



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL
TERRITORY**

STANDING COMMITTEE ON PUBLIC ACCOUNTS

(Reference: Annual and financial reports 2008-09)

Members:

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

TRANSCRIPT OF EVIDENCE

CANBERRA

THURSDAY, 3 DECEMBER 2009

**Secretary to the committee:
Mr G Ryall (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).

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Amended 21 January 2009

The committee met at 9.06 am.

Appearances:

Stanhope, Mr Jon, Chief Minister, Minister for Transport, Minister for Territory and Municipal Services, Minister for Business and Economic Development, Minister for Aboriginal and Torres Strait Islander Affairs and Minister for the Arts and Heritage

Chief Minister's Department

Cappie-Wood, Mr Andrew, Chief Executive

Hudson, Ms Cathy, Deputy Chief Executive and Commissioner for Public Administration, Governance Division

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

Cox, Mr Ian, Director, Business and Industry Development, Business and Projects Division

Hunt, Ms Dita, Senior Manager, Enterprise Development, Business and Projects Division

Neser, Ms Kate, Chief Finance Officer, Strategic Finance

McAlary, Mr Luke, Director, Public Service Management Group, Governance Division

Department of Territory and Municipal Services

Byles, Mr Gary, Chief Executive

Morrell, Ms Sue, Deputy Chief Executive

Thomas, Ms Anne, Acting Executive Director, Shared Services

Chisnall, Mr Mick, General Manager, InTACT

Burton, Mr Ross, Chief Financial Officer, Shared Services

Evans, Mr David, Acting Director, Infrastructure Procurement Group

THE CHAIR: Welcome to this public hearing of the public accounts committee's inquiry into annual and financial reports 2008-09. This morning we are starting with the Chief Minister's Department and then moving to the Commissioner for Public Administration. I assume that everyone is aware of the contents of the privileges card and has no desire to have it read to them. Chief Minister, have you any opening statement?

Mr Stanhope: Thank you, Madam Chair. I have no specific comments other than to say that I and officials from the department are more than happy to provide what assistance we can.

THE CHAIR: Thank you, Chief Minister. In that case, can I start with the Martin supermarket review. How is that progressing? How is the government responding, particularly to the issue of what was meant by Metcash control?

Mr Stanhope: As I think members are aware, on receipt of the report that was provided by Mr John Martin to the government in relation to the supermarket competition policy we had on hand in the ACT the government indicated that it would accept all of the recommendations of the review. In accepting them, the government was concerned to make the point that there was quite a bit of detail that would be

required in relation to the implementation of the recommendations of the review and that we would go through, essentially, an enhanced review focusing on the details around the implementation of those recommendations.

That work has been done by a cross-government implementation group. It is, I think, almost at the end point in terms of the policies that will underpin the moving forward and the implementation of the recommendations. Mr Cappie-Wood can give details of that process, where it is up to and when we would be hoping to make those aspects of the implementation public.

Mr Cappie-Wood: The process is coming to a conclusion. We are looking to have the advice to the government prior to the completion of the calendar year. I think it has been quite a fruitful process, particularly in terms of engaging with other agencies and the market to clarify the nature of how it can be implemented and the timing, because it obviously relates to sites, the availability of sites and what controls and other aspects can be incorporated into those clear recommendations to government for implementation.

Mr Stanhope: Ms Le Couteur raised the issue of the recommendations going particularly to the relationship of Metcash with some IGAs. I think all members of the Assembly have had representations from each of the constituent groups within the supermarket. Perhaps we can provide some additional information in relation to the consultation, the representations and the government's anticipated response to those issues.

Mr Cappie-Wood: That is fine; thank you. I might call upon David Dawes, who has been leading this aspect of particularly detailed discussions, to provide the answer.

Mr Dawes: There has been broad discussion with a number of the industry groups, including Coles, Woolworths, Franklins, Metcash and Supabarn. There has been broad discussion with them. We have taken into account some additional information which is being fed into the implementation process. That is all being gathered together to take to government and it will be handed to government in the coming weeks. As I have said, there has been quite a lot of ongoing dialogue. John Martin, the former ACCC commissioner, has been leading that particular task for us. He has been very heavily involved in the implementation report that will come to government as well.

MR SESELJA: Mr Dawes, could you clarify this: in your answer you talked about consultation with Coles, Woolies, Franklins, Metcash and Supabarn. Does the government see IGAs as being Metcash?

Mr Dawes: There are two. IGAs have also been consulted.

MR SESELJA: I guess separately.

Mr Dawes: A number of representatives from individual IGA stores and Metcash, in their capacity as a supplier to IGAs, have also met with us. There have been a number of meetings around that.

MR SESELJA: Chair, I have a few supplementary questions. You probably do as

well.

THE CHAIR: That is fine. I think Mr Smyth does as well.

MR SESELJA: Chief Minister, Mr Cappie-Wood or Mr Dawes, I would like a bit more detail on the review. John Martin was commissioned around the middle of this year; is that correct? We might get you to take it on notice if you do not know, but what was the cost of that consultancy? Moving forward, are you able to take us through the current state of play with the review? Obviously the review was done by John Martin and there is additional consultation going on there. How many staff are working on it within CMD? Are you able to take us through maybe some of the background of how we got to the point where John Martin was commissioned to do the review for the government?

Mr Cappie-Wood: In terms of the implementation part of the process, which is drawing to a conclusion, we have taken on board John Martin to assist us in that, given the quality of his initial work. That decision has been vindicated by the response from industry. They say that they are very pleased with the level of consultation that he is undertaking with them. He has gone out of his way to ensure that all parties are engaged.

As to why he was taken on board to begin with, his background in ACCC was seen as having direct bearing and relevance to the questions which were being asked about supermarket competition policy within the ACT environment. Given his standing and background knowledge, we could not find anyone of better credentials to be able to undertake it, from our perspective, with a highly credible and professional approach. To that extent, John Martin met with our agreement that he would be approached to undertake this work.

MR SESELJA: The question was not so much about John Martin's qualifications; it was more about the processes as to how we got there—rather than the process of engaging John Martin specifically, the process of getting to a supermarket review.

Mr Stanhope: There is a significant and quite long-term background to the issue, it is fair to say, Mr Seselja, from the time that the government took decisions early—I do not know how many years ago now; perhaps six or seven years ago—at the request of Aldi, to give consideration to direct grants to Aldi to allow Aldi an initial toehold in the ACT market. The role that a territory or state government—in this instance, of course, it is our government—can play in seeking to assist entry into the ACT market by grocery retailers to enhance competition has been a live issue. I think it would be fair to say that it was six to seven years ago when my government first intervened by agreeing to direct grant land to Aldi. I think initially we direct granted three over a period of 18 months to two years. We direct granted three sites to Aldi, which was a very direct intervention by this government on issues around retail competition within the territory.

It raised questions then. There has always been a live argument about the role of a government in enhancing competition: to what extent does a government have a role, how legitimate and reasonable is that role and what are the interventions that a government might take? This issue goes back, for this government, to those early

decisions to intervene very directly to assist Aldi to establish. Since then, through the purchase of additional sites—or invitation by group centres, most particularly—Aldi has acted to acquire an additional four sites. I believe there are now seven Aldi sites in the ACT. I believe, and Aldi will attest, that those initial interventions by the ACT government were very important in allowing it to establish a presence here. I do not think there is anybody now that regrets the role that Aldi plays as a new force in grocery retail. That was a catalyst. We as a government have often given consideration to what role a government should play: to what extent should a government intervene or interfere in the market?

Mr Seselja, as you are aware—and I think your question goes to this—a local supermarket full-line chain, Supabarn, made a direct grant application for land at Kingston. That application was immediately followed, once it became public with the industry, by three further applications for direct grant for the same site—immediately by Woolworths, followed up by Coles and followed up by a third potential provider of supermarkets. At one level I think the Kingston experience is a great example of the power and force of Woolworths and Coles—that we have an ACT-based full-line supermarket seeking to establish and expand, seeking to provide competition, making a direct grant application to the government for a significant site. Immediately it became public knowledge that Supabarn had applied for the Kingston site, wham, in comes an application from Woolworths; wham, in comes an application from Coles and then of course a campaign: “You can’t direct grant this site. You should take it to the market and the highest bidder takes the site.”

This presented the government with a significant conundrum. Coincidentally, as we attempted to work through the conundrum presented by four applications for a single site, for a full-line supermarket, one thought, “Isn’t this interesting?”, but it presented a genuine dilemma for the government. We decided not to proceed and, coincidentally, the ACCC, Graeme Samuel, almost critically suggested that state and territory governments were not taking the issue of supermarket competition seriously—they have the capacity, through the planning levers available to them, to do something and they have chosen not to. He urged all the state and territory governments in Australia to use the powers and the capacity that they have through their control of land and planning to enhance competition. We thought, “Here’s a signal from the ACCC that the state and territories do have a role.” The appointment of John Martin was a direct response to a recommendation from Graeme Samuel that the states and territories needed to get serious about this issue and needed to be pro-active. But, of course, it needed to be rigorous. These are difficult and tricky issues when governments choose to intervene or not intervene in a market.

That is the background. It is an issue of long standing, where we have made some moves, particularly in relation to Aldi. We had a supermarket chain that represented constantly to the government that its capacity to expand was constrained by its inability to bid against Woolworths and Coles and that it was looking for another way to get to a position where it could compete in the marketplace, particularly in relation to the acquisition of supermarket sites with Woolworths and Coles, and was looking for a way forward. We are seeking to find it for the entire industry. That is a brief summary of our thinking and of the background.

In terms of why we commissioned the Martin review, the single greatest prompt was

the ACCC's report and Graeme Samuel out there thumping the table, saying, "States and territories, we think you should be doing something about this through the capacity and the levers that you have available to you." We went to John Martin and said, "What do you think of this? How can we respond positively to the ACCC's challenge?" And that is the report.

THE CHAIR: It is very obvious, in a way, looking at it—John Martin's background, as you said, is competition policy. To my mind, one of the weaknesses of the report is in terms of supermarkets being vis-a-vis the anchors of shopping centres. It is also very much related to the planning and structure of Canberra. Of course, we are very pleased that part of our submission went into his report. Is any more work being done on the impact of supermarkets in terms of planning? I think that was a weakness in his report.

Mr Stanhope: It was an issue that was identified. I am not quite sure if I fully understand whether you believe it is a continuing weakness, Ms Le Couteur. What I understand John Martin's thesis to be is that, through our quite rigorously structured retail hierarchy, at one level we have actually exacerbated the issue in relation to competition. The group centre structure, the rigorous retail structure, essentially has insisted on only one full-line supermarket at group centres. John Martin is saying, "You've got this planning law; you've got a rigorous retail structure. You're actually exacerbating the issue."

I think the report has been misunderstood to the extent that one of the potential outcomes of the report is that in those group centres where we currently have a Woolworths or a Coles John Martin is saying, "Well, you should have a Woolworths and a Coles, potentially." He is not saying, "You have to have Woolworths and Supabarn or Woolworths and a Supa IGA or Woolworths and a Franklins." He is raising the prospect, for instance, potentially, hypothetically, that at Dickson there should be at least a Woolworths and a Coles, if not a Woolworths and a Franklins or a Woolworths and a Supabarn or a Woolworths and a Super IGA. That is what John Martin is saying.

I think the point that you raised and that the Greens have raised is right. The rigid adherence to a retail hierarchy that has not allowed two full-line supermarkets to operate at a group centre is something that has been identified as an inhibitor. In the context of a response, I am still awaiting the formal response to the recommendations. It is probably a bit pre-emptive to announce them now anyway, but that would be an issue.

MR SMYTH: Feel free.

Mr Stanhope: I have not seen the working group's recommendations to the government yet either and I have not had a briefing on them—perhaps Mr Dawes can add something—but that is an issue that has been worked through.

Mr Dawes: It certainly is an issue that the implementation group have been working through. As the Chief Minister pointed out a little earlier, there have been a number of agencies involved. ACTPLA has certainly been involved because of the nature of the territory plan. We are looking at how we may be able to allow some of the local stores

to grow in size. These are all details that are being finalised and worked out and we will come back to government in due course. As we are aware, there is the master planning for Dickson and Kingston. They are going through those studies at the present time. We await those reports as well.

Mr Stanhope: In relation to the master planning process, the other issue that I have seen reported from time to time is that there is an assumption that there will be a full-line supermarket at the Kingston shops. That is pre-emptive in terms of the master planning. It may very well be that through that master planning process there will be a decision or a recommendation that there not be a full-line supermarket at Kingston, that the site is not appropriate for a supermarket and that if you were to have a full-line supermarket in the Kingston area you might very well wish to put it in East Lake rather than on that car park at Kingston. In advance of the finalisation of the master plans for Dickson or Kingston I do not think we should be making these assumptions at this stage.

MR SMYTH: Apart from the hierarchy, the other thing the ACCC has been interested in is restrictive covenants—where an anchor tenant, a supermarket, gets a nice covenant that says nobody else can come into the shopping centre—and whether or not there are planning laws against it. What is the government's opinion on restrictive covenants? Are there any in operation in the ACT?

Mr Stanhope: I do not know the answer to that, but I think it is a great deal that the ACCC has been able to negotiate with Woolworths and Coles and that Woolworths and Coles have agreed. I think there are 700 restrictive covenants across Australia of that very order. Coles and Woolworths, who hold almost all of them, have agreed that they will remove 80 per cent of those covenants, I think, within one year and the remaining 20 per cent within five years. I do not know why the five-year holiday. I must say I do not fully understand that, but there are obviously five shopping centres with restrictive covenants where Woolworths and Coles want to build their dominance over the next five years before releasing those. As for ACT centres, I do not know whether they have restrictive covenants. I am not aware of that. Mr Dawes may be able to answer.

Mr Dawes: I am not 100 per cent sure. We can take that on notice.

MR SMYTH: All right. I missed the Senate estimates and so I have not read the *Hansard* but I understand the ACCC raised some concerns in Senate estimates about the supermarket report. Does the government have an opinion on those concerns?

Mr Stanhope: I must say there were a couple of things, which I have gone to before here, about Mr Samuel's evidence before the Senate committee about the Martin review which we do not fully understand or appreciate in terms of the nature of some of his concerns. Mr Samuel did, I think, appear to indicate before the Senate that the ACCC had not been involved at all in the Martin review. So there is an aspect which is not true. Mr Martin consulted directly with Mr Samuel and with the ACCC, and I think Mr Martin was of the view that the ACCC, in not raising significant issues or objections to the direction of the report, had essentially supported the work that was done. I have not read the ACCC's evidence in detail but there are aspects of it, as reported, which we do not, to be blunt, fully understand.

Certainly, you are quite right, Mr Smyth, that Mr Samuel has indicated a fairly, I think, doctrinaire position that governments should not intervene in the market; that you should allow the market to determine and that the market will sort out any issues of competition in relation to retail grocery. But, having regard to the dominance of Woolworths and Coles—most particularly here; Woolworths and Coles are more dominant in the ACT than they are in any other jurisdiction in Australia, controlling or selling over 70 per cent of all groceries sold in the ACT—I am not sure I know anybody that would believe that it is good or healthy or good for competition or grocery prices to have two providers providing in excess of 70 per cent of all groceries in this city. I just do not believe it.

To the extent that that is the reality and that the market here, in terms of new entry, has not historically been able to deal with that level of dominance, I think there is a role for government. And I think our intervention as a government to provide, directly to Aldi, sites for Aldi supermarkets—something that I am sure is supported by the majority of Canberrans—was a good thing. So I do not fully understand Mr Samuel's concerns. And I have to say, to be perhaps a little bit more blunt about it, I honestly do not think the ACCC can hold up its head in Australia particularly high as an organisation that has actually enhanced competition in terms of retail groceries. I am not sure of its record of success in this area and I question perhaps the right of that organisation to be telling everybody else how to suck this particular egg.

MR SMYTH: So will you be raising your concerns with Mr Samuel?

Mr Stanhope: I have no need to do that. But certainly we will continue to represent that there needs to be more done to achieve greater competition in the grocery market, and I would urge the ACCC to do more.

MR SESELJA: Are you able to, probably on notice, detail for the committee the nature and extent of those consultations between John Martin and the ACCC in the preparation of the report?

Mr Stanhope: I can certainly provide advice on the meetings, when the meetings were held and who was present at those meetings, Mr Seselja.

MR SESELJA: Thank you. I have just one other on this issue.

THE CHAIR: Then we might finish supermarkets.

MR SESELJA: Yes. I know we are revising the recommendations. One of the recommendations that has caused some concern is recommendation 8 and the need for 10 years as a full-line supermarket. Is the government open to movement on that, because that has caused some angst amongst operators?

Mr Stanhope: We are, Mr Seselja. It is accepted. Particularly on the basis of representations and some perhaps deeper understanding of the implications, most particularly for IGAs, the government accepts that level of concern and accepts that that recommendation should be reviewed.

MR SESELJA: So it will be reviewed. I know it was mentioned earlier, but when are we expecting that will be finalised—by this calendar year?

Mr Stanhope: Yes, definitely—in the next week or so.

MR SESELJA: Okay.

Mr Stanhope: It has not come to government yet but it will be within the next week, so certainly before Christmas, Mr Seselja.

MR SESELJA: The response will not be in the Assembly next week?

Mr Stanhope: I think we probably cannot make it by next week—it has not come to government yet—but it will certainly be released within the next two weeks. We probably need an extra week.

THE CHAIR: As that is it on supermarkets, do you want to just start a new line, Mr Hargreaves?

MR HARGREAVES: No, I just wanted to listen in to see whether people have got any questions for the Commissioner of Public Administration and possibly follow on from that.

THE CHAIR: We do have questions for the Commissioner of Public Administration, but we were going to leave that to the end of this little session. In that case, I will start on a whole new one, which we could spend just as long on, community engagement, a subject dear to everybody's hearts. Has there been an increase in community input and consultation processes since the community engagement unit moved to CMD?

Mr Stanhope: Mr Cappie-Wood has been leading the government's review on refreshment of consultation and engagement and I invite Mr Cappie-Wood to respond.

Mr Cappie-Wood: Thank you. Yes, the community engagement unit—which was one person, I need to point out, before you think that it might be a vast empire—came over and enhanced our own activities to improve the nature and quality of community engagement across the ACT government, as well as our own activities. One of the particular activities which have had a significant impact has been the production of the community notice board. We continue to receive strong feedback about effective how it is. We are looking at other means to get the information contained in the community notice board, which is in the Saturday *Canberra Times*, more widely available, potentially by poster and certainly online postings as well.

What we are seeing is that there is a more general recognition. What people want to know is where they can go to for information regularly. The community engagement website has, in the last few weeks, also been improved and enhanced in terms of the coverage, usability and accessibility. As we work through the community engagement manual, working with other government agencies, we are seeing certainly a willingness to take on board new ways and to think of means of improving community consultation, including trying to get an advance feeling, if you like, for how to engage the community.

One of the concerns coming from our own process of talking to people about how they want to be engaged is that people want to be engaged earlier on in the process. They feel that sometimes when matters go out for consultation the shaping of what is being consulted on needs to be brought out earlier, and we are certainly taking that on board. Sometimes that is difficult because it is chicken and egg: what are you consulting on? “Don’t bring us waffly things; bring us certain things to be consulted on” is also a countervailing feedback as well: “Don’t just consult for consulting’s sake; be certain about what you want to achieve and the nature of those consultations.”

We are receiving considerable encouragement from people we talk to about the engagement methodologies and improving the community engagement handbook and policies that agencies can follow. We have spoken to a very wide range of people about how that can happen and, if you like, the culmination will be the reissuing of those guidelines for community consultation to government agencies. That is currently being consulted internally at this point in time.

THE CHAIR: Okay. Just on the community notice board, which I think is a great innovation, can I make two suggestions. One is to move it into the *Chronicle* as well, because everyone gets that. At present you can only see the most current of it up on your website, so the second is to keep historicals, because sometimes we want to—

Mr Cappie-Wood: Yes.

THE CHAIR: I suppose people have already said these to you before.

Mr Cappie-Wood: Yes.

THE CHAIR: Are you talking to ACTPLA in terms of their community engagement? I am the Greens planning spokesperson, so I am very aware of the degree of angst around ACTPLA’s consultation processes, and we are basically going in the direction of streamlining from a planning point of view. And streamlining, to a large extent, means less consultation. Are you working with them for a way of improving things?

Mr Cappie-Wood: We are certainly talking to ACTPLA. They have statutory undertakings in terms of their consultation methods; other government agencies do not have a strict statutory base for those consultation time frames et cetera. But they have made, as you are aware, some improvements in terms of what form the notices take, timing and other aspects in the statutory process.

In terms of their strategic processes, which are not necessarily prescribed under statutory requirements, we know that they are currently gearing up to go out with the results of some of their workshops in terms of sustainable cities, and we are talking to them about what form that consultation will take, because it touches upon many other forms of government service delivery as well. So we are in active discussion and engagement with them. We do, however, leave their statutory requirements for them to reflect upon because, literally, that is their business. When it comes to the strategic, we are in active discussion with them.

THE CHAIR: The other area which you have touched on a bit is that people are saying now that there is a lot more consultation, which is great, but it is carpet bombing. The problem is that there are so many things and you just tune out after the first half-dozen or so. I guess you are reflecting on that community progress, on its inevitable tension?

Mr Cappie-Wood: I hate to see it referred to as “carpet bombing”. What we are making sure is that on all issues that affect people there is a thought process about how the community is consulted. If we do not consult, we are criticised. If we consult, we are obviously criticised for potentially consulting on everything. So there is no easy point. Our discussions have indicated that certain sections of the community want to be engaged on strategic matters. Other parts of the community are not too much interested in that; they want to know what is going to impact them where they live and as they live their daily lives. That is about operational matters such as road closures or similar.

So you see a complete spectrum of people’s interests about how and what they want to be consulted on, and it is very difficult for us to make that call, to say, “Well, we won’t consult on the strategic discussion, but we will consult on the nature of a tree removal.” The people can say, “Tree removal we are not interested in, but we are really interested in the sustainable nature of the city and that is what we want the big discussions on.” So we are literally looking to see how we can meet all sections of the community’s expectations and, in so doing, there will be part of the community that will say: “We are not interested in that. Why did you bother doing that?”

