



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

**STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND
TOURISM**

(Reference: [Annual and financial reports 2015-2016](#))

Members:

MR J HANSON (Chair)
MR M PETERSSON (Deputy Chair)
MS S ORR
MR M PARTON

TRANSCRIPT OF EVIDENCE

CANBERRA

TUESDAY, 28 FEBRUARY 2017

Secretary to the committee:
Mr H Finlay (Ph: 620 50129)

By authority of the Legislative Assembly for the Australian Capital Territory

Submissions, answers to questions on notice and other documents, including requests for clarification of the transcript of evidence, relevant to this inquiry that have been authorised for publication by the committee may be obtained from the Legislative Assembly website.

APPEARANCES

Chief Minister, Treasury and Economic Development Directorate	66, 99
Cultural Facilities Corporation	99

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Amended 20 May 2013

The committee met at 9.30 am.

Appearances:

Barr, Mr Andrew, Chief Minister, Treasurer, Minister for Economic Development and Minister for Tourism and Major Events

Chief Minister, Treasury and Economic Development Directorate

Dawes, Mr David, Director-General, Economic Development

Tomlins, Mr George, Executive Director, Procurement and Capital Works

Cox, Mr Ian, Executive Director, Innovate Canberra

Hassett, Mr Glen, Director, Programs, Innovate Canberra

Hill, Mr Ian, Executive Director, VisitCanberra

Clarke, Ms Liz, Director, Venues Canberra

THE CHAIR: Good morning. Welcome to the second public hearing of the Standing Committee on Economic Development and Tourism inquiry into annual and financial reports for 2015-16. On behalf of the committee, I would like to thank you for attending again today, Chief Minister, and all of the officials.

Today we are looking at the annual report of the Chief Minister, Treasury and Economic Development Directorate. We will begin with the economic development areas of innovation, trade and investment, property services, and procurement. We will then move on to tourism, covering VisitCanberra and venues and events. We will then examine Access Canberra with the Minister for Regulatory Services.

Can I draw your attention to the privilege statement on the pink card that is before you on the table? Can I confirm that you and the officials understand that card and that you are aware of its contents with regard to privilege? Thank you. I remind everyone that these proceedings are being recorded by Hansard for transcription purposes, and we are being webstreamed.

Before we go to questions, Chief Minister, do you have an opening statement?

Mr Barr: No, you can fire away, chair.

THE CHAIR: We ended yesterday, if you recall, with Mr Parton wanting to talk about procurement.

Mr Barr: We did, yes.

THE CHAIR: We advised Mr Parton that that was going to be covered this morning and that he would get the first crack. Mr Parton, do you want to kick off?

MR PARTON: Yes. How does the operation of the memorandum of understanding with UnionsAct affect the process surrounding government procurement?

Mr Dawes: I will ask Mr Tomlins to walk you through that process, and we will go from there.

Mr Tomlins: The procurement process goes through a number of steps. At the front end of hiring contractors, we go through a number of processes. They involve things such as prequalification, industrial relations and employment certification. In that there are checks that look at the financial viability of the firms that we contract with, because when a firm goes into administration or liquidation there are problems in terms of the fact that the territory might not get value for money because it has to go through a lot of disruption in getting a new contractor on site, subcontractors might not be paid, and there may be other problems associated with warranties et cetera.

There is a lot of attention paid to the financial viability, to whether firms have had adverse court rulings against them for illegal practices or for not paying their employees properly et cetera. We go through all of those checks. One of the processes that have been involved in that is the MOU. The MOU essentially talks about the fact that the government will use fair and appropriate work practices, and will deal with firms that do the right thing by the government and by their workers.

MR PARTON: Specifically, UnionsACT plays a role in that, don't they?

Mr Tomlins: They play a role inasmuch as they are—as are the public—notified about the tender list. There are other groups to do with the long service leave board, super boards et cetera that are notified as well. The unions are also notified of people applying for prequalification. When a tender list goes out, the unions get 10 days to comment. The sorts of comments we would expect are, “Do you realise that this firm has adverse court cases against it?” They are the sorts of comments that are taken into account. Any comments that relate to, “We don't like these people,” or whatever, are essentially ignored.

MR PARTON: How many times has UnionsACT sought changes to a contract in the way that you have just described in 2015-16 or in 2014-15?

Mr Tomlins: To my knowledge, in that process, none. Both the unions and industry have lobbied us about contracts in general. On some issues the industry thinks that the contracts might be too onerous, and the unions might want additional clauses in contracts. That is part of stakeholder analysis that we take into account when we look to modernise our contracts.

One of the most recent examples I can give relates to the fact that one of the other ACT agencies was complaining to us that they were not getting proper work-as-executed drawings. In other words there is a design drawing that goes out to be built, and for some reason or another there are changes made, either by variation, as a result of latent conditions or whatever, and the pipes are put in a different location. We expect work-as-executed drawings, so we will know where those are when we go to dig up for another development or whatever. There was that complaint. We imposed a requirement that we could withhold a certain percentage of the final payment until we got the work-as-executed drawings. We negotiated with stakeholders for almost a year before that was put in. That is the process. The unions and the industry are involved in that process.

MR WALL: I have a supplementary on that. Chief Minister, there were negotiations

between you, your government and UnionsACT at about this time last year for a new MOU. What was the reason for unions being unhappy with the operation of the MOU that you signed in 2015?

Mr Barr: I do not believe that they are unhappy with it.

MR WALL: There were negotiations underway between the government and UnionsACT in February-March 2016. What was the basis of those renegotiations?

Mr Barr: It is none of your business.

THE CHAIR: In terms of the committee, a reasonable question has been asked. To say, “It is none of your business,” about negotiations between the government and a body with which—

Mr Barr: Not the government, no.

THE CHAIR: you have an arrangement—

Mr Barr: No.

THE CHAIR: is not appropriate. The MOU is signed by the Chief Minister.

Mr Barr: I think the negotiations that the member is referring to might relate to Labor Party election policy, but not negotiations with the government.

THE CHAIR: Let us have some clarity about that, then. That is not the way the question was framed.

MR WALL: Chief Minister, is the MOU that you signed with UnionsACT in 2015 the most recent MOU that you have entered into with UnionsACT?

Mr Barr: That is correct.

MR WALL: There were discussions around renegotiation, and also a request made by UnionsACT that procurement decisions in excess of \$1 million be suspended until such time as the MOU could be renegotiated. Unions requested this as—I think the words were—“a gesture of good faith”. What would be the basis of that request?

Mr Barr: No. I do not believe that has been the subject of any consideration within government.

MR WALL: You were not only advised of this but you signed a brief and noted that this was a request made by UnionsACT.

Mr Barr: It may have been a request made by UnionsACT, but not one that was considered.

MR WALL: What was the basis of that request?

Mr Barr: You would need to ask UnionsACT that. It is not one that the government has considered.

THE CHAIR: In terms of that brief that was signed, and in terms of the documentation you received, was there any action or reply provided?

Mr Tomlins: There was a request that I received. I said that we were not able to comply with that request because of the fact that it was essentially an impracticable request. All new construction contracts could possibly be stopped while discussions were on. In terms of stopping contracts, there are a whole host of contracts, to do with, for example, cleaning at the hospital, cleaning of schools, deliveries of pharmaceuticals and purchases of those sorts of things. When I explained that, the issue went away, I thought, very quickly.

MR WALL: Did the reports in the *Australian* and subsequent ACT media of the MOU becoming public for the first time in its entirety have anything to do with the change in tack or—in your words, Mr Tomlins—that issue going away very quickly?

Mr Barr: I do not believe so, no. The government has maintained a position in relation to appropriate procurement in accordance with the law, and that remains the government's position.

MR PARTON: Are there, or have there ever been, delays in finalising procurement because of the requirement to effectively seek clearance from UnionsACT?

Mr Barr: We do not need to seek clearance from UnionsACT for procurement. So that—

MR PARTON: That is the way it appears.

Mr Barr: That is not the case, so let us be very clear about that. That would be, in the Donald Trump sense, really false news.

MR PARTON: I recall Dean Hall saying publicly that he believed this was one of the most important documents in the whole of the territory, but you are saying it pretty much plays no role?

Mr Barr: No, the law is what guides procurement in the territory, and the MOU reflects the elements of the law.

THE CHAIR: There are a series of points within the MOU, and if the union is not satisfied with them they essentially have power of veto, don't they?

Mr Barr: No, they do not; absolutely not. So let us put this one to bed—

MR WALL: They just take control of your preselection.

Mr Barr: No, they do not. Let us put this one to bed. Unions do not have any votes, any formal votes, in Labor Party preselections. There is rank and file preselection in the ACT branch; another false statement by the shadow minister.

THE CHAIR: That is an internal Labor Party matter; we will not be going there today.

Mr Barr: Right; it is good to know that we are not going there.

MRS DUNNE: Chair, could I make a point of order? There have been two assertions by the Chief Minister that members of the committee have made false statements. That is not parliamentary, and they need to be withdrawn.

THE CHAIR: I will take that on notice, thanks, Mrs Dunne. I think that the Chief Minister is entitled to say he disagrees with something—that that is not correct. I think, though, it is appropriate to be careful with language, Chief Minister. From here on, we will try not to use—

Mr Barr: If it will assist you—

THE CHAIR: But if you believe a statement is untrue then—

Mr Barr: If it will assist you, chair, I believe that both of those statements made by the members are untrue.

THE CHAIR: That is fine. That is better language. We will continue.

MR PETTERSSON: Supplementary?

THE CHAIR: Yes.

MR PETTERSSON: In what way does the input of stakeholders improve procurement?

Mr Tomlins: There are a number of areas, I guess. With fairly big procurements we do industry soundings. For example, take the court building. It is a refurbishment of the Supreme Court and the Magistrates Court. It is essentially turning that into a court that is far more flexible so that the Magistrates Court can expand when it needs to and the Supreme Court can expand when it needs to. Officials and advisers, and I believe even the big four might have been involved in this, essentially were of the view that industry would not be interested in a PPP, that we would have to go to a collaborative contract, like a managing contractor, where the territory would have to take much more of the risk.

We went out to do an industry sounding. As a result of that industry sounding, and I suppose because the market was quite lean and very eager to get work, the industry said, “We are up for a PPP. We will take a lot more of the risk on this development.” So a PPP on the court development was done. We can get the best advice. We can use the best of our knowledge. But actually going out and testing with stakeholders is quite important.

At a lower scale, when we were introducing active certification to attempt to improve the safety on building sites following the *Bringing them home* report, we had

extensive discussions with industry and the unions, probably three or four times as many discussions with industry as with the unions. We changed that approach quite substantially.

There were a number of changes, but perhaps the most substantial change came when a small construction firm said, “We do not have the capability to have all of the safety systems that the big firms have. If you are going to support us as local industry then you need to work with us.” As a result of that conversation, we agreed that for every active certification the first audit would be an educative one; there would be no points provided; and all of the advice from the auditor was closed out.

That changed the nature of the active certification process from, if you like, a points-based one. It was based on the police driving model: 10 points and you lose your licence. With active certification, it is 100 points and you lose pre-qualification. It changed to being much more of a relationship and an educative process. That has brought down accident rates, working with WorkSafe, by almost 50 per cent.

MR PETTERSSON: You touched upon engaging with industry stakeholders. Is there a formal process for that? Can you run me through how you go about engaging with these people?

Mr Tomlins: We have quarterly meetings with the MBA. We have quarterly meetings with Consult Australia. We have a set of meetings but we also have additional meetings. For example, when the local industry participation plan was brought in, we had briefing sessions with stakeholders essentially to explain what the plan is, what its objectives are, how we are operationalising it, how we are trying to bring it in with a minimum of red tape. There are a number of those sorts of meetings.

We also meet—it is probably on a more ad hoc fashion—with the unions when they have issues that they want to raise. For example, after the apprentice fell down a lift shaft and broke his back, the unions came in and briefed us on their views on that issue. We took that on board and had a look at whether we needed to tweak our processes.

MR PETTERSSON: Correct me if I am wrong. I just heard you say, “Quarterly meeting with the MBA.” Is there a reason they are quarterly? Is there some process that guides having them?

Mr Tomlins: It is lost in the mists of time. When I came to procurement and capital works, there were quarterly meetings with the MBA.

MR PETTERSSON: Do you think there is maybe any danger or any problem about any part of the procurement process not being well documented?

Mr Tomlins: The meetings with the MBA are minuted in the normal way. There is always a risk of lack of documentation. We have at any one time 300 to 500 contracts on the books. We would be doing a couple of evaluations of contract tenders a day, probably. So there is an enormous amount of work going on between us and the agency. We are able to check and to audit some of that, but there are always risks.

One of the key issues in procurement and construction is a risk analysis. I would argue that we probably do more risk analyses than anywhere else in government. Because of that we are probably as good as or, I would argue, better than most other areas at managing risk. And we manage that risk too.

THE CHAIR: Mr Tomlins, you have outlined a process of engagement there that other people can participate in, everyone can participate in, with regard to the procurement. Why is there then a need, if that process is open for everybody, to have a separate MOU with the unions? Why do they not engage just as everybody else does? Why do they get the preferential treatment of an MOU and industry does not?

Mr Tomlins: I guess it is horses for courses. We try to meet with stakeholders the way they want to meet. We meet with the MBA face to face far more often than we meet with the unions. I suppose what happens with the MBA is that the changes are codified in areas that are of interest to them. They would find their way into contracts, into the active certification policy, into other documents. The unions have wanted an MOU. The first MOU was signed in 2005, again well before my time; so we are dealing with the situation as is.

THE CHAIR: Since the media reports of the MOU last year, has anybody approached anyone else about whether they wanted an MOU as well? Has anyone approached industry? Has anyone gone to the Business Chamber or to the MBA and asked if they wanted an MOU of a similar nature to that signed with—

Mr Barr: We have a range of MOUs with those industry organisations, some project-specific. There is a light rail local business partnership with the Business Chamber that involves a significant amount of money transferring from the government to the Business Chamber.

THE CHAIR: Sure, but specifically with regard to procurement, the similar nature of the MOU—

Mr Barr: Yes, well, that is definitely procurement related, yes.

THE CHAIR: Yes, that is specific to a single project.

Mr Barr: And then we have—

THE CHAIR: Did anybody approach the Business Chamber, perhaps, or the—

Mr Barr: Yes. Yes, I meet with the Business Chamber regularly. At every meeting the Business Chamber lobbies on behalf of their members for a range of benefits from government.

THE CHAIR: Have you asked the Business Chamber or the MBA if they wanted an MOU? If so, what did they respond?

Mr Barr: Our discussions have focused on specific policy outcomes that those industry associations have wanted. For example, the local industry advocate role and the small business innovation partnership program were both lobbied for by those

industry associations. The weighting for local small business in procurement was also lobbied for by those organisations and has become formal government policy.

They have, I guess, achieved their goal in terms of having a policy advocacy become government policy through various discussions, some in terms of written agreements and others through verbal lobbying, which we all experience as policymakers. I note Mr Tomlins's observation that the engagements are much more frequent with industry associations and at times with individual firms that wish to lobby for government work. Most of the meetings I take with industry involve one firm or another trying to push their product to government. There are massive amounts of—

THE CHAIR: At no stage—

Mr Barr: And I never get any questions about that.

THE CHAIR: Well, I think you might have. I referred one incident to the Commissioner for Standards and I have raised a number of questions. But we will leave that aside. You are saying that neither you nor any of your officials have approached an industry body, including the Business Chamber or the MBA, about your offering them the opportunity for a broad-based MOU similar to that which you have with Unions ACT. You have not done that, nor have any of your officials?

Mr Barr: It did—no, no, I have approached and met with those organisations in relation to shared priorities. We have a number of documents that reflect those shared agendas in relation to, for example as I have indicated, the light rail project, amongst others.

I have agreed to speak at and be the keynote speaker at various events organised by those associations based around a government response to their particular log of claims, if you want to put it that way.

For example, the Business Chamber has a 2030 objective where they outline their vision for Canberra in 2030. The government has engaged with them both in the preparation of that document and in our response to it. They have advised government in relation to, for example, the statement of ambition that I released last year. So, yes, various stakeholders have input into policy decisions, into—

THE CHAIR: That is different from an MOU. I mean, it is specific engagement about particular projects—

Mr Barr: No, I do not think it is.

THE CHAIR: I just want to clarify that you did not approach anyone to say, “Look, do you want a similar arrangement to what we have with Unions ACT, a broad MOU.”

Mr Barr: On procurement specifically, the local industry advocate and local small business weighting in favour were both things that have been formulated as part of that engagement. So, yes, they are practical examples of outcomes in the procurement space sought by industry associations.

THE CHAIR: Did you invite someone at any stage to have a similar MOU to that signed with the unions? It is a very simple yes or no, is it not, I would have thought?

Mr Barr: No, it is—I have answered your question multiple times. I will go through it again, because you are not quite picking up on this.

THE CHAIR: No, you are evading the question.

Mr Barr: No, I am not.

THE CHAIR: We will move on.

MR PETTERSSON: Supplementary?

Mr Barr: The simple point is—

THE CHAIR: Mr Parton, have you got a supplementary?

Mr Barr: that we have a range of MOUs with a range of different organisations relating to a range of different government policy objectives, some of which reflect lobbying from various industry associations and various other organisations that are seeking a policy outcome. Others are more fine grain that relate, as Mr Tomlins has indicated, to very detailed and specific elements of the procurement process. Some are large project-specific arrangements that involve the exchange of a considerable amount of public funding to business in order to achieve particular outcomes.

THE CHAIR: Yes. If you do not want to answer the question, we will move on. Mr Parton.

MR PARTON: Yes, in regard to the MOU, I refer to the procurement and capital works overview, page 49. The suggestion here in the report is that in 2015-16 the territory received complaints from employee representative organisations about four contractors who were either working on government contracts or seeking pre-qualification. Two of the contractors were working as school cleaners. One was a plumber and one was seeking pre-qualification as a contractor. I want to know the basis of those complaints.

Mr Tomlins: I think one of the complaints was that the contractor working on a school site did not have an IRE certificate. So that contractor was stopped until they did get an IRE certificate, which I think was about four hours or something like that. They had actually changed their name and had not updated their certificate. In respect of the cleaners, I think there was a complaint about—it was alleged that there were anomalies in both payments and employees—the records and the industrial relations and employment arrangements. That was investigated, as I understand it, by the relevancy agency.

We are not responsible for managing those contracts. I cannot remember at the moment about the other two: the plumber was also about pay rates and, I think, long service leave type of arrangements. But it was about that deal. I think there was a disaffected employee; well, there was a relationship fallout between the employee and

the company.

MR PARTON: Chief Minister, you suggested earlier, or you said clearly, that there is no veto from Unions ACT in this. I spoke with a local firm last year subsequent to this story getting some air. His perception was that there was a veto from Unions ACT and that, as a consequence, they made the call not to tender for a number of projects because they believed that at the end game they would not get a look in. I want to know if there was any such feedback of that nature from any firms regarding that sort of perception or whether they just chose to lie low and not put tenders in.

Mr Tomlins: There was one firm who got in contact with us at about that time and essentially said that they wanted to be taken off the prequalification list. I do not think that they were a firm that did much business with us but they asked to be taken off. So they were taken off.

MR PARTON: They asked to be taken off specifically for that reason? That is not an ideal situation, is it?

Mr Tomlins: No, it is not, but essentially if somebody says that—most people, if they are not winning business or whatever, go and look elsewhere and essentially do not make too much fuss. But every time we allocate a contract there are four or five people who probably think they should have won it. When we debrief, some of those can be quite combative because it is very important to them. I guess that we do not always, because of that situation, keep everybody happy. There are rumours that abound as to why people lost the contract.

MR PARTON: But if those rumours were related to the MOU, you are telling me they are completely unfounded?

Mr Tomlins: Yes.

MR PETERSSON: Would you say that there are any other issues with that firm that withdrew from prequalification?

Mr Tomlins: I do not know too much about the firm. No, I could speculate but that is all it would be. I do not really know.

MS ORR: A supplementary. There may be a preconception by one firm that there is an issue with it, but in practice there is no issue with the MOU, surely?

MR PARTON: Surely! Surely it is above board!

THE CHAIR: Is that a question or a statement. Ms Orr? We ask questions here; we do not make statements.

Mr Barr: You are kidding, surely!

THE CHAIR: I am not. That is a statement as well.

MS ORR: My question is: even if there is a preconception out there that this may be

happening, in reality, is there an issue to be worried about?

Mr Tomlins: I do not think there is any issue to be worried about in the way the process is implemented. We take commentary, we evaluate that commentary, and if we get a letter that says, “This organisation is rotten,” or whatever, we write back and say, “You need to give us evidence.” Essentially—and it is not said in precisely these words—“If you can’t give us evidence, then we won’t be taking it into account.” Again, we get lobbied by people regularly pushing their barrow, and that is fine. But, ultimately, they have to provide the facts.

If we are provided with facts that someone has a criminal conviction or there is a court case or whatever, we take that into account in a rational and pretty much formulaic way. There are not issues such as favouritism to this or favouritism to someone else because someone has made a comment that they do not like them. We certainly do not get submissions from unions saying, “Don’t give the contract to these people.” Although some years ago—and the firm has gone bankrupt, it has wound up—we were getting submissions from industry to say, “You shouldn’t be dealing with that firm.” Frankly, they were probably right, but they needed to give us more than that.

MR PETTERSSON: Was that from unions or from industry stakeholders?

Mr Tomlins: In that case that was from industry. We did not act on that; we could not act on that. But we did act when they ran into financial problems.

MR PETTERSSON: You mentioned before there were some problems with some firms getting prequalification. You mentioned some reasons that there were either delays or they could not get prequalification. One of them was an IRE certificate, for example. Why is that important for a company to have?

