ACT pays a lower rate than the commonwealth?

Ms Centenera: We have been doing some focus groups with staff in relation to why they stay, why they go and what they believe will attract people to the service. Superannuation has been identified as an issue but I suppose not as much as other things. When it comes to joining or leaving the service, the things that tend to come up are things like career progression. Employment conditions and leave generally elsewhere are better, not just super. They tend to be the reasons.

With respect to the reason why people joined the service, work in the ACT government is viewed as very stable. Also, people like to see the work that they do actually impact on the community. That was a huge response, which was really good, because it differentiated us, I suppose, from why you would go to the commonwealth public service. So that was a particular ACT government focus that we were particularly interested in.

MS BURCH: I have a question on retention in the ACT public service. There is a comment on page 1 around secondment opportunities into other departments, presumably commonwealth departments. Whilst there is the attraction of the ACT government being more connected, is there much secondment into a commonwealth department and is that providing a career development opportunity?

Ms Centenera: There is not at this stage.

Mr McAlary: There have been some very preliminary discussions, for example, with the Australian Public Service Commission about whether there is a possibility for sharing of staff.

MS BURCH: Transferring, sharing and going in and out.

Mr McAlary: Yes. But I think it is a rare phenomenon at this point in time.

Ms Centenera: Even with the current economic situation, there is still a great skills shortage in the public service, particularly around policy skills. So while everyone can see the benefit of secondment, nobody really wants to let go of their policy officers, to be quite frank. So I do not know that secondment opportunities in the commonwealth, despite our discussions with the APSC, will be growing dramatically any time soon.

Mr Cappie-Wood: I have discussed with Lynelle Briggs the opportunity for some commonwealth public servants to get a dose of reality, if you like, because they quite often have a reality vacuum in their policy formation. Understanding at the grass roots level how schools work and how the health system actually operates would be of some benefit. That is part of the preliminary discussions. They actually see the benefit of that but it is more than likely that it is going to be through individual negotiations with secretaries of departments rather than through a centralised process that we see the most opportunities in this regard.

Education is quite interested, and we are just seeing how they can perhaps put that in place, knowing that they are all being worked reasonably hard at the moment. I do not think they have got a lot of free people that they can just move around for three months, and for us to be able to give them a variety of experiences, at their cost, I would have to say.

MS BURCH: But having the opportunity there?

Mr Cappie-Wood: Yes, that is right.

MR SMYTH: On page 1 of the report, the actual obligations of the commissioner are outlined, quoting section 18 of the Public Sector Management Act. In the paragraph that follows, the five dot points, it says that the commissioner is required to be independent from, and also responsive to, both the government and the ACT public service. How can having an officer of the ACT public service guarantee independence? How do you guarantee the independence of the commissioner when that person works for you?

Mr Cappie-Wood: To the extent that the roles and functions provided by the public service commissioner are clearly articulated. There is the capacity to have them operate within an administrative function—a broader functional role. It is about clarity of roles and responsibilities, and an understanding that, through the very mechanisms you have before you at the moment—a separate annual report—the capacity to take decisions outside any hierarchical decision process inside the ACT public service is already articulated through the creation of the role and position.

There are a number of decisions that they take without my involvement in that process. So there is the capacity to do this without necessitating another administrative overlay. That is one of the things we have to be somewhat careful of inside a jurisdiction of this size. We have so many costs bound up in the process as opposed to saying, “What are we trying to achieve as an outcome?” What we are trying to achieve is the highest quality of advice and direction setting in terms of the conditions and nature of the public service and to provide real guidance and direction in that.

Clearly, in terms of the activities that the commissioner has already undertaken in this regard, I think it is demonstrated that that can be achieved without the additional cost of having a completely separate office. I would like to think that there are benefits in having the commissioner within an operational environment, so that it is a broader remit than merely saying it is the commissioner. That means involvement in industrial relations activities and OH&S activity policy, and a broader range of policy discussions within, say, the Chief Minister's Department. So we believe that there is a highly functional relationship at the moment that is not compromising the commissioner's role and capability.

MR SMYTH: With respect to the first full paragraph on page 3, you can make the comment that that is contradicted by the line that "the commissioner has focused primarily on discharging the statutory responsibilities of the office". It then goes on to say that "the commissioner used available resources for strategic projects that support the management and operation of the service". The budget is set with you; you control the budget. At the third dot point on page 1 she says she can only undertake reviews with the approval of the Chief Minister. Maybe that is a problem with the law. Maybe the law needs to be changed. But if somebody made a complaint and the commissioner wanted to conduct a review, she cannot do that without the approval of the Chief Minister. So isn't there an inherent conflict of interest there?

Mr Cappie-Wood: You go to the question of resourcing. Resourcing still has to be determined by government in any circumstances, so I do not necessarily see that so much as a problem.

MR SMYTH: But does the commissioner have an independent budget? Is the commissioner allocated a budget and personally determines how it is spent or is it always coming back to the chief executive or the Chief Minister to ask for resources?