THE CHAIR: Have you done any more work on, as it were, the back end? It is one thing to do the consultation, but it is another thing for that to actually change what the government is doing. Have you done any work on the internal back end of what you do with your consultation?

Mr Cappie-Wood: One of the aspects which is critical here, and I know you will ask me a question if I do not say it, is feedback. The critical issue of feedback to people about the nature of our consultation is one of the main factors which we are currently discussing internally at the moment. It will substantially change the nature of that engagement with the community. Quite frankly, it takes a lot of time and costs a lot to do, but it is that nature of the feedback. People have said: “I have said these things. Tell me about what I’ve said. Did that resonate at all?” Given the nature of increased capacity to get those comments, giving every individual person an individualised response on the nature of their particular comments—we are having to see how we can do that and what the impacts of that are. But we recognise that as one of the critical factors at this point in time because that is the engagement; otherwise, it is just a commentary. Community engagement looks at a two-way flow and that is one we are going to have to wrestle with to see how we do that effectively.

THE CHAIR: Yes. It is not just the feedback to people; it is the government saying, “Okay, we are taking this on board.” Regardless of whether you do personal feedback, it is whether or not it can change the outcome, whether it is community consultation on information, if you understand me. One of the complaints that we get is that the government is actually only informing; it is not consulting, because it does not matter

what you say. That is always going to be an issue, I appreciate.

Mr Stanhope: It is always going to be an issue for those people that have a particularly strong view on an issue and the government does not respond precisely to their particular point of view. Then they believe we did not listen. But in any consultation, of course, there are a whole range of other influences on a government's ultimate decision, and it is the case that the difficulty always for government or any decision maker is the need to make a decision taking into account a whole range of influences or factors.

I would just use by way of example—this is the most recent sort of information provided to me on a consultation process—that the LDA have been involved in a quite detailed consultation on the Hawker shopping centre and the potential use of some space there for enhancement of the centre, introduction of additional retail. It has been through two consultations and in the most recent of those they advertised extensively on the community noticeboard and otherwise. They letterbox dropped, I think twice, 5,000 homes within a radius of the Hawker shops. There was an extensive advertisement, most particularly in the print media, on two separate occasions, and through all the processes, through capacity for online feedback and submission and public meetings, 50 people engaged directly in the consultation.

So 5,000 people were directly and personally invited to be involved in one way or another; that entire community was invited. The entire Canberra community, 350,000 of us, were invited, extensively with significant advertising—5,000 personally—to be involved, and 50 engaged. Some of those 50 might say, “You didn't do what I asked.” One of the 50 might then come back and say, “I specifically said I didn't want any development at all.” That is one person and they will then say: “The government didn't listen. I said I did not want development at Hawker shops. They're not listening to us. They're not serious about engaging or consulting.” So what does government do?

We did not listen to that particular representation. We believe that there should be development, and so does, I think, almost everybody. I must say I received those representations after a consultation with somebody saying, “We don't want any more development at Hawker shops. We think it's fine.” The government said, “We don't think that's a reasonable position.” How do you respond to that, Ms Le Couteur? The government said, “That is a position. We don't think it is a reasonable position and we are not going to accept that particular representation or that particular point of view, for a whole range of reasons.” But we did listen. We listened respectfully to that point of view, and at the end of the day will not accept that point of view as a reasonable way forward, and I think that is what most people would expect us to do.

But that is the difficulty, always. The government is always accused by those that are not entirely satisfied: “Well, you didn't listen to us.” But of course we did; we listened and we listened deeply and respectfully, but then chose not to accept that point of view.

MR SMYTH: Chief Minister, there are a number of issues canvassed on pages 34 and 35 of volume 1 of the annual report. I note in regard to “develop and implement a land supply strategy” that “CMD identified and programmed five years worth of

vacant land suitable for release”. Why is that worked on by CMD rather than the LDA or ACTPLA?

Mr Cappie-Wood: With the nature of the land strategy, which is looking at land supply, there is a whole of government chief executives committee that I chair which brings all parties to that table. It is a whole of government advice to cabinet around the land supply program that represents the combined views of LDA, ACTPLA, TAMS, our own people and others to say, “This is the totality of our advice, given demand, and we take on board issues such as population projections, current market standings in terms of land supply, how much is out there with the private sector already, build-up rates et cetera as well as, if you like, what is in the pipeline already and the progress that it is going through in terms of planning for achievement.” So it is a whole of government advice, and it is a chief executives committee that does that.

MR SMYTH: How many staff are working on this strategy?

Mr Cappie-Wood: Full time, one, on this, apart from obviously the executives involved in that.

MR SMYTH: So will that staff member go across to the new Department of Land and Property Services?

Mr Cappie-Wood: Yes, they will.

MR SMYTH: So, if it is a whole of government led by the Chief Minister’s, will it be whole of government led by the Department of Land and Property Services?

Mr Cappie-Wood: No, it will be serviced by the new department. I will still chair that, because it is a still a whole of government approach, and we need to have an understanding at agency level, at the head of the agency level, about: what are the risks and opportunities for the delivery of the land supply strategy? When it drops down into an implementation program, land supply program, it then becomes the responsibility of principally two agencies, ACTPLA and LDA, in terms of that pipeline for delivery.

MR SMYTH: What modelling do CMD do or do they leave it to other people like Treasury to do the modelling on what is required?

Mr Cappie-Wood: It comes in a range of forms. The modelling is partly coming through our initiative in terms of enhanced demographic capacity, which will look at population projections, household formation rates. There is also data collection in terms of build-out rates and in terms of land held in development and development sequencing by the private sector, and that goes to a lot of the negotiations with the private sector in terms of what their development capacity is for the lands they hold. There is a lot of, if you like, reverse modelling in terms of land supply delivery requirements, as well as analysis of what demand is in the marketplace, as best can be determined, through private as well as government land sales.

THE CHAIR: Do you have a supplementary on that?

MR SESELJA: No, I was going to move on to—

THE CHAIR: If it is a new question, we should go to Mr Hargreaves.

MR SESELJA: I think he has given me all his questions—donated them kindly.

MR HARGREAVES: It is part of my application to join the Liberal Party.

MR SESELJA: Well, we look forward to it being assessed.

MR HARGREAVES: We can all dream on, can't we?

MR SESELJA: It is related, but it is a new area. This is the new agency. I think it was formally announced yesterday, although there has been some talk of it in recent weeks. Are you able to talk us through how the new agency will work? From memory, we have seen, I think in the announcement, 140 staff, but are we able to get a bit of a breakdown—firstly, a confirmation as to whether it will be a net increase or decrease in total staff numbers, the net costs one way or another, and some of the arrangements for the new agency?

Mr Cappie-Wood: Yes. In terms of staff, it is just an agglomeration of staff. There is no diminution in staff numbers. Obviously, elements of CMD move into this organisation as well as elements of TAMS; the property group, will move into this organisation. So to that extent it is literally a relocation of staff. We have gone through a rigorous process with Treasury and the individual agencies in terms of transfer of initiatives funding, base funding and corporate support funding, and that has been looked at down to the last dollar to make sure that has been transferred into the new agency.

The agency, in terms of my recommendation to the Chief Minister to form it, was on the basis that it would be cost neutral. In the longer term we are looking to see synergies associated with having the government's roles as a landowner and developer brought together in one place and we would be looking to see those synergistic relationships develop into effectiveness and efficiency improvements over time. I was not putting on the table that that should be achieved on day one, because it is going to be up to the acting chief executive to see how to form that organisation in the best way.

MR SESELJA: So what are some of the current problems in that area that need to be addressed and that you hope will be addressed by the formation of this agency?

Mr Cappie-Wood: As to the formation of the agency, I looked at some of the tensions—and there are always tensions across government—about the best division of administrative arrangements, to better represent the two roles that government has at the same time, particularly in this jurisdiction. In this jurisdiction, the government is land regulator as well as landowner and developer. We have the land regulation in one organisation but we do not have the landowner and developer in one organisation. It was effectively scattered. So to that extent we have agglomerated into one organisation those particular functions. That gives greater clarity about which agency, in this case a single agency, has that capacity and capability, bringing those skills into

one place, to be able to deal in land and to make sure that government recognise that their administrative arrangements are clearly now divided between land regulator and land dealer.

MR SESELJA: So we are talking generally in synergies in being the landowner and the land regulator, but where do you see those efficiencies being gained, and how will the efficiencies be measured over time?

Mr Cappie-Wood: The efficiencies measured over time would be through the conversion process from the strategic decisions around land supply into the delivery area. Previously, there were discussions obviously around the strategic end of land supply in CMD.

MR SESELJA: So that would be about the speed from that strategic process through to delivery?

Mr Cappie-Wood: Hopefully there will be improvements in speed but also there will be improvements potentially in the nature of delivery through refinements and review of procurement methodologies associated with capital works and other aspects of delivering land supply. Bringing together the property services end means decisions around such aspects as government's office accommodation strategies; having that in the same place that is looking at the delivery of a government office block, because there is a contingent set of issues associated with how to manage government's leased portfolios in a more strategic way that would actually be able to deliver results.

Again, having the strategic and the delivery ends brought together we saw as presenting opportunities. We would like to see improvements not only in terms of office accommodation utilisation and rationalisation; we would also like to see a stronger organisation drive, which has not been there at the moment, in terms of sustainability, not only in land development but also in the property services area. One of the key aspects we see in setting up this organisation is that there can now be a focus for engaging the market in the delivery of land and delivery of property services in a much more sustainable way.

MR SESELJA: What is the current time frame from when you identify an area of land that is going to be released—say we have got 4,000 blocks we want to release over the next calendar year—to building? There is feedback from the industry that it is still quite a significant time frame. What statistics do you have on that and what would be an average time frame?

Mr Cappie-Wood: Unfortunately, I cannot give you that. I suppose for an average we can go back in time and look at it. David Dawes may wish to comment on this, but it will be largely driven by external factors such as EPBC or other related activities, given the nature of those individual areas, whether there has been any pre-clearance or otherwise through commonwealth matters, whether there is an EIS required and that has been triggered. There is a wide variety of different lead-in mechanisms associated with saying: this is a standard time. I wish there was a standard time, but, unfortunately, every piece of land has to be treated on its merits, and that is part of the reason why we do not have that and why it is such a complex process. We deal not only with the NCA internal mechanisms but also EPBC when we look at any land

release issues.

MR SESELJA: Where will the location of the new department be?

Mr Cappie-Wood: David, do you want to take that?

Mr Dawes: We are just in the process of finalising a location, but we will be looking at locating in the Dickson area.

MR SESELJA: In Dickson, so you will be looking at a new lease?

Mr Dawes: Yes, we have been looking at a number of different options and, obviously, the fact that it has to be cost neutral. I have been looking at ensuring that that is the status quo. We have looked at some vacant space that is fully fitted out so that we do not have to spend any money on fit-out or anything of that nature and can move in at a probably slightly cheaper rent than what we are paying currently in Nara House. I have certainly explored and worked with industry to come up with a number of options that are going to best satisfy our requirements and my mandate for it to be cost neutral.

MR SESELJA: Is the idea of being in Dickson to be close to ACTPLA and LDA?

Mr Dawes: Obviously, being the portfolio agency for the LDA, it is important that we are closely co-located. We will not be going into the same building as the LDA because of the cost of fitting out a floor. There is vacant space in that particular building but we looked at the cost of the fit-out and I thought that it was inappropriate to spend that sort of money, so my recommendation was that we looked for alternatives, potentially—and the government have not signed off on this—100 metres away from the LDA.

MR SESELJA: But those costs that you baulked at would have been similar for the LDA, presumably?

Mr Dawes: Obviously that was a decision that was made. If you looked at the accommodation of the LDA back at Kingston, they were in portable sheds out the back; it was just inappropriate. The cost of running and maintaining those site sheds was very inefficient, so obviously it was a decision to co-locate all of those particular people into the one location and hence they have gone to TransACT House. We were also looking, as has been mentioned, at the government office as well, conscious that if you are going to actually fit out something you need to be able to write that off over a long period of time. If the government office does proceed, I wanted to ensure our leases would be all expiring at the same time, again with the intent of saving money.

MR SMYTH: How many staff from the stimulus package task force are going across?

Mr Dawes: Two, and then the current team—in the order of about 30 from CMD. Some of the people from TAMS Property Group will be located, but some of them will be staying because obviously with the facilities management team those managers will be remaining at Fyshwick so that they can best manage their team.

Obviously at Fyshwick we have workshops for carpentry, plumbing et cetera and they will be staying there where all the facilities are.

MR SMYTH: You mentioned the new government office building. Where is that project at?

Mr Stanhope: It is probably fair to say at this stage the government, through cabinet, has quite recently given approval to go to what might be regarded as a final due diligence check on models and financing before we make a final decision on whether or not it all stacks up for us, most particularly in terms of cost-benefit. We are at the stage now, Mr Smyth, where very detailed work at all levels in relation to the project has been completed. We are at probably the last stage of diligence in relation to a request for full cost-benefit against, I think, three different scenarios. In fact, Mr Cappie-Wood might just go to those scenarios and the nature, essentially, of what will be the final stage before a final government decision.

Mr Cappie-Wood: It is very important when considering such a move to say, “What are your existing costs associated with quite a scattered and highly varied cost for accommodation and quality of accommodation within the ACT.” There is always, literally, a do nothing option. But with the do nothing we also come up against the expectation, if not the demand, to increase the green star rating of our accommodation and to look to more efficient means of delivery.

The nature of some of our existing buildings constrains what we would see as more efficient operations. One of the aspects which we take into account when looking at such a new proposition is not just how we can improve on the standard of accommodation—that is not to say that that is fit-out, but it actually means that you can have adequate space that is configured in such a way to enhance cross-agency collaboration, whereas at this point in time we waste a lot of time running between buildings across the city.

We see that this is a significant opportunity to save on those costs, as well as to improve on how efficiently we use the space. In some of the buildings we are in we are using more space than we need because of their current configuration. Their age is also pointing to the fact that where we own them we are having to invest more in them as the plant and equipment and the general structures age. That is the almost do nothing option. Then we have a progression up the scale, if you like, of saying, “What would it look like if we had a building which met increased environmental outcomes and what would it mean in terms of having to manage that on a progressive build and progressive fill arrangement right up to six star?” We are looking at a scale of scenarios there which can provide government with the impacts. At this point in time the do nothing option is quite an expensive option in terms of having to re-invest in something which is quite inefficient. Environmental inefficiency is included in that, and we have to take that into account.

MR SESELJA: How many square metres would you need to fit all of the ACT government agencies in one building?

Mr Cappie-Wood: Keeping in mind that we are having to differentiate in terms of what we see as fitting in here, we are clearly not going to take on those parts of

organisations that have blue collar arrangements. David just mentioned one of those: parts of TAMS—clearly blue collar arrangements. We are not looking at that. Where we are looking at standard office arrangements, we will be looking to take that on board. Approximately 50,000 square metres is the current size which we are planning against. That would be over 50 per cent of the total employment base. The core of the public service could be accommodated within that, and that excludes a lot of the blue collar arrangements.

MR SMYTH: The likely cost and location of the building?

Mr Cappie-Wood: Costs are still being refined because that is part of the continual refinement process, making sure that we are clarifying questions about the shopfronts and aspects about shared facilities, such as meeting room facilities et cetera, to cut down costs. We are just making sure that the user brief is being completely refined as we go into the final process, going back to cabinet.

MR SMYTH: When you say it is half the staff, obviously that is not nurses or teachers?

Mr Cappie-Wood: No, it is clerical.

MR SMYTH: What number of people would that be?

Mr Cappie-Wood: About 4,000.

MR SMYTH: Is it the intention that existing leases might be broken to facilitate the move?

Mr Cappie-Wood: We are clearly not trying to do that, but we are trying, where lease renewal is being looked at in the next few years, to align those, so that if government decides to go ahead with this we have a means of having a rolling occupancy. The nature of the construction is not necessarily one big box. For environmental reasons there will be a number of co-joined buildings. That is currently the intention. Hence we would have the capacity to complete and fill progressively, which would aid our lease issues as we go forward.

MR SMYTH: And location?

Mr Cappie-Wood: The location is currently adjoining the Assembly building and the car park.

THE CHAIR: You mentioned the environment. Are you looking at a lifecycle analysis from environmental impact, not just the running costs?

Mr Cappie-Wood: Yes. That is very important because the lifecycle embeds more returns than some of the running cost aspects itself. We have retained Arup as the consultant on our environmental matters. We gave a very detailed briefing to Simon Corbell, as minister responsible for environmental matters, the other day. It is fair enough to say that we are looking at matters that are cutting edge but not bleeding edge in terms of environmental aspects. There are some very innovative suggestions,

both passive and active, to be able to do this. We are also having to incorporate, of late, additional issues, such as charging points for electric cars in basements et cetera, into the specifications as we go forward.

THE CHAIR: Continuing on environmental issues, on page 139 you have got your ESD report and you say:

Comparative figures for 2007-08 are not available in the required format.

You are far from the only agency which seems to have that problem. One figure that particularly struck me was at the top of page 141. Under “Waste” you have 136.2 tonnes of paper going to landfill and you are only recycling 39. That is not much more than 10 per cent. Surely you could do better than that.

Mr Cappie-Wood: The answer to that is yes, we can. We have changed some of the practices since writing this report, including redirecting waste streams which we thought were going to recycling and off to the worm farm, where a lot of it does go, to make sure that they incorporate it into the recycled waste streams. That is now in place. We have had, I suppose the best way of putting it is an audit, in terms of how the waste streams are dealt with and significant improvements have been made since the reporting of that.

It was a very useful exercise. We have shared this information with our friends in Treasury. I think we all, as we share the building, look to have co-joint action to be able to improve upon that. There have been obviously other aspects about time switches, water-saving devices and the rest of it which have had significant improvements in terms of our energy usage and water usage. But our waste streams can be far better handled.

MR SESELJA: Why, after so many years of focusing on recycling in the community, do we have government agencies still with such a low rate of recycling?

Mr Cappie-Wood: I think it is the capacity to make sure that there is a differentiation in terms of secure waste. This is something which we have to pay attention to because secure waste is handled in a different way. I think that it goes for incineration rather than necessarily landfill or recycle.

THE CHAIR: Could you take that one on notice?

Mr Cappie-Wood: Yes, I would be happy to.

THE CHAIR: I thought they did actually manage to pulp and recycle secure waste. We shred it, but that does not stop—

Mr Cappie-Wood: We shred it and pulp it.

THE CHAIR: Yes. We would be very interested to find out if that is what is happening to it. You said that you had done some things about energy. Do you know what temperature your building is run at? Does it change between summer and winter? Have you done any experimentation with higher-lower temperatures? If so,

how did the staff react and what difference did it make to energy use?

Mr Cappie-Wood: We look to maintaining an average of 22.5 throughout the building. As you know, temperatures of between 19 and 26 are generally felt to be comfortable by most people. We have had some discussions with the owners about changing that. At this point in time we are doing some internal works to try and make sure that the air-conditioning systems can deliver even heat. When we tried playing around with it, we got hot spots and very cold spots—unfortunately, I think, both in my office.

It is about trying to make sure that we can deliver a reasonable, ambient temperature. We want to ensure that we have it slightly cooler in winter and slightly warmer in summer, so we will not come off the 22.5. At this point in time we have invested in trying to get more efficient air-conditioning systems in there so that we can use and literally modify the temperature more accurately. As I have said, we have had some intriguing results when we have done that to date.

THE CHAIR: Thank you. Are there any quick questions for CMD, because otherwise we will need to move on?

MR SMYTH: I have just one on volume 2, page 158, I see there are comments on additional funds provided for the torch relay. Is that now a dead issue? Are we still pursuing the money that we feel the federal government owes us, or is it gone?

Mr Stanhope: I have to say, Mr Smyth, that that has been an issue of significant frustration to the ACT government. We will not be pursuing the issue any further.

MR SMYTH: Will you be sending a letter of demand?

Mr Stanhope: No, we will not be doing that.

MR SMYTH: Just following on from that, the transaction that involved the car park and the upgrade of Constitution Avenue, what is happening there?

Mr Stanhope: The funding?

MR SMYTH: Yes.

Mr Stanhope: I continue to make representations in relation to that issue and I will continue to do that. As I have previously advised, it is an issue that I have raised at every level. I have raised it directly in conversation with the Prime Minister, the Treasurer and the minister for finance, as well as the minister for territories. I have to say that whilst, again, it is a matter of enormous frustration to me, at the end of the day, Mr Smyth, there is a legal issue there that I would accept would need to be pursued to finality if attempts at negotiation or response by the commonwealth are terminally unsuccessful.

Having said that, in my last conversation with them, I think the minister that will have the most influence over restoration of that funding is the minister for finance, Lindsay Tanner. I was, in my last meeting and conversation with him, reassured to

some extent that the government is aware of the obligation and is aware that it has essentially reneged. There is an awareness at the commonwealth level that there is an issue here—that they have actually assumed ownership of land that belonged to the ACT government which was transferred to them on the basis of essentially a contract and that for the transfer of that land the commonwealth would upgrade Constitution Avenue.

The commonwealth are aware of their legal, not just moral, position in relation to this issue. Mr Tanner, in my last conversation, acknowledged that the commonwealth were aware of that. In relation to their current strategy they were not inclined to rectify the issue at this time but they indicated that it was still alive and that they would, as they could, respond. Going to the heart of your question, this government, or a future government, cannot just let this be forgotten. That land is our land and the commonwealth—

MR SMYTH: There is a song like that!

Mr Stanhope: Yes; cheers. We might actually utilise it. At the end of the day, the commonwealth have to pay for the land, upgrade Constitution Avenue or return the land. We have taken a judgement. I would prefer them to upgrade Constitution Avenue, rather than any of the other options. At this stage, that is my approach and attitude. I am still being given assurances by the commonwealth that they understand that at the end of the day they either have to return the land or upgrade Constitution Avenue, but they have kept alive the possibility that they will upgrade, that they will fund the upgrade of Constitution Avenue. I believe it is worth working with them to achieve that outcome rather than to get all bolshie and say, “Look, time’s up; return the land.” That is my approach.

MR SESELJA: Is there a contract, Chief Minister? You said there was essentially a contract.

Mr Stanhope: There is an exchange of correspondence, yes. I would regard it as that. I would be happy to have it tested. I believe it is a contract.

MR SESELJA: There is a written commitment on their behalf?