Mr Tomlins: You do not have to have prequalification to get an IRE, but you have to have an IRE to work in the territory. Essentially that looks at your industrial relations and employment practices. If a company, as has been the case, has court cases against it where the court has found that it has failed to pay its workers properly, where it may have gone into liquidation somewhere else and come back, they are red flags that we need to look at. The risk associated with that company is going to be higher that there will be problems with their employees which might lead to delay of the project or that they might go into liquidation, and that might cost the government extra money.

MR PETTERSSON: The other issue you mentioned was that pay rates and long service leave were not in order. Why are those things valued by the ACT government in terms of procurement?

Mr Tomlins: I suppose the best case I can give is that a firm came in and was paying long service leave levy on one worker when they had 40 in the field. Essentially, the local firms are being audited and so they are being found out eventually, and that is why we are introducing a shorter period for IRE for new firms to the territory. The existing firms that are audited and paying full tote have a higher cost structure than somebody who is only paying one-fortieth of their superannuation levy. Essentially it is a fairness issue that adversely affects local industry.

MR PETTERSSON: These are very important issues. This is somewhat of a hypothetical: what other ways could you try to get this information apart from consulting with unions?

Mr Tomlins: I suppose we could have a larger organisation doing research—I am not advocating this—

Mr Barr: The Liberal Party will strongly back you in.

Mr Tomlins: We could have a larger organisation doing research into these areas, but if somebody has an adverse finding in some other jurisdiction, it is very easy to miss. We ask them to declare these things and to sign a statutory declaration that they have declared them, but we do not always get 100 per cent truth on statutory declarations.

Mr Barr: So not a good start to a relationship with government by lying on a statutory declaration.

Mr Dawes: Can I just add, I think it is important to note that industry will complain themselves if, for example, they feel one of their competitors has gotten an unfair advantage. We probably hear more from industry than we do from unions.

MR PETTERSSON: What is that process for businesses consulting on procurement? Do they just shoot you an email or give you a phone call just out of the blue?

Mr Dawes: Phone call.

Mr Tomlins: Yes, it tends to be a phone call.

MR PETTERSSON: Are these recorded anywhere?

Mr Tomlins: Depending on the nature of the phone call, yes. If somebody rings and says, “You should be aware that someone in the Supreme Court of South Australia had a conviction against them for incorrectly paying or not paying workers or having fake workers on the role,” then, yes, an email will be sent off to our IRE section saying, “Can you please verify this?”

THE CHAIR: Members, we might move on from this area, unless there are any burning supplementaries.

MR COE: Mine is broadly with regard to a specific example which has been well publicised: the SMI issue of the last two, three, four weeks. What financial risk assessments were done by the territory before engaging this company?

Mr Tomlins: I have not looked recently, but we go to an independent firm and get them to do a financial assessment. That is generally reviewed by an accountant who works for us and looks at those. That is the normal process.

MR COE: Are you still using Kingsway?

Mr Tomlins: Yes.

MR COE: So was a Kingsway assessment done prior to SMI being engaged?

Mr Tomlins: There would have been a Kingsway assessment done associated with SMI's prequalification.

MR COE: But that could be some time ago, couldn't it?

Mr Tomlins: Yes, it could. I do not know.

MR COE: Judging by the fact that they owed Canberra firms many millions of dollars, what declarations did SMI present along the way to the government to advise that subcontractors were being paid?

Mr Tomlins: As they put in their claims, they give us a statutory declaration that all payments due and payable have been paid.

MR COE: Of course, following this publicity, I imagine that your area has gone through and had a look at your processes. Were statutory declarations made and were they accurate?

Mr Tomlins: I have not recently checked that. My people may have, but I have not gone through and looked at that. We have been focusing on dealing with the particular issues and dealing with the subcontractors and getting the contract up. Then we will get into the detail of looking at what happened with SMI and what we can do in relation to that.

MR COE: But the ACT government would have made part payments or progress payments for the relevant government jobs. For each one of those, are you saying that a stat dec would have had to have been made?

Mr Tomlins: Yes.

MR COE: To advise that all subcontractors had been paid?

Mr Tomlins: Yes. The statement is "all due and payable". In some instances, if there is a 30-day delay, it is not due. If there is a dispute over some issue, it may not be paid, but that is the statement, that it is all due and payable, payments have been made.

MR COE: Are you concerned about any processes or system errors within the ACT government with regard to payments or issues relating to SMI?

Mr Tomlins: I suppose when someone goes into liquidation we always think about our processes as to whether there are ways of improving them. But other than that, I think we are dealing with an organisation going into administration, which is unfortunate, and we are working through that process. So, other than the normal concerns that we deal with, I do not have any other concerns.

Mr Dawes: My understanding is SMI not only just work for the ACT government;

but also they work a lot for the private sector and other institutions that do not come through the ACT prequalification system. So all we can do is reinforce what our requirements are, and that is the stat decs as Mr Tomlins has already outlined. But we will always be looking at what our processes are and how we may be able to make improvements. Once get through the backlog of getting these contracts back up and completed, we will certainly be looking at that.

MR COE: A couple of brief follow-ups: is there going to be any opportunity or any prospect of the ACT government directly paying some of the subcontractors who worked on these ACT government jobs?

Mr Tomlins: We met with the administrator as soon as we could. After we were notified, we required an urgent meeting with the administrator. The administrator pointed out to us that they were not going to continue on those contracts. So that afternoon we terminated all of the contracts with SMI and we put all payments on hold. We then made contact with all of the subcontractors; I think we have made contact with all of them, I could be wrong there. But we have certainly been trying to make contact with all of the subcontractors. Some of those we are dealing with directly.

The answer is that by moving as fast as we could, we are protecting the subcontractors. We will be dealing with some of them directly, and we have put on hold payments of probably close to half a million dollars. My instruction to staff is that the SMI invoices are to be looked at very carefully. In relation to the payment of a stat dec, they are to ring the subcontractors to make sure the subcontractors have been paid. If the subcontractors have not been paid, then we will argue that that invoice is invalid and we will be using that money to pay the subcontractors as well.

MR COE: I understand there is a \$300,000 or \$400,000 or thereabouts invoice which has been lodged by SMI.

Mr Tomlins: Yes.

MR COE: That was just a day or two prior to going into liquidation. That said, what are the rules when a firm does go into administration or liquidation? Do you actually have the capability to not pay that invoice if works have been done and the administrator comes to you as somebody who owes them money?

Mr Tomlins: I have just got in the back of my mind that this question was debated between a previous company administrator, me, the Government Solicitor's office and a QC with a PhD last time. So it is not a simple issue.

MR COE: Sure.

Mr Tomlins: The situation is that if they have not got a valid invoice, if they have not made all of the payments that are due and payable, then we will not be making those payments. We have the power to suspend payments, and we have done that. We have the power to cancel the contract, and we have done that. And we have the power to novate some of the subbies' subbies to us. That is what we are working through. We have a range of mechanisms that we can use, and we are getting legal advice to try to

do whatever we can to protect the subcontractors.

The other issue, of course, is that when a contract is broken, if, say, a building was half built and the builder goes broke, we then have to do a survey and do a bill of quantities to get a new contractor on board. We can take those costs out of what would have been payable in that invoice.

MR COE: As I am sure you are aware, the creditor claims is a bit of a who's who of Canberra businesses. Looking at some of the amounts, it would be hard to imagine that a number of these businesses are going to stay afloat if they are not paid a substantial portion of it. If we can have your assurance that the government will be doing absolutely everything within its power to ensure that the subcontractors and their staff are paid, that would be of some comfort to those involved.

Mr Dawes: Where practicable, I think that is the important thing. We will be using our best endeavours, as Mr Tomlins has pointed out, but we can only go so far.

MR COE: Can you take on notice the date of the Kingsway assessment for SMI.

Mr Tomlins: When the Kingsway assessment was done? Yes.

MR COE: Thank you.

THE CHAIR: We might go to new substantive questions. I will start with Mr Pettersson and then work around the table on new substantive questions.

MR PETTERSSON: I have a question about development in the cyber security industry in the ACT.

Mr Dawes: We are finished with Mr Tomlins?

MR PETTERSSON: For now, I believe, yes.

THE CHAIR: I would not be going away quite yet, though. You never quite know.

MR PETTERSSON: I notice the directorate has been doing a lot to develop the cyber security sector in the ACT. What is the current state of the cyber security sector?

Mr Cox: In terms of what the directorate has been doing, you might be aware that the federal government released a policy and strategy around the development of industry growth centres, of which there are now around five. About this time last year, the Prime Minister announced the establishment of a \$32 million industry growth centre, and then announced a process to establish that centre. We have been actively involved in trying to get a footprint of the industry growth centre, which is now called the industry group network, to have a core of activities in the ACT.

In the lead-up to a set of commonwealth decisions, the first being the appointment of two industry chairs, Doug Elix and Adrian Turner, who is also the CEO of Data61, the ACT brought together our stakeholders—organisations, universities,

defence industry organisations—that have significant cyber industry capability. We have brought them together into what we are calling the Canberra cyber network. The organisations involved in that—excuse me if I miss one or two: the ANU, UNSW Canberra, the CBR Innovation Network and Data61—have come together through an MOU process to coalesce and, if you like, pitch for being the Canberra node of a federated industry growth centre. Not surprisingly, the other states and territories have gone down similar paths; Sydney and Melbourne have now coalesced in certain ways. But, in some senses, the ACT is more significantly advanced in the formation of an MOU-bound organisation.

We are anticipating that the industry growth centre at a national level will reach into and deliver significant national capability activities, development capabilities nationally, using the base of ACT capability that we have formed through an MOU.

The other significant development in this is that we renegotiated a \$2.5 million support agreement over two years, \$5 million in total, for Data61, which was formerly NICTA, and have roughly split the \$2.5 million per annum into cyber industry development activities, which Data61 is pursuing in the local economy here, and smart city activities. That is the deeper focus of Data61 in the ACT economy now. With that cyber industry development aspect of Data61, for example, it reaches out very heavily into particularly the ANU but also UC, into PhD support, technology development, proof-of-concept testing and so on.

We have also got a cluster of small companies in cyber here. Probably the most notable is QuintessenceLabs, who are very much at the vanguard of what is called random computation of number generation, which is the technology that is being applied right through this space. In mentioning the word “space”, I should say that they have a space element as well.

MR PETTERSSON: This is a far broader question: why is the directorate spending time and effort helping this sector?

Mr Cox: Our industry development strategy that we released in late 2015 articulated five or six growth industries or industries that we saw as driving significant long-term wealth creation. The cyber sector, the cyber industry, was one of those. Some of the ingredients as to why we would pursue this path are significant, unique SME capability here; significant capability in the institutions, particularly ANU and Data61; and national policy that is supporting the development and trajectory of that growth, in particular, the industry growth centre. Not only is the ACT government pursuing this direction, but there is very much a strong sectoral leadership strategy with the federal government. We try to attach and align our development strategies around sectors that we see are being supported.

The other element is that there is significant leadership within the universities and the industry here to make this happen. There is a whole lot of coalescence of factors which would seem to suggest that this is quite a good idea.

MR PETTERSSON: It sounds as though you are doing a good job. How are the other states and territories going in relation to us? Are they leaders as well in this field?

Mr Cox: What is unique about Canberra is a concentration of national defence agencies and Defence. If you look at Sydney and Melbourne, for example, they are both well placed in cyber industry development, but there is more of a commercial aspect to it. Sydney, as you know, is regarded as the financial services centre of Australia. They are putting their significant cyber development activities or efforts around banking, finance, insurance and cyber protection. What makes sense in the ACT is around the defence and national security elements of cyber. We are extremely well placed in that space because of the presence of significant investments here and also significant relationships between, for example, the universities, Data61 and the defence and security agencies in Canberra.

MR PETTERSSON: Thank you.

MS ORR: I have a question around the Canberra free wi-fi. I have noted the places you have rolled it out to. When is it getting to Gungahlin?

Mr Cox: The very short answer to that question is: before the end of June. The mapping and the design were done some time ago. The way it works is that what is called a WAP, a wireless access point, is designed to provide a footprint of coverage. The issue with Gungahlin is that it is very strongly growing centre and, recently, with the decision around light rail, there has been significant building, planning and infrastructure work on the right-hand side of the Coles-Aldi part. That is where I think there are around 20 WAPs that are being used to spread the coverage at Gungahlin. There has also been the development down the spine towards Bunnings, towards that area. So the footprint has been changing and growing quite rapidly.

We now have, I think, 20 access points, and about seven or eight of those, quite dependent on the acceleration of works, are being delayed a bit by what the footprint of development looks like in that area.

MS ORR: You said before the end of June. Will any of it be operational before then? Will it all be?

Mr Cox: I cannot answer that directly. The way it is happening at other sites that we have had the ability to fire up or provide power to—I am trying to visualise the map that I saw a few days ago; there would be a footprint of about six to 10 points that could possibly be activated.

Mr Hassett: I am the director of investment and enterprise development. There are 16 WAPs in the Gungahlin city centre, of which six are being affected by the development along Hibberson Street at the moment. As each of those WAPs gets powered up, we will be able to switch them on in the lead-up to June.

MS ORR: Are there any plans to extend the network beyond the town centre? There is a reference to buses in the report.

Mr Cox: There has been a trial on ACTION buses for the past 12 months or so. The trial has been completed. There is some evaluation work going on into that at the moment. They are decisions for Transport Canberra. The cost per bus will be an

interesting hurdle to overcome. We have been able to do the trials on the bus as part of the existing contract with iiNet. There will be a cost per bus sort of issue that will have to be explored through a budget process.

In terms of other centres, the funding for the rollout of the complete footprint as per the contract with iiNet has largely been completed. It has been completed on budget, on time—except in Gungahlin, sorry. To extend the footprint beyond the current town centres would require additional funding. We are looking at some ways to explore a leverage model instead of a complete ACT government-funded rollout. We are looking at ways to extend to sites where organisations and entities can co-pay. I will give you an example, the botanical gardens. We were able to co-fund about 20 per cent of the cost of the botanical gardens work on site. Those options are available.

There are also some other high-need sites that have, for example, a small NBN footprint or a small service footprint which lend themselves to a digital social inclusion argument about whether we fund those sites as well. They are all future considerations.

MS ORR: Thank you.

MR PARTON: Chief Minister, what have been the achievements of the office of the Commissioner for International Engagement since it was established, I think it was 12 weeks before the election, in July.

Mr Barr: This obviously falls outside the annual report period that we are having hearings on; it will be reported upon in the 2016-17 annual report.

An early outcome was the finalisation of the international engagement strategy for the ACT. The first Canberra Week in Wellington was interrupted by an earthquake in Wellington. A range of activities had to be postponed necessarily because of the Wellington earthquake. Some of those are taking place early next month. Then there will be a new Canberra Week in Wellington, which we hope to be an annual event, held in November each year. We have invited Wellington City Council to host a similar event. We would facilitate them running a similar event in Canberra on an annual basis.

The commissioner has engaged with a significant number of both newly arrived and recently arrived ambassadors from across the region and various areas where we have a strategic outcome in mind or a strategic alliance. The sister city and economic development MOUs in place, which encompass China, Japan, New Zealand and Singapore, have all been the subject of either further engagement or further development by the commissioner.

That said, though, you are correct to observe that the position has been in place now for only a matter of months. There will be a more comprehensive report. It has not been referenced at all in these annual reports because the position had not been established but, in the next hearings, later this year, there will be more detail on that. If you are looking for an immediate guide to the work of the commissioner, the international engagement strategy that is available online would be a useful starting

point.

MR COE: I have a supplementary on this broader issue. With regard to the deputy director-general who has recently departed, who worked to you, Mr Dawes, I was wondering, following discussions yesterday, whether you had a conversation with that director-general which precipitated his resignation?

Mr Dawes: I think it is fair to say that yesterday it was extensively covered, and I understand my colleagues have undertaken to provide you with some additional information. I will be having some input into that feedback. But there are a couple of points I would like to make with respect to the privacy of this particular individual as well. Mr House and I had been discussing for some months his ongoing engagement/employment within the ACT public service. I think it has been on the public record that he was not really enjoying the public service. There had been a long conversation over a number of months. But, in saying that, before I get into any specifics, I would like to take some advice on whether I am breaching any privacy act in disclosing any information, out of respect to Mr House.

MR COE: We had a pretty good go on it yesterday when we had a discussion on this, and given that this is in your particular stream of the directorate, I am keen to know whether you had a conversation with the deputy director-general which precipitated his resignation.

Mr Dawes: I have had a number of conversations that I have indicated over a number of months about Mr House's ongoing engagement in the ACT public service. I think it has been quite public, on the public record, that he was not enjoying his role in the ACT government. It is not suited to everyone, especially from the area he came back from. But, as to the specifics of any private conversations, as I said, I would like to take some advice and make sure that I am not disclosing anything that I should not be under the Privacy Act.

MR COE: Did you state to the deputy director-general that an investigation was imminent unless a resignation was forthcoming?

Mr Dawes: Definitely not.

MR COE: Did you state to him that an investigation was imminent?

Mr Dawes: Correct.

MR COE: You did?

Mr Dawes: Out of due respect to him and that role, I suggested that there would be an investigation to be undertaken.

MR COE: Did you suggest to him that, in accordance with what we heard yesterday, when somebody departs, investigations are not proceeded with?

Mr Dawes: It depends on the context that you are referring to. You obviously have a little more information than I have. All I can state is what I said. If, for example, you

want to get into the specifics of it, Mr Coe, I did say to him as well, and in preceding conversations well before any of these things occurred—as I said, he was looking at his future within the ACT public service—I think it is fair to say that I suggested that over the Christmas period he review his position and what he wanted to do. It is a very important role and we needed to make sure that we had a real focus on it in the course of the next six months, 12 months and four years.

There were a lot of conversations but, as to a specific point, I did not tell him that if he resigned we would not conduct an investigation. I did tell him about the investigation. I explained how that would take place, and he had the opportunity, when he received correspondence, to respond to that correspondence as well.

MR COE: Was the investigation initiated?

Mr Dawes: No, because he resigned.

MR COE: Thank you.

THE CHAIR: From an administrative view, Mr Dawes, you said you were going to seek some legal advice?

Mr Dawes: I do not want to go into all of the nitty-gritty. Out of due respect, as well as from a privacy perspective, I do not think we need to go into all of the private conversations that I might have had with Mr House.

THE CHAIR: If you receive that advice and you have something further to provide to the committee following that, could you get in contact with the committee office and we might have some correspondence between us if you have something more to say in a more comprehensive way following that.

Mr Dawes: I am more than happy if I get that appropriate advice, Mr Hanson.

THE CHAIR: Depending on what the advice is, of course.

Mr Dawes: And it would be a private conversation with the committee.

THE CHAIR: Sure. Okay; that would be helpful. Mr Coe, do you have a substantive question?

MR COE: Yes. With regard to ventures such as the direct flights to Singapore or the arrangement with Singapore Airlines, how do you measure the success of that arrangement?

Mr Barr: A number of measures are publicly available, not least of which is the quarterly data that is provided in the international visitor survey on passengers and tourists coming into the ACT. We also have data collected more frequently through immigration arrivals. Singapore Airlines very closely monitor the loading on the particular flights. They have a desire to work with both Canberra and Wellington on promotion of the service in Canberra, in Wellington and in Singapore.

Our marketing work is focused on Wellington and Singapore. Wellington has been doing a considerable amount of advertising in Canberra. You see their tourism promotions coming in various forms from social media to billboards, electronic displays and the like throughout the city. All of that is measured and reported upon. The data in the first instance is showing double-digit increases in percentage terms in international arrivals from Singapore and New Zealand. Mr Hill might have the detail of that.

There is also a freight element, clearly, to the Singapore Airlines flights. We will continue to work with the airport, the New South Wales government, the federal government and other stakeholders on maximising the freight opportunities. Again, that will be measured. That said, the starting point was zero, so you are obviously going to see improvements there.

Another objective measure is industry response. The announcement from Qatar airlines of their interest in flying to Canberra and the further work that we will undertake with the Australian airlines and Air New Zealand all demonstrate the increased interest in the ACT as both a tourist and a business destination.

We are seeing a very positive response to the facilities at the airport. At the international terminal, the experience for passengers is very positive. I think it has won numerous awards and could rightly claim to be the world's best small airport. All credit to them for making that investment, and I think the people of Canberra are the winners. Ian, do you want to add anything?

THE CHAIR: Before you start, Mr Hill, I note that we have moved seamlessly into the tourism and events area and some new officials have arrived. I remind you of the requirements of the privilege card that is before you. These hearings are being recorded by Hansard and we are being live webstreamed.

Mr Hill: In terms of your question, Mr Coe, we certainly utilise IVS figures which are generated by Tourism Research Australia, which are a commonwealth government agency. They track inbound data of tourists into all ports of Australia. That is a really important measure for us and has been for many years. We attract about 203,000 international visitors at the moment. The top five markets would be China, the US, the UK, New Zealand and Singapore in that order. There is some significant growth particularly out of eastern markets, so places like China. It has grown from around 12,000 visitors up to about 35,000 visitors in the past two or three years.

In relation to the direct flights with SQ—the 777-200 plane with 266 seats and four flights a week to both Changi Airport and through to Wellington—clearly we are getting some growth out of Singapore from those flights, but we are also getting some growth out of places like Malaysia and beyond. The connectivity of Singapore Airlines is key to unlocking future growth for international tourism here. So it is not just that market of Singapore; it is a number of the connecting markets which include Europe and South-East Asia.

MR COE: In terms of the territory's spend promoting the territory in Singapore, what portion is being done through Singapore Airlines or its affiliates as opposed to the ACT government direct, in effect?

