



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

**STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND
TOURISM**

(Reference: [Annual and financial reports 2017-2018](#))

Members:

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

TRANSCRIPT OF EVIDENCE

CANBERRA

MONDAY, 5 NOVEMBER 2018

**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	1, 61, 75
Environment, Planning and Sustainable Development Directorate	75

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Amended 20 May 2013

The committee met at 9.31 am.

Appearances:

Barr, Mr Andrew, Chief Minister, Treasurer, Minister for Social Inclusion and Equality, Minister for Tourism and Special Events and Minister for Trade, Industry and Investment

Chief Minister, Treasury and Economic Development Directorate

Nicol, Mr David, Under Treasurer

Tomlins, Mr George, Acting Executive Director, Infrastructure Finance and Capital Works, Commercial Services and Infrastructure,

Asteraki, Mr David, Director, Infrastructure Finance, Infrastructure Finance and Reform, Commercial Services and Infrastructure

Clarke, Ms Liz, Director, Venues Canberra, Property and Venues, Commercial Services and Infrastructure

Croke, Ms Leesa, Deputy Director-General, Policy and Cabinet

Engele, Mr Sam, Executive Director, Policy and Cabinet

Perkins, Ms Anita, Executive Director, Communications and Engagement

Arthy, Ms Kareena, Deputy Director-General, Economic Development

Cox, Mr Ian, Executive Director, Innovation, Industry and Investment

Kobus, Mr Jonathan, Acting Director, VisitCanberra

Verden, Ms Jo, Acting Director, Events ACT

Hassett, Mr Glen, Director, Programs, Innovation, Industry and Investment

Keogh, Mr Geoff, Director, Strategy and Policy, Innovation, Industry and Investment

THE CHAIR: Good morning, and welcome to this public hearing of the Standing Committee on Economic Development and Tourism's inquiry into annual and financial reports for 2017-18.

On behalf of the committee, I would like to thank you for attending, Chief Minister, and all of your officials as well. Today we are going to be examining the annual report of the Chief Minister, Treasury and Economic Development Directorate. We will begin with treasury's responsibilities for infrastructure finance and capital works, government accommodation, property services and venues. We will then move to chief minister's responsibilities around government policy and communication, the ACT executive and territory records. Before lunch we will look at economic development, and we will continue with that after lunch. Can you confirm that you have read the privilege statement, which is on the pink bit of paper in front of you, and that you understand—

Mr Barr: Has it changed since 2013?

THE CHAIR: No, but sometimes we have had witnesses who have not quite complied with it, Chief Minister, and they have been found in contempt of the Assembly—

Mr Barr: And committee chairs as well.

THE CHAIR: and we would not want that happening again. We are very keen to make sure that we do not have any of that sort of nonsense happening. The proceedings are being recorded by Hansard for transcription purposes, and are being webstreamed and broadcast live. We have a change in the way that opening statements are being made, in that they are being submitted, rather than having 15 minutes of preamble before the—

Mr Barr: I would note that I have not been a practitioner of the 15-minute preamble.

THE CHAIR: Some are, though.

Mr Barr: Okay, I am sure they are, but—

THE CHAIR: That being the case, we will go straight to questions. My first question is on capital works and it is about Gundaroo Drive, Chief Minister. Could you give us an update, and, in particular, let me know when you were first made aware of the delays and the budget blowouts with Gundaroo Drive? When did you first become aware of the delays in that project that, I believe, led to you, or someone in the government, referring it to the Auditor-General?

Mr Barr: This matter is principally the responsibility of the roads minister, Minister Steel, so I suggest that the detail of your questioning would be best taken up when he and that area of government appear in annual reports. I will need to take it on notice; it would be most likely in my weekly chief ministerial brief, which provides a snapshot of activity across all directorates. I can take on notice the date that that was first advised.

To be clear, individual directorates still retain responsibility for the detail and delivery of their own individual projects. The centralised role, and particularly as it relates to infrastructure financing, is obviously aligned with my treasury portfolio. I do not personally supervise every infrastructure project in the city through this portfolio. I have an oversight role in terms of finance with treasury, but with respect to the detail of the individual projects, the line of questioning you are heading down would be best raised with the roads minister.

THE CHAIR: With the referral to the Auditor-General, was that Minister Steel's decision or—

Mr Barr: Yes. That is an internal decision of that directorate and that minister.

THE CHAIR: Was that advised to you prior to that decision being made?

Mr Barr: I will take that on notice. It did not require my agreement.

THE CHAIR: No, but was that discussed with you before—

Mr Barr: No, it was not discussed with me before, but it may have been in a written brief that they intended to do that.

THE CHAIR: In terms of the financial oversight, where are we at in terms of finances for that project?

Mr Nicol: Before I answer that question, my understanding is that it has not been referred to the Auditor-General. We have brought in an external audit firm to do, essentially, a performance review of the contract and the project. In terms of the financial progress of the project, my understanding is that it is on budget. The timing taken to deliver the project has not affected the budget, so we are within cost expectations.

THE CHAIR: Who is doing the external review?

Mr Nicol: We will take that on notice.

Mr Tomlins: I can answer that. As the Chief Minister has stated, it is a decision that has been taken by the Transport Canberra and City Services ministry. I understand that the audit is being undertaken by Vincents, and they are being assisted by an engineer from Calibre.

THE CHAIR: Why is this particular project going to an external review? If we were going to refer projects that were over time and over budget to external review, there would be a lot of projects being referred for external audit.

Mr Barr: That is a question that you need to take up with the area that has made that determination.

THE CHAIR: Surely, it is the oversight of government. If one project decides to do this whereas others are not, have you asked the question, “Why this one?” Is it a principle by which—

Mr Barr: As I understand it, there are some issues germane to that particular project that Transport Canberra wish to investigate.

THE CHAIR: So there are specific issues; it is not just a generic view that—

MS ORR: These would best be put to the relevant minister.

Mr Barr: Yes. I am not in a position to assist in terms of the detail of that question. I can take it on notice, but before you get an answer from me on notice, the roads minister and Transport Canberra will be appearing before annual reports hearings.

MS ORR: Chief Minister, I saw that the ACT and New South Wales missed out on commonwealth business case funding for the Canberra to Sydney rail line improvements, which seemed like a surprise to everyone, at least in my opinion. Given that commonwealth officials acknowledged in the estimates hearing that it was a strong project and application, what is the ACT doing to progress this project?

Mr Barr: We continue our work with the New South Wales government, and also with the alternative New South Wales government, given that they will have a state election in March next year. We have now secured agreement from both sides of New

South Wales politics to progress the project.

Both appear to have identified short, medium and long-term funding sources to improve rail connectivity between Canberra and Sydney. There was a recent announcement by the Deputy Premier that the proceeds of the New South Wales government sale of their share of the Snowy Hydro scheme to the commonwealth, an amount of around \$4.1 billion, will be invested in a range of projects in regional New South Wales, of which the Canberra-Sydney rail corridor was identified as one. For the first time in living memory, that provides a real, tangible funding source for improvements.

I note that the New South Wales government has already committed to the purchase of new trains for their CountryLink services. Following representations at a meeting with the New South Wales transport minister, Andrew Constance, some time ago—I caught the train up to meet with him—he undertook at that point to give special consideration to different train technology, such as tilt trains. There was a proposal from, I think, a Spanish company to pay for and trial a particular train in that rail corridor. I have not heard anything further from the New South Wales government on that specific proposal, but we have been hearing statements from the Deputy Premier around a commitment to invest a portion of the proceeds of the Snowy Hydro sale into improving the rail corridor. My understanding of the timetable for the procurement of new trains for New South Wales is that they will make that decision in 2020, at the start of that procurement process. So it is not too far away.

Clearly, the other area of opportunity relates to the Australian government. We have seen commitments from my federal colleagues—at this point at least—for in-principle support for commonwealth involvement in that project. We will await the 2019 federal election campaign, I suspect, to see that commitment with some real dollars behind it. I would hope that that would include a commitment from the current government as well. That would be a positive thing. It would give certainty that, regardless of the outcome of the New South Wales state election and regardless of the outcome of the federal election, both incoming governments, or governments after those elections, would be supportive of investment in that rail corridor.

MS ORR: Can I clarify something, to make sure I have understood it correctly? You said new train carriages will be purchased by the New South Wales government. Is it known yet whether they will be operating on the Canberra to Sydney—

Mr Barr: My understanding is that it is the entire New South Wales CountryLink fleet, where the current trains are getting towards the end of their economic life, and New South Wales have made a commitment to renew their rolling stock. The question is about whether there would be a specific train technology that may assist on the Canberra-Sydney line, which, combined with track improvements, signalling improvements, level crossing removals and other prioritisation projects, would assist to reduce the travel time between Canberra and Sydney.

Undoubtedly, it would be of major benefit to the broader Canberra region. There is strong support in Queanbeyan, Goulbourn and through the Southern Highlands for improvements in this rail corridor. I suspect that the alignment of a New South Wales state election and a federal election next year presents a once-in-a-generation

opportunity to get a serious commitment to investing in and improving the rail corridor.

MS ORR: With that commitment, what are the next steps for this work?

Mr Barr: As part of our cross-border MOU with New South Wales, we are committed to improving transport connectivity through the Canberra region. We would hope that, again, regardless of the result of the New South Wales state election, the next New South Wales government will remain committed to delivering the improvements on their side of the border.

The section of the rail line inside the ACT, in comparison with the rail line outside the ACT, is in pretty good order. Improvements to Canberra railway station would be another important part of the project in the longer term. We would certainly look at improving our connectivity to Canberra railway station if there were significantly more services and sufficient local interest, going hand-in-hand with an improvement in the frequency and speed of the service between Canberra and Sydney. An increase in demand there would undoubtedly need a step-up in services to Canberra railway station, and we would need to look at that in the context of our future public transport network.

MS ORR: Chief Minister, if, as you say, we get this once-in-a-generation agreement to progress something, and we do start to see some action on this project, what do you see the benefits being for Canberra?

Mr Barr: Undoubtedly, connectivity between Australia's largest and our chief international port to the national capital would see tremendous benefits. There is an increased volume of domestic tourists and international tourists coming into this region. Obviously, opportunities for growth within the rail corridor, both inside the ACT and in the surrounding areas, has a lot of local support, particularly, as I have mentioned, in the broader Canberra region and up into the Southern Highlands. Any improvement in transport connectivity, in terms of number of seats, frequency of service and quality of service, will have a positive economic impact for our region.

That benefit will manifest itself internally within the ACT and in the broader region, which is why it has been recognised by the Deputy Premier, by the New South Wales opposition leader, by the New South Wales transport minister, and, indeed, by local members throughout the region on both sides of politics as being a worthy project.

We certainly look forward to securing commitments at the federal level through the 2019 campaign process. Clearly, the marginal seat of Eden-Monaro entirely surrounds the ACT and this rail corridor. It is an important point of connectivity in that seat, together with a number of others between Canberra and Sydney.

MR COE: If I may ask you something with regard to the master plan for Kingston railway station.

Mr Barr: You will need to talk to the planning people in relation to that. I will take that on notice.

MR COE: But you did mention principal upgrades to Kingston station.

Mr Barr: Yes. That is owned by New South Wales. That is not our asset. As part of any improvements to the service they may well need to look at improvements to the station but in relation to the planning process I think that is probably best raised with the planning minister and planning officials. But if there is anything specific that I can take on notice this morning I will.

MR COE: It must have been about five or six years ago. You might have been planning minister at the time when you—

Mr Barr: Yes, there was a degree of work undertaken at that point. My last involvement in that was, as you mentioned, many years ago.

MR COE: But it has not come on to your agenda as Chief Minister?

Mr Barr: Not the details that I can recall in front of me right now. I am happy to take it on notice and provide an update to the committee but that is not top of mind at the moment for me, that planning process. But it would be for planning and the planning officials.