Mr Stanhope: There is an exchange of correspondence, yes; an understanding. I believe that the nature of the arrangement, the understanding, constitutes a contract. At the end of the day, I do not want to go there or down that route. I want the commonwealth to upgrade Constitution Avenue and I want to keep alive that possibility, rather than getting all bolshie and threatening to take them to court and all that sort of stuff.

MR SMYTH: Just to finish the Chief Minister’s section of this: earlier this year you said you were feeling pretty good. Indeed, I think you used the word “frisky”. Will you be appearing through the next three annual reports as the Chief Minister and serving out your term?

Mr Stanhope: Any beyond—and beyond, Mr Smyth.

MR SMYTH: And beyond? Chief Minister until 2012 and beyond.

Mr Stanhope: Yes, 2016; 2016 is looking pretty good to me.

MR SMYTH: 2016. So Jon Stanhope, the Chief Minister until 2016. Katy has got to wait for a little bit longer.

Mr Stanhope: Yes.

MR SMYTH: Yes?

MR HARGREAVES: Is it my turn now?

THE CHAIR: It is definitely your turn, Mr Hargreaves.

Mr Stanhope: How long do you think you will wait as Deputy Leader of Opposition, Mr Smyth, before you actually seek the higher office?

MR SMYTH: We are more interested in you at this stage, Chief Minister, and the rumours of your imminent—

Mr Stanhope: I am very interested in you too, Mr Smyth.

THE CHAIR: Mr Hargreaves.

MR SESELJA: We love the mutual interest.

Mr Stanhope: That young Coe fellow is the bloke to watch. He is a bit like Tony Abbott—the dark horse coming behind. You have got the two front runners here and young Alistair out there.

MR SMYTH: You're not worried about young Andrew Barr?

Mr Stanhope: Don't you underestimate—

MR SMYTH: So Katy and you have stitched up the deal—

Mr Stanhope: Yes, the mini monk.

MR SMYTH: and she takes over in 2016. Is that your equivalent of a Kirribilli sort of thing?

Mr Stanhope: That is right, yes. I think we will call it a draw, Mr Smyth.

THE CHAIR: Mr Hargreaves.

MR HARGREAVES: Thank you very much, Madam Chair. I have not had so much love in a room since my confirmation—

MR SMYTH: See what happens when you remain quiet?

MR HARGREAVES: I thought I might have a go at your job.

MR SMYTH: You can be deputy leader of the opposite party any time you want.

MR HARGREAVES: Well, Kate Carnell didn't have to join a party.

MR SMYTH: Maybe we can facilitate your transfer.

MR HARGREAVES: She got in the job pretty well. I thought I would just do one of those sneaky spy jobs on you.

For the Chief Minister and Mr Cappie-Wood, volume 2 on page 99 goes to the resources received free of charge. I am a little bit interested in the payroll tax waivers from the Department of Treasury. It says in the report that the ACT business incentive fund waivers have dropped from what looks like \$4,344,000 last year to \$831,000. That is a significant drop. The note at the bottom of the page states:

The decrease in ACTBIF waivers in 2008-09 is mainly due to milestones not being met by a major grant recipient.

That is an awful lot of money just for one grant recipient. Can you give the committee more detail on that? You have got some assistance coming to you.

This is the turn—Public Accounts-03Dec09-21.doc

Ms Nesar: There are a couple of impacts on that. I cannot go to the policy of it but the decrease in 2008-09 was partly forecast. However, we missed it in the budget estimate. It was actually a reduction in a grant program to a major grant recipient, which was scheduled and was a drop of \$3 million. And then there were some grants—

MR HARGREAVES: Just stop it there, because you are going a bit quickly for me. So there was a drop in the amount given to the grant recipient?

Ms Nesar: There was a drop in the waivers due to the cessation of an agreement with one of the major grant recipients in 2008-09.

MR HARGREAVES: Right. This is about \$3.8 million worth of waivers not proceeded with.

Ms Nesar: Yes. It was \$3 million, which was the end of an agreement at the end of 2007-08, so which was not going forward into 2008-09. It was the end of a period of agreement.

MR HARGREAVES: So basically the job came to an end and then it was not actually taken to book?

Ms Nesar: That is right.

MR HARGREAVES: That is what we are seeing here?

Ms Nesar: Yes, that is right.

MR SMYTH: And who was that major recipient?

Ms Nesar: It was EDS.

THE CHAIR: I am afraid we have probably run out of time for this part of the Chief Minister's Department. And, Chief Minister, there will be questions on notice.

Mr Stanhope: Sure. We look forward to those.

THE CHAIR: Thank you. We now move on to the Commissioner for Public Administration. Mr Hargreaves, who has been very patient, has a question here.

MR HARGREAVES: Yes. I was going to actually use it probably as part of a supplementary. I was interested to note that the total staff of the ACT public service increased by about three per cent, which is not huge really, and that you have done a fair amount of work in terms of attraction and retention. I guess that is going to addressing the poaching by the commonwealth and others of our quality officers. Can you give us an idea on how successful this attraction and framework, new stuff, has been? I notice you have also done some work about the way in which people can access jobs availability information, like the Jobs ACT website. Could you give us a bit of flavour, Ms Hudson, on how you feel that has gone?

Ms Hudson: I did bring copies of the attraction and retention framework just in case members did not have copies. That was released in September 2008 by the Chief Executive, Chief Minister's Department and it had all chief executives' commitment to implementation and I think that has been fundamental to its success. It was developed following a request from the Chief Minister for the commissioner to look at attraction/retention issues, I suppose at the height of talk around skills challenges across the nation but in Canberra as well. While the Skills Commission was looking broadly, it was my job within Chief Minister's to look at what was happening across the ACT public service.

We used all the mechanisms that we could in terms of developing that strategy—management council; chief executives took a lot of interest in this—and also we worked with the HR council, which is like a subcommittee to management council of all the HR people across agencies. We looked at what was the best evidence to do in terms of attracting and retaining people. Basically, the three main objectives were improving our capability, retaining employees and attracting new employees. In terms of improving our capability, this last year has seen the implementation of new tailored professional development programs for executives, future leaders, managers and supervisors.

We have embarked with Yellow Edge on new programs for executives and future leaders—future leaders being generally SOG A and SOG B rank—and they have been going very well. A lot of effort was put into the development of those programs and how to do it. Some of what we are doing now is I suppose what you would call process evaluation. We are looking at how we can build on the successes that we have

seen in the last year and then tweak some things that comments back are saying are not working as well as perhaps they could.

One of the major things for next year in terms of that is developing a specific SES band 2 program as part of their leadership development. In commenting on what you said about the commonwealth, I think their recent state of the service report and also comments about the APS review are highlighting that we have probably got a jump start on them, which is a good thing because I think they are going to be looking again at their leadership development programs. So we are feeling, as much as we can in a small jurisdiction, that this is a good investment—not only in terms of what happens for the executives themselves but the ability to influence all the staff within the organisation.

One of the things in the good feedback that came through management council at the last meeting was that the investment in first-time managers has really made a big difference to those people. They are learning the basics of people management, financial management, responding to the government's objectives—all of those types of issues. We found that that is a good thing and actually we had some subsidised support for that. But, on top of that, agencies decided to invest more because in lots of ways the investment there is what gets you the biggest bang for your buck in terms of productivity and managing the service.

MR HARGREAVES: Do you have a turnover rate?

Ms Hudson: We were keeping close tabs on turnover rates about 18 months ago. They have improved, as you would expect—

MR HARGREAVES: Yes, I was interested to know if you have got a figure for, say, last financial year versus this current one, say 2007-08 to 2008-09?

Mr McAlary: My recollection in terms of the turnover rate for 2008-09 is that it is significantly down on the previous financial year. It is sitting somewhere, I think, around six per cent. In 2006-07 the rate would have been about 9.5 or thereabouts.

MR HARGREAVES: Can you get those numbers for us perhaps and—

Mr McAlary: We can certainly provide those numbers to you. Generally speaking, it is certainly a positive downward trend which is, I think, reflective of the investment but also reflective of the current economic circumstances in terms of employment.

MR HARGREAVES: Given the breadth of variation of type—professionals, blue collar, clerical and administrative—are there any glaring differences in those groups? For example, if the contribution is going down from nine to six, is it mainly in nursing, professional services, or is it widespread across the system?

Mr McAlary: Certainly there is variation in the separation rates depending upon occupational types and, where we are, for example, directly in competition with the commonwealth, you would see a slightly higher rate. As to what the trend is at that occupational level, I cannot advise you at this point in time. I do not have that level of data.

MR HARGREAVES: No, but do you have that information?

Mr McAlary: We could go and have a look and see if we have it.

MR HARGREAVES: If you could have a look; if you do not have it, if you could let the committee know, I am happy with that.

Mr McAlary: Certainly.

THE CHAIR: We only have a few minutes left, so can I ask what is hopefully a very quick question. I notice you do not actually have any staff. Is this a problem, not having any discrete staff whose responsibility it is to support you and your office?

Ms Hudson: It does not feel like that; I can say that. What happens in reality is that a lot of the expertise in terms of fulfilling the commissioner roles is held within the Public Sector Management Group, the group that Luke leads, and those people provide support to me as the deputy chief executive and also as commissioner.

MR SMYTH: Doesn't that create a problem with independence and potential conflict of interest? On page 1 of the report you say, "The Commissioner is required to be independent," yet just above that, in the dot points, it says that implementation is at the direction of the Chief Minister and other activities undertaken with the approval of the Chief Minister. How can you assert your independence when you work truly at the behest of the Chief Minister?

Ms Hudson: There are statutory functions that have to be carried out, and in terms of those I am provided with advice from the staff within Public Sector Management Group. I am actually asked this question every time I come, and—

MR SMYTH: We will keep asking.

Ms Hudson: I think most people—probably most of you and most of the ministers—would understand that I literally do think "this is with my commissioner hat on", and I am fully aware of when I can provide advice to the Chief Minister directly as commissioner vis-a-vis when I am providing advice as the deputy chief executive. I think about it; it is not that I just go about it and go, "What's this?" So it is a conscious thought process of what function this is, and sometimes there are combined roles. With the attraction and retention, the implementation definitely of that has become a job that is partly the deputy chief executive job and partly the commissioner job.

MR SMYTH: But, apart from exercising your formal statutory powers, what independent action has the commissioner undertaken in the 2008-09 financial year?

Ms Hudson: There are a couple, I suppose, within what we say is independent action. If this position is asked for advice from the Chief Minister, that advice is provided directly.

MR SMYTH: What action did you initiate as the commissioner to improve the ACT

public service that you did not seek the approval of the Chief Minister for?

Ms Hudson: In practical terms, what happens with the provision of that advice in the independent category is the annual report, the agency survey, the workforce profile, so it is looking at the service as a whole, I assume. Then in terms of responding or acting—there was advice to the Chief Minister around the independent review panel that went directly to the Chief Minister this year, where we are about to go out to a new arrangement and a new panel. It is a bit different to previously, so that is one that started in the 2008-09 year. Also there was advice specifically on the secondment of public servants to the estimates process and that was independent advice.

MR SMYTH: But that was advice you provided voluntarily, or was that advice sought by the Chief Minister?

Ms Hudson: That one was on my understanding; I was the acting commissioner at that time; I was in another position. That was in response to a request for advice for the Chief Minister. So it can happen either way. It is a part-time role and it was a part-time role previously.

MR SESELJA: Were you asked to provide advice on the issue that arose before the election of use of public facilities for election advertising by the ALP?

Ms Hudson: No. That was done—

THE CHAIR: She was not the commissioner then.

MR SESELJA: Okay. Was the commissioner asked?

Ms Hudson: No, and my recollection is that I was not specifically asked. We prepared advice generally on the role of public servants and that advice went into guidelines around the caretaker convention.

Mr Cappie-Wood: Largely because that related to facilities as opposed to staff, and the Public Service Commissioner relates to employees.

MR SESELJA: One of the requests, I understand, did involve employees as well.

Mr Cappie-Wood: I am trying to recollect; I know that there was discussion but there was not necessarily independent advice, because it was seen to be clearly articulated in the existing caretaker conventions.

MR SESELJA: Okay, but your view on that?

Ms Hudson: I could have been asked, but my recollection is that I was not specifically asked.

MR SESELJA: So what is your view on that? There was the issue around use of staff and there was also the use of facilities for election advertising.

Ms Hudson: I think that matter was dealt with, as I recall, by the chief executive of

the relevant departments. I do not think I would like to give advice just on the spur of the moment here in terms of that issue, but my recollection is that I did not have a difficulty with what happened.

MR SMYTH: When the issue was raised, did you undertake an investigation as to whether or not public servants had been adversely affected by what had occurred?

Ms Hudson: No, I did not.

Mr Stanhope: Which public servants are these? I must say, Madam Chair, I have not got a clue what these questions are about. Could we have a bit of specificity about which department, which application, which public servants? I am not aware of any of these issues and I think we need a bit of specificity and we will take them on notice. I have no recollection of any public servants at any time being asked to be involved. My last recollection of that is under the Liberal government when I do recall a Liberal minister for police actually posing in election advertising with members of ACT Policing. That is my last recollection.

MR SMYTH: I think it might have been Mr Corbell recently.

THE CHAIR: We are currently five minutes over time, so I will call for a brief pause in this hearing. Thank you very much to the departments that have already appeared and to the commissioner. I am sorry we could not get to everything but there will be questions on notice.

Meeting adjourned from 10.34 to 10.54 am.

THE CHAIR: We are now concentrating on CMD and business and economic development. Mr Stanhope, do you have an opening statement?

Mr Stanhope: No, Madam Chair.

THE CHAIR: In that case, I will start off with the ANU Climate Institute, which is mentioned on page 38. Is there an ongoing committee? Is there an MOU? Given that one of the key deliverables that we as the ACT get back, and given that Mr Corbell has announced that we are going to have a considerably increased carbon reduction emission target, are we going to be expecting more work at the climate institute to support that?

Mr Cox: CMD's carriage of that initiative was transferred to DECCEW at the end of the financial year. Having said that, there was a \$2.5 million deed of grant to ANU which was matched by something similar from ANU to create an \$8.1 million facility. Part of the arrangements going forward was for that institution to have a reasonably active research program on ACT specific issues. I cannot tell you what they are in detail because they have just been transferred over to DECCEW—a relationship of that initiative.

THE CHAIR: Do you know, as you were involved in the set-up presumably, whether there was an MOU?

Mr Cox: There is a contract and there is a deed of arrangement, which articulates in very broad terms what the territory will be seeking out of that arrangement.

Mr Cappie-Wood: If I could possibly add to that, we have been having discussions with some of the staff about how they might be able to help contribute to some of the ongoing strategic discussions about sustainability within the city. There has been some very early enthusiastic engagement around that.

MR SMYTH: Chief Minister, on page 37, one of the highlights for the year was the launch of tradeconnect, a company grants program, designed specifically to help ACT businesses. In 2006, the still secret Costello report apparently recommended that business and industry grants programs be abandoned and they were. What has caused this turnaround?

Mr Stanhope: Thank you, Mr Smyth. Tradeconnect was, as you say, created, and to some extent it replicates previous programs that have existed, which I think successive governments have supported, in relation to direct funding, particularly of emerging companies, to support the working up or commercialisation of product. It is a recognition, Mr Smyth, in the context of an improved and strengthened budgetary position, of our capacity to provide support, albeit at a reasonably limited level, for a niche program of support for companies. It is certainly an acknowledgement of the role that such programs provide. It is not merely anywhere of the order that previously existed in the first term of this government, but it is an acknowledgement of the significant advantage that some companies have had sometimes as a result of this sort of support.

In the context of our overall approach to providing business support—this was an approach that was supported by the sector as a result of that reconsideration of how best we as a government can support the business sector—our focus has been very much on mentoring and providing advice and assistance in relation to the establishment of companies and the ongoing issues of company space. I think Mr Cox would be more than happy to expand on the underlying philosophy, which is one of up-front assistance, mentoring and indeed education. That underpins our approach to supporting this sector. We have a range of other programs that actually illustrate that that is our focus.

MR SMYTH: Before you go to Mr Cox, if you can just go down a couple more dot points. You have also commenced the innovationconnect, icon, grants program. Again, it is the same question: the Costello review said, “Get rid of these programs.” Two years later you are introducing these programs.

Mr Stanhope: I think in relation to innovationconnect we have reconfigured some pre-existing programs. Perhaps I can take some advice on innovationconnect. It really is an extension of a continuing program in another form, is it not, Mr Cox?

Mr Cox: I can make some comments about both programs.

Mr Stanhope: Yes, please do.

MR SMYTH: I am happy to have that, but it is a reversal of the government’s policy.

There was acceptance of what Costello said—that, in the main, these programs go. This is a reversal. Does it not indicate that Costello was wrong?

Mr Stanhope: Not at all in the context of the territory's budget position and our capacity. In an ideal world, Mr Smyth, we would fund things all over the place, if we had no funding constraint and if we were not obliged to find efficiencies and prioritise our spending. I think the government would have been happy to ignore every single one of Mr Costello's recommendations. At the time it would not have been prudent or possible, but we did accept recommendations in relation to cuts that would be made to funding at that time. But nothing is there forever.

Our position has improved, but certainly the global financial crisis has given us a belt. Most particularly in relation to tradeconnect—you are quite right; I do not disagree with you—we have reintroduced, in a very much reduced sense, a previously applying direct support arrangement for Canberra business. It is nothing like it was in terms of funding or scope, and we accept that. We accept the importance, as does business, of those small grants programs. I think it would be to everybody's advantage, perhaps including mine, if Mr Cox just gave some quick analysis of those two projects.

Mr Cox: The icon program has a total funding allocation of \$500,000 a year, with a little bit of—

MR SMYTH: I am sorry; how much was that?

Mr Cox: \$500,000 a year. It is pitched at relatively early stage company needs. There are two, if you like, grant streams—proof of technology, proof of concept. They roughly fall into around \$5,000 matched grants with companies and, at the other end, \$25,000 match funding with companies, with a special circumstances provision up to \$50,000. That compares, if you like, to elements of the old knowledge fund. The old knowledge fund had four funding streams in it. This program has moved back into the small early stage area where capital needs of small firms are fairly well demonstrated. I guess the other dynamic around this particular program is that the commercial ready program, which was the commonwealth program, was disbanded a couple of years ago. There has been quite a demand in capital need at that very early stage area for small companies in the ACT.

MR SMYTH: What evaluation will be put in place to make sure these projects are meeting the needs of businesses?

Mr Cox: We systematically do program reviews. This program is now into its second year, so it is probably a little bit early to do anything too systematic at this point. We would probably look to do a formal program review with an external consultant at the end of the second year of funding, which will be about this time next year.

MR SMYTH: The Chief Minister talked about mentoring. I notice page 38 reports that there are now online e-learning modules accessed by 4,200 people. Again, how effective is that? What checks are done to ensure that people using these modules are using them properly and they are achieving the desired outcome?

Mr Cox: We are in the middle of a program review of Canberra BusinessPoint as well.

We let a consultancy about two months ago. It is being performed by a company called Gary Wall and Associates. They are doing a four-point review which is around looking at the efficiency and effectiveness of the program, value for money and the program's complementarity with other things that the territory and other governments provide in terms of business support. We are also looking for some recommendations around how to actually refund that program when the current contract ceases in June next year. The review is looking at efficiency, effectiveness and value for money, with a purpose to design—I guess redesign—the procurement process early next year, to look at future arrangements for that program from July next year.

MR SMYTH: When will the review be available?

Mr Cox: The review will be complete in a draft form before the end of this year. We will then go through a process of briefing stakeholders, those that contribute to the review and also the government, obviously, on what we do in terms of that next step of arrangements.

MR SMYTH: The contract expires when?

Mr Cox: The contract with Deloitte expires in June 2010.

MR SMYTH: Is there a rollover option?

Ms Hunt: Both rollover options will expire at the end of June.

MR SMYTH: So you will go out for a fully competitive tender?

Ms Hunt: For public tender.

MR SMYTH: Thank you.

THE CHAIR: As part of the same review, are you looking at the incubators? I think the ACT still has a few business incubators.

Mr Cox: No, it is not part of that review.

THE CHAIR: So they are just continuing as is?

Mr Cox: You are referring to the ex-CREEDA incubators, I suspect, down in Narrabundah and Wanniasa?

THE CHAIR: Yes, and I think there is also one in Watson.

Mr Cox: The Watson one is an arrangement between the department of education and the Academy of Interactive Entertainment. It is a quasi-commercial relationship. Interestingly, it is not run through incubator policy but it is actually quite an effective incubator. It is a great example of basing an educational institution, the academy, within and then you see this natural clustering of multimedia companies and associated companies around it. It is working very well. I do not have a direct policy or program interest in it, but I know Mr De Margheriti in the AIE and I applaud what

he is doing there.

THE CHAIR: How are the other incubators going—as you say, the ex-CREEDA ones?

Mr Cox: The other incubators are not being run as formal incubators. They are now being managed by the property branch of TAMS. At one stage they were run under licence by the AIE. The AIE was seeking an incubation arrangement with the government. The government could not come to terms with the proposition that was put to us. Now they are essentially being run as use of office space by small companies. I believe most of the companies have been offered fairly extended terms and terms of tenancy, but they are not being driven as formal incubators.

THE CHAIR: Are you looking at getting an incubator program again—if, as you say, that is not currently being run as an incubator program? It always struck me as very—

Mr Cox: The incubator policy has gone through some fairly interesting transitions. I think CREEDA was a creation of a whole lot dynamics around the 1980s. Essentially, it was set up to support employment during a fairly high unemployment era. There have also been, as you know, massive changes in technology and the way companies relate and network. I think that most incubation now is done successfully around arrangements like the AIE. It is being done informally. You do not really need a centre manager to network companies; it is done almost naturally.

Whether the government goes into the incubation space I think is an issue that we will probably look at at some stage. I do not think there is strong justification, personally. The commonwealth government's incubation programs have largely got out of the space. What you are seeing now is this natural incubation and clustering approach rather than physically using usually standard office space to put through a churn of small companies in development phases. I think there are better ways of supporting companies than through incubation.

THE CHAIR: You mentioned putting through a churn of companies. Obviously we have a lot more home-based microcompanies than we had 20 or 30 years ago due to technological changes. But when you get to the stage above that, one of the bigger questions for small business is: can you commit to a long-term lease? Speaking from my past experience on the board of a CREEDA tenant, the big thing that CREEDA offered us initially was a very short-term lease. We did not know if we were going to survive and the idea of signing up to a five-year lease was—

Mr Cox: That was Australian Ethical Investment, wasn't? I think it was an anchor tenant.