Mr Hill: It is not that easy to break it down, but we are probably spending a bigger proportion, if anything, with SQ—Singapore Airlines. It makes a lot more sense to partner them dollar for dollar on activities. We also partner with Tourism Australia who have global offices all around the world. We are obviously a relatively small jurisdiction from a tourism perspective, so it is about leveraging the resources of TA, both cash and in-kind support. In relation to the restaurant Australia campaign, which is a \$10 million global campaign from Tourism Australia, we would have invested between \$50,000 and \$75,000 to be part of that campaign. We cannot get the reach without their support. We do a fair bit of work cooperatively with both SQ and TA. We do not do a lot of stuff that is stand alone, to be honest, because we are better off partnering as being part of Australia.

The other aspect is the audience we are trying to target out of Singapore. We are not looking to target Singaporean visitors to come to Canberra on their first trip. We are targeting people who have been to Australia two or three times and who are looking for a new destination. They have been to Sydney, they have done the rock and they have done Brisbane. It is about discovering both Canberra and southern New South Wales. We have been working with south coast tourism, the Snowy Mountains and places like Young and the western district. We go as a region, the Canberra region, and everyone co-contributes to those campaigns.

MR COE: In terms of the actual artwork and the messaging, who is actually putting that together? I am not talking about the Tourism Australia stuff; I am talking about the regional promotions.

Mr Hill: It is predominantly by us. We supply the images to Tourism Australia that promote our region. There is often a bit of debate back and forth about the types of images they like and the types of images we like. When you are co-branding in international markets it is a very respectful, very positive relationship with Tourism Australia. I would say 95 per cent of the images that get run are generally ones that we have put forward. They generally have to be very high res and high quality images as well.

MR COE: What about messaging? I am talking about the artwork in general as opposed to the actual photos.

Mr Hill: We have been doing some work with people like Chan Brothers and Dynasty Travel. They are big travel agents overseas, a bit like Flight Centre that you will see in New Zealand. That is a cooperative discussion. “One good thing after another”, which is our current strapline, has been utilised heavily. We have been able to influence a third party utilising creative assets, if it can be described in that way.

MR COE: What would be the actual proportion of spend that is invested through Singapore Airlines as opposed to outside of Singapore Airlines?

Mr Hill: I would say 50 per cent of our expenditure would be with Singapore Airlines.

MR COE: Is that over and above the contract that you have with Singapore Airlines, or is that included in the contract?

Mr Hill: It is inclusive. The nature of the agreement with them is a copy of the marketing agreement, which is pretty standard across the industry. Other state tourism bodies do the same thing. Tourism Australia have a number of long-term partnerships with multiple airlines across the globe. This is our first major contract with an international carrier, which is great. They are very much used to it. They have a master agreement with Tourism Australia, so we have an agreement with them around certain markets. At the moment we are currently in negotiations with them around which markets we will start to target in some of the outyears.

MR WALL: Just a quick supplementary. Mr Hill, does your office keep any data as to what the average stay or spend is of tourists coming through, or even business people coming through, on these international flights in the ACT?

Mr Hill: We have quite comprehensive data. Again, through the international visitor survey, an independent body does fairly large surveys on those departure cards that you see on travelling. The length of stay for international—again, I am happy to take the exact number on notice—is about 21 days. It is really skewed by the education market in the ACT because it picks up people who are staying here for educational purposes.

Domestically, it is somewhere between 2.7 and 3.1, depending on some variation during the years. That is the length of stay for a domestic visitor. Again, we keep that data. We analyse it. We are looking at length of stays. It is an important metric for us. We certainly want people spending more time here. When you look at markets like Singapore and the Canberra region, we are definitely doing cooperative campaigns that have a minimum requirement to stay in Canberra.

MR WALL: Obviously international flights are all well and good for the ACT, but if people are just using Canberra as a transit point it does not bring a great deal of benefit to the local economy.

Mr Hill: Correct. With the Chan Brothers, for example, there has to be a minimum two-night stay in Canberra as part of being in that cooperative campaign.

MR PETTERSSON: You mentioned the one good thing after another campaign and the marketing approach in general. What informs the decision about where you market Canberra?

Mr Hill: There are a range of factors. Consumer first is probably the key thing for us. It is the consumer insight, and different markets have different needs. Somewhere like New Zealand, which obviously has an English-speaking background, is a short stay, three-hour flight. There are some seasonal things around school holiday periods or when major event activity is on. It is really about the consumer behaviour and the consumer insight.

It is a little bit different in places like Singapore where they have two booking periods a year when they tend to book their holidays. The Singapore tourism market is an incredibly competitive environment. There is a lot of competition from places like Korea, Japan, the US and UK. Again, we look at myriad things, but ultimately it is

down to the consumer preference and the consumer purchase cycle.

MR PETTERSSON: Where are we advertising at the moment?

Mr Hill: We do a lot of visual space, to be honest. We do not do a lot of what I would call “above the line”. We do a lot more earned media and a lot more digital. We are very strong in the Facebook space and the Instagram space. For the big production elements, we tend to partner with Tourism Australia because they have the money to run it in the cinema or more broadly television, occasionally. We are not doing stand-alone television ads in some of those big markets. It is not cost-effective.

MS CHEYNE: Just on marketing, you have obviously had quite an increase in followers. You just mentioned Facebook, Twitter and Instagram and that that is driving engagement. What do you attribute the increase in followers and the engagement to?

Mr Hill: It is a very deliberate approach from us. We have a dedicated person working on Instagram and Facebook. It is a different model from what we used to do. We used to spend more money on media planning and media buying. Now we do a lot more own engagement in the social space. I think we are up to about 35,000 Instagram followers now, which is strong. Probably more important is the engagement through things like Instagram.

Being such a strong visual medium and holidays being such an experiential thing to do, our ability to communicate what Canberra has to offer through social media is far more powerful than it was five or 10 years ago through mainstream media. We are actively in it. We are chasing it. We do some advertising in it, particularly on Facebook. We are able to follow what you like doing and when you like doing it and send out messages that are relevant. Some people like that, some people do not, but most people do. We have the ability to set up a piece of creative around mountain biking down Mount Stromlo to a Wellingtonian who likes mountain biking. We are probably far more sophisticated at doing that than we used to be.

MS CHEYNE: How much would you normally spend in a financial year on Facebook advertising?

Mr Hill: I would have to take that on notice; I do not know specifically. It would probably be in the vicinity of \$50,000 to \$100,000 on something like Facebook. It would not be insignificant.

MS CHEYNE: The VisitCanberra website, with over 1.67 million hits in the financial year, had that gone through any redesign to encourage those sorts of hits, and is that an increase from previous years?

Mr Hill: Yes. We have had very solid growth over the past four or five years in our VisitCanberra URL. It is our main call to action for all the work we do. It is very experientially based. We have just gone through another iteration. We have probably done three in the past five or six years. It is a place that you have to continue to upgrade. It is not one of those that are tired and you can catch up. Technology is changing so quickly and it is very mobile friendly now. A lot of people look at

websites on multiple devices, so you need to be very conscious of how data and messaging are being displayed on mobile phones versus iPads versus laptops. The site is particularly mobile friendly now. I think that is helping to drive some further engagement.

MR WALL: Chief Minister, I just wanted to ask about the Local Industry Advocate and how the appointment of Ms Lundy has impacted local business since taking on that role, and what evidence there is, obviously, and the metrics of that office?

Mr Dawes: It has been very well received by the industry. We have worked quite closely with the industry organisations, from the Canberra Business Chamber's perspective, the MBA and all of the other industry partners. Mr Tomlins can provide more specifics, but it has been well received by the general community.

Mr Tomlins: The Local Industry Advocate has been working on the introduction of the local industry participation plan. There have been a number of meetings that she has had with various organisations. In fact, she and I have had a number of meetings with the Master Builders Association, the chamber of commerce et cetera.

The Local Industry Advocate has also been involved in following up concerns that local industry have about the way they may have been treated or the way contracts or tender arrangements may have been arranged. It goes back to the previous discussion. Where stakeholders have issues that they wish to raise sometimes they get in contact with the Local Industry Advocate and the advocate gets in contact with us and, in some instances, other agencies. I am aware of a couple of other agencies that have been contacted by the Local Industry Advocate.

In terms of making sure that the process is working well, making sure that people understand the process—and also indicating that she is very enthusiastic about developing local industry—making sure that local industry gets every opportunity to participate and making sure, particularly with the small business innovation area, they are well and truly considered in this process: these are all indicators that the process is going well.

MR WALL: What was the recruitment process for that position?

Mr Barr: There was an expression of interest and a selection process.

Mr Dawes: Correct; and it went to cabinet.

Mr Barr: Yes, cabinet.

MR WALL: What is the term of the appointment for the current advocate?

Mr Dawes: It is two years, from last year.

MR WALL: What are the terms of the appointment? Is it a full-time position or part time?

Mr Dawes: It is a part-time position, a couple of days a week.

MR WALL: Two days per week?

Mr Dawes: Yes. I think it is fair to say that, depending on the nature of the work, Ms Lundy has done additional time in that particular role.

MR WALL: What is the remuneration for the position, Mr Dawes?

Mr Dawes: It is based on an executive director level 2.4, from memory. I will take that on notice and confirm it 100 per cent.

MR WALL: Did UnionsACT seek to be involved in the appointment process at all?

Mr Dawes: Not that I am aware of.

MR WALL: What further resources are provided to the advocate's office to undertake her role?

Mr Dawes: Ms Lundy works closely with procurement capital works in some cases where there is engagement with some of the stakeholders. We will provide some of that secretariat work. Also in Innovate Canberra, which is Mr Cox's area, there are some dedicated people there that assist her from time to time, especially when there has been engagement with the CBR network.

Mr Barr: In light of the questioning this morning, I am contemplating renaming the local industry participation policy the MOU on local industry participation. That might—

MR WALL: Catchy name.

Mr Barr: A catchy name; it is.

THE CHAIR: Was that a flippant comment, Chief Minister, or was that a genuine statement of policy?

Mr Barr: No, I will give it serious consideration. If the committee would like to make a recommendation that we need an MOU in this area, I will happily rename the local industry participation policy the MOU on local industry participation.

MR COE: This sounds like policy on the run.

THE CHAIR: Who would it be assigned with—Ms Lundy?

Mr Barr: With local industry, with the industry associations.

THE CHAIR: I thought you had already approached them and they were not so keen, but that is another matter.

MS CHEYNE: Mr Hill, 120,000 visitors went through the Canberra and Region Visitors Centre on Northbourne during the financial year and you had outstanding

customer service results, with 99 per cent very good or excellent, which is pretty outstanding. How will the transition of the centre to Regatta Point be managed to ensure that the centre continues to achieve such outstanding results?

Mr Hill: I would like to put on the record certainly my thanks to the team at the visitors centre and about 80-odd volunteers who provide their time to service the many customers that come through and obviously are doing a great job on the research that we are getting back through the centre. Visitor centres are a really interesting model, nationally. A lot of the numbers have been going down. We have found that even our numbers over the last four or five years were certainly softening.

One of the big advantages to moving to Regatta Point is making it a destination in its own right. That is very much what we are trying to do. We picked up the model a while ago of how we were going to tackle this and we looked at places like the Apple i-stores. If you go into an Apple i-store, you will see technology on display, you will see people interacting with devices, you often see younger people at the front and a few of the older people like me at the back seeking help on technology. It is very much a full service type model within an i-store and we drew on that for some inspiration for Regatta Point.

On top of that, there are the sweeping views across Lake Burley Griffin and being able to see pretty much Walter Burley Griffin's plan when you are there. To a visitor, as their first impression of Canberra, it is a really powerful one. Certainly since we have been open, the feedback we have been getting already from people going through Regatta Point is that their grasp and understanding of what to see and do in Canberra is absorbed a lot more quickly, because they can physically see it. If there is a blockbuster exhibition on like *Versailles* at the National Gallery, they understand where that is, they understand where Questacon, which has just won a national tourism award, is. They can understand where the arboretum is.

This ability to interpret Canberra experiences goes back to this notion of proximity and diversity, which sits under our tagline of "one good thing after another". The ability for our staff to tell and share that message is far more enhanced at the new site and there is a lot of technology in the site. We are going to be adding to that, to be honest. There are over 40-odd television screens in there, there is touch technology for downloading itineraries and maps and ideas, there is the ability to take selfies and actually share content that they might be creating, digital footage of some of their experiences in Canberra.

When other events and things are on, our ability to run pop-up events out the front of Regatta Point over time is something that we will take full advantage of. It is already generating some more foot traffic than before, but the ability to interact is stronger and the length of stay in the centre is considerably longer.

I think the reality is that people were probably starting to look at our old centre as, I hate to say this, a bit of a drive-through experience compared to linger longer and actually get more information about what to see and do in Canberra and the region.

Mr Dawes: I think also it has been well received by the National Capital Authority, which is exhibiting some of their exhibits as well. It has been a win-win for the

NCA as well, from a commonwealth perspective.

MS CHEYNE: I think it is a remarkable destination and I commend the idea of having the centre as a destination. Have you had any feedback about access to that area or transport, because, just travelling through, it is not immediately visible? Once you are there it is pretty stunning, but knowing where it is or how to get there is another matter.

Mr Hill: We certainly had some feedback on that. I have got to be honest; our original site was not always the easiest to find if you were not coming from Sydney

MS CHEYNE: True.

Mr Hill: Taking that on board, we have done a lot around signage, we have done a lot around all of our assets, like our visitor guide, our mobile phone apps, things that actually show finding-way signage for the new centre. There is still a bit more work to do with the NCA. There are a couple of works going on at the moment around the parking there. Once that intersection is sorted out I think we will find access will be even better than it is now.

Our industry has got right behind it, the regional supporters have got right behind it. I think we will continue to upgrade and update our technology to make sure we are making it as easy as possible to find, but the reality is that the numbers are stronger and certainly the destination in its own right as to positioning is working. We have had the CEO of Tourism Tasmania through, we have had a number of regional councillors through, we have had a lot of interest from other jurisdictions about the way our centre has been set up, which is, again, hats off to the guys at the visitor centre for the work they are putting in.

MS CHEYNE: And do you have any figures about how people are accessing it? Is it traditionally by car or is it by foot, bike, public transport?

Mr Hill: It is interesting. I have not got the hard stats just yet; we are doing some research on that, but certainly the interstate people are driving. But a lot more people are now walking up to it, basically because we are in a great spot for the locals, which is probably another area that we have deliberately started to focus on a bit more. About a third of the people who come to Canberra come for the purposes of visiting a friend or relative. So the locals are actually a really important influence in what people do. With our ability to use this new centre, compared to the old centre in particular, there is a lot more access for locals who are walking around the lake, running around the lake, cycling around the lake, to try and get them up and have a look at what we offer.

That is reflected in things like the merchandise too. There are a lot of Canberra-made works, there is a lot of wine, there is some Brumby schnapps, there are a whole range of things in there that people are looking at to purchase as gifts, and the ability to focus in on the visiting friends and relatives is far more enhanced where we are now.

MS CHEYNE: And do you have many people who still might accidentally turn up at Northbourne, Dickson, and is there someone there directing people where to go?

Mr Hill: There are a bin and a couple of metro signs there. I think we are pretty safe. I think it is pretty physical about what is going on out there now. We have not had any recent sort of feedback. Definitely in the transition a few people were going, “Hey, where do we go for the new centre?” That has all worked its way through the system and now we are getting stronger numbers and probably, more importantly, the length of stay and engagement is a great metric for us.

MR WALL: What was the cost of establishing the new centre?

Mr Hill: The total capital outlay was about \$5.3million, from memory. I will come back to you with an absolute number, but it is a capital outlay of that sort of quantity.

MR WALL: That is quite a considerable amount for what is essentially a shop fit-out.

Mr Hill: That is the whole cost of moving from one site to another site, that is all the capital works that went into the new Regatta Point. There was a huge fit-out, walls knocked down, new air conditioning going in, new storage systems going in. There are some car parking things being sorted out. All the technology went in there as well. There are a raft of things that we can break down for you if you like.

MR WALL: Yes, if you could give a detailed breakdown of that.

MS ORR: Mr Hill, just picking up on a point you made before about the domestic market and people coming to visit friends and capturing that, apart from the visitor centre, what else are you looking at to grow that market?

Mr Hill: Our social channels are really important. We ran a major campaign about two years ago called 101 humans. It was actually about engaging the local community who are influential on social media. I think some people in the room may well have been part of that. And that has been a tool for us to get locals talking about Canberra in a new way. That came off the back of the 500 humans campaign that we ran nationally the year prior. It is that sort of approach that we are trying to take around content engagement.

THE CHAIR: Just before I move to my question, there have been a few indications of questions being taken on notice.

Mr Dawes: I have got one answer, on the SMI, that we took earlier on notice. I just want to state that the Kingsway report on SMI was done on 3 November 2016. Even though they found some deterioration in their accounts, it was not enough to stop them being prequalified.

THE CHAIR: Thanks for that. Mr Hill, you were going to talk about some information on overnight visitor statistics, Facebook advertising spend and outlay for the visitor centre.

Mr Hill: Length of stay.

THE CHAIR: Mr Dawes, the remuneration for the Industry Advocate. There may be

a couple of others but I just remind you that there are questions that have been taken on notice.

Mr Dawes: Add them now or at the end?

THE CHAIR: I just wanted to remind you that they are ones that you have indicated. Sometimes I have noticed in committee hearings people say, “I will take that on notice, take that on notice,” and sometimes it does not ever come about. I am just making that reminder.

With regard to GIO Stadium and Manuka Oval—obviously on Manuka there was some consideration about upgrades and that; now it seems to be on ice—is there a strategic plan for both of those venues, pending potentially any new stadium or more substantive upgrade of Manuka Oval, both of which are in the concept stage but not quite to fruition? I assume that there is a body of work in the short to medium term to make sure those venues are kept up to speed. Can you let me know, Chief Minister, what the plan is?

Mr Barr: Yes. We will start with Manuka. Last year I announced as part of the ACT hosting its first test match that Manuka Oval would be upgraded to meet the ICC’s,—International Cricket Council—minimum requirements for a test venue. A substantive part of that work relates to a new media centre for Manuka Oval. Consultation on that centre is now underway. The preferred location is the southern end of Manuka Oval, adjacent to Canberra Avenue and the Manuka business precinct. The new centre has certain technical requirements it needs to meet in order to get International Cricket Council accreditation and for Manuka to be then suitable to host the test match in the summer of 2018-19.

The government has committed capital works funding to that project and the approval agency is the National Capital Authority. The next 18 months of work at Manuka will focus on the delivery of that new media centre and various other upgrades to the facility in order to ready it for that test match in the summer of 2018-19.

The master plan work for Manuka Oval that was undertaken in the period 2007 onwards remains the basis for the government’s aggressive investments in improving Manuka Oval. There was, as I think members will be aware, an unsolicited proposal that came forth last year. The government determined not to proceed with that unsolicited proposal and, from here, at Manuka the government will progressively upgrade the facilities in accordance with the master plan work that we undertook from the period 2007 onwards.

That, in the simplest possible terms, means that work at Manuka is confined to within the oval precinct and is related to spectator, media and player amenity. There are no proposals for changes to the planning zones that apply to that area and, for the foreseeable future, upgrades at Manuka will be publicly funded off the territory budget and focused on, in the short term, requirements for the test match and, in the medium term, continued engagement with both AFL and cricket around, I would describe them as, modest improvements to the venue to increase revenues for hirers and returns to the territory from the venue.

I would hope that through some strategic alignment and decisions of government, together with the hirers, we can marginally increase the capacity of the venue, and that goes to location of new seating. There is a difference between the maximum capacity of the venue for cricket and for AFL as a lot of seats are lost at the moment in the cricket format for sight screens or areas that are blacked out where people cannot sit. I have raised with Cricket Australia that that reduces the ground capacity by several thousand, that any work we can do to get some seats back in the cricket format, I think, would be valuable for everyone.

As to the potential in the medium term to undertake some further temporary facility improvements, for example we have three banks of temporary seats on the eastern side of the ground. There is capacity to add more there. That would add to the capacity of the venue both for AFL and cricket; so that would be high on our considerations in the medium term.

Turning now to Canberra stadium, the venue is owned by the Australian Sports Commission. It is a federal government-owned entity. We are a tenant at the facility. Under a previous peppercorn rental agreement, we paid a nominal fee and then took responsibility for maintenance and upgrades of the facility. The Sports Commission have had their budget cut dramatically by the federal government and are looking for new forms of revenue and are now no longer offering the venue to us at a peppercorn rent. We will now have to pay a lot more for the privilege of utilising the facility.

There is an allocation each year in the territory budget for capital upgrades for both Manuka and Canberra stadium and that funding will be utilised each year to make necessary improvements and enhancements to the venue. We do not own it. I will be frank in saying I have a reluctance to invest a huge amount of capital in a venue we do not own. But we need to keep the facility operational for the two major users, the Raiders and the Brumbies, and we also generate revenue from other events that occur at the venue. There is the occasional game of soccer, there are concerts and various other events that occur there outside of the football season. We will continue to make those investments.

THE CHAIR: That increased rent, how much are we talking about?

Mr Barr: It is in the order of several hundred thousand dollars, I understand. Is it 300? Three hundred and fifty, I am told.

THE CHAIR: What was it called? Did you say peppercorn?

Mr Barr: Peppercorn.

THE CHAIR: That 350, then, where are you going to get that from?

Mr Barr: We will have to budget fund it.

THE CHAIR: You are going to budget fund it?

Mr Barr: We will have to.

THE CHAIR: You are not going to try to capture that from the users, principally the Raiders and the Brumbies? Are they going to be asked to contribute or are they going to get less funding or are they not going to be—

Mr Barr: We have a commercial arrangement with them that is locked in over a period of time. I think in the short term we have no choice but to meet that funding gap through the budget.