MR PETTERSSON: How is construction of the Manuka Oval media centre going?

Mr Barr: Well progressed. Those who attended the Prime Minister's XI on Wednesday of last week would have seen the progress of that project. Clearly it needs to be in place, completed and operational in time for the test match in February next year. George, are you in a position to provide an update on that?

Mr Tomlins: Yes I am. I do not know whether Liz Clarke also wants to add something. It is progressing well and we will be undertaking some quite substantial commissioning tests late this year. It has been on a very tight timetable and we have had to work very diligently with the contractors.

I suppose it is worth while pointing out that both New South Wales and Victoria have approximately more than doubled their construction activity and that has put quite a bit of pressure on some of our suppliers for the major concrete panels. As a result of supply pressure they were delivered a couple of months late on the program. But that time has been made up essentially by re-jigging the program so that the fit-out started on the lower floors. That is the rough in the pipes and the wiring but not, of course, the internal furniture or fittings. It was roughed in when the upper floors were still being built, and by doing that and applying a few other approaches we have been able to regain almost all that time. The facility will be built well and truly in time for the first test on 1 February.

MR PETTERSSON: What is left to complete?

Mr Tomlins: Essentially it is the internal finishing, the final two stages of the fit-out of the higher floors. Some of the external cladding was rejected, and that has been reordered and is coming back. That is essentially a cost on the contractor. And then there is some landscape work, and we have applied through the National Capital

Authority for approval for an extra gate for emergency services and firefighting.

But, as I said, we will be in a position to commission later this year, and that will be as much as we can make it a stress test on all the facilities. The sorts of things we are talking about are trying to run the air conditioning at full tilt to see if there is any hum that affects the broadcast facility. We are going into quite a lot of detail to make sure that it is fully stress tested before it goes to use in the test.

MR PETTERSSON: I am scared to ask this question but I am curious: what happens if it is not ready in time? Does the test get moved?

Mr Tomlins: I think, frankly, we are past this but essentially in previous broadcast situations temporary facilities have been constructed and there would be essentially temporary arrangements made. But the facility is well past that. In fact, the temporary arrangements would be within the building and what has been happening with some of the broadcasting operations is that they have been provided with access to the building for broadcast, to parts of the building, under controlled situations.

Mr Barr: One of the further benefits of the construction of the centre is that it has more seating in that part of the ground under cover and shaded, particularly from the sun in the afternoons, which clearly is less of an issue for AFL fixtures in the winter and at night, but in the peak of our summer cricket, seats under cover at Manuka with shade are at a bit of a premium. A further positive benefit of the construction of the centre is the shading it provides for a large swathe of seats in that vicinity.

This clearly remains a further issue for Manuka, particularly as the expectation is that we will continue to host high-level cricket, that during the summer months some more shade is needed at Manuka. We are looking at what we can do through a range of measures to improve the shade coverage for the general public at events. Longer term obviously that means looking at the eastern side of the venue where the temporary seating is. In the short term it means a focus on the existing seating on the northern and southern ends of the venue that do not currently have shade.

MR MILLIGAN: My question is focused around venues, in particular GIO and Manuka. Your annual report states that there were 29 events in 2016, and 27 events in 2017-18, and, with that, the average attendance had dropped from just over 11,000 to 10,000. Aside from the planned upgrades at GIO, what strategies are being put in place to address these crowd numbers?

Mr Barr: To a certain extent the on-field success of at least one of the major hirers of the venue would be probably the single biggest thing that could improve attendance, because I think if you look at the crowds for the Raiders they have either held up or increased marginally in recent times as their on-field performance has been more competitive. It is frustrating at times that they have seemingly found ways to lose games in golden point or in the last five minutes by very small margins.

To be frank, the biggest challenge has been crowds at Brumbies fixtures. There are a variety of reasons for that. Sometimes it would be fair to say the scheduling required by broadcasters does not necessarily fit with the peak times for attendance from locals. I know it has been a cause of great frustration for the Brumbies over the years that, for

example, one of their biggest fixtures against New South Wales has been routinely scheduled at the same time as Skyfire, which obviously is an event that attracts more than 100,000 and eats into the available crowd for the Brumbies.

I have worked very closely with our events team at GIO and with the Raiders as well; and credit to the Raiders for working closely with the Brumbies to try to maximise the potential for both teams to attract strong crowds. We have undertaken some research in relation to, I guess, community expectations around their match day experience, working in conjunction with both major hirers. I might invite Liz Clarke to talk a little further about that.

Ms Clarke: We undertook a customer service survey during the season. We also had mystery shoppers go through. And we actually got a very good result, we believe, with how patrons actually experience the stadium. We had, for a Brumbies game, satisfaction levels of seven out of 10, and for the Raiders 7½ out of 10. And I think it is quite interesting to note that—

Mr Barr: Depending if they won or not.

Ms Clarke: That is true. It does sort of go back to what is happening on the field of play. But what we found interesting was that patrons were saying that they really thought the visibility of the game was very good, wherever they were sitting at the stadium, and as well just with customer service and things like that they had a good experience at the game.

Mr Barr: A particular issue that had been raised with us was the visibility of the replay screen. We did announce in the 2018-19 budget the acquisition of an additional video screen for the venue, and that is due for installation in the coming fiscal year.

Ms Clarke: Yes.

MR MILLIGAN: Coming out of the match day experience and mystery shoppers, what was the most common complaint, do you think, you received? In what area could it possibly be improved?

Ms Clarke: That is a good question. I will need to take that on notice. We know that we need to work on some of the wayfaring information and as well we have put in additional customer service people to assist helping people to find their seats.

MR MILLIGAN: I mentioned in the beginning Manuka Oval. I will take the opportunity now to ask you a question on that. Earlier this year there were 8,410 attendees at the PM's match. And then at the match just gone there were just over 1,800 that attended. What do you attribute those attendances to, do you think?

Mr Barr: I guess a range of factors. The timing of the game last week—I think it was the second one in the calendar year—I think people have become a little more accustomed to that game being more into the cricket season rather than the tour opener. The format for the previous one was a 20-20 fixture. The one last week was a 50-over a side affair. People have different views on the popularity of the two formats. But it would seem that 20-20 is more strongly supported.

As to the other factors, the game used to be Cricket ACT's—

MR MILLIGAN: Premier.

Mr Barr: Yes. It is a major event each year, and there was not a lot of other top-quality cricket on offer. Cricket Australia have taken over the management of the operation of that game. I have gently raised with them that the promotion of the event in Canberra by Cricket Australia perhaps was not as strong as Cricket ACT's promotion used to be, to be diplomatic.

We will work with Cricket ACT and Cricket Australia on how we can better support the promotion of that event. To be fair, clearly it is the biggest summer of cricket Canberra has ever experienced, with two big bash games, a test match, women's international cricket, a Sheffield Shield game, the most cricket contents we have had, ever. I can understand why, given that this game was on a weekday, it started in the afternoon, not in school holidays, was not as well promoted as some of the other fixtures for the summer.

Prime Minister Morrison can be pleased that he actually secured a win. I think he is the first Prime Minister in this burst of prime ministers. He was able to achieve something that neither Prime Minister Abbott nor Prime Minister Turnbull was able to, and that is a win in this game. Perhaps I will leave my commentary there. Some prime ministers are more popular than others, some are able to attract more of a crowd when they skull a beer at the event as well. Anyway, I will leave that for others to comment on.

MR MILLIGAN: Plus the current upgrades or parking conditions may have attributed also to the low attendance?

Mr Barr: Parking obviously was not an issue with a crowd of that size. We do put in place event-day parking arrangements for major events. But clearly the earlier PM's XI and the 20-20 one that started in the evening, once people had finished work, obviously you are not competing then with people's worktime or kids being at school. The parking in the precinct will always be limited. But every other major sporting venue in the country has limited parking. There is more parking around Manuka Oval than there is around the MCG.

We do provide free public transport. A ticket to the game gets you free public transport. Manuka Oval is where it is and it is not feasible to build structured carparks that would house 10,000 cars anywhere near Manuka Oval. The closest available parking is in the business precinct. Obviously, some of the nearby hotels—the East Hotel, the Burberry and others—are within walking distance. There is special event parking at Telopea Park. There is also event parking at the Kingston foreshore. There is free public transport and the various on-street car parking. Restrictions are relaxed on event days. But that is a reality for Manuka. It has not been a problem for the Giants in attracting sell-out crowds for their games throughout this year as well. I do not think you could say parking is a reason why the venue is not full when it had been full for other sporting activities only months earlier.

THE CHAIR: I have a supplementary on the football stadium, the provision for a covered stadium in Civic. Where are we at with that? Have you had ongoing conversations with people? If so, who?

Mr Barr: The discussions with the Sports Commission and the commonwealth in relation to some assets within the AIS precinct are ongoing. Acquisition of that by the ACT government would provide one pathway to stadium infrastructure renewal in that precinct. Alternatively, the option of CBD facilities remains. There is a site that has been identified.

It is not a short-term infrastructure priority. I have indicated previously that it is a project the territory will need to consider in the 2020s, but it is not something that will feature in the coming budget round, or indeed in the 2020 territory budget, in terms of financing a build. We may look at some further work being completed as it relates to the transport network and the roads immediately surrounding that facility.

THE CHAIR: But in terms of long-term planning, that is going to be something that eventuates? It will be some time in the future?

Mr Barr: There are essentially two options. If we are able to secure an agreement with the commonwealth in relation to the existing stadium and surrounding land, that would give an option for a rebuild on that land. The alternative option is the site identified in the CBD.

THE CHAIR: But you need to have a bit of a view of which way it is going to go, surely. You do not want to go and spend a lot of money on the current stadium, or do something on that site, and then, down the track—

Mr Barr: Yes, that is correct. Prior to owning that asset, we would not be investing significantly in an asset we currently rent.

THE CHAIR: But if you then do own that asset, with the plan to invest in that, does that take the Civic stadium off the table?

Mr Barr: You would not have two rectangular stadiums in Canberra; that is correct. Acquisition of the site at Bruce would allow for a number of different options. In the pursuit of a CBD stadium, the proceeds of the sale and redevelopment of that land in Bruce could be directed to finance a CBD stadium. Alternatively, redevelopment in that precinct could also finance a rebuild of the existing stadium.

THE CHAIR: When do you think you might get an answer on whether that asset in Bruce is for sale or not?

Mr Barr: Greg Hunt rang me prior to the last prime ministerial change and the last ministerial reshuffle. It is very difficult, given that we have been dealing with different ministers and different prime ministers over the past two or three years of negotiations with the commonwealth.

I had a sensible conversation with Minister Hunt when he was in that role as the lead minister in relation to the future of the Institute of Sport. He understood that any sale

to the ACT government would need to be for a nominal sum. We would get a land value potential uplift, but we would largely be inheriting an ageing asset. The nature of the proposal that he put to us would be one of revenue sharing of land value uplift in the future, should we decide to redevelop in and around that Bruce precinct.

THE CHAIR: In terms of the site in Civic, there are some engineering issues, I understand, because of the orientation of that land.

Mr Barr: That is correct, yes.

THE CHAIR: Is more work being done on examining that?

Mr Barr: Yes, there has been further work. It relates to alignment of blocks and Parkes Way, principally. There are also questions about the orientation of a stadium on that site and its implications for whether you have a roof or not; what the nature of the playing surface would be; and agreement from the major sporting codes, for example, for a more artificial grass playing surface or some hybrid, as is the case at the Dunedin stadium. It all needs to go through a ratification process and there needs to be a bit of guidance from both the Australian Rugby Union and the NRL as to their certification processes for playing surfaces.

Our climate extremes present a challenge, more so in summer. With the roof on, without appropriate ventilation, the grass would cook. You would have that problem more than you would have the problem of keeping things warm in winter. We have to be cognisant of those questions.