THE CHAIR: We ended up as an anchor tenant, yes. The other things that CREEDA did become fairly irrelevant. We obviously—I should not say “we” anymore—have graduated out of it. Nonetheless, when observing the people around, one of the most useful things it offered was when you were not sure that you were going to be in business in three years time. The idea of signing a lease which said you were paying a large amount of money every month regardless was pretty off-putting. It was that physical structure.

Mr Cox: We had a look at the tenancies of all of the 80-odd companies across the three incubators and there was very little churn. I think the incubators were not being run actively as incubators.

THE CHAIR: No. The management deteriorated, I think you could probably say.

MR SMYTH: Just on Goyder Street, you have just said that these sites are now being run by property ACT.

Mr Cox: That is right.

MR SMYTH: They are just being offered as office accommodation. Is that compliant with their leases?

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

MR SMYTH: I do not have my territory plan map with me, but I thought Goyder Street, that area, was community use and the incubators were seen as a community service and education facility rather than—

Mr Cox: I would have to take some advice from property on that.

MR SMYTH: Thank you.

MR HARGREAVES: I have just a couple of questions. I had the pleasure of being with Ian in Chicago, if my memory serves me correctly. It was a very successful promotion of the ACT business sector. I notice that you are going to be doing something at the Shanghai World Expo. I would be interested in knowing, with a little more accuracy, what time of year it is going to be on, how much it is likely to cost and what partnerships have already been established with business to build the platform that is going to go ahead.

Mr Cox: The ACT government is a silver sponsor with the Australian government in the expo. That comprises a \$30,000 contribution of cash in kind. We have made the cash contribution of \$100,000. The other component of that is an in-kind contribution. We are looking to contribute things that give the ACT and Canberra some visibility within the pavilion and the expo. We are going through a conversation with the business community and other stakeholders at the moment about what those things will be. For example, they may be contributions to the cultural program. There is a very extensive business program associated with the pavilion. There are something like 184 events over the six months of the expo which runs from 1 May to the end of October.

Our sponsorship arrangement entitles us to three fully DFAT bells and whistles hosted-type functions within the pavilion. The current thinking is to use those three VIP functions to possibly run three trade-related type activities. We are waiting for dates from DFAT. There is a registration process that all the states and territories and sponsors have to go through. We will not know the outcome of our specific dates for a little while, about a month, but we are looking at something that will have an

education services focus. We are looking at a general eclectic trade mission type focus. We are also thinking about offering the business community the opportunity to lead a business-led and industry-led mission activity.

MR HARGREAVES: Have you any ideas on how that might look?

Mr Cox: We have been talking to the three major higher education providers in town, ANU, UC and CIT. Obviously they have very extensive interests and partnerships in China. It is relatively early stages but those three organisations, or at least two of them, that we have had very recent conversations with are very interested in using the ACT's sponsorship in the platform of the pavilion to leverage the relationship with their clients—for example, doing a Canberra alumni event at Shanghai or providing some visibility through sponsorships or scholarships.

MR HARGREAVES: It is going to take a very significant education focus, as opposed to, say, tourism or ICT or something like that?

Mr Cox: ICT will certainly be there. When you look at the key sectors which the territory has significant critical mass and to some degree international and greater international reputation with, ICT and the education sector lend themselves to a platform that Shanghai could provide.

MR HARGRAVES: Thank you very much for that.

MS HUNTER: I have a question about the investment facilitation program. What are the criteria to determine who would have, for instance, payroll tax reductions?

Mr Cox: The program has quite extensive program guidelines available. I have a copy of them here. They run to about eight pages.

THE CHAIR: Because of the fire alarm, we will have to postpone the hearing.

Short adjournment.

THE CHAIR: I believe it is a false alarm—dust in the fire detectors. I think we were in the middle of a question, Mr Cox, so please continue.

Mr Cox: I have now had time to actually source my piece of paper as well, so thank you.

MR HARGREAVES: Did you set that off to give yourself a bit of time?

Mr Cox: I was just saying it was *deja vu*. Mr Quinlan did this about four or five years ago in estimates as well, and I think Mr Smyth was in the middle of a question as well.

MR SMYTH: I hope I am not the common link!

Mr Cox: We describe the program as almost a special circumstances, special opportunities, program. It is seeking to support—the words in the program guidelines, which I will leave here, are—significant new investment projects. The things that the

criteria point to in terms of the type of investment projects that are being sought are things that provide or accelerate export development, commercialisation of technology, high value-added jobs, human capital development—new, unique, value-adding skills and development to the territory. It also seeks to articulate what economic multiplier impacts might be. If you think of the sorts of projects that actually would qualify, it is projects that do have a fairly significant employment outcome. So, to be of benefit to the program, the investment must articulate a fairly significant employment number to derive value from the payroll tax waiver that would be provided.

MS HUNTER: Who are some of the companies or businesses that have benefited from this program?

Mr Cox: The program was actually launched in around September last year. We have had two approaches. I cannot tell you who the companies are; it is commercial-in-confidence. One was knocked out through the initial desk research process that is conducted inside the department, and it was knocked out on the basis that it was not a significant new investment; it was essentially only a continuation of current activities. There is one other active application under the program at the moment, which will go through a review process which is—

Ms Hunt: It involves an external assessment of the business case as well, an independent assessment of the business case, and we are in the process of finalising the actual process with the companies that have nominated to be on the panel for that.

MS HUNTER: Do you go out and promote that, or how do businesses find out about it? What is the process there?

Mr Cox: The program is actually promoted in our marketing collateral. We do not actively spruik the program, if you like. It is there and easy to be found if one is adept at ploughing through ACT government websites, which most companies are, we find. Again, it is a special circumstances program and it is akin to the old ACTBIF program. If you consider the volume of applications that was going through that program, even in its heyday, it was literally one per annum. At the moment I think there are only one or two active payroll tax recipients left out of the old program, so we did not have any expectation that it would be a significant volume program.

THE CHAIR: Can I talk about the business roundtable, at page 38. What sort of feedback did you get out of it in terms of identifying new initiatives and bottleneck-type issues to help the business sector?

Mr Cox: This is a roundtable that was run in conjunction with BIFM, the business in focus month?

THE CHAIR: Yes. You say:

... supported the ACT Government's Business Roundtable processes that identified new initiatives and bottleneck issues to assist the business community adjust in volatile economic times".

Mr Cox: The roundtable process started at a fairly aggregated level. I think the Chief Minister hosted a large roundtable in November last year. From that initial conversation, it was fairly obvious, as we went around the table for an hour and a half or two hours, that there were actually quite specific pockets of issues. There was a range of tourism issues, procurement issues, land and property issues. What happened beyond that was that there was an agreement from that initial roundtable to break it down into quite smaller, sublevel, roundtable groups. At that point, different agencies began hosting different conversations. So Procurement Solutions hosted a conversation and a procurement roundtable was set up. There was an education services roundtable, which was chaired by Minister Barr, I believe. The land and property one was chaired by Minister Barr and, I think, the Chief Minister. There was an infrastructure group chaired by Minister Gallagher and also the Chief Minister and there was a quite granular set of activities that actually dropped out of that. I have a summary report, which I do not have here, and literally a dozen activities almost fell out of each of the roundtables. For example, the procurement people, Robyn Hardy and Gary Byles, implemented a set of initiatives to speed the flow of local procurement on small projects; there were issues around the GFC but I would have to take the specifics of the question on notice.

THE CHAIR: Okay, so you will take the specifics of the questions on notice, and can you provide that summary report to the committee, please?

Mr Cox: Yes.

THE CHAIR: Thank you. The other business roundtable that probably I am even more interested in is the small business roundtable, because it was one of the items of the Greens-Labor agreement. Can you tell us how that went? Is that part of that same report or a different report?

Mr Cox: It is a different initiative that came out of conversations between the ALP and the Greens. What was conceived was what we delivered in the context of business in focus month in September this year. I think it was on 16 September. There was a roundtable facilitated by Jenny Brockie held at Hotel Realm. We had, I think, 85 small and micro businesses attend that forum. There were three sorts of themes coming out. One was procurement. One was around general marketing of businesses' capability back into the ACT; there were some suggestions around roles for government in that. I think the last issue was around just general engagement between government and the small business sector.

I attended a small business task force meeting of the Canberra Business Council last night, and there were about 40 people in the room, of which about a dozen had attended the forum. There was overwhelming support for the concept, so the feedback has been pretty good. The challenge in all these things is to collect what comes out, make sense in terms of role of government and actually do something beyond.

THE CHAIR: That was basically my next question: how are you following up from it? What are you doing as a result of it?

Mr Cox: We recorded every comment that was made by everyone that spoke over the hour and a half, and we have distilled that into various themes. All of the procurement

issues came up—and some are real and some are not, to be frank. Procurement Solutions have done some interesting things around procurement to engage small businesses.

One of the things that actually came out from where I sit is that the messages are not getting out. Particularly around procurement, the reforms that were implemented around May-June are not filtering out into consciousness in some parts of the small business sector. The other message that came out for us is our programs. We have a reasonably interesting array of targeted programs, and again in those that attended the forum there seemed not to be a great level of deep awareness of our program environment. So that is an issue that we are grappling with at the moment: how do we promote what we do there?

THE CHAIR: I take it from what you said that you will be doing this again?

Mr Cox: Definitely, yes. We were testing the water last night. We have also conducted detailed survey work with all who participated and there is an overwhelming desire to do it again. From our point of view, it has given us some good insights into some issues that we will want to tap into again as well. How do we do it again and in what time frame? The options, I guess, are to do it on an annual basis or on a biannual basis. My inclination at the moment is to do it twice a year. But these are all subject to conversations and briefing that we have to have with the government as well, about those sorts of decisions.

THE CHAIR: Is there a report of the actual outcomes of the roundtable that the committee could have?

Mr Cox: The September roundtable?

THE CHAIR: The small business one.

Mr Cox: We have done internal reporting. It has not been made public.

Ms Hunt: But we have provided feedback to the participants.

THE CHAIR: Would you be able to provide that to the committee?

Mr Cox: Certainly. The feedback was actually provided via email through our business newsletter and also directly to all of the participants that had email addresses that registered for the program.

THE CHAIR: So you can provide that for the committee?

Mr Cox: Yes.

MS HUNTER: I have a question on that. You were just saying that there seemed to be a low level of knowledge about the range of programs that you provide. Did you seek feedback from that group around how they felt information could be disseminated to be able to help promote those programs?

Mr Cox: To be honest, no, we have not sought specific feedback. The issue is not an ACT-specific issue; it is an issue of program communication to the business community generally. My colleagues in other states and territories bemoan this very same issue—that they have some world-class programs that are not getting out to the client groups that they want. I guess it is no different; we just have to get more clever at how we actually promote the content of the programs that we run.

MS HUNTER: And what is the role of the chamber of commerce and the Business Council?

Mr Cox: The chamber and the council we have close relationships with—probably the council more so than the chamber, purely because we have some program relationships with the council. The council is actually quite adept at getting the program information out to a more diverse group. The council has also got 37 kindred organisations, so it can target messages better.

We speak to the chamber just as much as the council. They are aware of our programs. The chamber have a slightly more retail-based membership. Our programs in general are not retail focused. The one that has a stronger retail dimension is the Canberra BusinessPoint service. If you look at the council's membership, they have pockets of ICT companies, pockets of exporters, pockets of biotech, so they are able to distil and marry the program environment that we promote to groups within their membership.

We also have quite an extensive email database these days, which runs to about 3,500 companies across the territory, so we are using that more and more as a direct communication.

Ms Hunt: And we put out a newsletter each month as well and promote our activities through that too.

MR SMYTH: Could we go to volume 2, page 75, the operating statement for output class 2. I note under “resources received free of charge” you had expected \$4.1 million worth of resources but only achieved \$1.2 million. Is there a reason for that?

Mr Cox: That is the payroll tax differential.

MR SMYTH: So that is the \$3 million that came—

Mr Cox: I will have to get some advice from my CFO, but the—

MR SMYTH: How is a waiver a resource received free of charge when you consider it revenue?

Mr Cox: It is revenue forgone. There is a provision in our accounts, I believe, for \$4.1 million in payroll tax waivers, of which \$1.231 million was taken up in waiver. I caught the end of an answer in the early phase of this hearing that the \$3 million waiver from EDS fell out of the system because the contract expired at the end of June.

MR SMYTH: So that is that waiver.

Mr Cox: That would largely be it.

MR SMYTH: Are you sure?

Mr Cox: I would have to take some advice.

MR SMYTH: Yes, all right, thank you. I notice, just moving down, employee expenses. The actual for 2008 was just over \$2 million and the original budget for the reporting financial year was \$1.7 million. What was the thinking behind reducing employee expenses by \$300,000?

Mr Cappie-Wood: We will take that on notice. I think it may be whether there have been contributions towards other program outcomes within the same area other than through employee costs, but we can confirm that.

MR SMYTH: All right, because you started with an actual reduction but ended up spending almost \$600,000 more than the original budget. The budget was \$1.7 million and you ended up with employee expenses of \$2.3 million; what happened there?

Mr Cappie-Wood: That is as a result of new initiatives or TA; we will just confirm what the make-up of that is.

Mr Cox: I suspect—but I will have to get advice—there is some new initiative funding that has had a salary dimension to it.

MR SMYTH: Okay. You will give us a reconciliation of that. The original budget for the grants was \$11.8 million but you only expended \$5.4 million. Is there a reason for that?

Mr Cox: I would have to get some advice on that; I am sorry.

MR SMYTH: All right; take it on notice. And the waivers and write-offs: you had not budgeted for any, but there was \$1.2 million worth of waivers and write-offs. Can we have a reconciliation of what they were?

Mr Cox: The waivers would be the payroll tax waivers that were actually paid.

MR SMYTH: Okay. No write-offs therefore?

Mr Cox: I would have to take advice from the finance area.

MR SMYTH: Okay, that is fine.

Mr Cappie-Wood: If I can just address the grants question, total grant expenditure across the organisation, which includes this area, is 13.2. There is a variation or decrease in actuals against original budget due to rollovers in a number of areas, including the community support fund, the community initiatives fund, the bushfire loan subsidy, sporting and business innovation in the ACT and reclassification of

expenses to supplies and services during the year, which would account for most of that. That is partially offset by funding provided by the Treasurer's advance for the bushfire appeal, and also the Warehouse Circus, but that did not impact on this particular area.

MR SMYTH: But you will give us a reconciliation?

Mr Cappie-Wood: We will do that.

MR SMYTH: You said "reclassification"?

Mr Cappie-Wood: Reclassification of expenses to supplies and services.

MR SMYTH: Why has supply and services gone from 2.1 to 3.5?

Mr Cappie-Wood: There is a reclassification in the order of 1.89. We can give details as to what that classification applies to. It is applying Treasury's accounting policies to make sure that we get transparency and that it is coded correctly.

MS HUNTER: You mentioned the community support fund. Could I just have a bit of detail?

Mr Cappie-Wood: All that happened there was that it was a rollover of funding to 2009-10 of \$100,000 in the community support fund. That is rolled forward into the next year. That accounted for some of the differences between budget and actual.

MS HUNTER: What does that community support fund do?

Mr Cappie-Wood: The community support fund provides ad hoc support. The fund can only be accessed by agreement through the Chief Minister. It goes to particular issues, such as unforeseen circumstances, occasional contributions to the Red Shield appeal on behalf of the government et cetera. There should be a breakdown which I can provide in terms of how that fund is applied.

Mr Stanhope: Just by way of background explanation, the government responds, as it can, to frequent requests. The example that Mr Cappie-Wood uses is a good one—doorknock appeals, the Red Shield appeal, the winter warm appeal. Traditionally, the relevant department is not provided an allocation. Departments traditionally absorb these amounts. But now as a matter of course, in relation to major community or national fundraising—charity fundraising—the government provides this funding. For instance, the Red Shield and the Salvation Army appeals—the range of appeals to which we traditionally contribute \$5,000 or \$10,000—are now paid for out of the community support fund.

It does not seem like much, but traditionally departments have been asked to absorb these amounts. Sometimes it is not all that easy to absorb just \$5,000 or \$10,000. So a specific appropriation of the \$100,000 is now made for requests that we can anticipate, but it is hard to make a specific appropriation in a departmental budget. We felt this was a better way of seeking to support those annual charitable fundraising efforts.

Mr Cappie-Wood: Without turning them into a regular granting program, perhaps.

Mr Stanhope: Yes.

THE CHAIR: Page 40 talks about the skilled and business migration program and also the live in Canberra program. How many people are we getting out of that?

MS HUNTER: And what sorts of skills; that would be part of that question.

Ms Hunt: The skills cover a whole variety. I can give you a breakdown, which I do not have at the moment, if you like.

THE CHAIR: Yes, that would be good.

Ms Hunt: I can give you some numbers. From 1 July until 30 November the skilled migration program sponsored 441 skilled workers and business investors and 613 dependants were with them.

Mr Cappie-Wood: I am sorry; can I just clarify? That is this financial year?

Ms Hunt: That is right. I am sorry; I should be giving you the annual report, the reporting period.

Mr Cappie-Wood: The reporting period; that is right.

MR SMYTH: Yes, 2008-09.

Ms Hunt: I beg your pardon; I will go back.

Mr Cappie-Wood: While you are finding that, I will give the figures. In the 2008-09 year the program sponsored 807 skilled workers and business investors and 994 dependants, giving a total of 1,801. Of those, 363 nominations from employers sponsoring skilled overseas workers were certified. They have been accompanied by 464 dependants, having a total certified salary of \$22 million. The majority of the ACT employers sponsoring those skilled workers are within the child protection, academic, health and hospitality industries. There were 433 sponsorships from skilled migrants with occupations in demand in the ACT approved. They will be accompanied by 499 dependants and will invest \$44 million in the ACT for settlement purposes. That represents a significant investment in the ACT.

THE CHAIR: Of the industries you mentioned, hospitality clearly is not a government one, but I would think from the others you mentioned basically all of these people will be working in government.

Mr Cappie-Wood: In the academic area. This is largely to universities and higher education providers.

THE CHAIR: You started off with child protection, which is entirely government provided, I believe.

Mr Cappie-Wood: Yes, it was child protection. That was as a result, during that calendar year, of a specific program to target child protection workers, given the skill shortage. A very successful venture in terms of the UK was undertaken, which I think you have details of, to attract those workers.

THE CHAIR: I remember the discussion. What sort of retention have we had of the people who have come as part of this program? Are they staying?

Mr Cappie-Wood: I will have to throw that back to Dita or others, but I note from the child protection workers that there is a high retention rate. In fact, in terms of turnover, there is lower turnover than for the rest of the ACT public service in general.

Ms Hunt: We do six-month and 12-month follow-up surveys to try and determine retention within the territory. We can only ask for a two-year commitment from them. In fact, there is no legal commitment for them to stay at all. When we sponsor them they make a commitment to stay for two years. We try and monitor that, but it is not always as easy as we would like it to be. We can provide you with some figures on that. I can take that on notice.

THE CHAIR: That would be interesting. The figure might have been there among all the figures that I had. What proportion is the business migration and what proportion is the non-business side in terms of skills?

Mr Cappie-Wood: Of those, there are nine business visa sponsorships, if you like, those who are investing significant money. There are nine and their business investment totals \$15.9 million. There are 433 sponsorships for skilled migrants in those four businesses, which are ICT business, business management, hospitality and accountancy. Largely, they are coming from the UK, India, Korea and South Africa, for those skilled migrations, and then there are nominations from employers sponsoring skilled overseas workers, which total 363. That is the total of the 807, those three categories.

THE CHAIR: Obviously Australia as a whole has migration programs. In terms of what the ACT is doing, what do we offer migrants above and beyond what Australia is doing in general? What criteria do they have to meet to get into whatever additional offerings we offer?

Ms Hunt: We have a settlement service. Are you talking about how we assist migrants?

THE CHAIR: Yes.

Ms Hunt: We have a settlement service to support them. We have a meet and greet service that will meet them at the airport if we are informed in time to do that. We will take them on a tour of Canberra. We will show them schools and assist them with accommodation-type contacts. While we do not provide accommodation, obviously, we do have an arrangement that gives them some contact details around that.

We have a settlement web service that provides them with a lot of information about Canberra. They are invited to the live in Canberra type functions that are held on a

regular basis, so there is an ongoing community aspect to that. Where there is a need for them to be supported to have some cultural grounding in the differences in the job experience we have an arrangement with the Migrant Resource Centre. They provide them with some training in that area as well. There is quite an extensive range of settlement support activities.

THE CHAIR: What are the criteria for getting into this program?

Ms Hunt: You just need to have been sponsored by us.

THE CHAIR: What are the criteria to be “sponsored by us”?

Ms Hunt: It depends on the particular visa that they are applying for. The guidelines are all on the website, but I can provide you with those. We have the capacity to sponsor in certain visa-type activities. We have to abide by all of the department of immigration criteria, but then we also have some ACT-specific criteria. They mostly relate to English language levels and work experience, because we obviously want them to be able to get a job when they get here.

MR SMYTH: On page 133 of volume 1, output 2.1, business and industry development, I notice a grant has been given to Young Achievement Australia of \$15,000 so that they may work with the University of Canberra. How valuable is that investment and what does the ACT get back from that money?

Mr Cox: The ACT government spent a long time sponsoring YAA. You might know that YAA as a national organisation folded very recently. I think our sponsorship goes back well before my time with the territory. We have been providing free rental accommodation in a premises in Griffith and IT support. It adds up to a figure of around \$40,000 a year. There is also additional sponsorship funding that we have provided to their specific programs with the universities and the students. In terms of what we get out of it, it is really a program that tries to engage young people with an interest in entrepreneurship to become part of the network and the fabric of the territory to become the next generation of entrepreneurs.

MR SMYTH: Chief Minister, Mr Cox mentions that YAA has either folded or is just about to fold because the federal government has withdrawn its funding. What representations has the ACT government made to ensure the continuation of YAA?

Mr Stanhope: I am not sure we have made specific representations in relation to YAA, but we certainly have made strong representations in relation to the importance of the commonwealth continuing to support business and Canberra business specifically. Indeed, in the context of the commonwealth’s largest and most significant withdrawal from funding, that was in relation to the—

Mr Cox: Commercial ready program.