Mr Cappie-Wood: There is always, I would have to say, negotiation. But I have to say there is always negotiation in terms of resourcing of any of the statutory arrangements. I would not necessarily say that that operates within a vacuum of magical resources.

MR SMYTH: So the commissioner is not independent financially then?

Mr Cappie-Wood: Certainly, the commissioner is responsible for the budgets and the resource allocation that she gets. In terms of determining what that is, that goes through the normal budgetary process, and there is a degree of transparency in that, that I am quite comfortable with. In terms of her capacity to undertake reviews, there is every right and opportunity for her, or for anyone fulfilling that role, to communicate with the Chief Minister about opportunities or need for reviews. As well, the Chief Minister is able to request reviews, as the Chief Minister has requested reviews from other statutory office holders.

There is, in fact, quite a robust relationship there, and I do not see that as a particular constraint. In fact, in the time I have been here, I have seen nothing that would indicate that there is any frustration associated with a desire to undertake reviews that have not been acted upon or, indeed, that there is a need for review that has come to light.

Mr Stanhope: But in real life, it is not an issue.

MR SMYTH: What is the budget for the commissioner in the financial year that is reported upon?

Mr Cappie-Wood: I can get that for you; I have not got that with me.

Mr Stanhope: It has to be said that there are a number of positions within any administration, most particularly the ACT administration, where a public servant is appointed to a statutory position and exercises a statutory role and responsibility consistent with the legislation. The head of ACTPLA has an administrative public service role and a statutory role. The Conservator of Flora and Fauna has a statutory role and a public service role as the head of a branch and as the Conservator of Flora and Fauna. The public service commissioner has a public service role and a statutory role. It is an incident of the size of our administration to some extent. There has to be some pragmatism around the capacity of a government with our budget, of our size and in an administration of our size, to be a little flexible in some of our administrative arrangements.

We recognise the need for statutory independence in the pursuit of certain functions. We see that in a number of areas, including this one. The independence is ascribed to an individual through a statute. It would be a criminal offence for a minister or a member of an executive to interfere in the exercise of a statutory power. It is not something that either I or any of my colleagues would ever contemplate.

THE CHAIR: Given the inherent independence issues, have you considered having the statutory appointment person employed somewhere other than within CMD? What comes to mind is somewhere in the commonwealth public service, which could give a broader experience and reduce the independence issues.

Mr Stanhope: First, I do not accept that independence is an issue. One can argue about a perception, but the reality is that the independence of the commissioner is respected absolutely. As Mr Cappie-Wood has just said, I am not aware, in my time as Chief Minister, of a single incident or incidents of the commissioner not being able, as a result of budget capacity or otherwise, to pursue her statutory responsibilities as she thinks fit. I cannot recall a single instance where the matter has ever been raised in discussion that a commissioner has not been able to pursue her statutory responsibility as a result of any impediment, budgetary or otherwise. We can effectively create perceptions, but the reality is that the independence of the commissioner is utterly respected and vigorously maintained.

THE CHAIR: Given the time, I will move to page 13 where you have got “strength in the public service capacity” at the bottom. You are talking about the government-wide professional development courses. You have not got anything mentioned here in terms of sustainability. Given that would be, I think, a government-wide desire, may I inquire as to why we do not have courses that focus on it?

Ms Centenera: I think that as part of the executive leadership development and future

leadership development it will be an aspect of training at all levels. We have kind of done it by way of groups of people and categories rather than topic areas. I would anticipate in that future training that sustainability will be a very important element of that.

Mr Cappie-Wood: One of the benefits of working in a broader environment is the issue of sustainability training. CIT is currently undertaking a sustainability training package—preparation under the AQTF arrangements. They are also looking potentially at online training packages for all public servants to be able to undertake and trying to link that to AQTF accreditation. They are currently mapping against sustainability indicators and they are pulling out work from South Australia, which is quite well advanced on sustainability—literally looking at all of the courses and seeing how sustainability has been built into the fundamentals of those courses. So whilst not necessarily centrally driven, there is a sizeable piece of work being done by CIT in this regard which we hope to then be able to roll out across government.

MR SMYTH: Just on that point, if you are offering three new programs, how many existing programs are there and are any being discontinued in order to offer the three new programs?

Ms Centenera: Executive leadership is something that—I think it is fair to say that it has always been there but we are making it more coherent and packaging it up better. I think that is the way to put it. The future leaders program is currently known as the take the lead program within the ACT public service. It is to make it sound like exactly what it is. Basically, “take the lead” was very amorphous.

In terms of the front-line and first-line managers, that is new. The way we looked at it was that first line and front line would get on-the-job training and would pick and choose. I suppose what we are doing is outlining a series of courses that we have identified from feedback from first-time and front-line managers or from managers later down the track about things that they would have liked when they first assumed a supervisory position. We are working with the Shared Services Centre within government to put out a schedule of generic training that we would recommend to all those first-time managers. And the graduate program is still on foot.