Also a consideration is the adaptability of the venue to host other events: its ability to be turned around, say, from a concert venue into a football stadium again. What sort of protection would be necessary for the playing surface? Clearly, the more artificial it is, the more robust it would be for multiple uses. Technology is changing rapidly in this area, so we will need to monitor further advances in that regard.

In my most recent meeting with the NRL in relation to future stadium design and facility needs, they were very keen for us to have a look at the Parramatta stadium rebuild that is currently underway. We have gone and done that. That does present a different model for stadium delivery. It is a much more compact footprint, much steeper. That may well be a design that could fit more comfortably into the available site in the CBD.

We continue to engage, but I do want to stress that in terms of the sequence of larger infrastructure priorities, we are more advanced in and will be delivering a new Canberra theatre precinct before we will be delivering a new stadium.

MR COE: Would you please advise what role the directorate is having with the management and oversight of light rail.

Mr Barr: We will do a change of officials.

Mr Nicol: Mr Coe, I am the deputy chair of the steering committee overseeing the project. I am supported largely in that role through Mr Asteraki's branch. He provides

me with advice and engagement with TCCS on an operational level on all aspects of the project.

MR COE: What sort of reporting do you receive from Transport Canberra and from the consortium?

Mr Nicol: At my level, the project steering committee meets approximately monthly, and has done since the start of the project. That has a fairly detailed agenda that covers everything from finances to safety, progress, et cetera. Those are fairly detailed papers that come to me in advance of the meeting.

As I said, Mr Asteraki provides me with advice on those papers. I occasionally seek advice from others on the papers if they strike in different areas. For example, one of the elements we look at is the impact of the project on the corridor and the values in the corridor. That involves other areas of treasury. And I am aware that Mr Asteraki also is involved in working groups. David, do you want to briefly talk about those?

MR COE: Before that, what is the name of that steering committee?

Mr Asteraki: It is the light rail and Parkes Way project board. And I am a member of the risk and change management committee for light rail.

MR COE: How often does it meet?

Mr Asteraki: Both meet roughly monthly.

MR COE: How long has that been meeting?

Mr Nicol: It has been meeting since the start of the project. I can take on notice how many meetings we have had, but it is certainly in the 70s.

Mr Asteraki: Something like 60. I think it is in the 60s.

Mr Nicol: It is 60 to 70 meetings.

MR COE: When were you first advised that the project was running late?

Mr Nicol: I would have to take on notice the exact timing of the sequence of events. It has only been very recently that the project owner, the contractor, has informed us that the project will now likely start in the new year rather than this year. I can take on notice the exact date that that information was communicated to us.

MR COE: Are the milestones that have been mentioned in the media on a few occasions reportable to this committee or are they purely internal benchmarks for the consortium?

Mr Nicol: The committee does monitor progress with the light rail. Ultimately, the contractor has a project plan which it submits to TCCS and is reported to the board and monitored by the risk and audit committee. That is the way the information comes to us. Ultimately it is the responsibility of the contractor for the commencement date,

the commencement of operations. There is a certain chain of events and activities that has to be undertaken in order for that commencement of services to start, in terms of quality and safety of service et cetera, and the quality of the capital construction. Essentially, though, it is the responsibility of the contractor to maintain their internal program to deliver the project.

THE CHAIR: I might just interject here. I do not see this interplay ending very quickly. We are due to take morning tea. With a bit of flexibility, we will come back and continue this line of questioning. We can spill over a little into the next program if we are all happy with that. This is the schedule. People may have organised meetings and phone calls in that break. I do not want to interfere with that.

MS ORR: If we are going to do that—we are already behind schedule—can we not take too long on this line of questioning so we can still get to the questions in the next section?

THE CHAIR: We will see how we go.

Mr Barr: Do you have a few more minutes?

MR COE: Yes, five minutes.

Mr Barr: I would prefer to do that: start the next session five minutes late and let some of the officials go.

THE CHAIR: Are you happy with that?

MR COE: It will depend on the answers more than the questions.

THE CHAIR: The questions are often quite short. It is the answers that are the issue. If it is only five minutes, we can do that. Then we will proceed to the break.

MR COE: When are you planning on making the \$375 million available for withdrawal from its current income earning location?

Mr Nicol: That payment will be made on the commencement of operations.

MR COE: Yes, but when are you planning on making that payment at this stage.

Mr Nicol: The current date that the project owner has advised us, I think, is late January, but it will depend on commencement of operations.

MR COE: I asked earlier about those milestones. If you had oversight of the project, and given that it was reported by the consortium that a majority of those milestones were not reached or not met along the way, how is it that you only knew relatively recently—I think they were the words you used—that the project was running late? Particularly if the milestones were not being met, would that not give you a pretty good indication that the project was running late?

Mr Nicol: The contractor maintained a 21 December commencement-operation start

date. We had been asking questions for some time of the contractor to make sure that that is achievable, and it is only recently that the contractor has revised that date.

MR COE: What about the number of variations that have occurred along the way? Is this something that the committee you are part of looks at?

Mr Nicol: We do in terms of changes to the project scope.

MR COE: What changes to the scope of the project have been identified or been approved?

Mr Nicol: Could I suggest that that be asked of TCCS? They will have more detail.

MR COE: I am curious to know what role the committee has had, though.

Mr Nicol: I would have to take that on notice. There have been a number in terms of stop design et cetera over the three years of the project; not a significant number, but a number.

MR COE: With regard to the penalty for finishing late, is that as simple as the court's penalty was made out to us, that is, the monthly payments simply do not get paid and the project does not extend; therefore, it is just fewer payments that get made? Or is it a more complex calculation for light rail than the court's people have?

Mr Nicol: In terms of the contract, it is very similar. Availability payments are made on the commencement of operations and the project meeting certain conditions of operations in terms of timing of services and quality of services et cetera. The contract specifies that the end date of the contract is fixed in terms of services. So if they start late, the contract specifies an end date and the capital contribution of \$375 million is also delayed until the start.

MR COE: If it is a 20-year project and there are 240 monthly payments, if it starts a month late they will only get 239 payments. Is that what you are saying?

Mr Nicol: That is what the contract specifies. It is possible that the government and any contractor at some point will come to a variation in the contract terms. I will not speculate about that but the contract as specified operates in the way you have described.

MR COE: Are there any variations that are unresolved at this stage?

Mr Nicol: Yes, there are.

MR COE: Are they likely to have a significant impact on the cost to the project?

Mr Nicol: That will depend on how they are resolved but there could be sums of money involved, yes.

MR COE: Is there a resolution in sight or is it looking like it is going to be a battle of lawyers at the end?

Mr Nicol: I am hopeful that we will get a resolution, yes. We are working with Capital Metro on the project and several variations, as you have mentioned.

MR COE: Is that variation likely to be a capital payment up-front or is it likely to be spread over a number of the monthly availability payments?

Mr Nicol: We start again with speculation but I suspect it will be spread, but loaded towards the front of the contract if there is agreement.

MR COE: How will that be reported to the public, given that there are doubts or vagaries about what each monthly payment is going to be at this stage? How is the public going to know whether we are talking about \$50,000 a month or \$500,000 a month?

Mr Nicol: I would have to take that on notice but my reaction here is that that will be made available publicly as a statement from the government once the situation is resolved.

Mr Barr: That is correct, yes.

MR COE: Finally, given your role on the committee, is there any talk that some of the consortium partners are going to be leaving the consortium, selling out, in effect?

Mr Nicol: In any contract of this nature a consortium will involve various partners that may or may not stay with the consortium, for example, once construction is complete. The constructor may withdraw from a consortium like this, although I think in this case the constructor has some equity. I would have to take that on notice. David, have you heard anything?

Mr Asteraki: I have not heard of any proposals for significant change in shareholding. Both partners in the construction joint venture are also equity investors in the consortium through their overall company structures. There is also a third party financial investor. All the details of that are in the published contract summary.

Mr Nicol: Yes, but it is not unusual for projects of this nature to have refinancing arrangements through the course of the contract and for financiers and equity holders to come and go.

MR COE: And my final question—

THE CHAIR: I thought your last one was, Mr Coe. This is your final final.

MR COE: That is right. If the project does get handed over by the consortium or completion is deemed to have taken place at the end of January, what is the committee's view about how long it is going to take to actually get services operational? How much more testing and safety work needs to take place?

Mr Nicol: The contract arrangements have an arrangement where before services can commence, a range of tests for safety and effectiveness have to occur. That is

programmed—their end January date includes that testing regime. Their advice to us is that services will commence at the end of January.

Of course those tests have to be successfully concluded before services can commence. Those services run from everything from patronage experience, safety, the national rail track operator has to certify it, our independent certifier has to certify it, the electrical work has to be certified by our regulator. There are quite a number of steps to go in that. That is the program to occur before services commence.

THE CHAIR: We will put a pin in it there. We will have a 10-minute break and come back at 10.40.

Hearing suspended from 10.26 to 10.37 am.

THE CHAIR: We are now moving to government policy reform, coordinated communications and community engagement and digital strategy as well as the executive and territory records. I will kick off by asking about the review of the Land Titles Act. What is the purpose of that review? Can you give me an explanation of what it will include, when it will be completed, who is doing that review, and will it be open to community consultation?

Ms Croke: Mr Hanson, would you mind if I get a little bit more information and come back to you on that one? I do not have anything at the moment, but I know it would not take me very long to quickly get some details on that.

THE CHAIR: I am happy with that. I will move on, but once you have that information we will come back to that later in the hearings.

MS ORR: Chief Minister, what policy challenges are being presented by the ACT's above average population growth fuelled by strong economic and jobs growth?

Mr Barr: They do say economics is a dismal science, and sometimes rapid growth can present challenges for service delivery, particularly when the extent of that growth has not been well captured through many of the data sources we rely upon. It has been a cause of some concern that for the past few census periods there has been an undercount. Indeed, between each five-yearly census there has been difficulty on the part of the Australian Bureau of Statistics in accurately measuring Canberra's population growth.

Many of the projections and many of the federal financial relations decisions are measured with their point of measurement being the estimated population for the states and territories. The most recent, the 2016, census found the ACT's share of national population to be greater than the ABS had been projecting. And that, amongst other things, has led to the territory having a third lower house seat in the federal parliament. It has meant that our share of national GST revenue was underdone for half of that five-year period and has been corrected only at the more recent distribution as a result of the ACT having a greater share of the national population.

This also presents challenges in the service delivery area as we rely upon ABS population data to project forward on the provision of health and education

services, for example, amongst other areas of service delivery for the territory government. I think it is clear, as this has been happening consistently, that the methodology to measure internal movement within Australia needs to be improved at a national level. That really can only come from increased resourcing to the Australian Bureau of Statistics.

This is the one area of measurement where they appear to have the greatest difficulty, relying on things like people changing their address with Medicare, for example, as a data source. We appear to be very good at tracking when someone is born and when they die. We are pretty efficient it would seem at knowing when people migrate into the country and when people leave. There is pretty robust data in relation to those elements of population growth, but internal movement within Australia has proved to be quite challenging to measure.

That has implications on the revenue side for the territory because there are many national partnerships that use a population measure as a determinant for funding, the GST being the most significant of those. We see on the expenditure side and on the demand side that there is increased population. That can come through enrolments in schools, presentations in the health system and demand for various community services. We do not always get the commensurate funding flow that matches that level of increased population. This area needs to be improved.

We are not the only state or territory in this position. I know my Victorian colleagues have also expressed concern with Victoria and the ACT being the two strongest growing jurisdictions in Australia in this point in time. We face common challenges through that increase in population.

On the other side of the equation, though, it would be fair to say that the increase in population means that a range of economic, social and cultural activities that would not have been viable for our region are increasingly becoming viable for our region. Clearly people will have a variety of views on the arrival of international flights and major international retailers, improvements in diversity of the hospitality industry in the city, the range of events and cultural activities that we can support, from major touring shows at the theatre centre to test match cricket to you name the range of activity that was not previously possible in Canberra and now is because our economy is larger.