THE CHAIR: How long are the contracts with the Brumbies and the Raiders? Are they on the same sort of time line?

Mr Barr: One is 10 years, and one is five.

Ms Clarke: I will have to take it on notice but it is around another five, 10 years too.

THE CHAIR: And you certainly do not hear comments back that GIO Stadium is not great in terms of its amenity and so on. I find it good going out there, but are there any urgent improvements that need to be made, that you are aware of, to that facility, that you are getting, either from the Raiders or Brumbies or other users that they desperately need some particular enhancement?

Ms Clarke: It is interesting you would say that. I was talking to Ricky Stuart the other night about what improvements we could do to assist his team in sort of getting out on the field in a positive way. We are looking at some smaller improvements such as ice baths and things that we could sort of improve. As Ricky said to me, once again, the stadium is fantastic. We get a lot of positive comments about the venue, about the field of play. For the Asian Cup, we were ranked the number one field for Australia. Watching it as a punter, as a spectator, the games are fantastic to see.

There are small improvements we have already done. We have created a new public space called the slab that we have had during the Brumbies and now during the Raiders this season as well, creating more of a funky sort of scene for patrons to come along to. We are being as creative as we can. We get very positive feedback. We work very closely with the Brumbies and the Raiders in contributing to, I suppose in a partnership, what we can do to ensure increased patronage at the games.

THE CHAIR: Thanks for that response. I am sure there is much more that members would like to find out but, given that it is 11.20 and we said that we would be adjourning in this area, we will recommence at 11.40.

MR PETTERSSON: Can I put a question on notice before we break?

THE CHAIR: You can do that through the normal process. We will not ask that question here. There is a process for putting questions on notice, which is a great segue, because there has been some consultation within the committee secretariat about the timings for questions. I can advise, in relation to questions that have been taken on notice today, from the time we get the draft *Hansard* if we could get a response within three days; and for questions being placed on notice by members, committee members and other members, it is five days. That is a bit of a reversal from yesterday. That is updated.

Mr Barr: Yes.

THE CHAIR: In terms of yesterday's hearings, we will be flexible there. We do not need to amend that, because I think that we have got sufficient time within the committee. I just confirm that, if members have questions, they have five days to put those on notice, starting essentially from close of business today. If the responses could be provided in three days once you get *Hansard* that would be fine. Thank you very much, Chief Minister and officials, for attending today. As I said, we will return here at 11.40 for Access Canberra.

Hearing suspended from 11.21 to 11.39 am.

Appearances:

Ramsay, Mr Gordon, Attorney-General, Minister for Regulatory Services, Minister for the Arts and Community Events and Minister for Veterans and Seniors

Chief Minister, Treasury and Economic Development Directorate

Dawes, Mr David, Director-General, Economic Development

Peffer, Mr Dave, Deputy Director-General, Access Canberra

Jones, Mr Greg, Director, Construction, Environment and Workplace Protection, Access Canberra

Rynehart, Mr Josh, Director, Customer Coordination, Access Canberra

Simmons, Mr Craig, Director, Community, Business and Transport Regulation, Access Canberra

Stankevicius, Mr Adam, Director, Cultural Canberra

Hill, Mr Ian, Executive Director, VisitCanberra

Cultural Facilities Corporation

Elvin, Ms Harriet, Chief Executive Officer

THE CHAIR: Welcome, minister. This is your first attendance at a committee hearing, isn't it?

Mr Ramsay: At least in this form, yes.

THE CHAIR: Well done. Good morning, officials. We will be inquiring into Access Canberra. I am sure we are all looking forward to it. I draw your attention to the pink card that is before you; it contains the privilege statement and implications. You are aware of that? I assume officials have been made aware of that; if not, look at one before coming up to speak. I remind you that these hearings are being recorded for Hansard and are also being webstreamed live. Minister, do you have an opening statement?

Mr Ramsay: I am not going to make an opening statement. Let us go straight to questions.

THE CHAIR: I appreciate that you are new to the portfolio, minister, but Access Canberra has been through a lot of changes lately. Obviously, it reaches across various parts of government in terms of its role in centralisation. Have you had a chance to look at the model, and, where it is interplaying with various agencies of government, are you satisfied with its operations? Have you got any plans for changes? Are there any outcomes where you will be seeking in the shorter term, as a new minister, to make changes?

Mr Ramsay: Certainly, in the initial stages the evidence is, from my perspective, that Access Canberra has come together very well. I am sure there will be further conversations around the specifics of the outputs and outcomes for Access Canberra. I think the model is working well. Obviously, in any new organisation or organisational structure, there is continual learning; there are continual improvements. The very model of Access Canberra is one that has drawn together a range of portfolios in the directorates. That in itself has been a very positive initiative. It is one that is

undergoing continual improvement. Rather than any particular sort of review, the main thing that we are looking for is ongoing work and refinement of things as they come.

THE CHAIR: How many staff are now engaged by Access Canberra?

Mr Peffer: I believe that at this point in time our staffing profile is 635.46 FTEs.

THE CHAIR: It may be in the annual report but can you provide me with the breakdowns of those staff and the areas in which they are working? How many are in shopfronts; how many are in regulatory services, or wherever it may be? Is that possible?

Mr Peffer: Yes, certainly. In terms of that number, there are 5.33 FTE in the deputy director-general's office, which includes the chief operating officer and our executive support team; there are 67.62 officials in the projects and governance division; there are 129.2 FTE in the construction, environment and workplace protection division; there are 105 FTE in the community, business and transport regulation division; there are 177.9 in customer coordination, which encapsulates our shopfronts, our contact centre and our digital services team; and there are 150.35 in licensing and registration.

THE CHAIR: How many WorkSafe inspectors do we have at the moment?

Mr Peffer: I might need to take that one on notice.

THE CHAIR: Do we have an official that can provide that advice?

Mr Jones: At the moment we have a total of 32 WorkSafe inspectors, which cover a range of proactive and reactive aspects, and the asbestos team as part of the Mr Fluffy program.

THE CHAIR: I recall when you appeared before—it might have been at an estimates or a previous annual reports hearing—there was evidence given about police incidents, instances where police were called because of threats made against WorkSafe officials by the CFMEU. Have we had any further incidents on worksites where there has been intimidation or threats made against your officials by the CFMEU or their officials?

Mr Jones: Certainly not that I am aware of. I would imagine that my inspectors would pass on any such threats or any sort of intimidating-type action. We have a fairly good working relationship with CFMEU officials as well as MBA and HIA officials on a whole range of issues. We think that our working relationship on site with the various stakeholders, including the builders and whatever, is quite productive in terms of maintaining construction and work safety on those sites.

THE CHAIR: Obviously, with regard to safety, you are getting compliance from the building sector as well, and when your staff conduct inspections, you are not getting any resistance?

Mr Jones: In terms of allowing access to our inspectors, yes, certainly. I am not aware of any incidents where builders have refused access to WorkSafe inspectors.

Most building and construction sites welcome us on board, because it is likely to improve their safety. Certainly, our engage and educate approach has been quite positive in terms of our interaction with the construction industry.

THE CHAIR: I think I remember that you said your WorkSafe inspectors were travelling in pairs now, following the incidents of intimidation and harassment, or alleged harassment. I am not sure whether it resulted in charges or prosecutions. Are they still travelling in pairs for their own safety?

Mr Jones: They travel in pairs partly because it is an efficient way of doing business and it is also a safety thing. It is not only about whether there is any sort of harassment from anyone; they also look after each other in terms of safety on a building site. As you know, most building sites are a high risk-type activity. While one inspector may be looking for some incident or making some measurements, the other one can either be assisting or making sure that they are safe to do so.

THE CHAIR: I recall that that decision to go in pairs followed those specific incidents relating to the CFMEU; is that correct?

Mr Jones: I think that would be right. It certainly highlighted that sending an individual inspector out to a building site, especially if there was likely to be any sort of confrontation or whatever, would not be a good work health and safety practice for our own inspectors. Going out in pairs, for a whole range of reasons, is what we do now as a matter of practice.

THE CHAIR: Mr Pettersson, have you got a substantive question?

MR PETTERSSON: Substantive; it is also quite supplementary, so it works out quite well. You mentioned that there are confrontations that your WorkSafe inspectors may be walking into. What are those confrontations normally about?

Mr Jones: If there are any, it is most likely about some sort of right of entry dispute between unions and a builder. WorkSafe has, in some ways, a mediating role in such a dispute, if there was one, where we provide advice under the legislation about what the rights of each party are, both from a builder's or construction contractor's point of view and from the union's point of view. We usually attend, if we are requested to, a potential situation if it does develop.

MR PETTERSSON: You mentioned something that I want to take up. You provide advice in terms of right of entry matters?

Mr Jones: We outline what the legislation says in terms of right of entry and what the rights of the different parties are. We do not tell people what they should be doing on their sites or gaining access to sites, but we outline what the legislation says. The legislation is reasonably prescriptive about what needs to be met in terms of a cardholder to gain access to a site.

MR PETTERSSON: WorkSafe inspectors are given training in that?

Mr Jones: Yes, we have done training courses and there are our own procedures and

guidelines on how that is done.

MR PETTERSSON: Is that a recent thing or has that been in place for a long time?

Mr Jones: It has certainly been in since I have been commissioner. There were some guidelines before that, but they have been reviewed since I have been commissioner. So it has certainly been there for the past year or so.

MR PETTERSSON: Going back to my original question, I am a little bit shocked to hear that WorkSafe is giving guidance on application to federal law.

Mr Jones: If I could clarify that, Mr Pettersson, we are not giving guidance, and it is not always on federal law, given that our own Work Health and Safety Act has significant right of entry requirements or rights. All we do is provide an indication or an outline of what the legislation says and then we leave it up to the parties to make their decision based on the advice that we give on what the legislation says.

MR PETTERSSON: That makes a lot of sense, and I understand in terms of ACT law. With federal right of entry, do you have to teach builders in Canberra what their obligations are?

Mr Jones: No, we do not teach them what their obligations are. Most of the interactions that we have seen are based on ACT law—work health and safety—rather than federal. There are, as you would be aware, Safe Work Australia and other national bodies in terms of federal law. We can point to those sections, but most of what we provide advice on is our own law, meaning the ACT law, under which we have a specific role.

MR PETTERSSON: Do WorkSafe inspectors ever get it wrong?

Mr Jones: Could you repeat that?

MR PETTERSSON: Do WorkSafe inspectors ever get it wrong, in giving this advice? Has there ever been any incidence of that?

Mr Jones: If we get it wrong? Not that I am specifically aware of. Typically, what they do and what they are instructed to do is to provide advice; sometimes that might just be reading out what the legislation says.

MS ORR: I have a supplementary on that. Obviously, the construction area is a big topic and there is quite a bit of a focus on it, and based on the fact that there are 172 complaints that you are looking into. Apart from what you have just told us about WorkSafe, what else are you doing within the construction industry to improve the regulation in that area?

Mr Jones: Do you mean in the safety or building quality area?

MS ORR: I am happy to go to both—talking about the industry in general.

Mr Jones: I will start with building quality. There is a significant amount of work that

we do, starting from a licensing point of view, which is a long-term investment in terms of the quality of our buildings. We have recently introduced written exams for class C builders on renewal to ensure that there is a certain application and quality. We also have an enforcement scheme, both proactive and reactive, in terms of building quality. We do a whole range of proactive inspections to establish the quality of building work. We have an investigations team which investigates complaints in terms of the quality of building or where building work is not appropriately undertaken in terms of the building code, the act or what have you—whatever is relevant at the time.

We are doing a lot of work in that space. We are also liaising extensively with industry, and particularly the MBA and HIA, in terms of getting messages out to their members in terms of improving quality and the inspection regimes that we conduct. We have also started, in the past six months, interacting with the independent certifiers to make sure that there is an appropriate inspection regime and an expectation under the legislation about what the certifiers should be looking at and clarifying those areas in the legislation which are not always black and white, where there is some interpretation.

Between our building inspectors and the certifiers there has been a lot of interaction in terms of clarifying what their role is and what they can do to improve areas. In particular, we have targeted some key areas, such as water ingress into units. We are in the process of developing some additional guidelines and potentially even an additional training course on how water ingress, as part of the design, the construction and ongoing maintenance, can be prevented. That is one of the significant issues which is a bit of a legacy for a number of buildings around town. It is not a unique situation to the ACT; it is certainly Australia wide.

MS ORR: Looking at water ingress—because, as you say, it is one of the more prevalent issues that is coming to the fore—with the certifiers who go in, what is the regime they currently use in assessing waterproofing and what are some of the reforms or changes that you are looking at doing?

Mr Jones: For a certifier, the legislation requires some minimum basic steps that they investigate. I think there are four particular key areas as part of construction that they look at. We are encouraging certifiers to have a closer involvement with looking at the plans to make sure that the actual design for that particular building is going to be appropriate in terms of preventing water ingress—making sure that there is appropriate sealing going on, both on the porches and on the verandahs, making sure that where it meets the entrance to the building, there are appropriate turn-ups of sealing compounds, making sure there is an appropriate gradient on patios and verandahs, and making sure that the drainage is sufficient for heavy downpours. There are things like that.

There is a whole range of partly design and partly actual construction methodology in terms of how that is used. We encourage the certifier to look at those and make sure that, before the building construction commences, those matters are resolved, rather than trying to resolve them after the event when the place is either finished or mostly finished.

MS ORR: Is there any oversight during construction? Plans are great; I am a planner by profession and I love plans. But they do not always get implemented in the way we draw them on paper. What oversight do we have?

Mr Jones: There are two. It is the responsibility of the certifier to make sure that a building is constructed or erected in terms of the DA and the BA approvals; that is, development application and building application approvals. It is largely done in accordance with the approved plans. We then have, as I mentioned earlier, both a proactive and a reactive team of inspectors who do both random checks and reactive ones. If there is a complaint, we investigate that as well.

MS ORR: Are the checks during construction random? There is not a regime, for lack of a better word, of going out and checking during construction that the plans for waterproofing are being adhered to?

Mr Jones: From a resource point of view, it is not possible to check implementation from every set of plans that are done. But, as each building has a certifier engaged, it is their responsibility largely to ensure and to certify at the end of that job that the building has been constructed or erected in accordance with the approved plans and the DA process.

MR PETTERSSON: How prevalent are these buildings that do not meet standards? Is that a common occurrence?

Mr Jones: In the total number of buildings put up, both residential and commercial, no, it is a relatively small percentage. But for those affected by it, it obviously has a significant impact on them. It can be quite distressing when people potentially put in life savings or have large mortgages and then are either dissatisfied with the quality of the building or, in some extreme cases, are unable to actually move in.

MR PETTERSSON: I hear your point that it is a somewhat rare occurrence. Are there certain builders that you are aware of that do not meet standards? Or is it a case of, generally speaking, good builders making a mistake?

Mr Jones: It is a bit of both. Some good, very high-reputation builders make mistakes, and the big advantage in dealing with them is that they tend to rectify them very, very quickly and usually at minimal or no cost to anyone else. There are other builders who are less enthusiastic about engaging and fixing up or rectifying issues. That would lead to some ongoing disputes involving a certifier and us in terms of rectification. We have a range of regulatory powers which we can use to encourage that.

MR PETTERSSON: You mentioned some of the training programs you run. Are these builders that are not meeting these standards attending these training sessions?

Mr Jones: For example, for renewal of class C building licenses, it is mandatory to participate in the written exam. That is a requirement to have the licence renewed, so there is not a choice there. In terms of actual voluntary training, if you like, that is an option. It is encouraged in terms of minimal cost, and when we interact with MBA and HIA, they can make it part of their membership requirements to assist their membership to keep up to date with current standards, which is really helpful.

MS ORR: With the class C licence, you have said they are doing a written exam now. What are the other changes in the outcomes you expect to see based on the reforms you have done?

Mr Jones: I guess overall an improvement in building quality as a long-term outcome. Most of these changes are going to be long term, but you need to have both short-term and long-term regulatory responses in these areas. We would expect to see a longer term improvement in building quality over time. I do not know what that period would be, but it is likely to be several years. We could potentially see some improvement in attitude from some people that may be better informed and more engaging in terms of what they do.

MS ORR: Is that the link the exam is getting to? That it is better informing the builders and making sure their knowledge is up to date for best standards? Is that where it is headed or?

Mr Jones: That is it mainly, making sure that they are applying modern standards. It is aimed at both older builders who have been around a while but particularly younger builders that perhaps are not quite as experienced, especially with new products coming on board. It is making sure that the overall skill level is sufficient to construct the sorts of buildings they are tackling.

MS ORR: Back to my original supplementary question, you said there were proactive inspections. When you say “proactive inspections”, what are you inspecting and when on the build cycle?

Mr Jones: We do the full range. We have separately plumbers and electrical inspectors. Obviously plumbers are looking particularly at the piping before concrete is poured on top. Clearly to have all your fittings and your slab down with all the stormwater and sewerage underneath is not helpful. Obviously pre-slab is a key inspection point. Then, depending on the type of building, there are both plumbing and electrical inspections during that as part of the fit-out. We also look at the quality of building work in terms of how the actual structure is being put together. We also check, especially when you are coming out of a basement, that it is actually on the footprint that is approved in the plans and make sure there are no encroachments, for example, on neighbouring properties and things like that. There is a whole range of inspections we look at.

MS ORR: Are they randomised?

Mr Jones: Yes, they are. They are largely randomised, but they are also targeted on a risk-harm basis. If we are aware a particular builder has a bit of a history of compliance that is not as good as what we would like, we may have more visits to them than what we would with someone who is a very reputable class A builder that does the right thing.

MS ORR: Is that a similar approach that you take to water ingress? If you have a builder who has quite a big history you would be targeting those ones as well?

Mr Jones: Yes. Our overall approach is a risk-harm basis. Certainly inspectors form a pretty good idea of where the risks are likely to be. But we also take into account significantly what the likely harm is, meaning the cost of rectification, as part of that. That is part of our program.

MS ORR: When you find issues or if issues arise afterwards when it rains and we realise the building is leaking, what is the system you go through to rectify the issue? I know you have said you can go down the litigation path, but what is the step before that? Having bought your first home or a home, litigation is not always the most available option to you based on your finances.

Mr Jones: If I answer the question in reverse order, any litigation is usually very long term. While you may be battling some sort of reparatory compliance action in court, which is usually subject to review or appeal which can take several years, the property is still noncompliant and/or leaking or uninhabitable.

The first thing we do is engage with the builder and usually the certifier and give them the opportunity to address the issue. Most builders will take that up. Usually an audit, sometimes a joint audit between our inspectors and the builder, will make an assessment of what work needs rectifying. Most of the time it tends to get done. If it is not or if there is not a lot of encouragement to engage with us, we have some measures we can use from a reparatory perspective to bring them on board, ultimately with rectification orders and potential litigation. That is usually the least effective, but we will do it if we have to.

MS ORR: The problems that we have to go out and rectify, how likely is it that we can actually rectify the issues that have been identified?

Mr Jones: Quite often you can. If there is a major structural issue with a building, clearly that has got the potential for major catastrophe. But if we are talking about just some minor works, superficial cracking or windows not fitting properly, they are fairly easy to rectify.

Water ingress sometimes can be reasonably simple, although some of the work can be fairly complex in terms of having to deconstruct a veranda or patio, replace or redo the sealer or whatever mechanism was used to seal that. There may be some jackhammering of tiles or some concrete. It might be enlarging stormwater drains, it might be removing a proportion of concrete on that patio or veranda and putting a greater slope to a drain and away from the doorway or whatever. Most of that is doable. It can be a little bit disruptive, obviously, but most of those sorts of things, especially water ingress, are fixable.

Sometimes it is around the roof area where it could be some sealing around tiles or joints. There is a whole range of issues that it could be, but most of them are rectifiable.

MS ORR: I could happily sit here and talk about water ingress all day, but I will just ask one more question and leave it at that. Obviously multi-unit developments have a lot of ingress issues—based on the calls I get to my office. When you get a number of reports from one building, do you then go to the whole building or are you only

looking at the ones you get the incident reports for?

Mr Jones: With a multi-unit development we usually work with the body corporate. The body corporate has got pretty good knowledge, I can assure you, in terms of if there are any issues. Through their meetings and their mechanisms they have a pretty good idea of what is there. We certainly engage with the body corporate and, if needs be, we would do our own inspection, assuming that the builder was not particularly engaging. If we are still in the engage and rectifying with the builder stage, we would get the builder to do a full audit of the building and come back. Normally the body corporate has got a pretty comprehensive list of any defects.

MR PARTON: Can I ask, on the water issues, is there a statute of limitations, as such, on this? If you receive complaints about a 100-year-old building, you are not going to go back to the builder and get them to fix it. At what point do we pass that threshold if the structure has been in place for such a long period of time that it is not reasonable to go back and get someone to address it?

Mr Jones: Typically there is a 10-year statute of limitations in terms of finalisation of the building to when a rectification order can be issued. There are building warranties and things like that which are for a shorter period, typically around your five or six-year period.

MR PARTON: Do you think 10 years is too long?

Mr Jones: If you look at the life of a building, which is anywhere between sort of 50 or 60 years typically and often a lot longer than that, it is a fair period. It does take a bit for some of these issues to be revealed, whether it is through settlement design or otherwise. From a consumer protection of view I think 10 years is probably reasonable.

MR COE: How is it impacted by scheduled maintenance or the lack thereof?