Mr Stanhope: Yes, commercial ready. That was a withdrawal or a refocusing by the commonwealth that has had very significant implications for business in the ACT and across Australia. In relation to this particular initiative, I am not sure we have made a specific representation.

Mr Cox: YAA's funding issues are quite significant beyond what the territory provides. We have provided very generous support over the years.

MR SMYTH: There will not be a youth development program in the ACT on entrepreneurship now?

Mr Cox: There is nothing in the pipeline, no.

MR SMYTH: Were you aware that YAA was folding, Chief Minister?

Mr Cox: It is only a very recent thing.

Mr Stanhope: I am not sure that I was aware of that, Mr Smyth. I would have to check my briefs.

MR SMYTH: Will you take any action to lobby your federal colleagues to see if it is possible to—

Mr Stanhope: We do it generally, Mr Smyth, but at the end of the day in relation to decisions that the commonwealth may take in relation to its achievement, there are often knock-on implications, as Mr Cox has implied. The ACT government cannot on its own step in to fill voids created by a withdrawal of other governments.

MR SMYTH: I am not suggesting that. I am just asking whether you will ask the feds to reconsider.

Mr Stanhope: I am more than happy to do that. Indeed, I will be speaking with Senator Carr tomorrow and I will specifically raise YAA with him in conversation, Mr Smyth, directly.

MR SMYTH: Thank you, Chief Minister.

THE CHAIR: Can I just ask about the green economy work which you sponsored UCAN to do. Can you tell us how it is going and when it will be available to the public?

Mr Cappie-Wood: A general scoping exercise was commissioned from John Howard at the University of Canberra. That work has been completed and is being used to inform the development of a more detailed strategy. That is being, if you like, initiated with the ACT government having discussions with a range of different agencies. It is anticipated that a more fulsome strategy around the green economy will be with us in the next short while. I will ask Mr Cox to answer as to an expected completion date. There has been a lot of activity in this area. It is one where we see significant opportunities and benefits.

Mr Cox: The scoping study has been completed by University of Canberra and its team. It is going through an internal briefing process at the moment. There are options about how we actually take it forward. As Mr Cappie-Wood said, there are options in taking it to a strategy development process through internal government contributions

and/or releasing the document as a discussion tool as well. We are in the process of advising the relevant ministers on that. It was always intended that the document be a scoping document. It was never intended to develop a full-blown strategy in one hit of consulting, but it has begun to isolate some fairly interesting areas where governments and the rest of the community can act.

MS HUNTER: I have a final question. I was wondering whether your area was involved or liaising with ACTPLA on the development of small business impact statements for larger commercial developments.

Mr Cox: The short answer is no.

THE CHAIR: I am conscious of the time because, according to our schedule, we should have moved to Shared Services and the Procurement Board a few minutes ago. Obviously, due to the interruptions, we are running a bit behind time. I thank you all very much for dealing with the business and economic development policy part of CMD. There will be questions on notice. I still have about two-thirds of mine to go. We will get those to you as soon as possible. I imagine Mr Smyth is in the same boat.

Are we ready to proceed again?

Mr Stanhope: Yes, thank you.

THE CHAIR: Do you have an opening statement on this?

Mr Stanhope: No, nothing specific, but Mr Byles, the Chief Executive of TAMS, and Ms Thomas, the Acting Director of Shared Services, are more than happy to be of assistance.

THE CHAIR: Okay, thank you. I am not sure if this is Shared Services as a payroll issue or whether it is ACT Education, but according to today's Media Monitors, Sarah Shoonwater, the chair of the Construction Industry Training and Employment Association, says that the ACT government has not yet paid bills to the not-for-profit training organisations—I assume you have seen this. It is 7 o'clock on this morning's ABC. It says the ACT government has not paid its bills for trainees and apprenticeships. Is this a Shared Services issue?

Ms Thomas: I have not seen that, Ms Le Couteur. I am just advised that this is a matter for the Department of Education and Training. Apparently, there has been some change to the way in which they pay for traineeships for employers. It is not a Shared Services payroll matter at all.

THE CHAIR: So they have their own payroll system apart from—

Ms Thomas: I do not think it is a direct payroll. As I understand it, it is a payment that would be made to an employer to pay for his or her trainees. So there will be some government grants, as I understand, but I really cannot help with answering that question.

THE CHAIR: Okay. It is with Education?

Ms Thomas: Yes.

THE CHAIR: I thought from that that it looked like it was a payroll issue, so your bailiwick.

Mr Stanhope: Ms Le Couteur, it is an issue that is new to me. I do know that Ms Shoonwater has adopted the practice of engaging with the ACT government through the media. I might say that, had Ms Shoonwater taken her concerns directly to the department or the government, they would have been responded to. We are now in a position where Ms Shoonwater in her various roles seeks to engage with the ACT government through the media as a matter of course—I think there must be elections looming in the CFMEU or some such—but we will of course respond actively to her concerns.

THE CHAIR: Thank you.

MR SMYTH: On page 14 of volume 1 of the annual report, Shared Services, human resource services, there has been a whole-of-government panel of training providers established. What was the purpose of that, and what savings have been achieved or quantified as a result of the panel?

Ms Thomas: The purpose was to establish a panel of training providers, as it says, in certain key areas of common training need across all government departments, and that included things such as leadership, management, occupational health and safety and another category called working within organisations. The reason that we wanted to do that was because there was that commonality of need across all government agencies and our Shared Services ambit is to maximise efficiencies where they can be garnered.

The savings that it has delivered for agencies is that it has provided this panel. Agencies can choose training providers from the panel to conduct training courses within their own agencies and that negates the need for them to undergo specific individual procurement processes every time they want to run a program or run a training course.

The other thing that we have been able to do as a result of having that panel of providers is to establish a training calendar. It is an online training calendar that is available on the Shared Services portal. That is a calendar of various courses provided by these various training providers. Any staff or agencies are able to enrol in those training courses from time to time. That is the first time that the ACT public service has had a common training calendar available to staff. So there have been efficiencies, I guess, in both having the calendar available so that—IT training is the other one—people who need to do a Word course or a course in Excel are able to enrol in those very easily and simply online, and also the savings to agencies themselves who wish to develop programs in particular areas.

MR SMYTH: All right. Were there any savings achieved, or was it just aiming at greater efficiency?

Ms Thomas: It was more to do with greater efficiencies. We have not looked at specific savings as such.

THE CHAIR: I will go back to the media again. This time it is Sunday's *Canberra Times* talking about the short period of time that people had to renew their licences due to human error in TAMS. Presumably it was a human error which was related to the computer system and then there has been a selection of other ones, with millions of rates not collected and \$23 million owed in parking fines. Are you doing work in terms of improving—

Mr Stanhope: I think that is not a Shared Services issue. I think—

THE CHAIR: It is InTACT, isn't it?

Mr Stanhope: Mr Byles might be able to explain just that part of TAMS that—

THE CHAIR: I assumed it was InTACT; I was leading up to computer testing and InTACT, but if it is not really InTACT then—

Mr Stanhope: I am sure Ms Thomas is more than happy to answer the substance of the question, but your preamble is not relevant to Shared Services.

THE CHAIR: The substance of my question was: given this series of issues, are you doing work around your user acceptance testing of large computer systems, particularly any changes that you do to them?

Mr Byles: I might ask Mick Chisnall to join us to respond to that. I can say that the report about the delay in the issue of licences is an issue for TAMS and it is one that currently is under investigation.

Mr Stanhope: But that was not an issue that arose out of Shared Services processes.

Mr Chisnall: There are many applications in the ACT government and we are developing and have developed, certainly over the last year, a much more robust development test environment to enable those applications to be tested well and in an ever-increasing professional way.

The issue associated with that particular application I cannot really talk to, and should not, beyond the fact that in general we are very conscious of the need for testing and we are striving to continuously improve our testing facilities and our testing regimes, certainly on all of our major applications.

THE CHAIR: Mr Byles, you said that it was a problem which was not related to InTACT. Does that mean that you have your own IT staff in TAMS?

Mr Byles: We do have embedded IT staff, but—

THE CHAIR: That are not part of InTACT at all?

Mr Byles: There are some IT staff, but we also have people embedded from InTACT.

Mr Chisnall: The InTACT people are strictly ICT staff. They are technical staff essentially. There is always the interface with the business owners and information managers with systems who are, let us say, more focused on the actual use of the system rather than the technical support of the system. So if you look at a particular product or a particular application, you always find that amalgamation of staff. But, as Gary says, we embed InTACT ICT staff in the agencies to get that degree of affinity with the business.

THE CHAIR: Yes. I thought you provided all the ICT staff for the ACT government.

Mr Chisnall: We provide the ICT technical staff.

THE CHAIR: But not the business relationship type people?

Mr Chisnall: More the super users or the people whose skill set would go to the use of the application rather than the development or the support of the technical aspects of the application. That is the line, and sometimes it is a grey line.

MR SMYTH: On page 19 of the annual report, the third paragraph says:

Shared Services will continue to consolidate the ACT Government's core administrative functions to achieve economies of scale, standardised and streamlined processes ...

Which functions have not been consolidated to date?

Ms Thomas: I guess what we were trying to say in that particular paragraph is that we will be looking for opportunities, where they are available, to continue to standardise and streamline. If you go back to page 14, which I think you were looking at before, Mr Smyth, you will notice that there are some examples there of things that happened in 2008-09 that were about standardisation and streamlining; for example, the training example that we gave you before—things like the introduction of HR21, which is our electronic self-service leave application process, which is now being rolled out to all agencies; things such as establishing the panel of local ICT consultants, an initiative that InTACT has undertaken which is about providing local ICT industries with the opportunity to bid for ICT projects. It is those kinds of things that we look for all the time through our various business units.

MR SMYTH: All right. You talk about HR21, which I assume is part of Chris21?

Ms Thomas: It is a module that is attached to Chris21, yes.

MR SMYTH: So are there any capabilities that were intended to be part of Chris21 that have not been installed yet?

Ms Thomas: Chris21 itself is a very large, holistic HRMS system that exists. The ACT purchased some modules when it went through the tender process leading up to the introduction of Chris21 in 2005. The primary one was payroll, and that of course is running successfully. HR21 is the electronic self-service module, which we are now

using across agencies. There are a couple of other modules which are available to us but which, whilst we have not formally made this decision, we think probably no longer suit the needs of the ACT.

For example, there is a recruitment module available. We have, through Shared Services, developed our own recruitment management system in-house, which suits our business processes better, we think. There are still some functionality issues, if that is what you were getting at, Mr Smyth, that we are continuing to work on with the vendor. But, essentially, the system is working pretty well.

THE CHAIR: Are all agencies using it?

Ms Thomas: We use it to pay staff from all agencies, with the exception of ACTION. ACTION buses are still using their own system through an outsourced arrangement, but that is something we are having some discussions with ACTION about, with the possible future migration of ACTION staff. So, yes, we use it. There are some small agencies, such as the Cultural Facilities Corporation, that do their own payroll.

THE CHAIR: And I think the Assembly also does.

Ms Thomas: And the Assembly, of course, apart from the executive.

MR SMYTH: Has the contractor had to come back and do any remedial work? Are any initial teething problems still to be resolved?

Ms Thomas: We work with the contractor. We have regular communications with the contractor; they do that with all their clients. There are some areas that we are still working with them to get remediated. One of those is long service leave. While we have some functionality in terms of electronic storage of long service leave records, we are still keeping manual records of those as well.

MR SMYTH: So what does that cost Shared Services to run both a manual and a computer system?

Ms Thomas: It is not costing us any more or less than existed before Shared Services came together.

MR SMYTH: What does that mean?

Ms Thomas: That was always the case. In some ways the fact that we have been able to now upload long service leave taken, that is, as people take their long service leave we are now able to record that in Chris21, has saved us some effort.

MR SMYTH: So will it cost the ACT government additional funds to get long service leave fully online?

Ms Thomas: No.

MR SMYTH: It will not? The supplier will take that burden?

Ms Thomas: Well, that is something that we do not expect that we will have to pay.

MR SMYTH: Don't expect or won't?

Ms Thomas: No, we do not expect to.

THE CHAIR: You mentioned that a number of small agencies still do not use the central system. Why don't they use the central system?

Ms Thomas: I think there was a decision taken in 2006 that some small agencies, and I think some statutory authorities, would not be part of Shared Services. That was a government decision.

THE CHAIR: Why would you make that decision?

Ms Thomas: That is something you would have to ask the minister. I understand there were probably business reasons at the time that did not make that an option. But it was mainly the statutory bodies and one or two very small agencies.

Mr Stanhope: I would have to take the question on notice in terms of the history of the issue, Ms Le Couteur, and if there is anything specific that you think would be useful, I will be happy to seek to obtain it, but I could not, from this distance, make a comment.

THE CHAIR: I was just wondering if it was a matter that the agencies felt that this centralised system was going to cost them more than the existing system. Okay. One of the things I am interested in, from a computing point of view, is: are we starting to do any monitoring of our energy use in computing? If the answer is yes, in what direction is it heading?

Mr Chisnall: We have a real focus on energy use in all of our ACT efforts, an increasing focus. That goes to the desktop, it goes to server farms, it goes to the type of technology we are putting in place and it goes to the way that we dispose of equipment and the requirements that we have for disposing of equipment in an environmentally responsible way. We are beginning to measure and contemplate the ways of measuring that saving on a more regular basis. So, while we are very much focused on doing the work to achieve this, we are aware that the monitoring and calculations are a pretty complex area and that, over time, we are going to get better at it.

I do believe that this is a problem not only for our jurisdiction. Certainly, through my work with the CJCIO, across the board governments have trouble measuring their energy usage within their IT departments, for a number of reasons. You have IT organisations embedded within office accommodation—data rooms, communication rooms. The actual measuring of the output or the usage of energy independently of the rest of an office block can be a difficult thing to achieve. We are very conscious that we need to do that planning to become better at it and to become more numerate in relation to what we are actually saving. But I guess, in a sense, we are also even more focused on doing things that we know will make energy savings.

THE CHAIR: You are not measuring even on the bigger areas like the server farms? Those, presumably, would have a dedicated meter so that would be possible?

Mr Chisnall: Some of our server farms are on independent or shared power supplies, and that calculation can only be done on a bottom-up calculation rather than actual, based on the monitoring equipment in the data centre. Certainly, our plans for future data centres and anything we do in the future will be focused around that. But with respect to the cost of implementing secondary power monitoring as distinct from moving to new data centres and a new approach to data centres that is more modern and energy efficient, you would have to balance that. We can do calculations but they are not the sort of actuals calculations that we would want to do. They are more bottom-up calculations based on specifications of individual servers, the number of servers and that sort of stuff. So, yes, we can do it and, yes, we do it; we are getting better at it.

THE CHAIR: You said that, while your measurement was not all there, you are doing a lot of things that are making a difference. Can you go through those?

Mr Chisnall: Certainly. At the desktop level, we now have a universal process of quiescing the desktops in a number of phases so that screens go dark and we are not using that energy overnight, under certain protocols. Obviously, you have to be a bit careful with that one because there are PCs with such a diverse functionality across government—you would not want to have that sort of thing going on in an emergency department, for example.

Having assessed where this is relevant, the vast majority of PCs and desktops across government now are being very efficient with their energy overnight, from that perspective. That is an initiative. The last time we were here, we reported that some agencies were there. Now I am happy to say that all agencies that can do that, I believe, are doing that, which is good.

At a virtualisation level, we have previously spoken about the virtualisation of servers. I am happy to say that more and more of our servers are being virtualised. Every time we are able to do that, when we get an energy bonus, we get a saving in the green footprint, which is terrific. Since we last spoke on the subject, we are also getting much more involved in the virtualisation of the desktop which, again, has an energy dividend associated with it—that is, rather than having all of the software sitting on a thumping great PC on someone's desk, being able to virtualise that experience back in the server farm over a think-line, with a less energy-resourcing-hungry PC at the other end. So that is another area which we are really pushing on.

In the area of disposal, which I mentioned before, we recently completed a tender in terms of an environmentally responsible disposal process. With equipment that comes to end of life, they follow very strictly, and our procurement was based on having, the ISO 14001 standard, which is a recognised standard in this area, and we are happy that we are making good progress in that area.

We have also extended the life of our desktops. Whereas previously we might be refreshing at three years, now universally the number is four years. So the whole churn is slowed down, meaning that the whole process, from manufacturing through

to disposal, slows down and we get that benefit of using a PC for longer without having to incur that environmental penalty. I think those are the areas; there are other areas, I am sure.

THE CHAIR: Can you talk a bit more about thin clients. Where have you started introducing them and what sort of user acceptance or otherwise have you got?

Mr Chisnall: I will give a general response to that and hope that one of my colleagues over here gives me something a bit more accurate about where it is. I believe that the major penetration of thin clients at the moment is in the health arena.

There is a huge benefit in having thin clients, apart from the environmental one, and that is the ability to manage the refresh centrally. The amount of software on a PC is variable. A stand-alone PC can become very complex to refresh. So the idea of being able to manage that refresh process as well as get the environmental benefit back centrally is happening. I believe that the majority of that has occurred in health, and ever more so. But there are no silver bullets in technology and you find where the sweet spots are with experience. We constantly look at the best and most efficient ways, financially and environmentally, of putting a solution together.

My colleague is reminding me that, over time, PCs become effectively slower. You are dealing with not just a static situation but your software is more demanding in terms of resources as well, and the ability to respond with more firepower to drive the ever-increasing requirements of applications is more easily managed in a thin client type environment.

MR SMYTH: On page 216 of volume 2, under the comparison with 2007-08 actuals, the first dot point, I notice the net cost of services was 44 per cent higher than expected, and one of the reasons given is the increased employee and superannuation expenses of \$10 million due to the filling of vacant positions. When the budget was framed, weren't we aware that those positions were vacant?

Ms Thomas: There are a couple of factors that have led to that. I will answer generally and if my CFO, Ross Burton, wishes to add something, I will get him to do that. Essentially, when Shared Services first started, there were a number of positions that remained vacant for some time and, just with the normal process of attrition and so forth over that first couple of years, we were understaffed. If you go back and look at last year's annual report, you will note that we had less FTE than we had funded for. But we are pretty much fully staffed now.

In addition to that, in both the area of recruitment and InTACT in particular, there has been an increase in the number of contractors that we have needed to take on, simply because of the demand from agencies for additional ICT projects and particularly in the capital works area, in procurement. So that is something that was not budgeted for but that occurred during the year.

Mr Burton: The figure there, the \$10.158 million, also consists of the change in methodology for employee expenses, which was about \$4 million for Shared Services. So it is the actual increase in staff numbers, because this is comparing actuals with actuals, not with budget. We actually budgeted for those numbers, but as Anne

identified, in 2007-08, it was less than budgeted for in those areas. But procurement has been slightly more than what we actually budgeted for in the actual result for the year in staffing numbers, by about five positions. That is what equates to that large difference from about \$10 million from 2007-08 actuals to 2008-09 actuals—about \$4 million worth of the change in methodology per calculation of employee benefits.

MR SMYTH: My understanding from last year's estimates and annual reports was that you had a heavy reliance on consultants and that was to be reduced as you filled the positions. Yet I note that on page 264 of volume 2 the use of consultants has actually gone up. It has gone from \$16 million to \$20 million. So we have filled all of those positions and we have then gone out and actually employed more consultants.

Mr Burton: The reason, as is indicated by the results for 2008-09, is that our revenue was substantially higher than for the previous year, by about \$20 million, and a lot of that was ICT projects work. That equated to an increase in costs in contractors, not consultants as such. So the number of contractors actually increased quite substantially just because of the ICT work.

From recollection, we had budgeted for about 80 contract staff. We actually ended up having around 116 contract staff—and all ICT staff, just because of the increase in the ICT spend. That was mainly through Health and Education, in relation to the money that came through them for ICT work. So there is a direct relationship between the two—the increase in contractors and also the increase in ICT project work.

MR SMYTH: But we have now filled all the positions?

Mr Burton: Permanent positions within the structure, yes. The number of actual contracted positions fluctuates. When we prepare our budget, we do an estimate of how much project work will be done. We do not actually see it from the agency's perspective. When the work actually flows through, we increase or decrease, depending on how much ICT work comes through.

MR SMYTH: Note (b) on page 264: how do you reconcile your statements? Note (b) says the increase was due to higher ICT project activity and difficulties in filling IT positions permanently. If you have filled all of your IT positions permanently, therefore you had no difficulty, therefore this number should have gone down.

Ms Thomas. The issue with filling any positions, but IT in particular, is that it is an extremely competitive market, as I am sure you understand. So at any time there will be positions that were filled yesterday that are not filled today. That statement is true: there is always a difficulty in filling IT positions permanently. But I think the point that Ross was making is that, in terms of our core or base public service IT positions, where we would like to be, pretty much, at any time there will always be positions vacant or that are not vacant anymore, and at times we have to fill those with contract staff simply to get the work done.

MR SMYTH: What is the turnover rate of staff in the permanent positions?

Ms Thomas: I do not know that I can answer that off the top of my head. I might have to take that on notice.

THE CHAIR: Take that on notice.

Ms Thomas: Yes.

THE CHAIR: We probably need to stop on Shared Services and go briefly to the Procurement Board. We are running out of time. I seek everyone's indulgence to go a bit over time because we did have the intermission period with the fire alarm. Thank you very much, Shared Services, but I think we need to move to procurement. There will be questions on notice forwarded to you shortly, because we did not have enough time to ask them.

Given that we do not have a lot of time, I will ask what would seem to be the obvious question. You were not here earlier, when we were talking with the business development part of CMD. They talked about having had a number of business roundtables and a small business roundtable. They said all of those had issues with procurement and they were looking for changes in procurement. As a result of those processes, what has happened and how has it been communicated, because that was the other issue they had—that people did not know when things had changed?

Ms Morrell: It is possibly more an issue that you need to ask Procurement Solutions rather than the Procurement Board, so I might ask Anne Thomas to come up to the table and provide a response to that.