MR SMYTH: So it is two makeovers—a new one in the front line and the graduates will continue. Have you received extra money to fund these projects?

Ms Centenera: Yes, and I can give you the figures. In the budget, it is under “Strengthening public service capacity”.

Mr McAlary: It is under the “Building and maintaining the ACTPS capacity” initiative in the 2008-09 budget.

Ms Centenera: We will provide the figures.

THE CHAIR: On page 31, you are talking about the risk of fraud in the ACT government, or at least fraud and integrity. Have you any figures about this rather than just saying that it is a moderate risk? Do we have any idea how much fraud is happening?

Mr McAlary: That particular page is part of the over the horizon report, which is produced by the senior executives responsible for business integrity and risk. It is another acronym. Part of the process involved there is the gathering of information from the individual SERBIRs in each agency as to incidents of fraud during the year. If you look within the report, the table on page 27 actually identifies the number of incidents of fraud which were identified over that year within the agency and a general description as to the particular type of incident without going too far into the details of that.

THE CHAIR: I suppose I should have said a bit more. These are obviously only the things you have identified?

Mr McAlary: Yes.

THE CHAIR: I assume that the ACT government is like most other places and that you are identifying the tip of the iceberg—maybe not the tip of the iceberg, but you are not identifying everything. Have you got a feeling that you are identifying most things or that it is the tip of the iceberg?

Mr McAlary: Part of the role of SERBIRs and bringing them together on a regular basis to discuss how they are dealing with fraud issues or risk generally within their agencies is to have those kinds of informal discussions—where people may not have any hard data but may have a sense of what is happening or may have intelligence from what has been occurring in other jurisdictions—and think about how we might respond to those kinds of things. There may well be particular patterns. There may be a propensity for there to be issues around cab vouchers, for example, and that may be something which is going on in other jurisdictions. I myself look for that kind of data, as do the other SERBIRs. As a peer group, we will try and figure out how to respond to that.

THE CHAIR: You have got a few in that table where you have got “unknown at this stage” in terms of responses in DET and, I think, ACT Health. This has happened by now?

Mr McAlary: That is that the investigation was going across the reporting period.

THE CHAIR: But it has been concluded?

Mr McAlary: I cannot say definitively; I would have to get back to you on the status of those individual cases.

MR SMYTH: I want to go to page 7, the workforce profile. I see that we have just received the 2006-07 profile. Why has it taken so long and when will we get the 2007-08 profile?

Ms Centenera: The government made a commitment to publish the 2007-08 profile by the end of January, and we are on track to do that. Unfortunately, the location of this committee threw us around a bit. Yes, we are on it. We had to clear the data through chief executives, and because of the holidays that took longer than we

expected, but we are on track, yes—next week.

MR SMYTH: Okay, so we have got nine days. Chief Minister, the workforce profile gives far less detail than the state of the service report which was delivered in 2004, 2005 and 2006. Is there any view to moving back to the more comprehensive document rather than the abbreviated form that is now produced?

Mr Stanhope: I am not aware that we are proposing to change the format, Mr Smyth. I would have to take advice on the implications of that—on the benefits and advantages of actually changing the format. At this stage, it is not an issue. I must say that I have addressed—

Ms Centenera: We viewed it as a resourcing issue. There is no legislative requirement to do a state of the service report, but we do have a legislative requirement to do one annual report. And we thought that the annual report and the workforce profile themselves covered across a lot of the areas that would be in the state of the service report, and so to do that second report was kind of repeating ourselves.

MR SMYTH: There is just the sheer size and the volume. The material that is contained in the state of the service report is in no way covered in the annual report and it is much less in the workforce profile. I know that a number of people have found the larger report useful. You are saying that the larger report was discontinued for the new format simply as a resource issue?

Ms Centenera: Yes—and overlap. Our view was that it overlapped quite considerably.

MR SMYTH: I would have to say that I would question the overlap, because this is big amount of information. Chief Minister, you have said that you will look at it. Will you get back to the committee on whether or not the government would take back up the option to publish a state of the service report?

Mr Stanhope: I am more than happy to take advice on it. As I say, it is not an issue I am across. I would need to be convinced of the utility of the earlier report in the context of its use, utility and cost, but I am more than happy to take advice on the issue.

THE CHAIR: Are you happy for further questions to be put on notice?

MR SMYTH: I will put them on notice, yes.

THE CHAIR: Thank you all very much for your attendance—in particular, the Chief Minister and also all the officials who have come and helped us. There are further questions which will be sent to you on notice. I have certainly got more and I am sure my colleagues do as well.

MR SMYTH: And matters taken on notice will be acted upon swiftly.

THE CHAIR: Of course matters taken on notice will be acted on swiftly; we have no

doubt about this.

Mr Stanhope: Absolutely. Thank you very much, Madam Chair, for your courtesy today.

The committee adjourned at 12.33 pm.