Mr Jones: That is a really good point. Obviously ongoing maintenance of buildings is really important, especially with keeping gutters and drains clear of leaves, debris or what have you. It is really important that bodies corporate or building owners maintain their buildings. One of the common discussion points between builders, especially with a building that is more than two, three, four years old, is that the building was not maintained properly and that that is the cause. You get into a negotiation point about what the relative contribution has been to building quality versus maintenance. That is a typical point of negotiation, if you like.

To assist with that, in combination with MBA and HIA, Access Canberra over the next few weeks will be releasing a guidance booklet for bodies corporate particularly in terms of how to maintain their buildings by making sure they put away funds for regular maintenance, whether it be painting, keeping drains cleared or whatever. We are assisting proactively with some guidance material on that very question.

MR PARTON: Is that indicative of a thought that maintenance issues have played a bigger role in some of these cases than might have been considered?

Mr Jones: Not necessarily a bigger role but, potentially, especially with water ingress, it certainly can play some sort of role. We have found on inspection where water has been getting in as a result of a tennis ball over a drain outlet hidden behind a pot plant on a veranda. There is a whole range of things you need to look at and be aware of. I would not say it is a bigger role, but it is certainly something that you need to consider.

MR PETTERSSON: Is the training program that you have been talking about going just to MBA members or is that going to all builders?

Mr Jones: No, that is open to everyone.

MR PETTERSSON: You mentioned before that the training program for building quality was being run through the MBA. Is that also available to everyone or just MBA members?

Mr Jones: I would need to check on that one. I am not exactly sure.

THE CHAIR: Mr Jones, I understand action was initiated in the Federal Court by the CFMEU against WorkSafe ACT last year. Is that matter still before the court?

Mr Jones: No, that has been resolved.

THE CHAIR: What was the outcome of that court case?

Mr Jones: We had a mediated solution and that matter is now completed and finished.

THE CHAIR: Is that mediation confidential? Were there any costs involved?

Mr Jones: There were some costs involved. I would need to check whether that was a confidential outcome, so I will need to let you know.

THE CHAIR: If you could find out what you can provide to the committee within certain court rulings and then provide that information to the committee that would be good.

Mr Jones: Yes.

MR PETTERSSON: Supplementary, question. Was that an admission of fault?

Mr Jones: No. I am happy to get back on that. I will certainly provide everything I can. I just cannot quite recall whether it was a confidential outcome.

THE CHAIR: You do not want to stumble, say the wrong thing and be in breach of a court order or something like that. I understand.

Mr Jones: That would not be nice.

THE CHAIR: Ms Orr to ask a substantive question.

MS ORR: I will not ask any more questions on water ingress, I promise, at least not

right now. Going back to the current Access Canberra being a relatively new organisation, what are some of the changes that you have been able to implement by bringing everything under one roof? What efficiencies are you seeing from a regulatory perspective?

Mr Peffer: I guess the thing to say, Ms Orr, is that this is a completely new business model. Across all jurisdictions within Australia this is something that has not been done before and it is being watched quite closely by a number of jurisdictions. In particular, New South Wales has recently taken steps to replicate in part what it is we are doing with their new commerce regulator model.

The essence of what we have been able to do in designing the organisation and how we actually function is to take a step back from the starting point, which previously was us as regulators, as bureaucrats, and start the regulatory journey more from our customers' and citizens' perspective.

In the past it may have been the case that our teams focused more on what they had to do, so their quite narrow roles of responsibility. An example of that might be our liquor licensing team issuing a liquor licence. Previously, the thought around issuing a liquor licence was the licence itself. But as an organisation we realised that the value in a liquor licence is not the sheet of paper that actually gets issued. It is in recognising that that particular proponent might wish to open a cafe, run an event or undertake some sort of activity that more likely than not is going to require a range of regulatory approvals.

Some of the more complex business models we see are events that can require up to 30 individual approvals. The particular business model that we have designed and been able to implement up to this point has meant that we are in a much better position to use our intelligence about what it is that our citizens or customers are looking to achieve and organise ourselves as the regulators around their objectives rather than the other way around—expecting that there will be this sort of maze navigated to secure a particular outcome.

MS ORR: I guess that there are two bits in that. Are you finding that people are responding well to it and are you finding that it is making it easier to do bigger events like the National Multicultural Festival. I give that as an example because it is so recent. But are you seeing dividends from your new approach on those sorts of things already?

Mr Peffer: Yes, certainly. I think that perhaps the two greatest changes that we have been able to observe over the past two years is the cultural change that has occurred within us as an organisation, as a regulator, and then the flow-on benefits in cultural change that we are actually observing in industry itself.

Can I talk about this just for a moment because this is an important one for us. During 2015-16 the government agreed to Access Canberra's accountability commitment. This is a statement about how we will operate as a regulator in terms of our escalation pathways. It is quite clear. It is based on a risk and harm approach.

At its essence it really makes a statement about how we will function as a helpful

organisation in terms of getting people, organisations or community groups to comply with regulations. Rather than taking enforcement as the first step, we have got an escalation pathway through engagement, which is the most effective and cheapest way for us to secure compliance and good outcome, education and then moving on to enforcement.

I will pick up on the discussion that has just taken place around WorkSafe, for example, because this is a really good insight into what this looks like in practice. Before the outset of Access Canberra we had a particular way of doing things that was quite paper heavy. There were certain processes that were followed. Over the past couple of years we have shifted the culture within the organisation and we have adopted a range of innovations which have really introduced a lot of digital working into how we conduct our inspections and compliance activities.

What that has meant in the WorkSafe space, for instance, is that we have moved from undertaking around 2,000 inspections per year to about 4,600 during the year in question. It is looking like, in this financial year, we will be up to around 6,000, which means that we are out in the community a lot more. Rather than our getting to a particular construction site once or not at all during the build, we are able to get there multiple times.

This means that we are beginning to build meaningful relationships with businesses. This is all part of the change in cultural approach. What we are finding now, whether it is construction, retail or any sort of industry—events in particular as well—is that there is a lot more proactive engagement from industry with us as the regulator. Rather than our having to go out and discover things, it is the other way around. There are proactive phone calls made to say, “Look we are not sure about this. We are not sure it is safe. Can you come and give us some advice?” which previously was not happening.

I presented recently at a Master Builders function. The feedback very clearly from the members who were there was that they are recognising the changes that are actually occurring on the ground in their particular industry. All of them indicated an increased willingness to actually engage with the regulator rather than waiting for something to go wrong and we have to come in and perform a certain type of role.

In terms of the model that we have been able to introduce and the change it has brought, I think it is probably safe to say that it is delivering improved outcomes right across the board for the community in terms of that customer experience but also in community outcomes.

MS ORR: Going back to the service delivery model that you were talking about, if I were to call Access Canberra, how long am I likely to be waiting?

Mr Peffer: It is a difficult question to answer, I suppose because the time will differ depending on the time of day that you call. It will also depend on the general environment that exists at that point in time. We will have quite high waiting times during emergencies. We take a lot of calls during a very short period of time but we do have measures in place to actually stand up significant capability to cope with that. I suspect the waiting time will be around five to six minutes plus.

MS ORR: The only reason I ask is because I have actually called Access Canberra in the past and they told me I was something like 13th or 15th in line. So I hung up and called back later and they said that I am 13th or 15th in line. It was less than five minutes; it was not a long wait time. So maybe being told you are 13th or 15th in line might be giving the wrong perception. Just take that as some feedback.

THE CHAIR: Do you have the statistics recorded in terms of the average call length, time waiting, outcome resolved satisfactorily, all that sort of data?

Mr Peffer: Yes. We do have some of that data. I invite Mr Rynehart to speak to it.

Mr Rynehart: The average wait time across our contact centre in February this year was 71 seconds and in January it was 129 seconds.

THE CHAIR: Do you record all the information about those calls: the duration of them, whether they are resolved satisfactorily and so on? Is that recorded somewhere?

Mr Rynehart: We certainly record the number of calls that are presented and the number of calls that we answer, how long we take to resolve those calls. We do capture as much information as we can within our system around the nature of the call when that comes in. Whether a call is resolved often depends on whether we need to refer it to another part of government for a resolution. Certainly we track how many calls we receive, how many we answer and how long it takes for us to deal with them.

MS ORR: How much of the information that you get calls for can actually be accessed online?

Mr Rynehart: The majority; so when a person contacts Access Canberra, certainly through 132281—our main contact line—there are hundreds of reasons that the person may contact us. That is the most common line that people access. We have on our website a range of information across all of our services. We also have a knowledge base which is for our own staff. There is information in there which is around some more detailed information which may or may not be available publicly, some escalation procedures, where to go to if we need to.

MS LE COUTEUR: You talked about complaints being resolved. Do you say they are resolved if you think they are resolved or if the complainant thinks they are resolved? How do you say something is resolved? I have had a number of instances of people coming to me saying that they have been to Access Canberra and it has not resolved anything.

Mr Rynehart: Sorry, just to clarify, I was not specifically talking about complaints; more about all calls coming in. Sometimes if it is a question, if somebody wants something done, we may need to refer it on to another part of government. From the perspective of whether a complaint is resolved, we are undertaking an activity at the moment where we are bringing all of our complaints areas together into a central team to look at how to deal with complaints across the organisation from an Access Canberra perspective.

MS LE COUTEUR: I have a picture here from a constituent. This wall is 4.3 metres high. They have complained about it. It clearly is not what was approved. They have complained to you guys about it. Have they got any chance of anything happening?

Mr Peffer: Ms Le Couteur, without talking about the particulars of someone's personal situation—

MS LE COUTEUR: I think they actually would be happy to talk about the particulars because they have a situation where they have lost their sun. They have complained and they do not know what to do.

Mr Peffer: I will ask Mr Jones to provide the details around this. My understanding is that following the receipt of that complaint—

MS LE COUTEUR: I am referring to “sun”.

THE CHAIR: Ms Le Couteur, are you after information about this specific case or are you after information more generally about—

MS LE COUTEUR: More generally. I have had a procession of people come to see me. I have some other pictures. They are saying, “We have got a building problem. Prima facie, it does not look like it complies. It is exempt development or it does not look like it complied with the plans; one or the other. We have complained to Access Canberra. Basically nothing happens.”

I have got another picture of a cellar which has been built. This was clearly built before, in fact, the consultation time for the DA even finished. Access Canberra have not, in fact, done anything. What do people do? They complain. Buildings are being put up next to them in respect of which certainly, prima facie, there is a problem. What happens? I am happy to send you the pictures, although I imagine that you are aware of them.

Mr Jones: In general terms, when a complaint comes in about a building issue our first point of contact is obviously to find out the facts about the complaint. But then we engage with the builder and, as appropriate, the certifier for that particular job to see what the issues are. Part of that investigation would be to see whether the work undertaken has a DA and/or a BA and, if it does, whether it is consistent with those approvals.

If it is not, then there is a methodology within planning in terms of either getting amended DAs, depending on what the circumstances are, to have that particular noncompliance rectified. Otherwise there is the potential for action to be taken against the builder and/or certifier in terms of noncompliance with either DAs or plans. Again, rather than going down a litigation process, engaging to get the particular job finished and sorted is usually the best outcome and the quickest.

MS LE COUTEUR: Absolutely; but, for example, this has been built on this person's boundary line. A hole was actively being dug. The response from Access Canberra was “We will get back to you in 30 days”. Thirty days is significantly too late. Yes, what do you do? Do you actually—

MR COE: Stop work notices?

MS LE COUTEUR: Are there stop work notices? I mean, yes, this is a fairly unsatisfactory response—

Mr Jones: I am not aware of that particular situation where the response was, “We will get back in 30 days.”

MS LE COUTEUR: Well, that is what the person told me. I have also got some other instances where certifiers simply did not pick up issues with a concrete slab. The poor owner came back six months later and has not been able to get any redress. What do people do? It does not seem to be—

Mr Jones: Yes. One of the key issues is to always get both sides of the story to make sure that the facts are correct. Once we establish that, if there is either a safety issue or an issue for a neighbour, for example, if there is an excavation close to a boundary line, then we can put in a stop work notice under building legislation and seek immediate rectification or securing that particular site to make it safe for the neighbours. Then we will go down a rectification path in terms of that process.

MS LE COUTEUR: How often do you do a stop work?

Mr Jones: I do not have numbers; sufficiently frequently if there is an issue which is causing either safety or damage to a neighbouring yard. We certainly do it. Yes, I mean, whenever it is necessary on a particular site we will do that.

MS LE COUTEUR: Could you take this on notice: in respect of the number of people who requested an immediate stop work on an adjoining site, for how many of those requests did you actually take that action?

Mr Jones: If I could perhaps get you to narrow your question a little; I am not sure that we can answer that question in terms of what people actually ask for. If that is asked sort of from a verbal point of view and what action is taken, I am not sure how easily we are going to be able to answer that. We could find out how many stop work notices have been issued.

MR COE: Perhaps it could be narrowed: how many stop work notices are issued due to an onsite safety concern affecting workers, which I imagine is the lion’s share of them, as opposed to a noncompliance with planning?

Mr Jones: Yes. We can certainly provide how many stop work notices were issued and we can broadly categorise them into what that was. Yes, we can do that.

THE CHAIR: Just on that, if you can provide that information to the committee, I suggest that you refer them directly to the minister, if you are happy to—

Mr Barr: Ramsay.

THE CHAIR: rather than through the committee so that they can be sort of looked at

individually. But the more systemic issue and the collection of data could be provided to the committee. Are we happy with that?

Mr Peffer: Absolutely.

MR COE: I wish to ask a follow up question. Ms Le Couteur has brought forward this example of the high wall that may be in breach. In the event that something like that is in breach, how frequently would the territory actually require that the wall comes down or at least be shaved at the top?

MS LE COUTEUR: Taken down to its approved height. It was approved at 3.4; it has been built at 4.3.

Mr Jones: Look, I mean, we are talking sort of theoretical here—

MR COE: But how often are building modifications actually demanded by the government when they do not comply with planning?

MS LE COUTEUR: And how often do people just say, “Yes, it has been built”?

Mr Jones: How often, I do not have a number, but it would happen.

Mr Peffer: Yes, Mr Coe, I would say it is relatively infrequently. I think for some of the complaints that we receive, the best outcome that we always aim for is a mediated outcome where the two neighbours can resolve the particular conflict. In some cases, there may be a controlled activity order or an instruction given to build or deconstruct something, but that is reasonably rare.

THE CHAIR: Could you provide on notice where there has been a breach of a DA or a regulation that there then has been a follow-on order to rectify, to physically rectify, rather than just some sort of fine or so on? I suppose the point is that if people are simply ignoring the regulations and rules and just paying a premium as part of the cost of doing business, if the government is not actually enforcing rectification works, how do people then make a decision? Maybe people just ignore the rules.

Mr Jones: Sure, yes.

THE CHAIR: So if you could add that to your list?

Mr Jones: Yes.

THE CHAIR: Have we finished with that line of questioning? We will go to the next substantive from Mr Parton.

MR PARTON: The recent Auditor-General’s report, No 1 of 2017, reports that no air quality monitoring results were received by WorkSafe ACT’s asbestos team for any of the 18 sites that were examined by the Auditor-General from February to July of 2016. Were all of the sites demolished during this period? Were they monitored for air quality?

Mr Peffer: Yes. The regulations require that there is air quality monitoring on every demolition site for the Mr Fluffy program. I believe the regulations require that that monitoring occurs on every property boundary for every day that there is activity on each of those sites. The reports from that monitoring are sent away and checked by the independent licensed asbestos assessors daily. In the event that any fibres were to be detected in any of those monitoring devices, work would immediately cease. On one occasion, that did occur. There were fibres identified. Work immediately ceased. The sample was sent away and it was discovered that it was just chipboard, not asbestos.

MR PARTON: Why were the reports not on file with the asbestos team and available to the Auditor-General for those 18 sites from February to July of last year?

Mr Peffer: A decision was taken throughout the program about where those reports should go. All of those reports, right from the beginning through to today, are provided to the independent asbestos assessors. My understanding is that the number of reports to date is in the region of 175,000, possibly more. The volume of reports coming in every single day from every single site was enormous. Recognising that there were these independent parties independently reviewing every quality report every day, we took a decision that that was a sufficient safeguard to ensure that, if fibres were detected, it would be immediately picked up and work stopped.

MR COE: If I could just follow up, who did you say is actually reviewing these air quality tests?

Mr Peffer: The asbestos assessors.

MR COE: Who are they? Are they contractors? Are they in house? Who are the asbestos assessors?

Mr Peffer: They are specially licensed contractors. There are a number around in the community that do it. They are specially trained with particular skills in that area. They conduct all of that air monitoring; they interpret the results against the various standards that come in; and they report to the task force, PCW and WorkSafe anything that is outside the accepted and acknowledged standards on an exception basis.

MR COE: The Auditor-General went through a sample of these sites. As you know, of the 18 sites she looked at, not a single one had the documentation. At what point did you make the call that you did not need to attach the air testing results to the files for each demolition site?

Mr Peffer: That was a decision taken part way through the demolition program, Mr Coe. It is safe to say that, although we do not have those records, they are held by these independent assessors. By law, these assessors cannot have any relationship with the demolition companies that are actually undertaking the work, so it is all at arm's length. And in relation to these assessors, my understanding is they are employed by the government as part of the demolition program to do that work.

MR COE: Yes, but there is a reason why we are keeping a file on each site. If you go to any given file for any demolition site, wouldn't you want to be able to pull out that

file and see what the air monitoring results showed? If you wanted to get the air monitoring tests for a particular site, what would you do?

Mr Peffer: We would pick up the phone and call the asbestos assessor, which we did earlier this year, to check those records. We are able to do that for any site; those records are there.

MR COE: How quickly were they able to provide them to you?

Mr Peffer: On the particular occasion that we called them, I think it was the day after New Year's Day. They were not able to provide them, I think, on that day, but within a week or so we could obtain those records.

MR COE: A week or so is a reasonable amount of time, especially when you have activity potentially occurring on the site at that time. Were the asbestos assessors engaged on the condition that they would be providing the air quality monitoring results to the government on a block-by-block basis?

Mr Peffer: I would have to check the particulars of the contracting arrangements, but just to be clear on my statement, Mr Coe, we could not obtain the results because people were on holidays. If we were to call today about a particular block and say we would like to see the air quality monitoring results, I have every confidence we would be able to have those within 24 hours.

MR COE: In which case, if they are so easy to obtain, why don't you get them for every site and put them in the file?

Mr Peffer: With the volume that is coming through on a daily basis, already independently assured, we took a decision that the asbestos assessors were employed to undertake that role and it was not a role that our inspectors needed to duplicate throughout the demolition program.

MR COE: At some point are you going to compile all the evidence and put it in a file, so that in 10, 20 or 30 years time, if there is ever an issue—let us be honest: there is a fair chance that there will be an issue at some point related to one of these sites—they actually can be called upon?

Mr Peffer: My understanding—and if we need to clarify, we can—is that each of these reports might possibly be held by procurement and capital works at a point in time as they are finalising the files. Whether WorkSafe or another agency within government has those reports, I think that will occur.

MR COE: Finally on this issue of asbestos, I have a question with regard to the Ainslie site, the Ainslie shops site, which was in the paper. The minister, Mr Gentleman, I think, clarified that there would be no exemption for that property and that that property would be treated just like every other Mr Fluffy site. Firstly, if you have any additional information, please could you let the committee know. Secondly, how confident is WorkSafe that the Mr Fluffy fibres are confined to the particular roof space of that particular property or unit, as opposed to moving into neighbouring cavities as well?

Mr Jones: We are very confident that the licensed asbestos assessor that has been undertaking extensive testing over the past several weeks is doing a very thorough and very professional job. It is certainly a very comprehensive assessment of not only that whole block, which has four units in it—

MR COE: Are they actually units? I do not think they are, are they? They are stand-alone blocks, aren't they?

Mr Jones: They are separate shops.

MR COE: But they are blocks on a section as opposed to unit title, aren't they? Is that correct?

Mr Jones: I do not know whether they are unit titled or not. I am talking physically now in terms of the actual structure. While there is some structural separation from unit 1, which is the one which is known to have loose-fill asbestos in the ceiling, even though it is joined through the roof cavity or the roof area, it has separate walls between 1 and its neighbouring—I will call it a unit—shop. There has been extensive testing in all the roof spaces. They are two-storey: a ground floor and a first floor unit. There has been testing along all of those units. We are very confident that the testing will completely reveal where the asbestos has found its way. While we are still waiting on the final report, our understanding at this stage is that it is largely confined to roof spaces of a number of the units. But we are still waiting on the final report for confirmation of that.

MR COE: In other unit title properties or duplexes where one unit has had Mr Fluffy, have the adjoining properties also had to come down?

Mr Jones: I cannot comment on that; that is a matter for the task force. Once we get the asbestos assessor's final report and we see the extent, if any, of where the loose fill has moved to, if it has moved out of unit 1, I guess decisions on short-term and long-term remediation or demolition will be made based on that report.

MR COE: Is WorkSafe of the view that if there is very marginal contamination in an adjoining roof space, there would be some effective forms of remediation or there are potentially effective forms of remediation?

Mr Jones: There is certainly potential short-term to medium-term remediation possible, with appropriate cleaning by qualified hygienists and asbestos management plans. But as a long-term situation, if there is loose-fill asbestos in a building, demolition is the only long-term solution.

MS LE COUTEUR: My next question is around enforcement of parking on nature strips in residential areas, which I could not actually find a reference to. My understanding is that Access Canberra is the lucky organisation—and Mr Simmons may be the lucky man—that has responsibility for this. I have had quite a few complaints about this. How many complaints has Access Canberra had about this? I am happy if you want to take that on notice because it is not in the annual report.