Ms Thomas: During the 2008-09 year, there were a number of procurement reforms. There was a review of procurement undertaken and a number of reforms introduced to make procurement processes easier, if possible, for businesses, including small businesses. Three that come to mind include a change to the thresholds for procurement. The thresholds were raised to enable purchasers of a small order to not have to go through a full tender process. There was the prequalification reform—a number of prequalification reforms were undertaken. There was also a capital works call tender schedule introduced so that businesses were able to know in advance what capital works were going to be advertised in the future. I think the same kind of thing was also introduced for goods and services on the Procurement Solutions website, so that people tendering for government work would have advance notice and could prepare themselves.

Mr Evans: The only other main thing that I would add to that is with respect to the relationship with industry. We have become very conscious of engaging with industry through a number of workshops and industry concentration meetings to facilitate their accessing government contracting. As Anne said, that is based on changing the thresholds to make it a little bit easier for industry in responding to the bids, talking to them and engaging with industry about what we do well with the request for tenders, what we do poorly, and trying to strive for continuous improvement in that area.

THE CHAIR: I have a question which definitively must be for you guys because it is from your report. On page 11, under “future priorities”, the third dot point states:

Move the Board's emphasis from 'procurement planning' to providing processes for improvement across the procurement cycle.

What do you mean by that? Specifically, would that involve project management? That seems to have been an issue in a number of the government's larger projects.

Ms Morrell: The role of the Procurement Board primarily is to receive procurement plans over a certain threshold and, with the proponents, both from the agency and within Procurement Solutions, to work through those plans to make sure that they meet the procurement processes established by government.

Previously, before the establishment of Procurement Solutions as a centralised agency, the board had a slightly different role where it was involved in setting strategic direction for procurement activities across the government. Since the establishment of Procurement Solutions, where they have taken on much more of that role, the board's function is primarily to ensure that those higher value procurement plans are consistent with the processes set down by the act.

THE CHAIR: So what are you doing in terms of providing processes for improvement?

Ms Morrell: The board's role is that, when we meet each week and go through those higher level procurement plans, we assess them against the criteria for the development of procurement within the ACT government. We offer advice to both the agencies and Procurement Solutions about—and I will try and give an example—the most fulsome way to establish a good risk plan for that particular procurement out into the future. So we will provide that sort of advice on a weekly basis on any plan that we review.

MR SMYTH: On page 33 of your report, the board business plan, I note that board priority No 3 is to review “lessons learned” from previous procurements. The board received reports on the Gungahlin Drive extension, the security system for Alexander Maconochie and the whole-of-government stationery contract. What was the logic in the board requesting “the following reports to be readdressed at certain milestones”?

Ms Morrell: I might not be able to answer that exactly because some of those came up with the previous board, before I was chair, and while the previous membership was elected. In terms of assessing those procurement plans, as I explained earlier, there are some plans that are quite significant. They are either for a significant amount of money or they are deemed to be of significant risk to the government. The board, under those circumstances, will often ask the proponents of that plan to come back with regular updates to the board, to assess their progress against the risk plan and the procurement plan, to make sure that they are meeting the milestones that were laid down in those plans.

MR SMYTH: Is it possible for the committee to have copies of those three reports?

Ms Morrell: Usually, the reports to the board are verbal, so we get the proponents who are managing that particular program to give a verbal response to the board. I can check for you, Mr Smyth. I am not sure that we have a written report but I will check.

MR SMYTH: Or any minutes that cover the reports. At the bottom of that page, with

respect to one of the functions, it says:

The Board advised the Minister and Procurement Solutions of major issues of concern to the Board.

What major issues were raised with the minister and Procurement Solutions?

Ms Morrell: During that period, none were raised with the minister.

THE CHAIR: Thank you all very much, and in particular Mr Stanhope for your attendance all morning. We will have questions on notice but I am conscious that we are over time and we really cannot keep going. Thank you all for your attendance.

Mr Stanhope: Thank you, Madam Chair.

Meeting adjourned from 12.39 to 2.02 pm.

Appearances:

Auditor-General's Office

Pham, Ms Tu, Auditor-General

Sheville, Mr Bernie, Director, Financial Audits

Prentice, Mr Malcolm, Senior Manager, Financial Audits

Nicholas, Mr Rod, Director, Performance Audits and Corporate Services

THE CHAIR: We will reconvene this hearing of the public accounts committee into annual and financial reports for 2008-09. This afternoon we have the pleasure and privilege of talking to the Auditor-General. I welcome the Auditor-General and the Auditor-General's staff. Thank you very much for coming. I know that you have read the privilege card but I point it out to you. Do you have an opening statement, Auditor-General?

Ms Pham: Thank you, Madam Chair. Our annual report is very comprehensive and quite open and honest about our activities during the year and our performance, so my colleagues and I are happy to take any questions that the committee may have on it.

THE CHAIR: I understand that the budgetary funding for this year was basically the same as for last year. You have been commenting that, in fact, last year you made a loss. What impact will that level of funding have upon your operations?

Ms Pham: The impact of the funding for our budget in 2008-09 meant that we needed to reduce a number of staff. During the financial year 2008-09, we decided not to replace a number of departing staff to make sure that we reduced our deficit to a more manageable level. It means that our work program will be affected and we will not be able to deliver the seven or eight performance audits. We will try our very best to deliver by the end of the financial year seven performance audits, but we were hoping to reach eight audits a year, as in the past few years. But I do not think we can, given that we did not have the same number of staff during the year.

MR SMYTH: I notice that the very first line on page 1 reads:

The Audit Office has faced many challenges in 2008-09.

Some of those challenges, I guess, have been the attacks by the Stanhope-Gallagher government on the office. In particular, it goes to the heart of the question, which is the funding. The Chief Minister has said that, on average, they have increased funding for the Auditor-General by an average of 17 per cent a year for the last five years. Is that correct?

Ms Pham: There are a number of comments that I would like to make on that. The first one is about a comparison of the per capita office funding with our New South Wales counterpart. I explained to the committee in my correspondence that giving the per capita funding data between the ACT and New South Wales as a basis for making comment about the adequacy of funding for our office is perhaps too simplistic and, by itself, is not a good indicator about the performance of the office.

MR HARGREAVES: Why is that? Can you tell us why that is? You said that it is

just simplistic. There must be another reason for that, perhaps.

Ms Pham: The reason for it is that we are a small office. Regardless of the size of the office, you still must have a full governance framework. You still need to have systems. You still need to have procedures to fully comply with the legislation. Therefore, we do not have any discretion in this regard to reduce the cost to the office just because we are small. There are international and national auditing and accountancy standards that we must comply with regardless of our size.

MR HARGREAVES: I understand that. I am just curious to see from your perspective if, in fact, the use of a per capita figure is supposed to even that out and account for that sort of obligation, if you like. Is there still another reason? Do you agree that that actually can even it out and give us a better comparison or is there a better one that you could use? If that one is not good enough, I suppose, what could you use?

Ms Pham: By itself, any indicator to compare per capita expenditure is not sufficient. You could not assess the efficiency of an office by just per capita expenditure without looking at the same time at the output of that office, the quality of services provided by the office and the different mandate given by the legislation for that office.

For example, if you compared New South Wales with the information given or commented on, then the New South Wales office deals with a much larger population and there is a larger public service. But in terms of the number of performance audit reports, we produce the same number of performance audit reports. So if you look at per capita expenditure without output and quality of report, you will not be able to have a very good indicator. By itself, it is quite simplistic and it could be misleading in some cases.

In terms of funding over the last three years, I wish to explain that the funding for our office from 2006-07 actually increased by an index of about two per cent, three per cent or one per cent. There were two significant increases—during 2004-05 and 2006-07. In 2004-05, the total increase was \$318,000 for that year. The reason for that was that the office had experienced an 80 per cent staff turnover in performance audit. It could not compete with other agencies in terms of staff. We were not performing the whole audit function because 80 per cent of the staff left. For that year, the government provided us with funding to make sure that we had sufficient capacity to recruit staff again.

Another significant funding increase occurred in 2006-07, and that is when we received about half a million dollars. During that year, however, all that money is not to increase our performance capacity. We moved offices, and our accommodation costs increased from \$114,000 to \$234,000. So the accommodation cost alone doubled, and that was outside our control. It was the same with the workers compensation premium and other superannuation costs. All of them we have no control over. While it was a significant increase, all of that is not to increase the capacity for performing audits. There were very good reasons for that increase.

MR SMYTH: Page 27 of your report, under “Trends in income”, says:

Since 2006-07 appropriation funding has grown by \$126 000 (an average of 3.3 percent per annum).

Is that keeping up in real terms or is that falling behind?

Ms Pham: I think that funding arrangement is in line with funding provided to most agencies, the indexation of the funding in the budgets of agencies.

Mr Nicholas: Funding at that level or increases in funding at that level really do not compensate the organisation for the additional costs, expenses and activities that we engage in, including, amongst other things, our adoption of the APES 320 quality control requirements of the professional standards, which has cost us a significant amount of effort and was part of our bid last year and the year before for additional resources for our budget. It is basically taking 1.8 or about two staff out of our business, from our performance and financial audit activities. That is in effect robbing those activities of their ongoing development.

The increase you are talking about does not necessarily take into account the changes to the costs of the organisation, as Tu has mentioned, increases in things like our accommodation costs. Over one of those years, our costs for IT services to InTACT doubled. Those are the sorts of factors.

Many government agencies are suffering the same sorts of challenges. I am not saying that we are not or that we are different but we are a small organisation where most of your money goes to pay for your employee expenses. We have very little opportunity to make savings in other areas. We cut back on some matters but it is often at the edges.

We do not have a great deal of choice in terms of our staffing. We have got to continue to pay staff, as Tu has mentioned. We have not been replacing them over the last year. That in itself is causing us some challenges. We are doing all we can. The 3.3 per cent average increase is in line with other agencies, I guess. It is keeping us going but not necessarily much more than that.

THE CHAIR: You mentioned that you decreased staff in the financial audit part as well as the performance audit part. I thought financial auditing was, basically, cost recovering and was not really reflected in that. I notice you have a lower income for financial auditing. That is on page 27. I thought that was largely because you had fewer contractors and IT specialists. Are you saying you are actually reducing the financial audit capability as well?

Mr Sheville: We did reduce staff numbers in financial audit at the edges, probably only about one, two or three people in 2008-09. We ended up having to replace those staff with two contractors in our busy period to help us get over the line. There is not a significant number in terms of financial staff members. Dropping staff out of the performance audit program side of our business, that is the area of our business where, if the funding is not enough, inevitably it will show up there.

Mr Nicholas: One aspect that Bernie has mentioned in relation to staff is that, if we do not replace a full-time position, we can recruit contractors for the busy periods,

particularly for the financial audit. That saves us some costs on an annual basis. What we have been doing in the past is using the financial resources in the off-peak period to work on the performance audit activity. We do not have that capacity any more. The additional resources that we would have gained through that process are no longer available to performance audit.

Mr Sheville: By way of example, in the current year, we have only been able to transfer one staff member to assist, if you like, outside the financial audit peak period. In previous years, it would have been three or four people from our financial audit group moving across to help.

MR SMYTH: You said that you have lost one or two staff in financial audit. Table 8 at page 67 shows that your head count of auditors is 20. If you lose two staff, that is a 10 per cent staff reduction. That must have a significant effect on your ability to do the job properly.

Mr Sheville: Yes. In financial audit it did not have the same effect, because part of our reduction in staff was caused by, if you like, a reduction in services or related to the amount of services. We have been able to keep our costs down on our audits over time, in part because we have implemented a methodology. When we first implemented that methodology, say two or three years ago for the first time, it involved significant time and effort in terms of the number of people we needed to complete the financial audit program. As one would expect, over time, with the experience of using the methodology and having set up all the agencies on that system, you may not need to run with the same staffing levels as you have had in previous years. We have dropped our staff, in the order of maybe one or two, over that period of time, and I would expect over the next few years to get a similar result, that our costs of the financial audit program are not going to around a lot.

Ms Pham: The other comment I would like to add is the continuing high staff turnover in our small office. Because we run the office with such a minimal number of staff, the departure of staff always causes a significant challenge for us to maintain our work program. That is an ongoing issue for us when we do not have any spare capacity to respond to unexpected staff departures.

MR HARGREAVES: Is there a reason why you have a higher than expected staff turnover?

Ms Pham: Our small office is very much at the mercy of the broader labour market and demand for accountants and auditors. Even in a slow market, the demand for highly skilled, experienced auditors is quite high. Hence we have to compete with the National Audit Office, the commonwealth departments, for a very small number of good auditors. We do all we can as a small office to retain staff, but at the end of the day we cannot offer the same career opportunities as other offices.

MR HARGREAVES: What is the figure for your turnover compared with previous years?

Mr Nicholas: Last year it was 36 per cent all up; 22 per cent in terms of our permanent staff turnover. About half of the permanent staff who left us last year went

off into other government departments or commonwealth departments, for greater opportunity and greater pay. The other half left to go overseas—and enjoy themselves, follow their spouse et cetera.

MR HARGREAVES: You are not going to welcome them back, I hope.

Mr Nicholas: We would.

MR HARGREAVES: How does that compare with previous years?

Mr Nicholas: The turnover is a little higher this year in gross numbers than it has been in the past, but about the same level overall. As I have said on previous occasions here, we are not particularly different in terms of the turnover compared to our brethren jurisdictions elsewhere in Australasia. Many of them are experiencing the same demand for their experienced staff, and that is causing concern to auditors-general as a total.

Ms Pham: Although last year, with the slowdown in the financial market, some jurisdictions managed to have a much smaller staff turnover—I think 16 per cent on average across all auditor-generals' offices in Australia—our office is about 22 to 36 per cent. Most staff are very happy with the office, but they left because we are small so we do not offer the same opportunities.

MR SMYTH: You mentioned the APES 320 and the diversion of staff. Where did they come from?

Ms Pham: We use staff in both financial audit and performance audit to take care of that project and to work towards meeting compliance with that performance audit standard. It has been a significant issue for us, and in the last year up to 20 per cent of our performance audit managers were used to help with reviewing policy practices. We set aside one senior manager from the financial audit team to take care of the APES 320 alone. So, in brief, I think it cost us about \$200,000 a year from existing resources to take care of that project.

MR SMYTH: So once it is bedded down you do not go back to normal and therefore you have got a saving? Implementing APS 320 has cost you \$200,000 a year and will continue to do so?

Mr Nicholas: It will continue to do so because we will continue to have obligations that we have to meet under that standard. The initial thrust is to undertake our analysis of our own position and satisfy ourselves that we are meeting the requirements of the standard, but that in itself has created the need to build in additional practices and processes, which will be ongoing.

THE CHAIR: On a different tack, you say you were very encouraged by the high level of acceptance by agencies of your audit recommendations—71 per cent of performance audits and 93 per cent of financial audits. Is the acceptance so high in any way because you are aiming your recommendations to be acceptable? What I am getting at is: should you be pushing the agencies harder and not being so well loved?

Ms Pham: The high level of acceptance does not indicate that our recommendations are soft recommendations. We make the recommendations because we believe that is what agencies need to do to improve services in the audited area. We do not make recommendations so that the agency accepts them or to aim at 100 per cent acceptance. In the past there have been situations where an agency has disagreed with all the recommendations.

So I assure you that our recommendations are not softened to get agencies to agree with them. Our aim is actually to work with the agency to ensure that our recommendations are implementable and practical. It is no use making recommendations where we know that it requires a lot of funding that the agency may or may not get from the government appropriation. So we work with agencies. We make sure that our recommendations are practical, implementable and that they reflect the findings of our report. When the findings can support the recommendations, the agency will agree to the recommendations in general.

Mr Nicholas: I think that is a perfectly good response. Of course it would be, wouldn't it? But we do work with the agencies. As Tu said, there is no point making a recommendation that is not going to get off the ground. So if we put up a recommendation to address what we consider to be a deficiency, and what the agency accepts is a deficiency, we will do our best to get to a level where there is a change that can be made. That means we negotiate it in a nice way. What we will not do is back down. What we will not do is change our views about the need for change. So if it comes to the stage where we are unloved because they do not appreciate the recommendation, so be it. I am personally not overly offended if we get 100 per cent acceptance of our recommendations, but the test then becomes one of implementation. We need to follow up that process and satisfy ourselves that the action that has been agreed is actually taking place.

Mr Sheville: The differential between financial and performance does reflect the nature of the actual reports that we produce as well. It is probably fair to say that the performance audits are often providing recommendations in relation to quite complex areas. A lot of the issues that come out of, if you like, weaknesses in internal control are pretty much bread and butter issues for your financial audit, and you do not tend to find there is a lot of argument about whether these control breakdowns should not have happened. So there is a lot more clarity around each of our audit findings and the associated recommendations.

MR SMYTH: On page 21, the first dot point states that four financial reports for the Lyons joint venture were not provided to the office.

THE CHAIR: This was going to be my next question.

MR SMYTH: Is there a reason, and what is the follow-up?

Mr Sheville: In relation to the Lyons joint venture, it might have even been in last year's report as well that they had not provided them to us. We have received all of those joint venture financial reports now. The audit, we were advised by the private sector partner to the joint venture, cannot start before 16 December. We expect that those audits will be finished by the end of February in the current year. It is a concern

when you have an agreement to prepare the financial statements and for the Audit Office to come in and audit them and that part of the agreement is not being met. But it looks like we are going through a catch-up phase now.

MR SMYTH: There were five other audits that were not performed on time in conjunction with the act. What follow-up action is taken there?

Mr Sheville: The audits that were not completed on time are listed in the statement of performance at page 134. They were the University of Canberra, the University of Canberra College and UCU Ltd. Even though those audits were not completed within the required time frame, in that case we are not talking about a statutory time frame. We are talking about a time frame that we agreed with the agency to provide the statements with us so that we could actually prepare our reporting timetable. So in all cases they met the legal requirement under their legislation or under the Corporations Act as applicable for them to meet.

In the current year, we have renegotiated timetables that we think reflect their capacity to actually complete their financial reports on a more timely basis. So, hopefully, that issue will not reoccur in the current year.

In relation to the Crace Joint Venture and the Canberra Business Development Fund, similarly, we sit down with the entity and we agree on timetables. Unfortunately, the agencies do not always meet those timetables. If you do not get the financial report, you cannot get the financial audit opinion. We apply some pressure there to try and get them done. But I think we will be okay on those two as well in the current year.

MR SMYTH: How many qualified audit reports were issued this year? The Nominal Defendant got one, but that was—

Mr Sheville: That was the only qualified audit opinion on a financial report. There were two qualified opinions on statements of performance.

MR HARGREAVES: I am just a little confused. Going back to pages 130 and 131, this is probably very simple for you guys, but it has just lost me. Paragraph 5 talks about the percentage of agencies satisfied with financial audits. Then it gives an 86 per cent rating of the Audit Office's performance being good or very good. Then you go down to paragraph 6 on page 131, and it says that the percentage of agencies satisfied with the performance audit was 75 per cent. There is clearly a difference here, and I cannot pick it. Can you give us an idea of what happened there? I cannot understand the difference. It seems to me to be exactly the same words with different numbers.

MR SMYTH: One is for financial.

MR HARGREAVES: I am with you. Thank you, Mr Smyth. In which case, one has got 86 per cent, which, in my opinion is high, but the other one is only 75.

Ms Pham: The reason we get 75 per cent is because we intentionally do not count all the recommendations which are only partly agreed to or are noted or have an unclear response. When we make recommendations on performance audits to agencies, we

want them to give a very clear commitment whether they agree or disagree. If they disagree, why? Most agencies are very good at responding clearly. Some agencies just note the recommendation or just say “partly agreed”. So we do not know which part of the recommendations they agree with. Hence, when we calculate the number of recommendations agreed to, we leave out the ones where they partly agree, the ones that are noted or the ones where there is an unclear response. If we count them all, then we may get 100 per cent, but I think to be accurate about what we believe are the recommendations agreed to by agencies, we leave out all the ones that are partly agreed to.

MR HARGREAVES: But this seems to talk about agency satisfaction surveys. It seems to be not so much about whether they agree or disagree with your recommendations but whether they think you are doing a good enough job or not.

Mr Nicholas: At the end of every one of our audits we send a satisfaction survey out to the chief executive and ask a series of questions about how he or she felt about the conduct of that particular task. It concludes with the question basically: “did you find the audit satisfactory?” On this particular occasion, in the performance audit area, we received a better than satisfactory remark from every chief executive participating in that survey. What you have got on page 131 is that we are mentioning 75 per cent of survey responses rated us as good or very good; the other 25 per cent said we were satisfactory. We had no negative responses in that survey.

MR HARGREAVES: All you have done is add the two figures together?

Mr Nicholas: That is correct.

Ms Pham: Sorry, my answer was about the recommendations of the audit. That is another 71 per cent on another page.

MR HARGREAVES: You do not want to draw our attention to that one.

Mr Nicholas: I am happy to explain that one too.

MR HARGREAVES: No, we do not want it again.

THE CHAIR: On page 5 you are talking about your key stakeholders being the ACT Legislative Assembly and the ACT community, which I totally agree with. My question is: how do you go about, if at all, involving the ACT community? This is a problem that PAC has. We do inquiries, and we have a lot of difficulty in getting submissions. I suspect one of the reasons is that the few people who would be really interested actually do not know that we are doing the inquiry. Do you do any engagement of the community apart from via PAC, and do you have any suggestions as to better ways you could better engage your stakeholders, the ACT community?

Ms Pham: The ACT community is very well aware of the role of the Auditor-General. Generally we have found that, if they come across an issue that they believe should be brought to our attention, we do receive direct representations from various groups in the community for issues to be looked at.

In terms of direct consultation with the community, we have found that it is more appropriate to make that decision on the basis of each performance audit. When we plan for any performance audit, we look at the key stakeholders who may be interested in the particular audit or may have input to provide to us in planning or in conducting the audit. For example, if we do an audit on respite care, then we will consult with various professional associations out there to get their input. If we do an audit on aged care, we talk to the Council on the Ageing or the community groups.

Certain audits that we do already have a high profile, and we invite the groups who indicate through the media their interest in the audit, for example, the power station and data centre in Tuggeranong. They made submissions directly to us. So, in terms of community consultation, we believe that we have done enough to get input relevant to any particular audit that we conduct rather than just having a very broad process for consultation.

At times we were thinking whether or not it was wise to have a small advertisement for the community, but we are not so sure that that would get the level of interest from the right group. So we decide which group we should go out and talk to.