Population growth has its advantages and its challenges. Clearly, as we project ahead for the next 10 years for this city the expectation is that we will reach half a million people on the current rate of population growth, and that necessitates further planning for transport infrastructure, for example, and the need to augment social and community infrastructure in a variety of different locations.

But it also presents the opportunity for more new precincts to emerge, for older precincts to revitalise and for the sort of critical mass and economic activity that may have once been in a particular part of Canberra to return as population levels increase or, in some instances, return to what that suburb or region used to have at one point in its history.

The settlement patterns in Canberra have been such that the new areas that are

developed tend to be the fastest growing areas in Australia. They see very rapid population growth, and most Canberra suburbs see their population peak early in their lifecycle and their history. There is only a very small number of suburbs that now have more people than they did during the period they were first settled. Despite increased density of housing in some areas, they still had more people in earlier parts in their history.

That is a point perhaps not well understood by some, but if you go back and look at the population of each individual suburb over its history, you will see that a lot of inner Canberra suburbs had their population peaks in the 1960s and 1970s and even with urban renewal have not yet got back to that level of population.

MS ORR: You mentioned that net intrastate migration has been one of the largest contributors to variance in the population figures. We have had an update of the census. That has obviously been very helpful at putting us where we are but, given that we will not have another census for five years and working on the assumption that intrastate migration measurements do not improve, does this mean we could still see a little bit of—

Mr Barr: Yes, I think that still remains a risk until there is either a further investment in the resources available to the Bureau of Statistics or some new methodology. Clearly various data sources are available. Perhaps your address with Medicare is not the best source data. Most people have mobile phones so the home base of a mobile phone would be one practical example. That is certainly being talked about as a trial in the context of tourism statistics: moving away from paper-based survey collection for tourism data and looking at more real time as to where people are as they are on social networks and mobile networks or their expenditure patterns.

There is a trade-off around privacy and aggregating of data and the like, but it is going to become increasingly the case, given how much we rely upon the accuracy of this data to properly fund service delivery, that these sorts will have to be looked at. And even if it is matching data from across a variety of government data sources to get a picture of internal movement within our country, that will be important. It clearly has to be undertaken with a view to personal privacy as well.

MR PETTERSSON: Do you have any thoughts on the commonwealth proposal for the ACT to take over service delivery on Norfolk Island?

Mr Barr: This one emerged, I was going to say from left field because it came from Prime Minister Turnbull—people may or may not agree with that characterisation. The Prime Minister WhatsApped me and said, “I want to talk to you about this”—very modern way of communication—ahead of some more formal engagement with the commonwealth.

Obviously since this has become public a variety of views has been expressed over, firstly, whether Norfolk Island should have had its self-governance removed through to the effectiveness of current service delivery and regulatory support through New South Wales to this prospect of the ACT taking over service delivery.

Obviously, following the change of Prime Minister and a change of minister again in

relation to the territories, there has been no further progress on this question. I have received correspondence from a self-described council of elders on Norfolk Island outlining a wide range of concerns in relation to their current arrangements.

I must say I have a great deal of sympathy for the position they have put, and I indicate that the ACT is not rushing into service provision on Norfolk Island. In fact I would consider it highly unlikely that we would become involved. Nevertheless, I will hear out the commonwealth on this matter. The new minister has reached out. We had a meeting scheduled; it was cancelled at the request of the federal minister as the result of a busy sitting week. That is understandable; these things do happen. At this point, no further meeting has been scheduled and I would not anticipate anything being resolved in this current term of the federal parliament.

The ACT has a long list of questions and concerns in relation to any potential involvement that we might have not least of which are the logistical issues associated with delivering services in that environment. But, that said, we will keep an open mind. I will hear the commonwealth out on this matter, but a range of obvious issues and hurdles would need to be overcome, amongst which would be that Norfolk Islanders would want the ACT to assist in service provision. I think that is a necessary prerequisite.

Clearly we would need to have direct aviation access to Norfolk Island in order to be able to provide service. The commonwealth would need to meet all of our costs associated with service delivery. They would be three immediate issues that would need to be addressed.

First and foremost, though, we would need the support of Norfolk Islanders. Given the tenor of the correspondence from the council of elders on the island, I suspect that there are a range of issues they would wish to work through with the commonwealth before engaging with us, and I think that is appropriate.

That is a fairly detailed way of saying nothing is going to happen soon, and I do not think anything should happen without the support of Norfolk Island. ACT taxpayers should not be out of pocket in any way, and there is a range of very practical logistical issues that would need to be addressed, all of which says to me that this will not be resolved quickly. From the vantage point of where we are now it would be highly unlikely that the ACT would be providing services on Norfolk Island.

MR PETTERSSON: You have outlined a lot of problems. Are there any benefits to this proposal?

Mr Barr: I am struggling to see them at this point in time, but I am aware that there is a challenge and a problem for Norfolk Island. One would have thought when the changes were made that these issues would have been thought through and addressed. They appear not to have been to the satisfaction of either the New South Wales government or the commonwealth government or, indeed, the residents of Norfolk Island.

I struggle to see how we are necessarily best placed to provide a solution for all of those disparate views. So at this point, unless there is a very clear way forward and a

clear understanding and a clear benefit to Norfolk Island residents and to the ACT it would seem, as I said, highly problematic. But I remain at the table.

We will talk with the commonwealth. We will talk with Norfolk Island residents if that is the direction that this heads. I note they have invited me to visit. I will not do that ahead of further discussions with the commonwealth and undoubtedly further discussions with their local federal representatives after the next federal election.

MR COE: Is it possible that it could operate in a similar way to the school in Jervis Bay or Wreck Bay?

Mr Barr: Conceivably, but there are arguments that even that is not working effectively. We were in negotiations with the commonwealth and the New South Wales government to change those arrangements; then New South Wales just unilaterally pulled out under the new Premier.

The reality for this will really depend on the attitude of the New South Wales government after their election in March and, clearly, the commonwealth's position after their election in May. I would not expect there to be any further significant progress on this issue until both of those elections have passed and there is a degree of certainty in terms of even just the basics of which minister you are dealing with and which prime minister. This has changed; there is no continuity.

As a personal favour to the then Prime Minister when he contacted me and we spoke, I said, "Yes, I will look at this." When the Prime Minister rings and asks, you would generally want to at least give it a fair hearing. The issues I have raised with the committee were the issues I raised with the Prime Minister, but I said, "I will hear you out." He is now no longer the Prime Minister. Prime Minister Morrison, perhaps understandably, has not had this as the highest issue on his agenda, and we have not spoken about this. The office of the assistant minister who has responsibility for the territories has reached out. We had a meeting scheduled. It was cancelled because they were busy, again understandably, being new in the portfolio. Hopefully, at some point we will reconvene, but it remains firmly in the commonwealth's court.

The issues I have outlined today will remain issues of concern for the ACT, but in the end I think what will be necessary to get an outcome is that the preferred position of Norfolk Island be very clear.

MR COE: Would it require a change to the self-government act?

Mr Barr: I do not believe so.

MR COE: I was just wondering about the remit.

Mr Barr: Yes, indeed. I guess that would be part of any potential consideration. If it were just contracted service delivery, possibly not. But there are just so many practical challenges in this regard that we would need those addressed before we could—

MR COE: In some ways, if it does require a change of the self-government act, it

makes it pretty close to being a bipartisan step by the commonwealth.

Mr Barr: I think that is correct, yes. At this stage, I note that the service delivery arrangements with New South Wales continue into the 2020s, so it is not an immediate issue. As I say, I have reservations, but I am open to how the commonwealth might address those.

MS LE COUTEUR: I want to talk about how we are going with deliberative democracy. I think this would be the appropriate time. I am not particularly wanting to go through the details of the CTP, given that there is another committee working on that, just to make it clear.

Mr Barr: I am sure we will be talking about all of those issues extensively in other fora.

MS LE COUTEUR: I am not trying to talk about that. We have done four projects so far. How are you going with them, and where do you see the future?

Mr Barr: I will invite Ms Perkins to outline that.

Ms Perkins: There have been four projects undertaken over the past 18 months or so. You mentioned CTP. There have also been better suburbs, the carer strategy, and the collaboration hub for EPSDD.

Carers has gone through its process, and the findings of the carer strategy are informing the work of CSD moving forward on how government can provide support to carers in our community. The housing choices collaboration hub has recently concluded, and that work is providing input into the government's decisions on housing for Canberrans; and better suburbs, too, for municipal services, with TCCS. Obviously the detail of those projects may be best requested from the individual directorates that are responsible for them.

With those four, the key commonality is the significant amount of evidence and research that are prepared to inform the various participants on those panels. Obviously there is a huge volume of information. These deliberative processes are providing the participants with really detailed evidence and research to think about all of the complexities of these issues and all of the trade-offs that go into decision-making, rather than what we have seen with more traditional community engagement, where individuals are quite focused on their own individual view and do not necessarily think beyond their individual view or perspective and the various trade-offs and complexities that go into decision-making.

Obviously we are still on quite a journey, and there are evaluations to be undertaken for each of those processes. But I think that it is fair to say that we are all learning a great deal in the amount of time and effort that goes into these deliberative processes. The real benefit is in often helping to take some of the heat out of engagements, providing a far more considered view of the engagements, and having far greater transparency of the various complexities in these issues.

MS LE COUTEUR: One of the comments I heard from a number of people was that

it was hard to see how the minority fringe issues were engaged with. Whatever the issue is, we all know that there are outliers. They are not quite one-offs, but there are people whose views would not be represented at these groups because you are only talking about a group of around 50. How are those views being integrated into this process?

Ms Perkins: One of the very important steps that government has put in place over the past couple of years is research to support community engagement projects, particularly with these very complex policy issues.

The CTP example is probably a good one in that there was a range of ways that the broader community could provide their input into the process. A survey had been conducted a couple of years ago to gauge the Canberra community's understanding of CTP. Based on that, we understood that the community's understanding of CTP was pretty low. Before the CTP citizens jury process was underway, there was a statistically sound CATI phone research program put in place. I think 600 or 1,000 members of the community were able to participate in the CATI survey. That survey, which was a professionally designed survey, was also provided on your say so that individual members of the community could have their say on your say. There was also the opportunity for any member of the community to provide written submissions. Those various pieces of input were used to inform the citizens jury.

And I think it is important to say with the citizens jury that the process with the recruitment was stratified to broadly represent what the Canberra community looks like.

MS LE COUTEUR: I am aware of that, but I am also aware that there are people who are outside the ends of the bell curve. I was told that with the carers process they put in some effort to try to find some of the people who were on the fringes of the bell curve, because carers have so many really different issues depending on the problem with the person they are caring for. In the other cases, clearly your stratified population is the middle of the bell curve, not the ends. And that is the question: how do those views get heard? We get to hear about them because people get very upset and let us know about it, but they may not in a circumstance like this.

Ms Perkins: Each process will be individually designed to address those issues and to work through who those difficult to reach people are and how we are going to capture those views. There is not a one size fits all depending on the issue or the policy that is being worked on.

I probably cannot state enough the importance of that research where we really make sure that we get the broad views of the community. And we are currently going through a procurement process for the new online insights community which we spoke about at the last hearing, which will provide another way to broadly reach representative members of the community. It, too, will be stratified. We will need to make sure that we have that statistically balanced sample of Canberrans so that we can much more easily and quickly get to, hopefully, large numbers of people.

MS LE COUTEUR: As you would be aware, last year the Assembly passed a motion looking for part of the TCCS budget to be framed using participatory budgeting

methods. Is the intention to use better suburbs for that or is there some other plan?

Ms Perkins: I think I would need to defer on that, to either the Treasurer or the minister.

Mr Barr: Obviously, that is part of that better suburbs program. We would certainly align with the direction of the Assembly motion and the government commitment. I will take on notice whether there are other programs in other directorates that would also align there, but we would also want to evaluate the effectiveness of the initial approach.