Mr Simmons: In terms of specific numbers around parking complaints that relate directly to verges, it would be quite a difficult task to extract that information because of the way the infringements are issued. The issue for the city and the way parking takes place is rather complex and varies significantly depending on where you are in the city. Some of the older areas have verges that are quite large. In some of the newer areas block sizes are much smaller and parking is a more pressing issue. As you move through the city, people's tolerance for the particular width of roads has a whole range of impacts on what is viable.

Access Canberra operates across all its operational areas on a base of risk and harm. When it comes to parking operations, what we look at is: what is the risk and what is the harm where people are parking on verges? In some streets, if we were to remove people from verges, then we would put them in a situation where the parking on the street would make it impossible for service vehicles and emergency service vehicles to actually make their way up the street. That would, in fact, increase the potential level of harm rather than decrease it.

We obviously always look to unsafe parking where people park vehicles in a way that obstructs line of sight or would in some other way mean that pedestrians are forced to walk on the street, for example, because of the parking. They are the matters where we intervene. We do not necessarily intervene all the time around where there are simply vehicles parked on the verge because people do not like that. In some of the older areas there is a very low level of tolerance for parking on verges even though the parking on verges presents no danger with respect to line of sight or pedestrians and, after consultations with our colleagues in TCCS, no danger to the street trees either. In those circumstances we would potentially choose not to exercise infringement notices because the risk and harm are considered to be mitigated by the space and activity we have.

It really depends on where you are and where you go to determine how parking operations will make those decisions. But we patrol regularly. We answer, certainly on a daily basis, issues and concerns people have around parking in residential areas. We have fixed patrols that move through the city. Then we have officers who are capable of responding on a daily basis to concerns. Sometimes the concerns of the community are that some of our parking officers might be too vigorous in their enthusiasm, and in those cases we work so we try to avoid booking people for parking in their own driveways; it has been known to happen. We have been working hard not to do that too much.

But in terms of how an officer is instructed these days to look at those things, it is to assess what is the risk, what is the harm and what are the potential consequences of that relative to what else we would do? Sometimes moving a vehicle is very challenging. There are a whole range of reasons why the suburban form is changing, but they have consequences. Some of those consequences would be that to move a vehicle off a verge would put it into a situation where it would make it more difficult in the case of emergency service. So we would allow the vehicle to stay where it is.

We often do presentations to communities. Where streets and communities have concerns around that we will letterbox the streets and talk to people about the importance of behaving well with neighbours and trying to engage in a dialogue with

neighbours rather than turning to the state as the first line of resolution of these matters. Sometimes disputes around parking can escalate quite quickly and we find ourselves in a situation where there is no easy solution for the community other than for the community to discuss with itself how these matters can be managed.

MR PARTON: Does people just talking about it often lead to a successful outcome?

Mr Simmons: Yes. Once we explain why we do what we do and the way we do it, that tends to mitigate. It does not work all the time. From previous roles I have had in Access Canberra and prior to Access Canberra I know mediation and talking to the community do not always work, but it is always the best place to start if you want to get down that pathway.

MR PARTON: The reason I ask is, I have just started dealing with a parking issue, in what we might call new Bonython, involving parking on Burgoyne and surrounding streets which we gather are workers from Department of Human Services. I understand some two-hour restriction signs are going in at the top part of Burgoyne Street but, from discussions that I had with residents on Friday, I know their belief is that it will just push the problem further down to Burgoyne Street. I just wondered whether anyone had thought to communicate with the Department of Human Services staff and just ask them politely not to park there?

Mr Simmons: Mr Parton, you raise one of the interesting issues of what we refer to in the world of parking as encroachment parking. There is a whole language in parking I was previously unaware of, but any time anybody wants a special session on parking, I am happy to do that. What happens is that the commuter choice is to avoid paying for parking in other areas, and there is a tolerance. This is not an ACT-specific issue; this is very much a national and international issue, as I found out when I went to my first ever parking conference. That is not something I ever thought I would do in my life, but there you go.

THE CHAIR: Where was that?

Mr Simmons: It was in Sydney; a deeply fascinating city. I could not get a park anywhere near the facility. It cost a fortune in the end, but, moving right along. There is an issue of what is the pull factor and what is the push factor of parking, how you get people to park where you want them to. There is a tolerance. How far will they go? As far as they are prepared to walk. On a rainy day that tolerance will be less than on a sunny day. So how far away can you go with the traffic control devices you use, the parking signs you put up.

We have about 3,000 linear kilometres of roads and about 50,000 car parks. We do not have that many parking inspectors, so how do we make the choice and what is our availability? The issue you raise is not just in Bonython but around the city. It is around all the town centres and all the group centres. If you live in Lyons, people park in Lyons and then walk down to their office blocks. This is all about avoiding parking fees, which also means it is a misallocation of the economic resources of the territory.

We are engaged at the moment in testing. We have started testing this week a new, more efficient method of enforcement, which is licence plate recognition cameras.

Rather than walking the streets and marking tyres, we will be able to drive past the cars, pick them up and then go back two hours later and find the same cars in the same place. We will have a much greater range of coverage.

This is not so much about fining people but sending a message that the frequency with which we could infringe you is sufficient to make it cheaper to pay for parking or to find an alternative form of transport. As you would appreciate, a parking fine is \$108 at the moment. If I can park on Donaldson Street in Braddon and not pay \$14.50 per day, how many times a fortnight do I have to get booked to make it worth my while?

MR PARTON: And that is the mass of it. The fee at Human Services, though, I gather is \$3 a day.

Mr Simmons: Yes, in which case we would only have to fine them once a week and we would be in front. But it is not in our ability at the moment to fine that. Thanks for that information; I will get a parking team to go down there next week.

MR PARTON: I do not think there are any restrictions on Burgoyne Street now, so these people who are parking there are complying with regulations. They are just stopping garbage trucks and they are just creating this hazard.

Mr Simmons: That is why we talk to our colleagues in TCCS about putting those controls in. In a number of areas around the city they will communicate with our colleagues in the planning areas who are responsible for parking policy. They will say, “We’ve seen this encroachment parking. We respond with traffic control device signs and that then gives us an enforcement pathway.” The expectation of being able to be infringed is what drives the behaviour. At the moment the rational economic choice you make is pretty much, “Yeah, I’m not going to get infringed fast enough,” because we seriously do not have the frequency of operation to be able to do that once we pick that frequency up.

That then gives the proper price signal about the true cost of parking, and people either use the structured car parks or they find the alternative choice. They decide to ride a bike, get on a skateboard—I know that is a popular way of transport for some people, but I think you have to be a bit younger and a bit more balanced than I am—walk and find alternative forms of public transport. At the moment, because we cannot get that level of frequency, we cannot send the right economic message. So people park in those areas because they know that even if they get booked, they will not get booked frequently enough to make it worth their while to actually pay for parking.

There are some people whose tolerance for distance travel is such that they will always pay for parking because that is the convenience. But if you are in Braddon where there are lots of people, there is no parking in Braddon. Braddon is a very hip place to hang out and does not have a lot of parking. There is a lot of parking in the Canberra Centre, but it turns out that the Canberra Centre is too far away to walk for most people if you are going to Braddon. Given that walk is less than five minutes, it may tell you something about the difficulties we have about activating different forms of travel, but the price signal in this area, like most others, will work quite well.

Sending the correct price signal has proven itself to work in other cities that have this technology. That gives us the ability, as that kind of parking encroachment happens, to respond to it more effectively. It is obviously commonwealth public servants; the ACT public servants would not do that. But where the commonwealth is, they tend to have this form of encroachment parking. It has been a problem for us for a while and we are looking forward to seeing how we can deal with that. We start testing, hopefully, this week; if not, definitely next week.

MR PARTON: Excellent. Thank you for that response. That is wonderful.

THE CHAIR: Thanks. Mr Wall, a substantive question.

MR WALL: Minister, could I get a bit of an update on what is colloquially known as the Hume tip. It is the stockpile of rubbish coming from predominantly skip bins in the new southern section of Hume, which has been a going issue for a number of the surrounding businesses for in excess of 12 months. I understand that that falls within Access Canberra. An update there would be appreciated as a start.

Mr Jones: Thank you, Mr Wall. The recycling centre in Hume has been operating for a while. While its motives in terms of reducing waste that goes to landfill are to be commended, it still needs to operate in accordance with all regulatory requirements. Of recent times, that is not necessarily the case, given, as we are aware, that the stockpile has grown significantly compared to what it was, and it now requires an environmental authorisation issued through the environmental protection authority to conduct its operations.

The slightly complicating factor is that for those operations to be conducted, it needs a development application to be approved. It applied for a development application during last year for certain site infrastructure, including recycling equipment so that it can undertake its business model. Unfortunately, its submission was not of sufficient quality to get that DA over the line and, just before Christmas, that application was refused by the planning authority. We understand that the proponent of the recycling centre has sought a review of that decision and has also sought an extension of time to apply for that review. I understand that it is still something like mid-April, so some time in April, for it to resubmit its DA application for the infrastructure required on site.

In the meantime, the environmental protection authority has been negotiating with the proponent on the terms of its environmental authorisation to allow it to continue to conduct its recycling activities, but in a much more controlled manner than is currently occurring.

There are two key components which we will be putting into that environmental authorisation, assuming it gets approved at some stage. The first is that stockpile limits will be substantially less than what is there now. Secondly, we will be requiring some sort of financial bond or surety in terms of the operations; if there is any requirement to have a clean-up of that site, that bond would substantially cover that. The arrangements for the final terms and conditions of that environmental authorisation are still underway and, for practical purposes, require the DA to be

approved. That is still ongoing. As I said, roughly mid-April is when the review of that DA is required.

In the meantime, the operator still needs to meet its environmental responsibilities under the Environment Protection Act. We have been working extensively with the operator to try to get them to manage their operations in a more efficient manner, in terms of stockpiling and ensuring that material does not inadvertently leave the site, either through wind, with dust or other material being blown off site, or, if there is heavy rain activity, if it does rain again, any wash-out coming off the site. We are constantly working with the operator to have those protections in place, and we are working very hard with them to get that stockpile reduced.

There are a lot of complications in terms of the operator's business model, given that it has several operations in New South Wales. He tends to move material across the border and into New South Wales and then back into the ACT. We have been working with our New South Wales EPA colleagues on making sure we manage that transportation and storage across the border and in New South Wales as well.

One thing which is being considered, separate from the EA negotiations, is whether additional enforcement action needs to be taken to encourage the reduction in that stockpile. That is a matter that we are considering at the moment, but our primary purpose at this stage is to make sure that we continue to engage with the operator, to make sure that his operations are conducted lawfully and appropriately for that site.

MR WALL: Mr Jones, what is the estimated size of the stockpile currently at the site?

Mr Jones: We do not have a strong estimate at the moment; it does literally vary day to day. We were attending the site, I think, last week. The ballpark figure from the estimates we have made—again, with a stockpile of that shape, that size and that content—is very difficult to estimate, but it could be in the order of 30,000 cubic metres. That is just a very rough guess.

MR WALL: My understanding, from a question I asked in other previous annual report or estimates hearings, is that there was previously a 10,000 tonne limit on the site.

Mr Jones: Yes.

MR WALL: I was never able to receive clarification as to whether that was a stockpile limit or a processing limit. Are you able to clarify whether it is a stockpile or a processing limit?

Mr Jones: My understanding is that it is a processing limit; it is a turnover-type limit. On that basis, they would be over that limit with the—

MR WALL: So on your estimate, if there is a 10,000-tonne processing limit, and there is in excess of 30,000 cubic metres, depending on what the material is—brick is going to be considerably more than a tonne per cubic metre; general waste is going to be around that tonne per cubic metre—there is three times more waste on that site

than they could process in a year within their permit limits. Why is it that the issue has been able to be drawn out for so long without any enforcement or intervention by Access Canberra to bring this to order while the businesses around this operator are in large part having to suffer the consequences of what seems to be a rogue operator?

Mr Jones: There has been significant intervention in terms of ongoing discussions and liaising with the operator. That is in terms of working towards that environmental authorisation, which, given they are over the 10,000 tonne threshold or limit—

MR WALL: That is all well and good. They pay their bond; the EA gets issued. Assuming that they do not accept a single piece of product on that site, we are still looking at three years for them to clear it within the current permit.

Mr Jones: As to the current permit itself, in my understanding, it is not actually a permit; it is a threshold over which you would require an environmental authorisation due to the size of the activity. Given that his business appears to be reasonably well established and, in discussions with the operator, an environmental authorisation will be required for him to continue, certainly on the scale or with the scope of what he is doing, our regulatory response was to require him to enter into an environmental authorisation. We have been working for some time on getting that environmental authorisation negotiated. Unfortunately, the DA was not approved. That is outside our control, but the two go hand in hand. We had every intention of last year having a fairly strongly conditioned environmental authorisation which would give us regulatory control over that site.

MR WALL: What kinds of checks has the department done into this operator's business across the border in New South Wales, as to whether or not he has complied with environmental and planning restrictions and whether there have been any breaches or issues identified with other sites?

Mr Jones: We talk with our New South Wales colleagues extensively. In fact, we had a meeting with them yesterday, where we covered a range of issues, including this one.

One of the ongoing issues common to both jurisdictions is what you do with recycling timber. There is a lot of timber on this site, which has a number of implications from a safety perspective and even more so from a recycling perspective and what you can actually do with that timber. Due to potential contaminants—whether it is treatment paints or things like nails, metal strapping and things—shredding and recycling timber are commercially difficult to do. One of the only alternatives is to put it through high temperature burners and use that energy for other activities. One of the discussions that we are having cross border is how we deal with effectively scrap timber, and part of those discussions is about what New South Wales is doing interstate.

In terms of this operator's sites interstate, which are in Goulburn and near Collector, because of limitations to the approvals that New South Wales have put on those operations—and this is over quite a number of years, especially in relation to the Goulburn site—those operations are, I think, largely inactive. Certainly the Goulburn one is; and I think it is less active around the Collector region. My understanding is that they are largely compliant currently in New South Wales and that part of the recent growth in the stockpile in the ACT is because he has been unable, due to those

compliance issues in New South Wales, to move some of his material interstate, and thus the stockpile is growing.

MR WALL: Finally, on the bond, my understanding is that the amount is around the quarter of a million dollar mark that had originally been requested by the EPA. Is that correct?

Mr Jones: That is certainly the area that we are looking at. Again, that negotiation has not been finalised yet, so the final amount may be different from that, but at the moment we are using that, which is consistent with the New South Wales approach to these matters.

MR WALL: Has any money been paid to date?

Mr Jones: No, because there is no EA in place. There is no bond in place either.

MR WALL: Would a different amount being paid as a bond alter the scope or the capacity that the operator might have to process or conduct work?

Mr Jones: Yes. The bond would be a reflection on remediation costs of the site. If it was deemed appropriate or part of the negotiations was that a lesser bond was consistent with our business model, that would reduce the stockpile accordingly.

MR WALL: And likewise the inverse. Is the amount there based on a remediation estimate of the site as it currently stands?

Mr Jones: No, it would be on an estimate of what would be a reasonable stockpile for that operation, given that site.

MR WALL: The inverse, then, would also be true, that a higher bond amount would allow for an increased capacity in operation?

Mr Jones: It potentially could, but there are other significant constraints on that site which may reduce the stockpile. I would not have thought that a stockpile any larger than what is there now would be appropriate, but I guess a bigger stockpile than we originally had in mind may be possible, depending on how they treated it. That could involve a substantially higher protective fence around the property or it could be actually covering, through some large shed or other protective mechanism, to contain that stockpile. There is a whole range of options, and clearly some of those have costings for the operator.

MR WALL: Thank you.

MS LAWDER: Some years ago there was an instance, I think in west Belconnen, where the government had to clean up. You mentioned a quarter of a million as a ballpark figure for this one. What was the cost to the government of the clean-up on that west Belconnen site?

Mr Jones: I understand it was fairly substantial, in millions. It was certainly larger than the current \$250,000 being proposed, but my understanding is that that stockpile

was significantly larger than the one that we are talking about in Hume.

MS LAWDER: I think my question may have some similarities to Ms Le Couteur's, but I missed it while I was walking down here. I would like to use parts of a real example to illustrate perhaps a systemic issue. A constituent of mine in Gordon wrote to me. She lives on the high side of a hill and the block next to her was sold and a builder was building. They cut away at the wall at the boundary fence, excavated, and built the home quite close. It has had, apparently, numerous stop-work notices on the building, on the lower side. My constituent has lost quite a significant part of her yard and is unable to use her backyard, including her pool, which is now unsafe. How is it that this house could be finished when there have been numerous stop-work notices? Is the agency a bit of a toothless tiger?

Mr Jones: Not at all. I am aware of the situation you are referring to and I need to correct a few of your statements on the facts of the case. The excavation was not in accordance with the original DA. That was a breach of the original DA.

MS LAWDER: My question remains: how was it able to—

Mr Jones: An amendment to the DA was requested to cover the size of the excavation, which has now been issued, and part of the stop-work notice which was issued was to make safe that embankment between the excavation and the property next door, which has been done. Her property is secure and none of her property has been either lost into that excavation—

MS LAWDER: After it was made safe?

Mr Jones: After it was made secure.

MS LAWDER: But what about the loss before then? She has lost part of her property.

MS LE COUTEUR: Yes and why were you seeking to amend the DA rather than saying, "You have a DA; do what you have approval for"?

Mr Jones: The planning approvals allow for an amendment to a DA where there is a difficulty in meeting those development application requirements. That is a matter for planning. But in terms of making that safe, Access Canberra did issue a stop-work notice on all activity on the house being built, other than some minor securing of the place, like just finishing a small proportion of the roof and allowing some of the windows, which were framed but not glassed, to be boarded up to protect them from the weather and vandalism. The building is not finished. It is still ongoing and that stop-work notice is still subject to a final permanent solution to securing that embankment.

The complicating issue is that the builder engaged an engineer to come up with a particular solution. The next-door neighbour engaged her own engineer, who came up with a different solution, and negotiations between the two engineers were unsuccessful in resolving those engineering differences. The builder has now engaged a separate, independent engineer of very good standing who will come up with a compromise or an agreed engineering solution to that, which we are hoping will be

within the next fortnight, and then we are hoping that that will be a way forward to finalise that embankment and then the house can go to completion.

MS LAWDER: Do you have any suggestions for my constituent and for other people as to how this can happen, where a builder has clearly done the wrong thing and excavated and then built very close to that excavation, which will make remediation extremely difficult and expensive? How can she recoup the costs she has spent on solicitors, engineering fees et cetera without going through a civil court process herself, for something where she has done nothing wrong and the department, the government, should have stepped in right at the very beginning to stop this from getting worse and worse?

Mr Jones: As soon as we were aware of the issues with the excavation, we did go out there, have a stop-work put on it and make sure that it was secure.

MS LAWDER: How many stop-works have been put on it, do you know?

Mr Jones: No. I would need to look. At least one. I guess in terms of—

MS LAWDER: Could you perhaps take that on notice?

Mr Jones: Yes I certainly can. I can certainly confirm how many there were. In the longer term, the difficulty in terms of regulating these issues is making sure that whatever method you use does not create a litigation sequence of events which will take years and years to resolve in court, and typically review or appeal mechanisms are used to potentially delay these solutions further and further. The difficulty with those is that you do not get a solution any time soon and, secondly, it will still cost a hell of an amount of money with legal fees. It is a difficulty and it is something that fortunately does not happen very often, but when it does we certainly appreciate the impact on the community.

Our approach to this is to continue engaging with the builder with a view to getting a solution and getting the problem fixed, rather than going down a penalty or a litigation course where the shutters go up, they stop engaging and, given these circumstances, this builder could have quite easily walked away from this, just left it as is and got on with the rest of his business and the problem would not be resolved and there would be years in court through reviews.

Our view is that, while that might be an ultimate sanction that we may need to go to, to continue to engage with the builder to actually get the solution and get the problem fixed, we consider in the vast majority of cases, is the best solution. However, there are some builders or engineers or whatever where that is not always going to work, but our experience over a long period of time is that is the best solution generally and the most efficient.

Yes, we do appreciate that it is frustrating and expensive for neighbours and we are certainly completely sympathetic to that, but in the whole scheme of things it is the best way forward in terms of getting an actual solution and getting the problem fixed, rather than going down a penalty/litigation pathway.

THE CHAIR: My question is about the Woden shopfront that has recently moved. My understanding is that the new site is now open. Can you confirm that? Can you give me an update on whether there is any change in services as a result of that move? Are you doing more there or less there? And can you give me an update on whether you are seeing increased traffic of people coming in and what was the purpose of the move?

Mr Peffer: Certainly. The government took a decision to revitalise the Woden town centre and, as part of that, a decision was taken to move about a thousand ACT public servants to the town centre. Access Canberra constitutes around 350 of the public servants that were moved, which sees some of our teams coming together in the Cosmopolitan Building, which has recently been refurbished. As part of that decision, we moved the Woden shopfront to that building. It provides us some efficiencies in terms of the interactions between the shopfront and sort of customer-facing service officers as well as those who ultimately take the decisions around licensing and other things.

As part of that move, the Woden shopfront has become one of our full-line service centres, replicating the model that was initially piloted in Gungahlin but now also operates in Belconnen, Woden of course and Tuggeranong. This means that it moved from having around 130 of the previous Canberra Connect services to offering over 200, which includes a range of business licensing, births, deaths, marriages and other services as well. As part of the move, we introduced touch screens, which is what we have in our other service centres, in an effort to encourage our customers to transact their business with government digitally without having to wait in line and be back on their way as soon as possible.

In terms of the decision that we took around that service centre and, I guess, building a new service delivery model, we have had significant feedback since the introduction of the full service centres which commenced out in Gungahlin. Around 49,000 Canberrans to date have provided their feedback. The first question that we ask of our customers is: “How did we do?” And 96.6 per cent of the people coming through our doors are telling us that we are doing great. We ask, “Was it simple”—

THE CHAIR: That is good information, but given the time I am just focusing here on Woden, rather than more broadly on the results.