Mr Nicholas: In addition to that, our performance audit program is available off our internet site; so members of the community can see what audits we are intending to conduct at any particular time. We do follow through on a number of the representations that we receive. They often are triggers for an audit or an activity at some stage, maybe not immediately but at a later stage. As Ms Pham is saying, we do identify key stakeholders in the course of the audits. Both in our planning stage and during the implementation phase when we are with agencies, we inquire of them as to who they are contacting et cetera. We do not have a process that seeks public submissions as such, but we certainly make contact with those parts of the community that we feel are most relevant to our particular audits.

I do agree with the Auditor-General in relation to advertisements that we are doing an audit. I am not sure that too many people actually see the public notices and pay much attention to them. I think they would have to be a far more visible thing. We get plenty of attention when we produce reports. The media—the *Canberra Times* in particular—takes notice of our reports and they cover the front page in most cases. I think that attracts people to the role of the office. We certainly get a lot of inquiries about our business and so on. I think we are reasonably well known.

MR SMYTH: We have had previous discussions that the objective would be to spend half of the funds appropriated on performance audits and half on financial audits. What was the breakdown this year in terms of expenditure?

Ms Pham: The current breakdown is that 60 per cent of our expenses goes to financial audits and about 35 per cent goes to performance audits and other investigations, about five to 10 per cent in corporate services. When we talk about performance audits, we are talking about more than just the tabling of reports that the Assembly receives. In addition to the seven reports tabled in the Assembly during the year, we also behind the scenes follow up quite a number of reviews and investigations and work with agencies to resolve some of the issues which the community may bring to our attention. But, yes, the split at the moment is about 60

and 35 per cent.

MR SMYTH: Without affecting what is done on the financial audits, to lift the 35 per cent to a fifty-fifty ratio, how much additional funding would be required?

Ms Pham: Currently, about \$1.5 million is allocated to performance audits. We get \$2 million from the government. About half a million dollars goes to corporate services and other functions such as advisory services. So around \$1.5 million goes into performance audits and investigation compared to \$3.2 million that goes into financial audits. So the difference between \$3.2 million and \$1.5 million is another \$1.7 million to bring that to 50 per cent of the arrangement in our office.

MR SMYTH: Is that shown there? Did I miss that? What page is that on, Bernie?

Mr Sheville: Page 72. That is the funding.

Ms Pham: At the moment, we spend about \$3.2 million for financial audits and we spend around \$1.5 million for performance audits and other investigations.

MR SMYTH: The second-last paragraph on page 7 talks about the office welcoming an external and independent performance audit of the office. Are you aware how many audits of other auditor-general offices have been conducted recently in other jurisdictions? Have there been any external audits of other auditors-general in other jurisdictions?

Ms Pham: I can talk in general terms. Most audit offices have a three-year triennial performance review. Our office is the only one that does not have provision for regular review. So there is a rolling arrangement in other audit offices. Really, every year, one or two audit offices are subject to review. The most recent one was the New South Wales review. Before that there was a Queensland review.

MR SMYTH: Do they do that as a regular thing or is that in their legislation?

Ms Pham: It is in their legislation. A triennial review is contained in most of the legislation.

MR HARGREAVES: Who does the reviews of the other audit offices?

Ms Pham: The reviews are done by an independent auditor, either selected by the relevant minister or by the PAC, depending on the legislation. The National Audit Office, for example, has one chosen by the minister, and that independent auditor does both financial audits and performance audits independently for the National Audit Office. It changes with each piece of legislation. Some former auditors-general did independent reviews of other audit offices or were selected as part of the tendering process to do the independent audits.

MR HARGREAVES: Do you know why it is that we have not had this as part of the normal process here?

Ms Pham: We are concerned. We really want an audit to be done of our office on a

more regular basis. That would help us to improve our performance in services, rather than have one done ad hoc. A long period passed since the last audit—nearly 10 years before we started another one. In the past we did raise the issue from time to time with PAC about a regular audit to be incorporated into the legislation, but the legislation was not reviewed very often to give the opportunity to amend it to include that provision. It is now subject to review by the PAC. I am sure the PAC will take the opportunity to include that provision.

MR HARGREAVES: I think you can be assured that they will think about it. What in your view would be an appropriate time frame—three years, four years? What is going through my head is that one of the reasons why we changed the term for the elected members of the Legislative Assembly from three years to four years was that predominantly companies had a five-year business plan. We knew that a five-year term for the Assembly would be unpalatable to the community but we figured that a four-year term would allow at least business decisions to have some air of certainty about them, and that was accepted by the Assembly. I am just curious to see whether or not you think a similar sort of certainty would be appropriate for the audit office.

Ms Pham: With respect to the way our audit office works with the PAC, because we have such a close working relationship and the PAC are fully aware of the activity and the work done by the office, we are subject to scrutiny in terms of our performance when all our audit reports are publicly available. In the past, I understood that the view of some on the PAC was that it may not be necessary to have regular reviews, because every time we review an office of course it costs money, and it may not be the most efficient way to spend money, if the PAC believe that the office is doing a good job.

Having said that, I think it is good for the community to have confidence that the office is subject to independent audit on a regular basis. I believe three years is a good period—enough time to implement and see the changes coming from the review. It would also give a certainty so that we will be ready for the review on a regular basis. I would like to add, though, that, even if we do not have an external independent review, we are subject to peer reviews. We have an internal audit committee to look into our work and give us some suggestions about improvement. We have the Tasmanian audit office come and do a peer review on us and check our work, so we are not without scrutiny from outside. We subject ourselves to regular reviews, regardless of whether or not they are required under the legislation.

MR HARGREAVES: I think I heard you say that it is important that the community see this transparency. I also picked up something you said which I think is relevant and that is the relationship between the audit office and the public accounts committee. That relationship is a four-year relationship and, given the Assembly changes at least 30 per cent of its members every time there is an election—almost 50 per cent last time—the relationship is renewable. What do you think of the suggestion that there be a review at the beginning of the fourth year of each term of the Assembly?

Ms Pham: That is a good suggestion. Another good suggestion is to look at the term of the Auditor-General. It is a seven-year term and it is appropriate to have one review done before a new Auditor-General starts so that he or she can see what can be done to improve the service. One could be done a year before the term finishes, so whatever

needed to be done could be fixed by the current Auditor-General, ready for the next Auditor-General. So you can link it to the terms of the PAC or to the term of the Auditor-General.

MR HARGREAVES: That is very good thinking. Thank you.

MR SMYTH: I have one last question for Mr Prentice.

MR HARGREAVES: He was sitting there thinking he had got away!

MR SMYTH: How are you, Mr Prentice?

Mr Prentice: I am very well, thanks, Brendan.

MR SMYTH: Thank you for that, Mr Prentice.

MR HARGREAVES: Is that the only question we have?

Ms Pham: May I add that Mr Prentice is a very valuable member of our management team and is instrumental in preparing a lot of information for the annual report. That is why Mr Prentice is here with us. He will have all the answers for every single number in this report.

Mr Prentice: I just cannot get a word in, Brendan. That is the problem!

THE CHAIR: Thank you all very much for your attendance today. We certainly value our relationship with the Auditor-General.

Appearances:

Rattenbury, Mr Shane, Speaker, Legislative Assembly for the Australian Capital Territory

Legislative Assembly Secretariat

Duncan, Mr Tom, Clerk

Kiermaier, Mr Max, Deputy Clerk and Serjeant-at-Arms

Barrett, Ms Val, Manager, Hansard, Communications and Library

Duckworth, Mr Ian, Corporate Manager

Skinner, Mr David, Manager, Strategy and Parliamentary Education

THE CHAIR: This is the public accounts committee inquiry into the 2008-09 annual reports. This afternoon we have the pleasure and privilege of talking to the Legislative Assembly Secretariat. I am 100 per cent sure you have all seen the privilege card and I do not need to go through those housekeeping issues. Have you an opening statement, Mr Speaker?

Mr Rattenbury: Thank you. I will make a couple of comments specifically on a number of key issues in the annual report. Firstly, thank you for the opportunity to make the statement. As you know, the Legislative Assembly Secretariat provides procedural and business support for the Assembly and its committees. As detailed in the report, in the 2008-09 financial year there were a number of significant events, and I want to mention a couple, by way of both highlight and clarification.

The first one is that you will note the operating result for the Secretariat's departmental budget in 2008-09 shows a deficit of \$511,000—this is on page 162 of the annual report—compared to a budgeted deficit of \$89,000. While there were a number of factors that contributed to this higher than budgeted deficit, the single most significant of these was the change in methodology for calculating employee leave liabilities. That is explained in the notes at page 147.

In essence, this change was announced by the Department of Treasury in June and added approximately \$230,000 to the value of employee leave liabilities in the Secretariat's departmental budget. These increases are reflected in the budget sheet, as you will see on that page. This change is an accounting treatment. It was applied across all ACT government agencies. I am advised that discussions between the Secretariat and Treasury have confirmed that mechanisms do exist to enable agencies to access additional funding if they face difficulties in meeting the cash costs of leave liabilities.

During the last year, considerable improvements in the management of sustainability issues at the Assembly have been achieved. The Secretariat now has in place an environment sustainability committee which oversees the implementation of the Secretariat's environmental action plan. The plan seeks to put in place measures which reduce the amount of waste generated in the Assembly as well as minimising energy and water consumption. There have been major advancements in the management of all three of these areas, which have led to a reduction in overall energy consumption, water consumption and the amount of waste that ends up going to landfill.

During the reporting period, water consumption decreased by over 18 per cent. Energy consumed by the fleet of vehicles managed by the Secretariat reduced by over 20 per cent, electricity consumption went down over five per cent, and while gas consumption recorded an increase of 7.9 per cent, this was due to a maintenance problem in the refurbished public entrance, which has now been addressed. The net effect of the larger downward trend in electricity consumption and energy associated with the fleet has meant that overall the Assembly's carbon footprint reduced by 5.4 per cent in 2008-09 when compared with the previous year.

I think this is an impressive result given some of the inherent difficulties associated with working with a building that is more than 50 years old. The Secretariat will continue implementing measures to reduce the environmental footprint of the Assembly's operations and it will continue to provide feedback to members and staff about the range of behavioural changes that can be made to bring about positive change in this area. As members of the committee know, it is how we use the building that is as important as what we do to the building.

I should also point out that the ongoing success of efforts on the sustainability front rely on the active involvement of all building occupants, as I just said, to make small changes that minimise the building's energy and water demands and the amount of waste generated by the Assembly's activities. Certainly, we have seen since we introduced the new recycling system a very significant reduction in our waste going to landfill. That is because people have participated and taken part.

The last thing I want to mention is that you will see from the report that a considerable amount of effort went into marking the 20th anniversary of self-government in the territory on 11 May this year. The annual report details the wide range of activities that were conducted that sought to include the youth of Canberra, with primary, secondary and tertiary students, as well as representatives from other state and territory parliaments from across Australia and the commonwealth parliament and, most importantly, the people of the ACT.

We had, as it says in the report, around 415 people come to our open day against a previous record of just over 100. So it was a very successful event. I think that overall the event generated a significant amount of publicity for the institution of the Assembly. It was an appropriate way to recognise the significant milestone that was achieved. All of us recall the start of self-government. We believed that it was important to convey to the community how far the Assembly had come in the 20 years since 1989.

They are the few particular things that I want to highlight. With that, we of course welcome your questions.

THE CHAIR: Firstly, congratulations on a five per cent decrease in the carbon footprint. If we can just do that for the rest of the ACT, we will be looking good. You said there was a significant decrease in waste with the new recycling et cetera. Obviously, that is after the period of this reporting, but do you have figures for that?

Mr Rattenbury: No, I was being anecdotal there. I do not think we have detailed

figures.

THE CHAIR: Or summary figures, even?

Mr Rattenbury: I did jump ahead a bit there to this year.

Mr Skinner: We are in the process of compiling, as at the commencement of this financial year, detailed statistics on usage. But for the reporting period that we are talking about in this annual report, we do not have detailed statistics. I am happy to make the year-to-date figures available to this committee and provide them on notice, if you like.

THE CHAIR: That would be great. I have to say that even on the figures you have got here, you are well above any agency that I can remember in terms of waste recycling.

Mr Skinner: The Secretariat is actually issuing an erratum in relation to those figures, because they are not meant to be in there. Those figures actually represent partial year results; so what we have said is let us take those figures out of the equation because they will not match up with the figures for the next period. The amount of paper used would stay the same, but the other intensities will not be the same. So that erratum has actually been posted on the website. We can table a copy of that erratum, but we shall have a fresh start at the commencement of this current financial year that we will then be able to compare with the next financial year.

It is true to say, though, that the preliminary observations of the waste stream are that there has been a huge reduction, up to about 50 per cent, in the amount of waste going to landfill. So building occupants are getting on board with the new system to the extent that we have actually substituted one of the hoppers that goes to landfill for a recycling hopper. I think that is quite a good result just prima facie.

THE CHAIR: Yes, congratulations. Continuing on sustainability, the Clerk recently sent us all an email about building temperatures. What sort of feedback have you got on that? You talked about our putting the blinds down, which obviously is a good idea. But most of the windows do not have blinds, and blinds are a second level of defence. Have you looked at exterior shading? I know there are heritage issues, but presumably you could do something with the courtyard at least?

Mr Rattenbury: Yes, there are two issues there, Ms Le Couteur. The first is that, in light of suggestions from you and general discussions, we have just agreed this week that we are going to implement a trial of the building temperature range.

THE CHAIR: Great.

Mr Rattenbury: It will be small increments, and we will set up a program for members and staff to give feedback as we go through that. So it is a challenging process because of the way the building's heating and cooling systems work, but we will be starting a trial over the next six months to see if we can tinker with that a little bit in a way that keeps building occupants comfortable.

In terms of the external protection of the building, as you have rightly identified, we do have difficulties with putting external awnings. Again, the Secretariat has just been undertaking some research and identified that a far more cost-effective and practical way to do it is to put screening similar to what you saw on some of the windows last week on the remaining windows in the building. That is being pursued now. It is far more cost-effective than putting on awnings on the outside of the building, and we believe it will deliver good performance.

THE CHAIR: Great.

Mr Kiermaier: May I add to that?

Mr Rattenbury: Yes.

Mr Kiermaier: What we intend to do is place reflective film on the windows in this courtyard above us. The existing film reflects about 54 per cent of the heat, but what we are going to do is replace it with a film that reflects 70 per cent of the heat; so we will get a good increase with that. Also, glare—it should not be too glary. At the moment it is 64 per cent, but because we are going to a more reflective film to keep out the heat, there will be an increase in reflection. Hopefully, it is not too much. It is the same film as we have just placed on the tops of the chamber windows there. You will have noticed those this week.

THE CHAIR: I watched them yesterday. I was trying to think what it was. I thought you were cleaning the windows.

MR SMYTH: Mr Speaker, given that you have said you have got all the pages that you think I will be interested in, we can go straight to page 182. Given that you remembered it, the second note speaks about an increase in the use of consultants. Why were external consultants in relation to environmental sustainability, maintenance and taxation taken on?

Mr Skinner: I am happy to talk about the environmental sustainability one.

MR HARGREAVES: You can raffle it, if you like. I have got tickets.

Mr Skinner: A firm called RAD Engineering were engaged, I think it was in 2007, but they finished up their work in the reporting period that we are speaking to today. They were engaged really because of their expertise in looking at doing environmental audits on buildings, particularly around energy efficiencies, and undertook a NABERS ratings evaluation of the building. That was something we felt that we could not undertake in house. That was certainly a group that had intimate understanding of the building, given that they were involved in the refurbishment in 1994. So they had a lot of corporate knowledge and expertise around energy management in this building. We felt they were best placed to provide that expert advice.

MR SMYTH: And the taxation consultant?

Mr Duckworth: The increase in building management consultancies largely relates to

the installation of the new chiller. I direct your attention to pages 72 and 73 of the annual report. They outline those consultancies that were engaged by the Secretariat during the year that exceeded a particular threshold that annual report directions oblige agencies to report. For the first item there, there was a \$204,000 expense. That is shown as a contract, but included in that cost is the cost of manufacture of the actual plant; so it was not \$204,000 of advice.

The taxation consultancy does not show on that particular chart. It is my understanding that it fell just under the reporting threshold, but we are, as part of the Department of Treasury taxation management framework, asked to have a tax compliance review at least every three years. It had been three years since we had had one of those, so we engaged a local accounting firm to look at our taxation procedures and processes. They gave us a report which picked up a few very minor issues about how we were treating GST, I think on room hire. We acknowledged that there were some issues to address there. I think the other recommendation in that consultancy was that we needed to document some procedures about fringe benefits tax calculations.

I think for the purposes of your question, Mr Smyth, the notes to the financial statements always try to show or explain variations that exceed a particular amount. So we look at the movement from 149 to 163 and look to see what were the main factors there.

MR SMYTH: Mr Speaker, could I congratulate you on the extra categories. I think the breakdown is good, because that grabs the right amount of detail. The other expenses, last year it was \$90,000, but this year it is \$139,000. Is there a reason for that? That is perhaps the only one that does not have a note.

Mr Duckworth: Once again, Treasury model financial statements require disclosure of certain amounts that exceed a certain sum. So we take all the expenditure in our general ledger and then, if it exceeds a certain amount, we provide a note on it. Then the other expenses are effectively all the myriad other matters that do not fall into one of the above categories. It really is just a by-product of the fact that during 2009 the balancing item of \$139,000 was the difference between the items that were over a particular threshold, which I think was about \$50,000—I am just adding them up.

THE CHAIR: Mr Hargreaves.

MR HARGREAVES: Mr Speaker and the Clerk, the library transferred on 1 July—about bloody time too I say. How has it gone? It is about six months since you absorbed it into the parliamentary precinct. Do you have any comments on how you see the transfer going and how it sits?

Mr Rattenbury: Yes. Thanks, Mr Hargreaves. It is obviously not in this report because it has come just at the end of this reporting period.

MR HARGREAVES: It is just that it is here on page 11, just a passing comment.

Mr Rattenbury: The transfer has gone very smoothly. There are a number of issues related to the transfer. There was some discussion between the Assembly and the

Department of Territory and Municipal Services around sorting out the budgets. That was sorted to the satisfaction of both groups. We then had to resolve some staffing issues. That recruitment process has now been finalised as well and so our staffing arrangements are in place.

The only outstanding matter now is that we are still finalising the service level agreement between the Assembly and the ACT library service for the ongoing provision of services to the government. With the transfer, we retained the library as an Assembly and government library. Whilst the issue was, under the Latimer House principles, to bring the control of the library under the Assembly, discussions that I had with the Chief Minister and that we had with the department revealed that it would have been very cost ineffective to split the library in half and to have had two collections or to replicate the collection. So we have kept it as one; that was the agreed result. We just have to finalise that service level agreement now, and that is well underway.

MR HARGREAVES: Is that service level agreement going to address issues like professional development for the library staff in terms of a connection perhaps with the opportunities in the library service?

Mr Rattenbury: I might just invite Val Barrett to come over and answer that level of detail.

MR HARGREAVES: While Val is coming, I know that one of the concerns that we all shared was that, whenever you have got economies of scale with a small activity, sometimes the sacrificial lamb is access to PD for people, and a career path. I am curious to see whether you have some arrangement going with the ACT Library and Information Service or something like that.

Mr Rattenbury: We certainly discussed that at the time, but I must confess I will have to ask Val to update us on the detail.

Ms Barrett: We undertook during the transfer that the Secretariat would take over training requirements and so on for the transferred staff and we certainly will provide professional development opportunities for Assembly library staff. There are a number of things that two of the more senior people were undertaking when they joined us. Two of the senior people are undertaking a diploma in government, which was part of the ACT library service professional development. They are continuing that and we hope that they will graduate from that early in the new year. So we took over that ongoing development.

There will also be opportunities for them, as there always were, to join their colleagues in parliamentary libraries. There is a regular conference of the Australasian association of parliamentary libraries and we are represented at that; the new Assembly librarian attends those. So, overall, without going into every detail of every training opportunity available, yes, there certainly still will be professional development for those people.

MR HARGREAVES: Thanks. One of the things that concerned me when we first started talking about it was the opportunity for senior professionals particularly, but

not necessarily, to have peer contact with professionals at a similar and more senior level. That is where being part of a larger library service would benefit; it can compromise the issue for a smaller library. I was wondering whether you will have some sort of a relationship with the nearest one, or whether a relationship might be established with the commonwealth parliamentary library through the librarian here. I will be interested to come back and have a chat in a year, after the thing has been bedded down for a whole year. Thank you for that, Val.

Mr Speaker, this is really an opinion I am seeking from you, I suppose. You continue to host, as did Speaker Berry, citizens who come to the Assembly. It used to be that some six weeks or so after citizenship ceremonies we would bring them in and say, "This is your parliament," and give them tours, talks and all that sort of stuff. Now that you have seen it operate for a year or so, I would be interested in what your thoughts are on it as a reaching-out mechanism to people in Canberra, whether we should continue it, whether there should be more of it and whether you have enough resources to do it.

Mr Rattenbury: I think the citizenship evenings that we are hosting are excellent. We get very positive feedback from the members of the community that come. As you rightly pointed out, it was started by Mr Berry in the previous Assembly as a way of offering a bit of civics training for the new citizens and a welcoming to them, to explain how the Assembly works. It came from the experience of one of Mr Berry's staff, who in his previous country had never had access to a parliament and was amazed that he could in Australia.

On that basis, I decided to continue with the evenings and, with support from the Secretariat, we have hosted, I think, three since I became Speaker. They have gone very well. We had one in winter which was less successful; we hosted it on a cold, dark July evening and not many people came. We had a much smaller crowd than usual. Out of that, we resolved that we will not hold them in the depth of winter any more. But, through help from you, previously, and on an ongoing basis from the department, we are able to get the names and addresses of all the people who become citizens and so invite all of them. The most recent one we had, which was just the week before last, was much better attended. I think we had 60 or 70 people come to it.

MR HARGREAVES: That is excellent.

Mr Rattenbury: Something in that ballpark. Anecdotally, we get very positive feedback but also the education office, as it does with all of these events, makes sure that we seek feedback. We have a formal questionnaire and 98 per cent of attendees were either satisfied or highly satisfied through the course of the last year, so I think they are very popular and important events in terms of the Assembly informing new citizens of where the Assembly is, what it does and their ability to come and access members of the Assembly if they wish.