MS LE COUTEUR: I was more meaning whether that is the only thing that is going to be done in terms of fulfilling the Assembly's direction in terms of a participatory budget. I would be really delighted to hear about more, but I am just checking that.

Mr Barr: As I say, I will take on notice whether there are other proposals within other directorates on that question.

MS LE COUTEUR: Are you planning to do more participatory democracy?

Ms Perkins: Yes. In general, with the approach that we are taking across government, we are talking more about deliberative approaches to engagement. When we talk about deliberative approaches, we really want to make sure that in our approaches we provide the space for all of the issues and all of the views to be transparent and for all participants in those engagements to understand all of the different viewpoints so that the complexities of decision-making are very clear to all of the participants and for everyone who wants to have their say. It is another term for participatory democracy, but we are very much just trying to focus on a very deliberative approach.

Mr Barr: I guess the community's trust in the process will be reinforced if we are able to uphold the commitments that emerge out of these processes.

MS LE COUTEUR: Absolutely.

Mr Barr: In relation to the better suburbs program, or indeed the CTP reform, if the first act of the parliament is to completely disregard the views of the citizens jury in relation to CTP, for example, you could understand why there would be a degree of cynicism about any further programs in that area.

MS LE COUTEUR: Absolutely. You have talked a lot about the quality of information. I agree that that is a really important and very positive thing. Will this focus on quality of information go out into the broader consultation that the government is doing? Without wishing to be too impolite, some of it is not being characterised by excessive amounts of factual information.

Ms Perkins: I think one of the ways that government is demonstrating its commitment to the better information that is provided in our engagements is that in February of this year a whole-of-government communications and engagement strategy was released for the first time. That was the first time we actually put together all of those conversations that we needed to have with the community

looking ahead, as well as all of the important public information campaigns that we need to provide to the community throughout the year or a couple of years.

That was a first step for us in making sure that at least we had visibility of the most important engagements and public information campaigns to make sure that we have the time to prepare them adequately, that we are focusing our efforts on those that are of the most importance to the community and to the strategic priorities of government. That was a real step forward for us to at least have that sort of line of sight of what was going to come through so we could focus our efforts accordingly.

We are in the process of updating that at the moment following on from this year's budget to again look forward through to the end of next year. I think the most important thing for those of us working in communications and engagement is making sure that we are focusing our efforts on the most important issues and policies for government.

One of the things that we did in there also is provide some advice about the language that we are using. Sometimes we use all of the different phrases quite interchangeably, which really has problems for us with expectations of what we are consulting on. Perhaps we are just providing information, but people think that we are therefore going to make changes based on their input. So we are very much focused on capacity building in the public service to be very clear about what we are engaging on, what is up for grabs, what is the complex issue that we are working through, and what is the problem that we are trying to solve.

It is really important that we do that capacity building across the service, that we are sharing the stories of lessons learnt in this. It really is an emerging field here in the ACT. There are not a lot of people who have done this professionally. So we are focused on trying to build up that capacity and skill ourselves while we go through this journey.

MS LE COUTEUR: Can I make one final small practical suggestion? Could you have a more useful search function on the your say website? I often look at things there and I obviously do not categorise them in the same category as whoever puts it together. So all I can actually do is go through all projects; go down and down and down. There is such a lot of stuff there. People frequently complain to me that they have not got enough time to do all of the consultation the government asks of them. They find it very difficult to find out the really important ones versus the others. Right now it is all full of public housing DAs, which seems to be overkill for some people. I appreciate the sensitivities that got them there. Maybe there could be a side section or something rather than your first page being virtually 100 per cent DAs for two buildings.

Ms Perkins: Yes, noted. We are working on it. We are in the process of working through a procurement because we will need to go back to market in the new year for a provider for our online engagement. We are very familiar with those challenges and how we can structure it in an easier to follow way.

MS LE COUTEUR: Great, thank you.

MR COE: Speaking about online engagement, I have a series of questions with regard to the creative services panel. I note that that contract arrangement is now worth \$50 million. What is the reason for that increase?

Ms Perkins: No, I do not believe we spend anywhere near \$50 million on the creative services panel. The creative services panel was put in place for the service categories of marketing, advertising, production, communications and engagement, digital photograph, and video and graphic design. I think the estimated value of the services is around \$2 million a year. That comprises about \$1.3 million of campaign advertising and \$700,000 of non-campaign advertising.

MR COE: I refer to panel 27954, which is on the contracts register, for the whole-of-government creative services panel, non-consultancy and anticipated panel amount, \$50 million.

Ms Perkins: I am sorry, Mr Coe. I think I have provided an incorrect answer there. I think what I was talking about with the \$2 million is the media placement. In terms of creative services, I might need to take that on notice to provide some of the breakdown of what goes in behind that.

MR COE: Okay; it is a \$50 million panel. So we are talking big money. It looks like there are 50-odd companies that are listed on that panel. It has recently gone from \$30 million to \$50 million.

Ms Perkins: Yes, I do not believe that we spend anywhere near that amount of money. But I will take that on notice to provide a breakdown.

MR COE: What was the basis of it moving from \$30 million to \$50 million?

Ms Perkins: I could not tell you the procurement details that sit behind that. I will take that on notice.

MR COE: Okay. From what I gather, it looks like the panel amount increased, after the execution date of this panel, from \$30 million to \$50 million. Who would be responsible for this?

Ms Perkins: We will check in with our procurement colleagues.

MR COE: Yes, I understand the procurement side of things, but who is actually responsible for overseeing this panel?

Ms Perkins: I am.

MR COE: Right. If something has gone from \$30 million to \$50 million, Chief Minister, is that something that you authorised?

Mr Barr: No, unless it has been through the—it would be budget appropriations. There would be authorisation in that regard. But we will take on notice the specifics of your question. We may be able to get some information today in relation to that.

MR COE: How does the panel work? How does it operate? How do people get selected for jobs?

Ms Perkins: There was an extensive process put in place to qualify providers to be on the panel. There is now a panel setup, through procurement, against those categories that I mentioned before. In terms of getting work through that panel, our colleagues across government lodge requests for work through the panel. We actually have lower thresholds for seeking work on the panel because typically the amounts of money that are spent on these sorts of services are quite low. They are in the sort of \$1,000, \$2,000 categories. There are thresholds. They may go to a certain number of people within those categories to seek quotes for that work.

MR COE: The anticipated panel amount is \$50 million as per the contracts register. It would suggest that there are some large contracts going through. It is not just \$1,000 or \$2,000 here and there.

Ms Perkins: As I said, Mr Coe, I am fairly confident that we do not spend anywhere near that amount of money, but I will check that. You would also see from the reports that are tabled through the independent reviewer twice a year that the campaign advertising amounts of money go through the independent reviewer process. Those campaigns are fully detailed in those twice-yearly reports.

MR COE: What sorts of jobs would be commissioned through this panel arrangement?

Ms Perkins: It might be advertising campaigns; it might be photography. We use photographers for all sorts of things. It might be for any form of public information. There are obviously engagements. Sometimes we source external support for engagement strategy and implementation. It may be video production, although we do predominantly do the majority of that in house. But it is typically for the public information campaigns that are outward facing campaigns.

MR COE: If things like photography, video production or engagements are used for events, that is unlikely to get captured by the campaign reviewer.

Ms Perkins: Yes, sure, there are some categories that do not go through the campaign reviewer.

MR COE: Can you take on notice the amount that has gone through the campaign reviewer and the amount that has not, and if there are any core categories. Given that there are 50-odd companies or suppliers on this list, do you ever go beyond this list for creative services?

Ms Perkins: There would need to be a reason why the services could not be provided from those suppliers that are on that panel. If it was existing work for which work orders were in place before the panel came into being, that would be an exemption. But, no, we strongly recommend that people only use the suppliers on the panel.

MR COE: What would be a legitimate reason for going outside one of these 50-odd companies?

Ms Perkins: It would be pretty tough for me to find any reason to go outside of these companies.

MR COE: In terms of the spending that is done in different directorates, they would also access this whole-of-government panel?

Ms Perkins: Yes.

MR COE: Would the expenditure for other agencies such as Transport Canberra—TCCS would have a big budget for engagement—come out of that same bucket or does that come out of a different bucket?

Ms Perkins: Individual agencies have their own funding for their own public information campaigns. Whilst they would access those services, it would go through their directorate.

MR COE: I guess it begs the question of what this panel amount actually means. If it is whole-of-government but it comes out of different agencies' buckets of money, what is the relevance of a panel amount—

Ms Perkins: There certainly are codes that we can go and check against for the different categories that fall within there to be able to provide that amount of money that we are looking for in the total amount.

MR COE: Do you get regular reporting on which panel has spent what on work and the total amount of money that has gone through?

Ms Perkins: Yes, we do. We have some annual reporting in place. We are about to do a review of the panel that has been in place for just on a year.

MR COE: Is there any reporting in the annual report about the total expenditure?

Ms Perkins: No, not on the panel, there is not.

MR COE: Chair, if I can be so bold as to make a recommendation for your committee, that might be an apt recommendation.

THE CHAIR: I will take that on board. Thank you very much, Mr Coe. I note that the time has moved on. We will now open up to innovation, trade and investment, as long as you are happy, Chief Minister. Are there remaining questions from the previous area of ACT executive and coordination?

Mr Barr: It is a completely different set of officials. Can we wrap up, like we did last time, any further questions?

THE CHAIR: I am assuming that there are no further questions. We will move on to innovation, trade and investment unless we have the—

Mr Barr: Yes, we do.

THE CHAIR: We do? We have the update. Fantastic! This is the review of the Land Titles Act that is on the go.

Ms Croke: Our regulatory reform team in policy and cabinet are looking at reviewing the Land Titles Act. It is an act that has been in place for quite some time. There is a national push to have e-conveyancing across all jurisdictions. What we currently are exploring is what that would look like in the ACT. We are looking to what reforms other jurisdictions are doing. We know that New South Wales and Victoria, for example, have said that they will be moving to e-conveyancing in 2018-19. We need to understand what that looks like for the ACT, what legislative reforms might need to be put in place for us to be able to participate in that arrangement.

THE CHAIR: Really, it is a sort of digital transfer. It is moving to digital; that is the extent of it.

Ms Croke: Largely, yes. It is about being able to do transfers of mortgage titles and land titles in a way that is easier from a customer's perspective.

THE CHAIR: Who has done this? You said you are looking at other jurisdictions.

Ms Croke: We know that Victoria and New South Wales have indicated that they will be moving to e-conveyancing in 2018-19. I would have to do a scan of other jurisdictions to see where they are at. Mr Engele might have a bit more detail but I am not certain I know that at the moment.

Mr Engele: In addition to Ms Croke's comments, we do not have the report finalised yet; so we have not got the comparative analysis of other states and territories. Part of the scope was to look at how the wording in the legislation is currently framed and whether there are opportunities to modernise and also look at any phasing of reforms as part of any reform program.

Ms Croke: It is largely a scoping study at the moment informed by what other jurisdictions are doing, but then making sure it is relevant for ACT and would meet ACT settings.

THE CHAIR: Have you a sort of draft time line as to when you might migrate towards a digital system?

Ms Croke: That is one of the things that the report will go to, whether or not you would look at a staged implementation if the government were to choose to introduce new legislation. One of the things we are looking for in that report is what options there might be around the staging of that.

Mr Engele: And I just add, Mr Hanson, that there is also a requirement for any technical upgrades to the system before any change could occur.

THE CHAIR: That is all I had in that area. Thanks very much. We will move to innovation, trade and investment, and confirm: does that include the office of international engagement?

Mr Barr: Yes, it does.

THE CHAIR: Thanks very much, everybody.

Mr Barr: The commissioner is in China at the moment.

THE CHAIR: I might kick off with a question in that area then. What have the commissioner and the office of international engagement been up to? Where have they been and what are the outcomes?