Mr Peffer: Yes.

THE CHAIR: What was the cost of that move? If you do not have that available, I am happy that that be taken on notice.

Mr Peffer: Sorry, are you just—

THE CHAIR: The cost of relocating from, essentially, one side of the Woden Square to the other?

Mr Peffer: Just for the shopfront?

THE CHAIR: Just for the shopfront.

Mr Peffer: We might have to take that one on notice.

THE CHAIR: Can you take that on notice?

Mr Peffer: Sure.

THE CHAIR: I think that gives me the information I was after. I appreciate that you were going further, which would have been interesting, but noting the time I am afraid we will have to adjourn, given it is 1.30. I just clarify the time line for questions: any questions that officials and the minister have taken on notice today—yes?

Mr Peffer: Sorry, if I might correct the record on two things that have been said in this morning's hearings.

THE CHAIR: Yes.

Mr Peffer: The first is just clarifying around class C licence examinations. I believe we made a statement that to renew your class C licence you need to sit this exam. It is in fact to obtain a class C licence in the first instance. I am just clarifying that. The second is just to confirm that the contractual arrangement is between asbestos assessors and Procurement and Capital Works and the task force, not WorkSafe.

THE CHAIR: Thank you very much. Once you get the draft *Hansard*, if you could make sure that replies to any questions taken on notice are provided to the committee within three days; and for members, any questions that you have that you want to put on notice, it is five days to provide those.

MS LE COUTEUR: Five days after the *Hansard* or five days—

THE CHAIR: It is five days after the *Hansard* is provided. It is changing on a daily basis. Anyway, the longer the better, I think. We are back at 2.30 with you, minister, to look at the Arts and the Cultural Facilities Corporation. Until then, thank you very much and thank you very much to the officials.

Hearing suspended from 1.28 to 2.30 pm.

THE CHAIR: Welcome back, minister, with a different hat on; welcome back, Mr Dawes, with a similar hat on; and welcome Mr Hill. This afternoon we will be looking at arts and community engagement and the Cultural Facilities Corporation. You have before you the pink privilege statement so I assume you are aware of that. Officials, if you come forward, hopefully you are aware of the requirements in relation to privilege. These proceedings are being recorded for Hansard and they are being live webstreamed. Minister, before we start with questions, do you have an opening statement?

Mr Ramsay: Yes, a very brief one. Obviously the matters that we are talking about today are prior to my time in the Assembly or as minister. I think it is always good for us to have the opportunity to reflect on the value of the arts and community engagement. I look forward to the conversations. We note that there is a discovering

impact of the arts economically. We often do some levels of measurement of that, but there are also measurements which are better known as social measurements and health measurements. We are learning more about the educative role of the arts as well. It is about holding all of those together, noting that the obvious key value to organisations is about the value of art to the artists themselves, as well as participation and engagement. It is that broad framework that I think it is important for us to be able to pick up, value and concentrate on. I look forward to the conversations.

THE CHAIR: Thank you, minister. I will move to the Kingston arts precinct. Could you provide me with an update on the progress to date of what has been achieved and also an explanation of what the next steps are?

Mr Dawes: To start with, we will probably do this in two parts. There is a part that is attached to the arts, and I will have Adam answer that. With the other I would have thought it was probably best to handle it when we meet next week to discuss the LDA and the process of where we have got to with the expressions of interests and the process that we are going through there to line that up.

THE CHAIR: If you can separate them so we are focused on the arts aspect of it? What has been created and what are the next steps?

Mr Stankevicius: As you are probably aware, Mr Hanson, there was a two-stage process run by the LDA in relation to the Kingston arts precinct. The LDA made an announcement on 8 February that the Geocon-Fender-Katsalidis-Oculus partnership had won the second stage of that process. That was the RFT process. They will now be entering into negotiations with the LDA about the final design of the facility. We play an intermediary role, I suppose, in terms of working with the arts organisations that are identified to be part of the Kingston arts precinct, the developers and the LDA to ensure that they get the best space so they can get the best arts outcomes from that precinct as it is developed.

THE CHAIR: What are the arts outcomes that have been achieved to date and what are the arts outcomes that are being sought? Is it focusing on the visual arts as opposed to the performing arts? What are the outcomes you are seeking?

Mr Stankevicius: We have been through a range of studies for over a decade now. This long study period has focused us on the visual arts in this precinct. Obviously we have the Canberra Glassworks and the Megalo design print studio gallery in that space at the moment. The ACT government has invested significantly—it is in the millions of dollars—over the past 10 years in creating the Glassworks space, putting Megalo into the former transport depot, as well as refurbishing both the Fitters Workshop and the former transport depot itself, so that leased facility for the bus depot markets has a long-term life.

In terms of the future, obviously we are focusing on creating a visual arts hub down in Kingston that builds on the strengths of both the Glassworks and Megalo by adding another five organisations to the precinct.

THE CHAIR: Who are they?

Mr Stankevicius: The organisations are the Canberra Contemporary Art Space, Craft ACT, PhotoAccess, the Canberra Potters Society, M16 Artspace, and ArtSoundFM.

THE CHAIR: So the facilities are going to be built for them and then they lease them, or what is the arrangement?

Mr Stankevicius: Yes. The facilities will be designed in discussions and negotiations with those organisations. We are taking the next six months to ensure that we get those facilities right. Obviously, everyone from potters to glassworkers to print studios have different requirements in terms of what they need and what is going to work for them. We are going to work with them over the next six months in terms of developing the final design and then implementing that to make sure we get it right.

THE CHAIR: How were those five organisations chosen?

Mr Stankevicius: They were chosen as part of the process that happened quite a while ago. We have been talking with those organisations, with a focus on the visual arts, for about four or five years. We went through a process at the end of 2015 where we wrote to their boards for the first time and asked them to confirm in writing that they were interested. They all came back to us and said they were. Obviously there are a range of issues that we have to negotiate in terms of the leasing arrangements, the management of the precinct and a range of other issues which we will work on as the precinct development happens over the next few years.

THE CHAIR: I would imagine that there would be other organisations who would be interested in moving to that space. Have you had conversations with any other organisations in terms of their ability to move there, to engage in some way, or are there going to be any shared spaces available where people can move to? What is the process?

Mr Stankevicius: We have not had a broader conversation, but certainly M16 were not on the initial list. They expressed an interest when I first started in the job in October 2015. As a result of some more flexibility we had we were able to incorporate them into the newer plans, or the revised plans, for the RFT process. We have not had any others express any interest. I have met with all the key arts organisations at least probably twice or three times over the past year and none of them expressed an additional interest in moving there.

I think the opportunities are different across the range. Obviously the Kingston Glassworks is not going to move out of the facility it is in, but it will have a studio there. The potters are not going to move out of Watson Art Centre, but they will probably have an electric kiln there and they will be able to run courses and workshops there. So it will be an outreach of their existing facility up in Watson. Organisations are looking for different opportunities and we want to work with them to make sure they can realise those opportunities.

THE CHAIR: What about opportunities for individual artists?

Mr Stankevicius: Our key arts organisations in 2016, for example, engaged with just under 600 individual artists. Those key arts organisations will continue to engage with

individual artists, as they do at the moment, in a bigger and hopefully better designed space. The other opportunity will be in terms of a gallery space that will be rentable and probably a workshop space which will be rentable or accessible for artists on a lease arrangement or a rental arrangement that we have not yet worked out.

THE CHAIR: Where does the Fitters Workshop fit in then? That was going to go to Megalo and then it did not, as you would probably recall. Part of the rationale for that was the acoustics of the space. Has it been used for concerts? Has that been proven to be the right decision? Is it being used for performing arts or concerts, or not?

Mr Stankevicius: I think it is suited for a particular kind of music, so high-end orchestral music. It is certainly not suitable for rock music. I do not think it would be useful for a broader range of activities. Certainly offshoots of the markets have been there. Other kinds of gallery uses have been installed in there. It is managed by Property Group at the moment. They are the ones that manage the leasing arrangement.

THE CHAIR: It is used for various short-term exhibitions and so on, is it?

Mr Stankevicius: It is, and the Glassworks have used it on a few occasions as well to exhibit some of the glassworks. Just recently, late last year, it was used for the exhibition of some of the glassworks that were produced.

THE CHAIR: In terms of the move of those organisations to the precinct, when does that occur? Is it staggered? Is it all happening at once? What is the time line?

Mr Stankevicius: We are looking at the next three years for development, so it will probably be 2019-20 to 2020-21. We will probably stagger it over a six-month period. It will depend on how and what and who and what it is that we are moving. That is something that the next six months are going to tell us, through intensive discussions with those organisations that are moving there, and will reveal what requirements they will have.

THE CHAIR: It may be that this is not so much an arts question but one that comes later in the piece, that is, parking. It is already difficult to get a park down at the foreshore for people to visit that precinct, the restaurants and so on. If there is going to be more activity going on in that precinct, what is the solution for parking? Are we going to end up with a situation where people cannot get to the arts precinct because there is not enough parking or, conversely, cannot get to Kingston Foreshore?

Mr Dawes: We can probably explore that more next week, but that is part and parcel and one of the development conditions of the development. One of the key things that we needed to do was replace all the car parking that was there, plus provide some additional parking. Each of the different spaces that will be built is required to have a car parking space as well. We want to see that car park being utilised through the week as well to the maximum. In addition, some of the commercial spaces that have car parking requirements will not be used on the weekends, so there will be overflow for public car parking.

One of the considerations we had when we took that out to the market to do it as an

englobo parcel of land—it was a key thing—was car parking. We had some temporary solutions for car parking as we built it. One of the first phases that will be built will be a structured car park facility. As you have already said, parking is at a premium not only through the week but also on weekends around market day. That has been taken into account.

THE CHAIR: Have you got the number of existing car spaces and what we will end up with? Do you know what that is?

Mr Dawes: Yes. I have just forgotten the exact number, but I can—

THE CHAIR: Can you take it on notice and provide that?

Mr Dawes: I will supply that to you, yes.

THE CHAIR: Do I sense that it is an increase, not a decrease—

Mr Dawes: There is an increase.

THE CHAIR: And that it is going to be of a sufficient order of magnitude that we do not end up with an arts precinct that no-one can visit.

Mr Dawes: That has been a key consideration in our planning.

Mr Stankevicius: As Mr Dawes said, it was a specific provision in the request for tender process. I think when Mr Holt from the LDA comes next week that detail can be provided.

THE CHAIR: Brilliant.

MRS DUNNE: Could I ask a supplementary question on Kingston, Mr Chairman?

THE CHAIR: Yes, sure.

MRS DUNNE: In relation to the organisations who are going to move there—I have to declare that I am a member of ArtSound and an ArtSound ambassador—I have had conversations with ArtSound. They have had the experience of moving once already, and their requirements are very specialised. What sorts of conversations have you had with ArtSound about their very specialised requirements, and what is the quantum of the fit-out that you are going to need for just ArtSound?

Mr Stankevicius: We have had long and extensive conversations so far with all of the proposed tenants, to the level of, “This is your space. How many electricity points do you need? How many lights do you need? Where do you need them? What kind of lights?”—everything. We call them room data sheets. We have basically engaged people who are expert in this space doing the interior and the design. We are down to that level in terms of being able to provide that as part of the RFT process. We went through a very extensive process with ArtSound in terms of the expense of their move. They were very explicit and clear with us in terms of the money they had fundraised and the investments that they had made in the existing facility.

Obviously, we do not want to see them disadvantaged in the new space. One of the considerations for us—it may be further revealed from the information from NBN Co this week—and an issue that ArtSound has put to us on numerous occasions is the lack of broadband down in Kingston and the potential impact that might have on their digital broadcasting capability. That is one of the things we need to look at. If we are going to go to a space with a lower speed—as I said, I have not looked on the NBN Co’s new website to work out when broadband might end up down there—that might impact on how successful that move might be for ArtSound.

As I said, we wrote to all of the agencies and asked them to commit. In view of changing circumstances, they might not want to commit, but that is obviously a decision for them. Certainly we have committed to ensuring that their needs and their requirements were included as part of the RFT process, and the bidders going in were very clear about that.

MRS DUNNE: So you have quantified the cost of their move and you are able to meet those costs?

Mr Stankevicius: We have not quantified it. In terms of cost, what we have quantified is the technical and infrastructure requirements of them moving into the building. The tenderer has then put to us proposals, which were assessed as part of the tender panel assessment and then signed off by the LDA board in terms of how much their view of the cost of providing that infrastructure would be. It was not just for ArtSound but across all of them. It was a quantum. It was, “This is the room data sheets for all of the organisations that are going into the new Kingston arts precinct that we are going to build. This is the cost to you,”—for proponent No 1. Proponent No 2 gave us the same thing. They were differing costs, but the level of technicality required for ArtSound was included in those tender documents.

MRS DUNNE: I am not quite sure how you do room data sheets that say where the light sockets go if you do not actually know what the footprint looks like.

Mr Stankevicius: We know they need a certain number of studios; we know their preference as to layout of studios in this particular way. If the studio is laid out in that particular way, regardless of where the studio is in a building, we know the studio will require audio plugs, speakers, power points, microphones, a mixing desk and recording facilities for all the work that we know that they do in terms—

MRS DUNNE: Soundproofing.

Mr Stankevicius: Yes, soundproofing has been a key consideration. But we know they also use their facilities to make money in terms of being able to convert cassettes and other kinds of things and the recordings for the NFSA.

MRS DUNNE: And they have a recording studio as well.

Mr Stankevicius: Absolutely. We have taken all of that into consideration; that has definitely been part of the work.

MRS DUNNE: What about line of sight to the transmitter?

Mr Stankevicius: That is something that has been raised with us consistently. Because both of the proposals had the locations differently on the site, we were not able to deal with that as part of that process but, as I said, in the next six months, when we are doing the intensive discussions, that will absolutely be a consideration for us.

MRS DUNNE: So if you—

Mr Dawes: Just on that point, the next six months are the crucial part as we work through with Geocon and Fender Katsalidis the exact requirements of the art facilities and the best locations for them. That is the sort of negotiations that we will be going through, working with the proponents that are making it—

MRS DUNNE: So you will be working with the proponents? You will not be making decisions on behalf of the proponents? That will be an iterative—

Mr Dawes: No.

Mr Stankevicius: No.

Mr Dawes: There is no point in just building something or having something built if it is not fit for purpose.

MRS DUNNE: Yes.

THE CHAIR: Just on ArtSoundFM, what is the rationale to move them there? They do not sound like a visual arts organisation to me: in fact, I know they are not; by their very name they are not. Why are we moving something called ArtSound to a visual arts precinct?

Mr Stankevicius: I think we went into it with the view that the Manuka Arts Centre, as it is currently constructed, is a mix of buildings between the two organisations and also a mix of heritage listings between the buildings that are on the current site, and the cleanest way would be to move both organisations. Half of both of them, as I understand it, fill heritage buildings, so it was not going to be a clean move if we just moved PhotoAccess and left ArtSound. Similarly, if we just left ArtSound it would not necessarily have been a clean move either way.

THE CHAIR: But why do you need to move them to the arts precinct? I am not suggesting that they do not need a new location. Maybe they do. But it would seem that if we are going to create something that is a visual arts precinct, and that is something that is going to be part of Canberra for decades, if not centuries, to come, by putting ArtSound there it creates an anomaly and uses up space that could otherwise be used for a visual arts organisation down the track. It does seem that this site has a lot of issues that are going to confront ArtSoundFM that could easily be resolved if they were to move to a location that was perhaps more suitable and not as remote as the foreshore.

Mr Stankevicius: We have not forced any organisation. As I said, we went into this very openly and said to their boards of management, “Are you committed to moving or not?” They certainly were. They participated extensively in the room data sheet exploration process in terms of us working out what those technical requirements are. If they change their mind, of course, we are happy to have those conversations with them.

Mr Dawes: One of the key things over the next six months, as we work quite closely with the organisations that have expressed an interest in going to these facilities, as we unpack things like the transmitter and all of those sorts of things, is that we might learn that they may have to stay. These are the sorts of things that will be closely worked out over the course of the next six months. As Mr Stankevicius has said, we are not going to actually force anyone into something that is not going to be fit for purpose or have the desired outcome. We will know that very clearly over the next six months.

THE CHAIR: Since you have given that offer to ArtSoundFM, will you open the precinct up to performance arts organisations? Or are they an exception to the rule?

Mr Stankevicius: I think performance arts organisations at the moment—certainly from the feedback I get from my regular discussions with them, besides specific facilities, so purpose-built facilities in some areas—are not looking to move into more multipurpose space. They are quite comfortable, from the ones I have spoken to, in the Gorman House arts centre, in Belconnen and in Tuggeranong, where they have, as I said, multipurpose spaces to do performances, to do rehearsals and to run workshops. That is not the kind of space that we are looking at down at Kingston as part of the development down there.

THE CHAIR: Mr Pettersson, do you have a substantive question?

MR PETTERSSON: I do. With great interest, I ask this. There has been a lot of work in fixing the electrical and fire systems for various arts facilities. When did this first become an issue?

Mr Stankevicius: You will notice that half of our arts facilities portfolio is heritage listed buildings, so I could say that for probably two or three decades that has been an issue. The government has made a significant investment in, particularly, electrical, fire and safety works over the past five years, spending hundreds of thousands of dollars; probably into the millions of dollars in terms of Gorman House and the Ainslie arts centre, and out at the Manuka Arts Centre as well. We have made a significant investment, and it is by virtue of the fact that we are talking about old wiring. For Gorman, we are talking about wiring that was 1920s, 1930s wiring.

We, funded by Treasury, did a strategic asset management plan, which went out and assessed all of these things for our facilities in 2014. We are working towards the implementation of that plan. That has highlighted where our highest risks are. In the first three years, the government has been funding through the budget process the investment in addressing those high-risk areas as a matter of priority.

MR PETTERSSON: How many buildings fall into the high-risk classification?

Mr Stankevicius: I would not say that at the moment any fall into the high-risk category. In 2014 I think there were some risky buildings. I think for the first two years of investment we have addressed the ones that, had I been in the position in that period, would have kept me up at night. I am pretty comfortable with the state of the portfolio at the moment.

MR PETTERSSON: I know that this is a continuous, ongoing piece of work, but how many more buildings need attention? Are there any buildings that you have ticked off and you do not see any need to address until the distant future? How many are still on the works agenda?

Mr Stankevicius: In terms of general works or in terms of those priority works?

MR PETTERSSON: In terms of public safety, electrical or fire protection, how many more buildings do we need to fix up?

Mr Stankevicius: In terms of public safety? I think public safety is very well managed at the moment, but there is an ongoing piece of work that we need to do. For example, the government funded in last year's budget work on the fire system at the Street Theatre.

MRS DUNNE: And it is a newish building.

Mr Stankevicius: What was that?

MRS DUNNE: It is a newish building.

Mr Stankevicius: A relatively refurbished building. But yes, there are ongoing maintenance issues that we are always going to have which are standard parts of managing buildings.

MR PETTERSSON: I am just trying to get to a number, really. How many buildings is there work planned for in the future?

Mr Stankevicius: Almost all of them, so across the portfolio.

MR PETTERSSON: Thank you.

MRS DUNNE: How many buildings is that?

Mr Stankevicius: Fourteen.

MRS DUNNE: What is the list, off the top of your head?

Mr Stankevicius: The list of buildings?

MRS DUNNE: Yes.

Mr Stankevicius: We can provide that to you.

MRS DUNNE: Yes, thanks.

Mr Stankevicius: It is everything from the former transport depot and the Canberra Glassworks to the Belconnen Arts Centre, the Tuggeranong Arts Centre, Manuka Arts Centre, and the list goes on.

MRS DUNNE: What about Rep?

Mr Stankevicius: Rep is not an ACT government asset.

MRS DUNNE: Who owns Rep?

Mr Stankevicius: The Canberra Repertory Society.

MRS DUNNE: Who owns the building? They have a lease on the building; they do not—

Mr Stankevicius: They have a lease from the ACT government, which is, to use the technical term, a crown lease from the commonwealth which is now being administered by the ACT Planning and Land Authority.

MRS DUNNE: The Planning and Land Authority?

Mr Stankevicius: Under the act, those commonwealth leases are transferred to management by the Planning and Land Authority in the ACT.

MRS DUNNE: So Theatre 3 has never been an asset of artsACT in any of its iterations?

Mr Stankevicius: No; that is correct.

MRS DUNNE: Who made the decision that Rep had to fund the maintenance and insurance on the building?

Mr Stankevicius: That was a decision that whoever signed the lease 30 years ago made.

MRS DUNNE: There was a recent letter to Rep from artsACT saying, “As of now,” I think this coming financial year, “You have to pay the insurance and do the maintenance.” That is about a \$50,000 bill for Rep, they think, and that was done without consultation with them. What is the genesis of that?

Mr Stankevicius: The genesis was legal advice to us about the relationship between us and Theatre 3 and who had responsibility for that asset. The Government Solicitor advised us that it was Rep, according to the lease terms.

MR PARTON: So for the past 30 years the government has paid for that?

Mr Stankevicius: No. For the past, I think, eight years, the government has paid—

MRS DUNNE: Insurance on the building and maintenance on the building.

Mr Stankevicius: Insurance and some maintenance, but not all maintenance, no.

MRS DUNNE: Not all. They do a lot of their own work, because they raise their own funds.

Mr Stankevicius: Exactly.

MRS DUNNE: Was the routine maintenance done by artsACT or property ACT? Who managed the building, and who managed the maintenance?

Mr Stankevicius: For the past eight years, artsACT managed some of the maintenance.