MR HARGREAVES: It is a wonderful thing. I am just curious as to whether you might like to give some thought to the regularity of them; whether we could do more of them. You also have open days once a year, at least; there have been at least two since I have been here, in a decade.

Mr Rattenbury: I think they are once an Assembly, Mr Hargreaves. That reflects your longevity.

MR HARGREAVES: One each Assembly? Does that reflect the membership quality? Do you find that once a term is enough for that? Is there not the level of interest that we would like? If so, what can we do about it?

Mr Rattenbury: I might defer to the Clerk on that one.

Mr Duncan: Certainly, the previous Speaker, Speaker Berry, was very keen on open days, and I think was keen to have them on a very regular basis. But when we were getting around 90 to 100 people, given the cost of advertising it, the staff costs, the cost of running a sausage sizzle and things like that, we took the decision that it just did not appear to be cost effective for only 100 people. That is why we were very gratified this year to get in excess of 400 people for the open day.

Speaker Berry was of the opinion that we should just do it for once an Assembly—make sure it is open and accessible. Bearing in mind that we are trying to put our resources into other things—we do have that ad once a month now in the *Canberra Times* where we highlight a lot of the work and activities of particularly committees but we intend to advertise other features of the Assembly and highlight that you can have tours of the building, how you can petition the Assembly and other such features—I guess it is a question of where we can best spend our limited resources to try and get the citizens of the territory in to visit their Assembly. That is our current approach. If that does not work, we may go back to doing more open days, but certainly it is very labour intensive and resource intensive. To run ads in the *Canberra Times* is not cheap and to get all the banners and things like that does—

MR HARGREAVES: It seems to me that, if it is put on as a stand-alone activity, you are competing with everything else going on in town. As you pointed out, Mr Speaker, if it is a cold and dark night, no-one is going to come. If it is a horrible weekend, no-one is going to come out and do it. But, if it is in the spring or the autumn in this town, people are more prepared to go and have a coffee down the road and do it. I just wondered if you had given or would give some thought to perhaps doing it in conjunction with one of our larger festivals that happen around the city area anyway—during Floriade, the Multicultural Festival or something like that—where you have got a captive audience. You might like to give some thought to that. I would like to see the people in our community hold our parliament in the same sort of esteem as you see overseas, which does not seem to be part of the Australian psyche, unless we actually go and do it.

Mr Rattenbury: I think that is a good point, Mr Hargreaves. Certainly, when people do come they are pleasantly surprised, by the chamber, by the Assembly's art collection. They enjoy coming to see where the debates take place, in the committee rooms and the like. I guess I am encouraged also by the more targeted programs that the strategy and education office runs. You will see an increasing number of visitors through the school groups program, for example. My sense of it is that the more targeted programs, where there is a bit of structure and people are booked to come at a particular time, are highly effective as well. They are a bit more easily orchestrated and guarantee a success. But operating around another festival may be a very effective

way of doing it.

THE CHAIR: When we had this discussion last year, we were talking about the provision of colour printers and electronic faxes. I note that we still do not have them. My memory of the timetable from last year suggests that by now we should have. Can you give us an update on progress?

Mr Rattenbury: We will have them within weeks; that is the very short answer.

MR HARGREAVES: That is not in Mr Quinlan weeks, is it, Mr Speaker? It is not a Mr Quinlan's "shortly" type thing, is it?

Mr Rattenbury: No. I was not here for Mr Quinlan's tenure but—

MR HARGREAVES: "Shortly" was basically on Friday, wasn't it?

MR SMYTH: It was "soon". "Soon" took on a whole new dimension.

Mr Rattenbury: To be a little more specific, there are two phases to this program. We are moving to what are called multifunction devices and there are two phases. The first, which will be rolled out in December, just after the sitting week this month, will be to replace the three photocopiers on the first floor with two larger multifunction copiers which will provide both black-and-white and colour photocopying, and printing as well, I think. The timing has been about the contract for the devices because they are all leased. That lease is coming up in December, and in March the lease for all the devices in individual offices will come up, so you will see a rollout of new devices in individual members' offices next March. We are moving to a single device to replace the printer and the fax machine, so you will get them as a package.

THE CHAIR: So we are not moving to electronic faxes?

Mr Rattenbury: Yes. We are just researching that at the moment but our advice is that electronic faxing will be part of the new devices. I do not know about you but I receive some very extensive faxes from some members of the community and it would be nice to have those electronically rather than chewing through reams of paper.

THE CHAIR: Very well put, Mr Speaker. The number of faxes I send could be counted on the fingers of no hands, actually, so it would be good to see those devices depart. Also related to that, some of our staff have been enabled to have a bigger email quota, but not all staff. Is there any possibility of all staff being able to have an increase in email quota?

Ms Barrett: My understanding is that we increased the size of all members' mailboxes and we offered for two staff from each office to have increased usage. Not everyone has taken that up, so there may be an opportunity to allow offices that do have more staff who want a larger mailbox to have that. If you would let me take that away, we will look at the storage that we have budgeted for and whether we can reallocate that. We have given everybody a chance to ask for more storage, and if not everyone has taken that offer up there may be a bit of spare capacity.

THE CHAIR: You possibly should repeat the offer because I cannot imagine that many people would not want more email storage. They may have lost the email in the quantity of other emails that they got.

Ms Barrett: We will follow that up.

MR SMYTH: As a point of clarification, you said the new photocopiers will have a printing facility?

Mr Rattenbury: Yes, but I probably should have double-checked that. Val, the new corridor devices—

Mr Duckworth: Basically, to clarify, the new devices are where you will get the colour printing capability from, so you will be able to send a print job to the shared device. But don't fear: it will not be produced on the machine ready for the next person who walks into the room to see. You will go to the machine and, through the use of your access code, you can then print your queued job. So it is effectively a means by which, from your office, you can send a document or a file for colour printing and then whoever wants to go and collect that will essentially do the transaction at the machine, using their pin code to select that job. So it is a secure printing service, and that is where you will get your colour printing capability.

MR SMYTH: How will that be accounted for—in the way that copies are now accounted for?

Mr Rattenbury: Again, we are working this out. We expect to send a letter around to all MLAs in the next days, probably. We have just signed off on this. We have proposed to overhaul the allocation of copies per member, and the short version of it is that members will receive an increase in their DOA. Essentially, we will move the system from being one of numbers of copies to a system where you have an allocation in your DOA that is based on a formula of historical average use. We need to take account of the fact that we are now providing colour copying and potentially it could be very expensive.

The information we have been provided with by Ricoh is that, on average, people who get access to colour copying do about 30 per cent of their copying or printing in colour. So we have gone through quite a detailed formula, based on historical average use, to turn that into dollar amounts based on the new copying costs. We will increase members' DOA by that quantity. That will mean that if members use less than that, if they do not use their full allocation, they will have more DOA for other things. If members wish to do more printing, they will be able to use their DOA for more printing. So in a sense it will increase people's flexibility. We have looked at this quite closely and we believe this is both fair and that it increases the flexibility for members to use their allowances in the way that they most prefer.

MR SMYTH: And a letter on that is coming?

Mr Rattenbury: Yes. I literally signed off on the memo for the new system, I think yesterday, so we will communicate that within the next week, once the devices come on stream.

MR SMYTH: So the devices in the individual offices won't have colour printing; they will just have standard black and white?

Mr Duckworth: The device in the office, which is proposed for delivery in March, will basically provide incoming fax to email, outgoing fax capability, black-and-white printing and black-and-white low-level copying—but not colour. The central devices in the print rooms will provide high-volume copying in both black and white and colour. All of that usage under the new model, which would be currently usage of paper within the office, is not accounted for. Under the new model, we certainly had to make colour copying available and we certainly had to make it available at a price; it had to be paid for. so the model that we developed, and that the Speaker endorsed, involved effectively capturing all paper use across all devices per member's office. As the Speaker indicated, an element of funding will transfer to individual members' DOA. If your copying levels are below the average amount or if you minimise them, you will have money for other things. If you currently use that, you will top up with your existing DOA for the excess.

MR SMYTH: All right. I will await the details.

MR HARGREAVES: It is rather exciting, isn't it? Does it make coffee or cappuccinos?

Mr Duncan: Can I just clarify for Mr Smyth that the administration and procedure committee earlier this year did endorse that model. The individual amounts we had to go away and calculate later, but the committee did endorse that the historical average use be used as the basis for formulating this.

MR SMYTH: Mr Speaker, starting on about page 86 there are statistics relating to sitting days. Since your arrival, we have changed the sitting times. Has there been any analysis of the effect the changed sitting times have had on, for instance, the activities of the Secretariat?

Mr Duncan: Mr Smyth, I do not think there has been a detailed analysis but certainly the earlier start, 10 o'clock, has put quite a deal of pressure on the chamber support staff in terms of moving that preparation time half an hour earlier. But I am pleased to announce that we have met that, we think. Our aim is to provide all the paperwork to members prior to their going to the chamber. So that gives us half an hour less than we normally had. But from our observation it seems to have worked quite well. I think that has been the only major effect of the sitting hours.

Sitting Wednesdays are a bit different, in that we sit until 7 o'clock, and that does have cost implications for the Assembly because once we hit 7 o'clock a lot of staff go on overtime, a lot of staff are entitled to meal allowances, a lot of staff are entitled to cabcharges to get home. So if we do sit until 7 o'clock, or until about that time, there is an additional cost to the Assembly Secretariat.

MR SMYTH: Once the Assembly stops sitting, how long does it take the staff to go through the routine to shut the chamber down?

Mr Duncan: The chamber support staff are usually here for about an hour and a half to two hours afterwards.

MR SMYTH: So on a Wednesday, that is on overtime?

Mr Duncan: For some staff, yes.

MR HARGREAVES: Has that been taken into account in your budget?

Mr Duncan: We are certainly having discussions with Treasury. The flipside to that is that on Tuesdays and Thursdays we have tended, I think it is fair to say, to be getting up a little bit earlier—on Tuesdays at 5 o'clock.

MR SMYTH: Much earlier, in some cases.

MR HARGREAVES: It really does not matter how much earlier, as long as it is before seven.

Mr Duncan: That is exactly right.

MR HARGREAVES: It would not matter if it was six or four, would it?

Mr Duncan: That is correct. It is something that we are certainly looking at in our discussions with Treasury about whether we need any supplementation for it.

MR HARGREAVES: Is that figure that you are talking about a significant figure? What I am trying to get clear in my mind is to anticipate Treasury's thinking and whether they will say you can absorb it and whether it is a big enough figure that you have to talk about it.

Mr Duncan: Certainly, if we sat until 7 o'clock every night for the 14 sitting weeks a year, it would be a significant figure. I think we did a costing at one stage but I cannot recall what it was. Certainly, we will be having discussions with Treasury about that.

Mr Rattenbury: I have been talking with the whips to try and think about the best way to manage those cost issues, but I think there is still some work to do on that.

MR SMYTH: The other big change, of course, is the roles you play, Mr Speaker, in quite a significant departure from tradition where the Speaker has not normally held portfolios. You are now both the Speaker and a portfolio holder for your party. Has there been any evaluation of how much time you are spending in the chair and what other resources are being used to support that?

Mr Rattenbury: There has been no formal evaluation. We do, for the chair, have a roster, that I, the Deputy Speaker and the three Assistant Speakers have agreed to. Obviously, we are about to have a change in Assistant Speakers, with Mr Hargreaves joining the team.

MR HARGREAVES: I'm back! Just remember, "warn" is a four-letter word, Mr Smyth.

Mr Rattenbury: So far, we have checked our roster and times, and members of the Speaker's team, for want of a better word, remain happy with that timetable and that sharing of the workload. My predecessor, Mr Berry, was, anecdotally, extremely difficult to get out of the chair. I think he preferred to spend most of his time there. I am of the view that there is some value in rotating the chair a little bit more, to remain fresh in the chair. If you sit there for long periods of time, it becomes a little numbing, I think.

So there is no formal assessment but I have checked with members of the Speaker's team, and I host a Speaker's meeting of the chair occupants once every four or five months, to talk about procedural matters and other issues. I have checked on each occasion and there is a sense that the timetable seems to be working quite well. As I am sure you have observed, there is a bit of flexibility as well because often the occupant of the chair seeks to participate in various debates, and there is a little bit of shuffling that goes on.

THE CHAIR: Mr Hargreaves?

MR HARGREAVES: No, I don't think now is the time to have a blue about the Speaker's role in debates and things like that. We will do that some other time.

THE CHAIR: Page 11 refers to the intranet. It states:

A new Assembly intranet providing enhanced search functionality and improved document management capabilities is expected to be launched in the first part of 2009-10.

This has not yet been launched.

Mr Rattenbury: No. I was speaking with Val about this earlier. We are a little behind schedule, but only by weeks. The new intranet site is currently with InTACT for testing. There are some small adjustments being made as it is tested for functionality and minor glitches are identified. We expect the new site to be available early in the new year.

THE CHAIR: I am particularly interested in the document management capabilities. I guess it is best if I wait for a month and all will be revealed.

Ms Barrett: In regard to document management capability, I would probably describe that best as providing better search functionality for the key documents that the Secretariat provides on the intranet, making it more intuitive to find them, having a classification system that links the electronic documents with the hard copy documents that are filed according to the territory records system and just making it a bit fresher, a bit newer, a bit more user friendly, so that people will be more interested in using it. Certainly, we will be putting out a lot more information on how to use it in January, if all goes according to plan and it passes its user acceptance testing and we are able to put it into production early in the new year.

THE CHAIR: Daily on Demand: what sort of feedback have you had about that? Are

people watching it?

Ms Barrett: We have not had a great deal of formal feedback. I think we have only had one email. We have had quite a bit of anecdotal feedback, most of which is positive. One analysis we were able to make was when, during the trial one morning, we had a slight problem and we did not get the initial two hours up. We had a number of phone calls from people asking, “Where is it?” So we took that to be fairly positive feedback that people were looking for it. But it has gone well. We will put it into production in the first sitting week in December, which is next week. We hope at some stage, if we can secure a little bit more funding and do a little bit more development—not very much—to make it available for committees as well. So, on the whole, we have not had a lot of feedback and we are probably adopting a little bit of a “no news is good news” and, as people get more familiar with it, we hope that they will use it more.

The reason that we were very interested in introducing it—and we were also getting a few suggestions that the webstreaming itself was not sufficient because people could not look at it later on—is that people needed quicker access to what had been said in the Assembly the day after. We do not get the *Hansard* out for a couple of days, usually. I think our performance standard is four days and we usually have it available within about two. But that is not quite quick enough for people to be able to review quickly what was said yesterday so that they can incorporate that into the discussion the following day. So its main reason is so that you can fairly quickly access a piece of the proceedings that you are interested in. I think I have always said that it would not win any Oscars for its production values, but we are trying to make it fairly easy to use and fairly quick for people to find information.

THE CHAIR: I assume that you are being able to do it as some sort of subsidiary to the Hansard system. I was quite impressed that it is broken down by speaker and speech. I trust you do not have someone extra doing that work—it comes out of Hansard?

Ms Barrett: No, that is the beauty of it. We are trying to do it with no real increase in recurrent costs. There will be a little bit of additional support cost, and we are negotiating that at the moment. But it is all done with existing systems. A system called Lognotes is used by the person who records the proceedings and then we link that to the daily program, and that combines to bring up the webpage. There are some other parliaments that do replays of their audio. If you go to the House of Commons website, you can play back anything that they film, but it is very difficult in a whole day’s audio to actually find the bits you want. That is why we have tried to produce some sort of search capability so that people can find things.

THE CHAIR: It is very impressive. Are you thinking that you will keep it online indefinitely so that in a year’s time you can go back, or is it going to just be a short-term thing and *Hansard* will be the major record?

Ms Barrett: This is probably a little bit back to front, but the next thing we need to do is develop an archiving policy and decide exactly how long we are going to retain it for. We would like to retain it for as long as we can and for as long as we are able to afford the storage costs. We would like to think that we can at least keep it for an

Assembly, so we will be looking at retaining it for as long as we can—whether it is all retained online and instantly accessible or whether we have to store it nearline and then provide it for people, with there being a little bit of downtime, we have to respond to requests to access it. But we will be looking at that and just working out the feasibility of different options.

MR SMYTH: You mentioned linking it to documents. I think we have had discussions here before, Clerk, about the electronic tabling of documents so that, instead of one of the staff going to the basement to find something a little bit older, we have it online. Has that progressed or does that require amendment to the standing orders?

Mr Duncan: The Speaker wrote to the manager of government business on that issue earlier this year. We have had discussions at officer level with officers of the Chief Minister's Department. We have talked through the possibility of streamlining the tabling procedure for ministers. Currently we get, I think, 30 copies of every document, at least. Each member is provided with a document in the chamber. We are looking at streamlining it so that the minister tables one hard copy, we circulate a list to members within the chamber, members tick that list to indicate they want a document, and that document will be provided to their office at some later time. That is the first step.

The next step is to provide electronic copies of every document. We are looking at how we would do that, whether we put it on a server, storage issues and things like that. But we think that the first step is to reduce the amount of hard copies that we are currently using and the second step is to move gradually to fully electronic copies. You will always still have a hard copy; you need to have one for the Territory Records Act. Certainly, every parliament has always had one in hard copy, but we are trying to move to a stage where members will be able to simply go online to get a lot of the documents that are tabled in the Assembly.

MR SMYTH: Is it the intention that for everything the government tables there would be one hard copy and then electronic?

Mr Duncan: That is correct. But we would have to think that through and we would have to run it past the admin and procedure committee. For example, budget papers: do we really want to have only an electronic copy of budget papers? We would be seeking the views of members on that. I suspect the feedback we would get from members is "Hang on, there are certain categories of documents where we still want to get hard copies." But we think the majority of papers that are tabled in the Assembly lend themselves to just being available electronically.

MR SMYTH: Can I raise a note of caution. I am all in favour of electronic copies so that, should you lose the hard copy that you have, you can immediately get one back. But in terms of the debate and continuity, if the only person who has a hard copy is the minister or the person tabling the document, the ability of a member to respond is severely limited. You have to take hurried notes. It is quite possible to sit there, flick through a paper and pick up the key points as the minister is speaking and then respond immediately. So I am pleased to hear that it would go through admin and procedure before we take those decisions.

Mr Rattenbury: We have discussed this already in the context of the possible introduction of laptops in the chamber. Two issues were worked through in admin and procedure. One started off that way. Ultimately, there was a view that if we were to start providing documents electronically, we would need to ensure that every member in the chamber had a laptop. As we worked through the discussion on laptops, it became clear that not all members wanted a laptop in the chamber and the expense of providing a full laptop service in addition to having a service upstairs was not justifiable in my view. So that has slowed that discussion a little bit.

In terms of being able to respond to a minister, we also canvassed the option of whether we provide, say, three hard copies in the chamber. Most often, there is one member of each of the political groupings, at least in this Assembly, that needs the document. So that could be a way of proceeding in the shorter term—having three or four hard copies, with others available. So we are canvassing a range of possible options, but nothing formal is on the table yet.

Actually, I take that back slightly. We have already moved, in the last few weeks, regarding the minutes of proceedings, for example. We have stopped distributing those to all members' offices. They are now made available electronically and there is also a folder of them in the antechambers so that people can access them. As far as I am aware, there has been no negative feedback on that. It was universally supported by the admin and procedure committee. So we are incrementally moving along in trying to deal with the practicalities of the nature of the business as well.

MR HARGREAVES: Is there a standing order which requires the notice paper to go around in hard copy—the daily program and the notice paper?

Mr Rattenbury: I do not believe there is a standing order, but certainly the feedback we have had in admin and procedure is that is one paper that people like to have hard copies of.

MR HARGREAVES: Notwithstanding that at a certain time it is available electronically and you can run it off your own printer?

Mr Rattenbury: Nonetheless, there seems to be a preference, because of party room meetings and the like, for people to receive a hard copy of that one. It is the one document about which people express a preference for a hard copy.

MR HARGREAVES: More discussion can ensue.

THE CHAIR: With respect to occupational health and safety, I notice that was one of your focuses, and I also note that I have received something about increased requirements. How is this progressing and what positives or negatives do you see with it?

Mr Rattenbury: Let me speak to the document you have received and then I might pass over to Ian for some of the details. Historically, the OH&S accord, for want of a better word, has been signed by the Speaker, the Chief Minister and the Clerk. Of course, the issue is the unusual employment arrangements in the building, where

individual members, the executive, the Clerk and the Speaker all have different responsibilities. Historically, the OH&S arrangements have been signed off between the Chief Minister, the Speaker and the Clerk, as the three people most capable of taking responsibility. In the new version that we are about to sign, we are extending that to the Leader of the Opposition and the Parliamentary Convenor of the Greens, as a way of seeking to increase the sense of responsibility and the sense of uptake across all of the groupings, rather than the previous model. So that is one change that we are about to make.

Mr Duckworth: If I can just add to what Mr Speaker has just relayed—and I agree entirely with his description of that new policy—the Assembly’s health and safety committee met earlier this week to consider the endorsement of a workplace health and safety strategy for the next four years. We were very mindful of a couple of historical developments. Late last year, a strategic plan governing health and safety across ACT government agencies was released. We always look at whole-of-government policies to ensure that, unless there is some reason why as a parliament we should not perhaps adopt them, we try very hard to adhere to those. That strategy was based on the achievement of results in three areas: firstly, greater leadership; secondly, improving injury prevention strategies; and, thirdly, recognising that injuries will still occur, improving injury management.

We have developed a strategy that is a bit more tailored to the Assembly’s workplace. In the last year we have undertaken a risk assessment process that has involved staff and members’ offices. The big risks for us, we know, are occupational overuse injuries, and lifting for people who are involved in physical work. We have done a lot of work to try and improve our early intervention so that if there are signs of those sorts of injuries occurring we are very determined to nip them in the bud. It is quite evident that early intervention will have tremendous benefits not only for the injured worker but for the organisation as a whole. We are very hopeful; we are still waiting on comments back from some of the proposed signatories to that agreement, just to be certain that any questions or concerns they have are in place. But that central policy document would certainly be a key part of our strategy and the committee will continue to work over the years on implementing some improved prevention and management arrangements.

THE CHAIR: Thank you very much for your attendance. We are always incredibly interested in the Secretariat, of course. What other department could we be as interested in? Thank you all, and I declare the hearing closed.

The committee adjourned at 4.02 pm.