Mr Barr: The commissioner has supported various trade missions over the annual reporting period. He has also been involved in hosting the numerous incoming delegations who come in principally at the behest of the Australian government. Obviously many of them wish to undertake activities in Canberra or to meet with the territory government on matters pertaining to their responsibilities. A fairly extensive part of the commissioner's work is to—

THE CHAIR: Are his visits directed by you or by government, or does he self-initiate where he is going?

Mr Barr: They are guided by the international engagement strategy and the priorities contained therein. All overseas travel by ACT public servants, including the commissioner, is approved by me, and it has been a longstanding practice that a chief minister signs off on overseas travel.

But a great amount of the commissioner's work is actually here in Canberra on the in-bound side and with the various embassies, trade offices of other nations. He will, on occasion, accompany me or other ministers on international delegations and on one or two occasions has represented me when I have been unable to attend because I am in the Assembly or in annual reports hearings or the like, and that work has assisted clearly in raising the profile of Canberra as an investment destination.

It has also supported our various sister city relationships and partnerships. Recent examples are: the commissioner hosted the delegation from Nara who were here the week before last for the 25th anniversary of the Canberra-Nara sister city relationship. The commissioner accompanied the mayor on all his activities for the three or four days he was here and worked closely with the Japanese Embassy in organising a program for the mayor.

Last week the Mayor of Wellington was in Canberra, and the commissioner again accompanied the mayor on his program in Canberra. The commissioner was also involved in liaising with Nara for my visit a few weeks back and has taken the lead in terms of organising the Canberra Week activities in Wellington to take place next week—amongst other things. But certainly I am happy to take it on notice. I am sure the commissioner would delight in giving further detail on all his activities.

THE CHAIR: No doubt he would.

Mr Barr: I am happy to do it. We can provide a more comprehensive summary of all

that the commissioner does.

MS ORR: While we are on innovation, trade and investment, what activity has the government undertaken to secure Canberra as the permanent home of the Australian Space Agency?

Mr Barr: This has been both an important and exciting process of engagement across the key stakeholders here in the ACT who vary from commonwealth agencies, universities and the private sector. We have been active in presenting to Dr Megan Clark, who is leading the work on behalf of the interim agency, in relation to making a recommendation to the Australian government on the permanent home and the structure of the recently announced Australian Space Agency.

We have taken the opportunity, in partnership particularly with the ANU and UNSW Canberra, to make some strategic investments in expanding access and capacity within the sector. We have also prepared a detailed prospectus and presented that to Dr Clark, and we continue to engage through what is an iterative process with Dr Clark and her team. I might invite Mr Cox and Mr Keogh to talk a little further around that process.

Mr Cox: Just some preliminary remarks before I pass to Mr Keogh to make some more detailed comments around the pathway, I want to reiterate that this is not just a simple, I guess, response by the ACT government to a commonwealth announcement. There has been quite extensive work done around space sector development through the agency and also in liaison with the commonwealth over a period of some years.

In fact, our first involvement was through the former federal Labor government's agency when they were looking to establish a precinct development program. For various reasons, that did not proceed. There was a change of government and the current government went through a process to establish a smaller number of more traditional industry growth centres.

But we did quite significant work three or four years ago around this area, and we were delighted when the space agency started to gain momentum, which came out of some work that we also did with the Industry and Skills Council a few years ago. There has been quite a significant lead-up to this moment. I might pass to Mr Keogh to make some comments.

Mr Keogh: Just to build on what Mr Cox has said, we started the process back in 2014 with the establishment of the CBR Innovation Network, because that brought together the major partners in the research sector to support the CBR Innovation Network and then, in the lead-up to the release of confident and business ready in 2015, we met with those institutions and identified a number of key capability areas that they believed that Canberra had an advantage in. One of those was the space and spatial area.

After the release of confident and business ready we then took a proposal to the COAG Industry and Skills Council meeting and asked that the space industry be given standing with the industry growth centres that the commonwealth government had announced up to that stage. I must say, the response from the commonwealth and the

commonwealth minister at the time, Mr Pine, was underwhelming. The response from the council was that we needed to do a stocktake, which we did, and we found that at that point in time we were the only jurisdiction that was arguing for a space industry. Not long after that South Australia came on board, and we went back to the 2016 COAG Industry and Skills Council with a joint paper from South Australia arguing for the need to establish a space agency.

It just so happened that by that time the winds were blowing in a different direction and we were pre-empted at that Industry and Skills Council meeting by an announcement that the commonwealth was going to establish an expert reference group to look at the need for a space agency. And, much to Canberra's advantage, two of the members of that expert reference group were from Canberra: Professor Russell Boyce from UNSW Canberra, and Professor Anna Moore from ANU, who are both leaders in the space industry in Australia.

The expert reference group was then asked by the commonwealth to look at the establishment of a space agency, and we went to the International Astronautical Congress. It took seven organisations to IAC, where the Chief Minister signed an MOU on development of the space industry with then Premier of South Australia, Premier Weatherill, and Northern Territory Chief Minister, Mike Gunner.

Once again it may have been the pressure that we were bringing to bear, but the Chief Minister had already written to the Prime Minister on a number of occasions arguing that we could not have a major international astronautical congress in Australia without having an Australian government policy about a space agency. I think on the day that we were signing the MOU with the South Australians the commonwealth announced that we were going to have a space agency and that that would be temporarily located in Canberra. Since that time our energy has been put into making sure that we retain the space agency here.

That has involved, as the Chief Minister said, meeting with Dr Clark when she was appointed the head of the space agency, writing to the relevant commonwealth ministers, launching our space prospectus, writing to local members, writing to regional members arguing the case. But behind the scenes we have, particularly through our Defence Industry Advisory Board and with our Defence Industry Advocate, Kate Lundy, carried out a campaign of influencing the major decision-makers.

Although the space agency is a civilian space agency there is a very strong defence space presence coming out of the white paper, and the relationship between defence and the civilian space agency is going to be very important. We have seen the chair of the Defence Industry Advisory Board, Geoff Brown, and, as I said, Kate Lundy, engaging with relevant defence people.

We have also had a program of engaging with the embassies and high commissions that are relevant to Australia's defence industry. We have kept the pressure on, and I think we have made the case that the only reason that the space agency would not be in Canberra would be a political decision to locate it somewhere else. One of the key things the agency has to do is develop Australia's international space standing. To do that, it has got to be located in Canberra, it has got to be close to the high

commissions, it has got to be close to defence, it has got to be close to Prime Minister and Cabinet and all the other agencies. That has been our line and our plan to keep the space agency here, and we will continue to do that until the decision is announced, hopefully, that it will stay in Canberra.

Mr Barr: Obviously Senator Kim Carr on behalf of the Labor Party made a commitment that a future Labor government will headquarter the agency in Canberra. That covers off one part of the political equation in relation to decision-making and, given we are ticking down the time remaining in this parliament, I think any last-minute announcement on the eve of a federal election that was highly political would not be well received by all industry stakeholders in relation to the location of the agency. But obviously we will continue our advocacy.

It is a bipartisan position locally. I will acknowledge that Senator Seselja has also, I understand, been doing work behind the scenes to advocate for Canberra. I wish him well in that endeavour. I have obviously been able to secure such a commitment from my federal colleagues. I hope he is successful in his efforts with his colleagues and that we are able to secure this agency for Canberra into the long term.

I think the case has been well made and, as Mr Keogh has indicated, it would only be a very crass political intervention that would see the agency not headquartered in Canberra. But it will necessarily be a federal model, bringing the key capabilities and capacities of other jurisdictions. I think we have already demonstrated our willingness to work with other states and territories collaboratively, the MOU with South Australia and the Northern Territory being a practical example of that, and other states have capability that they bring to the table for a genuine national effort in the space sector.

That would rightly be coordinated from the national capital but with opportunity and engagement from all states and territories—I think that would be the best model—with policy certainty for jurisdictions to know where their strengths are to assist state and territory governments to make the right strategic investments to support the development of the industry in their respective parts of the nation. That is the model that we have put forward. It is not a winner-takes-all scenario by any means for the ACT but a national agency, I am sure committee members would agree, is best located in the national capital.

THE CHAIR: I have already indicated to the secretary that I want that as a recommendation.

Mr Barr: Very good.

THE CHAIR: So no argument from me, to be sure.

Mr Barr: Thank you.

MS ORR: I could ask some supplementaries, but given that we already have a positive recommendation, I might leave it there.

THE CHAIR: I will get that one up. Mr Petterson?

MR PETTERSSON: I know that a lot of the growth in Canberra's economy stems from large interest from China. What are we doing to diversify our economy in the case of China's economy slowing?

Mr Barr: Certainly, that is an issue that confronts all Australian states and territories, almost regardless of the areas of strength within each individual state and territory economy. It is just as pertinent for the resource-rich states as it is for the ACT, with an almost exclusively service export focus.

Our diversification strategies clearly involve engagement with other countries. China will, by its sheer size, continue to be a major trading partner for Australia. Our efforts have also focused on other markets, including, but not limited to, other South-East Asian countries like Singapore, the Japanese market, Korea, as well as emerging markets like Indonesia. We have a strong engagement with the United States as well, and we will be pursuing opportunities in growth economies like India, for example.

The international engagement strategy outlines a variety of different industry sectors and markets that we will seek to engage with. This is both to encourage service export growth and to attract inbound investment into the territory's economy. We are clearly seeing the benefits of that in particular sectors, from tourism and hospitality through to the residential development sectors, the space industry, which we have just been talking about, higher education, cybersecurity, and plant and agricultural sciences. There are a number of areas that we are pursuing, and we have seen very strong results.

In terms of growth in service exports in the ACT, it has been running for most of this decade ahead of growth across the rest of Australia. New market opportunities are being established, and across the scale of exporters from very high profile, large-scale exporters like Aspen Medical through to some small and medium size enterprises who are gaining access to new markets, even through to the work of Canberra Airport, together with Singapore Airlines, on fresh produce from the region getting out into east Asian markets.

That is a brief snapshot. China will continue to be a strong trading partner for Australia. We clearly have an opportunity through our strategic political and diplomatic relations. We made the very wise decision to form a sister city relationship with Beijing nearly two decades ago. There are also the more specific and targeted economic development partnerships that we have with other Chinese cities.

It is not just about China; it is about other markets. As we look to structure the international engagement program for 2019 and 2020, markets like Indonesia and India will be a focus, together with continued engagement with Japan, Korea and our United States and European markets.

We are also conscious of where the Australian government focuses its efforts in terms of new trade agreements. We work closely with Austrade, and we will monitor progress, for example, on opportunities with the EU and the UK in a post-Brexit scenario, where, clearly, new trade deals will be struck and may well present new market opportunities.

MR PETTERSSON: Can you tell me a bit more about the exploratory work that you do with Indonesia and Korea? Would you identify it as innovation opportunities?

Mr Barr: Yes. Going back to Mr Hanson's opening question, the Commissioner for International Engagement has undertaken an initial mission into Indonesia. I have been once, as Deputy Chief Minister, in 2014, from memory, but I will check that date. That is obviously an opportunity for us.

Clearly, the Australian government is working on a free trade agreement with Indonesia as we speak. That has had a lot of media coverage in light of the former prime minister's attendance at an oceans conference in Bali, the location of the Australian embassy in Israel et cetera. We do not necessarily need to go into great detail on that this morning, other than to say that that clearly puts the Australia-Indonesia relationship into high profile, so there are opportunities there for us.

In the Korean market, earlier this year we took the opportunity to engage there. That was focused on ACT government bonds, direct inbound investment into tourism and hospitality, and a couple of other sectors. There is a focus on renewable energy, as South Korea are taking a pretty significant project to up that country's level of renewable energy generation. They are very interested in research and development partnerships here in Canberra with our research institutions, as well as both the procurement methodology for our procurement of renewable energy and the success or otherwise of a range of trials that we are undertaking, for example, on battery storage, next generation renewables and the like.