MRS DUNNE: What discussions were had with Rep before they got a letter that said, “We are handing it over to you”?

Mr Stankevicius: We had a conversation with their CEO and their board; their board members were involved in that discussion as well. They sent a letter. The ACT government offered to cover the cost of that insurance for the first year, and we have not heard back from them about that. That was specifically in the letter, as a part—

MRS DUNNE: When did you write to them about that?

Mr Stankevicius: In December last year.

MRS DUNNE: And you are waiting for them to get back to accept the offer?

Mr Stankevicius: We have rung them to have a conversation.

MRS DUNNE: Is it this current financial year?

Mr Stankevicius: Yes.

MRS DUNNE: So next financial year, from July 2017, they are on their own?

Mr Stankevicius: In terms of the covering of those costs, yes.

MRS DUNNE: Thanks.

Mr Stankevicius: We also gave them contact details for the community infrastructure grants program that the ACT government runs and that has upgraded arts facilities that are not owned by artsACT in the past. And we offered to provide them with assistance with putting in those grants applications if that would assist them in the transition arrangements.

MRS DUNNE: Thanks.

MS ORR: I want to take a look at the ACT arts policy, the implementation of the strategic plan and so forth. Can you give me a little more context on the social and economic benefits to Canberra that we are going to have from these new policies that you have been starting to implement, particularly in the context of tourism?

Mr Stankevicius: The economic—certainly.

MS ORR: Social and economic, yes.

Mr Stankevicius: I think the minister articulated in his opening statement—

MS ORR: Which I missed, sorry.

MRS DUNNE: I missed it too, so—

Mr Stankevicius: his and the government's view on—

THE CHAIR: We were here, weren't we, Mr Parton. It was quite a good statement.

MS ORR: I am quite happy for you guys to take the question.

Mr Stankevicius: Outlining the minister's view, and I suppose the government's position, on the social contribution that the arts make for participants, for audiences and for the community generally, it is obviously something that imbues the work right across artsACT and the Cultural Facilities Corporation. It is reflected in the investment the government makes in the arts more broadly.

The economic study we did two or three years ago now highlighted a range of economic benefits from employment through to economic generation of our arts organisations. Obviously some of our arts organisations are bigger economic generators than others, particularly those with a national or international reputation like Megalo, like the Glassworks, like Craft ACT, who also happen to have a retail component. But they also have an international reputation which draws attention, draws artists and draws interest, which then kind of stimulates things like tourism.

We focused in that economic study on the contribution of local arts organisations to tourism. Certainly the extensive support that VisitCanberra provides to our national cultural institutions is a really significant driver of the cultural institutions being able to attract, support and build that kind of tourism base.

What we are keen to do is get almost a package, if you like. If you are going to visit *Versailles* or *The Sell* or if you are going to visit *100 objects* on one day of the weekend, we want you to stay overnight and we want you to come and visit the Glassworks, Belconnen Arts Centre or Ainslie music centre on the second day and have that local experience as well. And, by the way, when you are staying overnight in our hotel, you will need to go to the Canberra theatre or to the Playhouse to see one of their shows.

We know that arts and culture was one of the four markets that VisitCanberra focus

on in terms of what is attractive and what stands out about Canberra. We have got a bit more work to do with our key arts organisations to make sure that they are a real critical component of that experience when people come here. I think the national cultural institutions are really good at attracting those people but we also want to give them that local flavour about what is important to Canberra.

Mr Ramsay: More broadly as well on the tourism and the economic impacts, I think there is increasing evidence of the great impact that the arts have in terms of the social, health and wider impacts. A great example is some of the dance work that is going on in the Belconnen Arts Centre. There is a great program called GOLD or growing old disgracefully. There is work around discovering more and more about the positive impacts in terms of the arts with dementia and Alzheimer's. I think that is actually one of the important things. That is certainly one of the stated priorities in the portfolio going forward as well, to be exploring and discovering more what those impacts are and how we can continue to harness those.

MS ORR: Noting that you are relatively new to the role, do you have any idea where you would like to take that exploration of social and artistic crossover?

Mr Ramsay: I think part of it is noting the two spheres, so to speak, of both participation in the arts and engagement in the arts as an audience; some of the areas of inclusion, of social engagement with those. I am certainly already working obviously with people in artsACT and the Cultural Facilities Corporations.

I was pleased to have a conversation with the board just recently about that, but also across the portfolios as well, speaking to Health ACT and some of the other bases as to how it is that we can continue to grow that and also develop a sounder measurement of the social impacts of the arts.

MRS DUNNE: Minister, in relation to the notion of tacking local arts promotion on to the back of national arts promotion, could we see some of the stuff that you are doing? The feedback I get from local arts organisations is that they do not feel it is happening. They do not feel that there is that level of tacking on. Also, when you promote, for example, that this weekend the Brumbies are playing at home, do you have arts promotion as part of that? When people come from the region to see the Brumbies play on Saturday night, do you encourage arts tourism on Sunday to people who stay overnight? Do you say, "Go and see a gallery before you tootle back to Wagga or wherever you come from"?

Mr Stankevicius: I indicated that we would be doing that work in the future. We have not actually started—

MRS DUNNE: But you have not actually—sorry, yes.

Mr Stankevicius: But it is certainly something that is in our mind because of the great success that VisitCanberra has had with attracting significant numbers of people from interstate to those national cultural institutions. I think it is also part of what we hope to see coming out of—I am just moving back, so that Ms Elvin can talk about *Mamma Mia!* The key foci in terms of bringing those audiences is exactly the audience you are talking about. It is the Wagga audience, it is the Dubbo audience.

How do we get them to come and have what is going to be a unique experience here, but then expose them to that wider kind of artistic experience at the local level?

I think there is some work that we need to do there but, again, it is not something that I want to force on organisations who have got very clear missions and very committed members and volunteers. It is something that we have to have a conversation about and work out what is going to work for them, as well as having that experience for visitors.

Ms Elvin: Yes, we are working very closely with VisitCanberra on regional marketing for *Mamma Mia!* That show will open its Australian tour here in Canberra, which is wonderful. We get lots of benefits from having the excitement of it opening here, and having the rehearsals here. People are even talking about coming from Sydney to see it so that they can see it here first in Canberra before it tours elsewhere. We need to achieve about 30,000 ticket sales to that season in Canberra for three weeks. Hence, a lot of those will need to come from the region. We are working very closely with Mr Hill and his staff to get out into the regions and to make sure that we have got that regional reach for that particular production.

MRS DUNNE: Mr Hill, are you looking at packaging up, “Come to Canberra, see the Brumbies or the Raiders play, see *Mamma Mia!*”?

MR PARTON: Go to the greyhounds.

MRS DUNNE: Just a suggestion. It is just a suggestion, Mr Parton.

Mr Hill: From the tourism side, there is a really symbiotic relationship with arts visitation to the ACT. The ACT has an absolute comparative advantage in the arts and culture space compared to other jurisdictions in Australia. Tourism is worth almost \$2 billion to the ACT economy. It employs nearly 17,000 people here. There is no doubt that the big cultural shows, the national attractions’ runs are the key driver. There is obviously no doubt about that. That is very well understood across the sector.

But there are certainly opportunities for more cross-promotion and dragging people through cultural experiences. I think the centenary year is probably a really good example of that. In 2013 there was an incredibly deep, rich program of big events as well as things that were more binding within the community. I think locals as well as interstate and international visitors really voted with their feet on that one. You can see that the visitation numbers in that year were very, very strong.

Certainly from our point of view, we talked a bit this morning in the hearing around content and social, and how we can share more stories. I am very conscious that a lot of the smaller arts organisations have very limited marketing budgets. That is a real challenge for them. How can we help with that? Well, we can certainly help by populating more content about the great stories.

So we work with events like FASHFEST, we work with the Glassworks, we bring journalists from overseas or interstate to have a look at these places and write up great stories. Sometimes you will see them in *Silverkris* magazine and other airline magazines, or you will see them in a story on Wellington. I think there is a lot of

opportunity. I think we are doing some good things, but I think we could be doing more.

Mr Ramsay: There is also the example of the National Folk Festival in partnership with the National Library. That is another of the examples where there are good grounds for development of some of the connections between national institutions and a national, but local, festival itself. I have had conversations with the Business Chamber about being able to work together more cooperatively in that sort of way as well as being able to take things forward to develop this area of tourism.

Mr Dawes: I also add that one of the key things we have looked at doing with the structure of Enterprise Canberra as well is starting to line up some of the things. Ian Hill is currently the executive director sitting over the top of VisitCanberra, cultural Canberra and events as well. It is a matter of ensuring that there is that cross-pollination, collaboration between all of those to make sure that we get the best possible results for the territory on visitation and people staying.

MR PARTON: Why has the ACT government failed to provide funding for the Canberra area theatre awards?

Mr Stankevicius: In which year, Mr Parton?

MR PARTON: In which year?

Mr Stankevicius: Yes. In the year of the annual report we provided \$5,000 to the Canberra area theatre awards. In the previous financial year I think we provided \$20,000. The year before that, \$25,000. We did not get an application from them this year, so—

MR PARTON: You did not get an application?

Mr Stankevicius: We did not get an application from them in the project round. So no, that is why we did not support them.

MR PARTON: Okay, because to me it just seems odd that we have got Canberra area theatre awards that have got this funding from the New South Wales government but not from the ACT government. Sorry, I was of the understanding that they had applied, but—

Mr Stankevicius: No, they did not.

MR PARTON: Okay.

MRS DUNNE: So they did not apply for arts funding?

Mr Stankevicius: They did not apply for arts funding and as far as I am aware they did not apply for events funding either. I have the arts fund and the events fund under my role. I do not recall seeing them on either list.

MS CHEYNE: My questions are about the Belconnen Arts Centre and specifically

the community arts and cultural development program, which is administered through the Belconnen Arts Centre. What opportunities does this program provide for local artists?

Mr Stankevicius: The program is provided through both the Belconnen Arts Centre and the Tuggeranong Arts Centre. It provides a range of opportunities which span those areas where you would not necessarily see people engaging in the arts. That is one of the really important things about our regionally based multi-purpose arts centres: they give people from disadvantaged backgrounds—whether by ability or by culture, by history or by finances—access to those arts experiences. One program the minister talked about before was dancing with Parkinson's. That happens out at Belconnen, and it is almost tear jerking—there were people crying; I did not quite get there, but I was almost there—in terms of the impact you see the arts making to people who are almost having an awakening. That cannot be achieved through remedial or other therapeutic avenues. Some amazing things are being done through that program.

In the meeting we had with the Belconnen Arts Centre a few weeks ago, they were talking about their young Indigenous rapping group. Also through that program they had a fantastic exhibition last year of Arabic women who engaged with arts for the first time. I think they were mostly even too shy to turn up to the exhibition opening themselves because they could not engage with broader society. They had been taught not to and that had been part of their cultural heritage, but their beautiful art was brought to audiences who had never seen it before.

It is a really inspiring part of the funding we provide to our key arts organisations through those two centres, which is kind of revealing. The thing I really like about it is that it reveals those layers of Canberra that you would not otherwise necessarily know about.

MS CHEYNE: Is there a measure of the reach or the engagement we are achieving through this program?

Mr Stankevicius: It is difficult to measure because the ranges of engagement are so different. By virtue of the kind of work we are trying to do, the numbers are small, so it is not volumetric. Trying to measure the quality of that experience is certainly something they would be open to, but it is not something we have pursued to this point.

MS CHEYNE: What is the expected lifespan of this program?

Mr Stankevicius: It is ongoing funding. The contracted arrangement at the moment I think is for at least the next three years for both centres.

MS CHEYNE: Are you able to provide a brief update on stage 2, or what is also known as the completion of the Belconnen Arts Centre?

Mr Stankevicius: Yes, it depends on whom you talk to as to what it is actually called. Obviously both parties committed to stage 2 in the recent election campaign. There is obviously a commitment from the current government, and that will be considered as

part of the upcoming budget process. We obviously have plans that have been approved and those are still in place. At the moment we are in discussions with Belconnen about whether those plans, which were, essentially, developed probably two or three years ago, will still meet their best needs.

They have had an internal workshop with their board, their staff and some users to talk about whether the configuration is actually going to work well for them. I think they are going to come back to us over the next few weeks with some proposed changes to those plans on the basis of saying, “Actually, that flow’s not going to work. That kitchen’s not in the best spot.”

MS CHEYNE: Especially with the other part of that election commitment, which is about images that will be displayed on the centre.

Mr Stankevicius: Absolutely.

MS CHEYNE: I expect that the Cox Architecture plans did not account for that development.

Mr Stankevicius: There are the Cox Architecture plans and there is obviously the public artwork that we have in different spots. They have a sculpture garden out the back. One of the challenging conversations we have been having is how distracting do we want to be for motorists along Emu Bank. Do we want to be scaring them into crashing into the wall or would we rather project something around the back which then lake users and other people on the other side of the lake might be able to see? There is a whole range of things that we need to look at in terms of where those projections are. But as disclosed in our previous conversation, there is no lack of fantastic projection material or content to be putting on that building.

MS CHEYNE: Is there any sense where that projection material will come from, where it will be curated or how?

Mr Stankevicius: As I understand the proposal from the arts centre itself, it was that they would curate the material, drawing on their own collections and the work their courses are doing. We would obviously want to build a projection system that is as easy to use as possible for them so they would not require a technical programmer to put it in. I must admit, I do not know the technical details of this kind of stuff. We would want to make it as easy to use and as easy to change over as possible so we can get the highest exposure.

MRS DUNNE: Spoiled for options. Could someone talk to me about the maintenance of public art and public art funding? There have been a couple of instances recently of discussions in the media about the maintenance of public art, the conversation about the artwork in the Nara Peace Park and the repair work that had to be done on that. More generally there has been some criticism of the lack of maintenance of the public art in Margaret Timpson Park by—

MS CHEYNE: Bert Flugelman.

MRS DUNNE: Thank you, Bert Flugelman. It has been graffitied, it needs to be

repolished, the surrounds are a bit ratty, and it has been moved around a couple of times. Could I ask someone to address the Flugelman in Margaret Timpson Park as an example but also the one at Nara? How did they get to be in such a bad way before we realised we had a problem, with Nara in particular?

Mr Stankevicius: Cultural Canberra has 120 public artworks in its public art portfolio.

MRS DUNNE: What is the budget for maintaining them?

Mr Stankevicius: I will just finish this part. Three other directorates have public art within their asset portfolios. We certainly are not responsible for all the public art across the ACT. Transport Canberra and City Services has responsibility for the Flugelman piece in Margaret Timpson Park—it is not an asset of Cultural Canberra or of CMTEDD—so it is their maintenance responsibility.

MRS DUNNE: I will put that on notice somewhere else then.

Mr Stankevicius: Since the end of the percent for art scheme, we have been given a percentage—David might know the percentage—of the budget that you usually get for repairs and maintenance of an asset when the government invests in an asset. We have been getting that since that scheme finished, and we apply that to the portfolio. Again, it is priority works that focus on safety and structural integrity. Structural integrity is what led us to doing the assessment of *Toku* in 2014 in terms of the rust that was occurring on that much earlier than we had anticipated.

MRS DUNNE: So *Toku*, the work in Nara Peace Park, you realised in 2014 there was a problem.

Mr Stankevicius: We did an assessment in 2014.

MRS DUNNE: That was a routine assessment, and that is when you discovered the problem?

Mr Stankevicius: Yes. We get an expert in this space to have a look at them every year. Some of them have a look more deeply. Most of them are in pretty good nick. *Circuitry*, the one in the bus interchange in Civic, is another example of one that was quite faded at the bottom and at the top and needed a redo. We upgraded that, and it is part of the cyclical kind of maintenance.

Toku was certainly out of the ordinary in terms of the treatment that had been applied to that artwork not sustaining it and keeping it free from rust in a way that had originally been intended or that we thought would occur. As a result we had to take it away and do that work on it and bring it back.

Mr Dawes: I think it is fair to say, though, that that particular piece of artwork was probably not constructed or built as well as it could have been and should have been when it was first done.

Mr Stankevicius: The way it has been described to me is that the artist was experimenting with a particular kind of tactile technique and blended two different

types of material for the covering of that to try to create that feel and that polish on *Toku*. But it did not seal the way that it would have had they just been applied as separate coats rather than a combined coat. That was what we discovered when we did the assessment.

MRS DUNNE: So the coating was not fit for purpose?

Mr Stankevicius: Exactly. It was an experimental coating to give a particular textural outcome, but it did not give us the protection outcome that we needed.

MRS DUNNE: So in repairing it, have we done away with the textural outcome?

Mr Stankevicius: We have repaired it to the point where it will last at least 15 years, but not further.

MRS DUNNE: Does it have the texture that the artist anticipated, and was the artist involved in consultation about the refurb?

Mr Stankevicius: The artist, as far as I am aware, was involved in making the textural rework. Yes, it does now have the protection that it needs to keep it safe for at least 15 years.

MRS DUNNE: I will ask this for other agencies as well, but could you take on notice a list of the public artworks you are responsible for?

Mr Stankevicius: Absolutely.

MRS DUNNE: And the budget you have for repairs and maintenance.

Mr Stankevicius: I am happy to take that on notice.

THE CHAIR: Turning to the Canberra Theatre Centre, my understanding is that the advent of pay parking has caused some problems in terms of people queuing. I have been involved in that myself where there are long lines of people queuing resulting in people turning up late. I do not know whether it has been a deterrence to people to come because now they have parking as an addition. Can you give me a bit of an update on what impact that has had, either in numbers or anecdotally that it is just less of a pleasurable experience to go to the theatre now.

Ms Elvin: The good news is that our numbers are certainly holding up. So, notwithstanding the fact that there are challenges, we are not seeing that translate into a downturn in numbers. We continue to work with our patrons to try to assist them to be aware of where there is parking, how much it is going to cost, what the payment methods are, the fact that there is an app that they can use and making available information about other transport options.

It still can be a challenge, particularly when we have a number of our venues going and there is a big event happening in Civic. Of course, that happened just recently with the Multicultural Festival. On that occasion we made sure we got in touch directly with ticketholders for events on the weekend of the Multicultural Festival to

let them know there were going to be particular challenges. I have just been reading some of the surveying that was done after that. It was interesting that people had planned ahead. In some cases people were dropped off in Civic, took a taxi, or took Uber, and more enterprising people even walked or cycled in. I think people are becoming increasingly aware of the issues and planning their evenings accordingly. We are trying to help them with as much information as we can.

Mr Ramsay: We look forward to the day they can take the light rail there as well.

Ms Elvin: Indeed.

THE CHAIR: Is light rail going to the Canberra theatre?

Mr Ramsay: It is coming down so that people can come into the city, yes.

THE CHAIR: But only from Gungahlin. So if you want to go to the Canberra theatre from anywhere else, you will not be taking that option.

Mr Ramsay: I am looking forward to stage 2 as well.

THE CHAIR: The government office building that is going to be built in the car park area, I do not know if there is going to be much disruption as a result of that. Have you had conversations with people doing the planning for that to see what impact that will have on the Canberra theatre?

Ms Elvin: We certainly have. We have had some very good discussions both with our colleagues in other parts of government and also directly with the developers. I am pleased to say that the developers are very aware of our issues. I think, in fact, it is a sort of symbiotic relationship because we know that our patrons can supply patronage to the cafes and restaurants that will go into the precinct. We raised with the developers that what would be particularly useful for visiting companies would be apartment-style hotel accommodation, and they have taken that on board and that is the sort of accommodation that will go into the new hotel on the site.

Car parking, again, of course is an issue, but already they are thinking ahead. They are going to be trying to open the car park in aspects of the facility as early as possible, which I think could be six months in advance of the whole project being completed. They are thinking through things like using number plate recognition technology so that when we have a lot of people trying to park at the same time, which is typically what happens with theatre-type parking, it speeds up that whole process of getting into the car park and ensuring you are being correctly billed for the time that you have spent there. They have even thought of things like putting up boom gates for the car parking underground rather than at street level, which should help with queuing as you go into the car parking building.

THE CHAIR: I am glad to hear that is happening. There have been a lot of conversations about the need for an expanded Canberra theatre, be it on site or at another location. Where are you missing out at the moment? Are you missing out on productions that just will not come to Canberra because you are too small or are you missing out on the number of seats you can sell? Have you quantified what the impact

is of the limitations of the current theatre?

Ms Elvin: I think it is a range of impacts. We have done quite a bit of work on this. One category of impact is productions that have certain technical requirements that the current Canberra theatre cannot accommodate. That might be in terms of the height of the fly tower and the proscenium arch and so forth. That would impact on things like main stage productions from the Australian Ballet. Another type of impact is where we cannot bring a production here because we simply cannot make it financially worthwhile if you amortise the cost of bringing it here over the 1,250 seats that we have currently got.

Another impact is that we have simply run out of available dates for a lot of productions. Even with dance school performances, which can certainly fit technically into the venue and do not have the challenges of needing to sell a certain number of seats, we are juggling dates furiously. This year of course, great though it is to have the three-week season of *Mamma Mia*, it is right at the time when all the dance schools want their end-of-year performances. I guess it shows again that we are running out of capacity in terms of the theatre.

Mr Ramsay: As part of that, one of the key things is the development of a sound business case to be able to look at all the issues involved. Part of the development of the business case, which we are committed to doing, is broad community consultation to be able to test the assumptions behind a number of the observations so far, seeing what is missing out and seeing what the broader community are looking for as part of that new development.

THE CHAIR: Thank you, minister, for attending with your officials. I remind you that for questions that were taken on notice during the committee hearing, you have three days to provide the answers. We have five days to put further questions in. I look forward to seeing you when we have the Attorney-General stuff later on with your next hat on.

The committee adjourned at 3.27 pm.