The Australian chamber in Korea invited me to present at one of their breakfasts on renewable energy policy and direction in the ACT. I am pleased to say that that was oversubscribed. They could not fit any more people in the room. There is considerable interest, so a return visit targeted on the renewable energy sector, and with a number of our energy companies, offers significant export opportunities in the Korean market. We will endeavour to re-engage there in 2019.

MR WALL: I have a follow-up question on that. Chief Minister, you mentioned the potential export opportunity for our renewable energy sector. What is the potential there? Ultimately, with energy generation, where the ACT government has made the investment is in the physical assets or supporting companies to build those assets. Is it just the IP?

Mr Barr: Certainly, there are companies like Windlab, for example, whose mapping of locations for wind farms is an exportable technology, together with the development of virtual power plant operations, and Reposit Power's work in that regard. There are opportunities for collaboration that relate to research and development on alternative fuel types, hydrogen fuel cell opportunities for the domestic small transportation sector. We have some partnerships with Hyundai in relation to hydrogen fuel cell vehicles in our ACT government fleet. We are looking, in terms of procurement, at larger vehicles, because that fuel type might be better suited to larger vehicles. There are opportunities there in terms of R&D partnerships.

No, we are not going to be a manufacturing exporter, but it is all about R&D. It is all about, as you say, IP. Also, there is a lot of interest in the broader public policy framework around how government would go about procuring this sort of significant shift in energy production. There is a particular interest in Korea in relation to financing methodology and the economic development requirements that we had in relation to our procurement. We have acquired headquartering of Asia-Pacific activities in Canberra, a certain spend on R&D and the like.

That is all of interest in terms of the broader policy framework. I would see there being some direct opportunities for ACT-based companies to export into that market, and that could extend into areas as diverse as building management systems, to reduce demand side—

MR WALL: In dollar terms, the bigger interest is in selling to government rather than procurement of services from our local economy?

Mr Barr: It is both, although, clearly, the market for government services is a very substantial one. That is an area of comparative advantage, given that so many companies are established and headquartered in Canberra to access the biggest procurer of goods and services in the Southern Hemisphere, being the Australian government. But it is not exclusive to that area. Undoubtedly, there is interest in that regard, so we have obviously gauged the interest of those exporters in terms of their areas of market focus. I see tremendous opportunity for our exporters in the Korean market—not just there but elsewhere as well.

MR WALL: Chief Minister, what was the rationale behind the suspension or the cancellation of the trade connect grants? Why was that decision taken?

Mr Barr: We reshaped the program. I will ask Mr Cox to answer.

Mr Cox: I will start the response, and Mr Hassett may add some detail. The trade connect program has been a very long-run program. It has been around in one form or another for at least 10 years. Over the period—particularly in the past four to five years—the agency has also become more involved in co-export delivery support mechanisms through, for example, the Canberra Business Chamber.

Glen's area currently has a couple of contracts around mentoring support for exporters. Over that period of time the Canberra business council has been successful with a tender to Austrade to deliver the TradeStart program. The TradeStart program is essentially a business mentoring export 101, taking SMEs through a journey of what you need to become a really competent exporter.

There are also Australian government programs such as EMDG in this space. Also, we were finding that the companies that would enjoin trade missions would become part of a mentoring and development program around that. So we have moved more from a cost recovery transactional model to a capability development model, which we think, in a trade setting environment, and with all the other layers of measuring support that are around, is a much more effective way of taking early stage exporters on a journey.

Mr Hassett: Thanks for the question. One of the other things that we have been focusing our attention on doing in terms of trade mission activity is working with third-party providers. A good example of that has been a couple of innovation showcases that we have delivered in partnership with the CBR Innovation Network in Singapore over the past two years. Essentially, that was an initiative to take our companies over there, to put them in front of investors in Singapore.

In 2017 we took 18 companies to Singapore, including four from Wellington, as part of our MOU arrangements with Wellington. We provided funding support to the network to deliver that showcase of activity and the network provided some financial support to the companies to participate in that mission. That is the direction that we have been going in.

MR WALL: On that note, the trade connect grants ultimately let either the company or the individual choose the market that they wanted to go and engage with and go and do it off their own bat. You are now leading to a model where government leads the direction on which markets you are opening doors on. If there is an SME locally that wants to engage in, say, Africa, which is not in our trade strategy, what assistance is provided to that SME?

Mr Hassett: The other part of our assessment of trade connect is that we found that there was not good visibility of the outcomes or strong visibility of the outcomes. That is why we decided to focus our attention on trade mission activity and working with third parties to deliver programs.

MR WALL: How are you getting a better visibility of outcome through those missions?

Mr Hassett: Because generally they are part of a trade mission program.

MR WALL: How are you measuring it, Mr Hassett?

Mr Hassett: We measure those outcomes in outcomes for companies. In relation to the work in Singapore, a couple of companies have had follow-on activity and work. There has been Singapore investment in a number of Canberra companies. In particular, Liquid Instruments has received investment from a Singapore investor. We look to see what outcomes happen for those companies.

MR WALL: There is no reason why that did not occur under the former grant process, is there?

Mr Hassett: That is right.

MR COE: As a supplementary to that, what are the outcomes out of Korea, Wellington, China or wherever else the trade missions have gone to?

Mr Hassett: For each of those different programs there were different elements. From the Wellington missions, there have been outcomes in relation to collaborative work with institutions like the arboretum. They signed an MOU with the Singapore arboretum. Companies that have participated on missions to New Zealand have won

contracts. For example, the Cogito Group, which was part of the trade mission to New Zealand last year, has increased its contract work with the city of Wellington, a government contract.

MR WALL: But they had already made inroads there themselves.

Mr Hassett: They had made inroads themselves, and they had made inroads, in fact, previously with some trade connect grants. They were a company that benefited from trade connect grants in the past. That has been a good outcome for Cogito.

MR COE: With regard to the Canberra innovation development fund and innovation connect. What are the key achievements for those programs?

Mr Hassett: Thanks, Mr Coe. The innovation connect program has been running since 2008. It was established on the back of an innovation ecosystem review that was done at the time and one of its recommendations that there was a gap in the market around early stage commercialisation funding.

The innovation connect program was essentially established as an ideas fund to bring opportunities and ideas predominantly from the research sector into commercial activity. The focus of the program was around companies developing a proof of concept or proving a new technology or service.

Since the program was implemented in 2008 it has delivered about 108 grants worth in the order of \$5 million. The outcomes from those investments are that those companies have generated in the order of about \$10 million follow-on grants from commonwealth government programs and in the order of \$40 million to \$50 million in private sector equity investment in those companies.

MR COE: If it is such a successful program why in the past year or two have the amounts of money being offered been considerably less than the first eight or so years?

Mr Hassett: In the early years there was a separate budget appropriation for the innovation connect program but essentially it had an appropriation of around \$400,000 to \$500,000 per year. The innovation connect program continues and we have recently joined in partnership and agreement with the CBR Innovation Network to deliver the innovation connect program in partnership for the next three years. An allocation of \$500,000 has been aside for that program.

MR COE: How much of that \$500,000 will be given as grants as opposed to administration?

Mr Hassett: All of that. Part of that agreement is that all of the funds are delivered as grants for commercialisation to Canberra and region companies. It is another good example of how the network with its foundation members is working collaboratively both with the foundation members and with government to deliver these important programs.

It is worth noting in talking about these programs what the return on investment has

been. The government has invested significantly in innovation ecosystem development, particularly through the CBR Innovation Network but also in venture funding facilities like the previous Canberra business development fund and the more recent Significant Capital Ventures.

When you talk about what the ecosystem has delivered over the past 15 to 20 years, you can list a group of companies that are really starting to have a significant impact on the Canberra economy. I have a paper here that was put together by the CBR Innovation Network and Significant Capital Ventures recently that speaks of the number of Canberra companies that have been supported through various parts of the ecosystem.

MR COE: It is because of all these great achievements that I am curious as to why it has only been \$220,000 yet in past years it has been more like \$600,000 or \$800,000.

Mr Hassett: The innovation connect program in 2017-18 was supported through a co-investment grants appropriation, and in 2017-18 about \$480,000 was provided for commitments for the innovation connect program and some innovation development fund programs. But that also provided resources for some other innovation ecosystem development programs like the Indigenous business support program and some administrative support for the establishment of venture capital program of Significant Capital Ventures.

It was also used to support the funding of *Secret City* series 2, a screen project that would now find its place in the new screen fund. So a range of initiatives was supported through that.

MR COE: With regard to the CBR Innovation Network, how much is granted to them for administration or for their operations?

Mr Hassett: The network's base funding has levelled out at about \$1.25 million annually. Thank you for making that point, Mr Coe, because the base funding for the network comes from a recurrent appropriation to innovation industry investment of \$800,000. Its other funding support has come from different program activity like the innovation development fund over time. It supported the establishment of the KILN incubator and the establishment of the accelerator program that is delivered in connection with the CBR Innovation Network.

MR COE: So how much of that money goes in rent?

Mr Hassett: The other part of government support for the CBR Innovation Network is the provision of about 1400 square metres of space on the fifth floor of 1 Moore Street for a peppercorn rental.

Mr Barr: So the value of that is about \$627,000 but it is at a peppercorn level. So that is on top of the actual cash. They then have effectively a rent-free arrangement for use of the building.

MR COE: Is that the only rent expense they obviously do not have? Does the CBR Innovation Network have any tenancy expenses?

Mr Hassett: No.

MR COE: Can you tell me what work is being done with regard to health innovation within the directorate?

Ms Arthy: In terms of health innovation specifically we are working to Ms Fitzharris. Under the healthy and active living proposal and initiative we are currently working with the University of Canberra around a research centre concept to advance research into healthy and active living. That is the extent to which we are directly involved with health innovation.

MR COE: Why is it being done out of this agency as opposed to health?

Ms Arthy: There are several components to this. Firstly, my division is responsible for higher education and research, so the work that is done with the University of Canberra works as part of that. The other components of the healthy and active living work are around coordination across government. A lot of different directorates are involved with providing services that can help people be healthier and more active. So our job as a central agency is around coordination.

MR COE: Are the health promotion grants still being done by the Health Directorate?

Ms Arthy: Yes, I believe so, but those questions are for Minister Fitzharris.

MR COE: That is right, but I guess that is the issue, isn't it? Supposedly there is a whole-of-government approach to active living, yet we have health promotion grants in the Health Directorate, funnily enough, and then we have health innovation in the Chief Minister's directorate at the same time that you are dealing with higher education, yet we have a UC public hospital that is in the Health Directorate. Why wouldn't this whole area be in the Health Directorate? Are they capable of doing it?

Ms Arthy: All I can comment on is the fact that I have responsibility for delivering one element of it. We work very closely with the department of health. The department of health carry the main work around population health and preventive health strategies and priorities. We provide the extra element, which is around the coordination of some of the more externally focused community work. We are also doing the lead around one aspect of higher education, noting that the department of health has existing relationships with most universities in town. We are also looking at how we develop the business community. We have links with the CBR Innovation Network and the innovation sector. It is how we can bring our skills to bear on developing the industry that sits around preventive health.

It is a whole-of-government approach. We have a particular role; the department of health has a particular role; the department of transport has a particular role. This approach is really about how we better coordinate across government so that we can deliver better outcomes.

MR COE: Chief Minister, then, why would the health promotion grant not be in this area?

Mr Barr: I do not follow your logic there.

MR COE: The ACT health promotion grants help to improve the health of Canberrans and minimise the risk of them developing chronic diseases with small-scale innovation health promotion projects. \$100,000 is available for others. This is pretty much exactly what we have just been hearing about.

Mr Barr: I do not think that is necessarily the case, but regardless, it is a 99th order issue about where a grants program sits within—

MR COE: I am just curious why the government does not have the confidence, it seems, to actually put this in either of the two health directorates.

Mr Barr: There is an economic development element to this and a higher education element, and we operate collaboratively across directorates. The idea that everything has to be siloed in a government of our size is a pretty perverse—

MR COE: We also just heard that this area reports to Minister Fitzharris.

Mr Barr: Yes, she has—

MR COE: So she now has a third directorate in the health space that is reporting to her. How can that be good for governance?

Mr Barr: No. It is, as Ms Arthy has outlined, a specific element of her higher education portfolio, and she also has responsibility around medical research. There is an alignment in terms of her policy responsibilities, and I do not think it is unreasonable that this area of government have some involvement. They are not running the entirety of health promotion activities.

MR COE: Isn't that the inefficiency, though?

Mr Barr: No, I do not think so. I think you are clutching at straws here.

MR COE: What are the routine meetings that happen with the health directorates?

Ms Arthy: My staff meet regularly. I do not have in front of me exactly that meeting schedule, but they do meet very regularly. I know I have met with the Chief Health Officer and also members of the directorate. I am meeting some again this afternoon. We work very closely together to make sure that all the priorities and all the various elements of this come together so that from the public's point of view it is as seamless as possible, that we present as one government.

MR COE: What is the budget for this area? How many people are working in it?

Ms Arthy: I would have to take that on notice; I do not have those figures with me for this hearing. At the moment, we fund two positions out of that. There might be also a third, an element around administrative support. Overall, the total budget is in the order of \$1 million, but most of that is put out to grants or to working with our

researchers, and also potentially used as part of the University of Canberra work that we are doing at the moment around the research centre.

MR COE: Is this budget bigger than study Canberra's budget?

Ms Arthy: I would have to take that on notice. I do not have those numbers at my fingertips.

MR COE: So you do not know how many people are in study Canberra at the moment?

Ms Arthy: There are three people in study Canberra. It is 750,000 for study Canberra.

MR COE: And how many people?

Mr Cox: There are two full-time FTEs working on the study Canberra program.

MR COE: Thanks.

MR PETERSSON: There has been a lot of talk in recent times about high-end hotels coming to Canberra. Are we likely to see any further investment in that sphere?

Mr Barr: Yes, there has been a slew of announcements in recent times from the private sector in relation to new product coming into the marketplace. Some of those have been quite high profile in terms of being the purchase of former commonwealth property, perhaps the most high profile of those in the parliamentary triangle being with the commonwealth Department of Finance's divestment and an acquisition there. There have been other public announcements from investors and some recent re-brandings or acquisitions of existing stock.

There is a mix in terms of new build and refurbishment or repurposing of buildings to become hotels, and then there has also been a series of announcements. It has been a bit confused. There have been different views that the government has been involved here. We have taken some opportunities to market that have been subsequently taken up. We have also more broadly just raised awareness of opportunities in the broader market that have then been followed up by real estate agents selling particular properties or by potential investors following particular trade missions and presentations and then pursuing a range of opportunities within our market.

There are practical examples of that following a series of meetings with the Ovolo group in Hong Kong. They have been expanding their network of design hotels in Australia. Following a meeting with them, some months later, having done their due diligence on the Canberra market, they acquired the Nishi hotel from the Molonglo Group in the new Acton precinct. That is a practical example where a trade mission and a meeting I had with them encouraging investment in Canberra led to an outcome of them investing in Canberra and acquiring a property in our market as part of their Australian expansion.

I have done this now in a number of international markets—in Japan, in Korea, in Singapore, in Hong Kong—and will continue to have this as an element of our trade

missions.

We will have some more opportunities that we will take directly to market, principally at the Arboretum and Stromlo Forest Park, as well as some sites within the City Renewal Authority precinct. And there are other sites within some of the urban renewal precincts that the Suburban Land Agency has charge of that will go to market.

As part of those efforts, together with the work our agents undertake, and as agencies do where it is appropriate, when a market opportunity arises and I am presenting, I will seek to diversify the number of potential bidders for these opportunities in international markets.

The objective here is that we are able to source new capital into Canberra and we are able to have more internationally branded hotels in our city. This is important for the international marketing chains that that gets you into. The promotional efforts across the nation and internationally are clearly greater when you are in those established marketing networks. They also have significant partnerships with other state tourism authorities, Tourism Australia and airlines, all of which fit into that broader offering. So Singapore Airlines, Qatar Airways and marketing partnerships with Tourism Australia also include marketing partnerships with accommodation providers at an international level.

For Canberra to have a presence in that is important; otherwise we are not part of some of those national and international marketing efforts from those hotel chains, those airlines or, sometimes, the Tourism Australia partnerships, because you cannot market a product you do not have in a particular city. The more product they have in Canberra, the more we get onto those and the more we are involved in those sorts of campaigns. We can probably talk more about tourism in an hour and a half when we come back.

THE CHAIR: Thank you, Chief Minister, and officials. We will conclude this morning's session. We will resume at 1.45 to talk about tourism and special events.

Hearing suspended from 12.18 pm. to 1.45 pm.

THE CHAIR: We are continuing with Visit Canberra and events. Are you aware of the privilege card?

Mr Barr: Indeed, yes.

MS ORR: Chief Minister, last year Canberra was named one of *Lonely Planet's* top three cities to visit in the world. How did the ACT government leverage this in its marketing?

Mr Barr: With great effect. Mr Kobus will talk us through that.

THE CHAIR: That was almost like a Dorothy Dix, was it not?

MS ORR: Mr Kobus, have you read the privilege statement?

Mr Kobus: I have, yes. And yes, correct: Canberra was named as the third-best city in the world to visit in 2018 by *Lonely Planet*. That announcement meant a lot for us at an important period of time in the development of our visitor economy. It came just prior to the announcement that Singapore Airlines would commence daily flights into Canberra, which started in May 2018, and just ahead of Qatar Airways also going to daily flights from February 2018 into Canberra. So at a time when Canberra's profile on the global stage was really expanding, that announcement was a really good opportunity to use as a foundation and a platform to capitalise on that.

With the announcement, what we did as a tourism organisation to ensure that Canberra had a really good share of voice and the capacity to capitalise on the opportunity was a lot of preparation in the lead-up to the announcement. We wanted to make sure that we had a lot of content that was pre-arranged and ready to go that we could then distribute into the market. For example, we created video content, did pre-records that could be sent to television stations, and pre-arranged social media content. So on announcement day, anyone who was wanting to get the message out about Canberra had the opportunity to do so, and it was an easy task for them to be a part of that.

On the actual announcement day, we had a team of people who were focused very carefully on the social media side of the activity. You can imagine that Canberra being named as the third-best city in the world for 2018 in and of itself generated a lot of interest, and we ensured that we had the capacity to really engage in the conversation and be part of it. We did not want Canberra's reputation to be affected by that, so we used it as an opportunity to have some irreverent conversations with a bit of humour and fun involved. That in and of itself generated some really good commentary and become a really important part of the day.

Following the announcement, the important part was to capitalise on and demonstrate why Canberra was named the third-best city in the world. We did a number of paid advertising opportunities, and also a number of hosted activities through our social media channels. We did a partnership with *Lonely Planet* to ensure that we leveraged off their network. And we continued to use a number of influencers across the period to create content and distribute that content about Canberra. Some of the results that we saw in the days following the announcement were 436 pieces of coverage generated, 48 TV broadcast stories, 83 national news stories, 157 radio broadcast stories, and 41 lifestyle pieces.

Then in the months following the campaign as well we made a really big effort to incorporate the accolade into all of the campaign activity that Visit Canberra implemented. For example, across the course of the year we did quite a big campaign activation called "Canberra in a Can", which was done in consultation with *Lonely Planet*—

MS ORR: What was it called?

Mr Kobus: "Canberra in a Can".

MS ORR: I thought you said "Camping in a Can".

Mr Kobus: We used that as a platform to engage with people in a surprising way. And, again, we continued to leverage off our own channels and PR across the course of the year to integrate the *Lonely Planet* activity into what we did. We have got the accolade until the end of 2018, so it is still going and a lot of work is still going.

The 2019 results were recently announced, and what we have done is to ensure that we had a good share of voice across the announcement of the new places for 2019. No other Australian cities were part of the 2019 announcement, so we could ensure that Canberra still had a share of voice across that. We did a number of things across social media PR and we have got some paid advertising opportunities going to Sydney over the coming weeks and our television commercial reaching regional New South Wales over that period.

What does all that mean? In terms of measuring the accolade, we use a mechanism called a brand tracking survey where we track the resonance of the brand that we put out into the marketplace and ensure we have an understanding of whether people are seeing and whether people are engaging with the advertising that we are doing. We saw that between 10 and 12 per cent of our target market in Sydney and regional New South Wales were aware of the accolade. We also saw a pretty good increase in terms of the appeal and reputation of Canberra across our key target markets. In addition to that we also conducted a survey at the Canberra and Region Visitors Centre over the course of the year just to get a sense of whether people's motivations to travel to Canberra were influenced by the *Lonely Planet* accolade. We had about 1,300 surveys done over the course of the year, and about 22 per cent of the people who completed those surveys were aware of the accolade.

Some the other results we can, I guess, align the importance of the announcement with without initially having the evidence to directly to say it is because of the *Lonely Planet* accolade, things like, given we invested such a large amount of our time in social media engagement over the course of this year, we have seen a 25 per cent increase in our Instagram followers; a 229 per cent increase in our Facebook followers, a lot of that internationally, which is a really good stat for us in terms of international engagement with Canberra as a place; and a nearly 20 per cent increase in our Twitter engagement over that period as well. I think that over time we will see that reflected through our international and national visitor survey and overnight visitation results, which are trending forwards. Given that we do have till the end of 2018, I see the impact of the accolade rolling through into 2019 as well.

MS ORR: You mentioned in there that there was quite a lot of commentary that you were monitoring. What did you find the gist of the commentary was?

Mr Kobus: Probably about 50 per cent of it was positive and about 17 per cent of it was neutral. So, you know, nearly 70 per cent was neutral or positive. Then obviously with Canberra as a place and the way the media talk about Canberra, particularly in political circles, there was commentary from the domestic Australian market in particular. The international market behave very differently to the domestic market, but the domestic Australian market in response to Canberra being ranked third in the world, particularly if you are from Sydney or Melbourne, that potentially did not resonate perfectly with—

MS ORR: Are you politely trying to say they might have had their noses out of joint?

Mr Kobus: Yes. In terms of the importance of planning our approach ahead of the announcement day, we really worked hard on having a thought-through particular focus on being part of the conversation, engaging in a fun way and ensuring that we could use it as an opportunity to educate those people about what the city was and how it has evolved, particularly in the last five or six years, and what type of visitor experience those people could have if they chose to come here.

MS ORR: You also mentioned in your answer that the accolade still stands for the rest of this year. Are there any plans to capitalise on that last period of time when we have the accolade?

Mr Kobus: Yes. The 2019 results were just announced. What we have done is deliberately run a campaign across the period of the 2019 announcement to ensure that Canberra's visibility as being a place with the accolade is present over that period. From now until the end of the calendar year, we have got investment in paid, owned and earned advertising, particularly into Sydney, regional New South Wales and Melbourne, and we have got quite a big feature with *Time Out* in Sydney going over the next few weeks as well.

MR WALL: Mr Kobus, you kept referring to advertising or targeting of our key target markets. What is our target market?

Mr Kobus: One of the things that we have tried hard to do over the course of this year is to pay really close attention to the types of travellers that we want to come to Canberra and the experiences we have here and how those relate to our ideal domestic audience.

In the past we have had a sense of who they are but we have not really understood, particularly when it comes to a short-break market, who we need to talk to and how we need to talk to them. We adopt an approach that is very much focused on the way people think and consume media and travel rather than basing it on demographics or the age of people.

From our perspective, if we have an understanding of the way people think and consume travel rather than trying to focus on broad age groups we can be far more targeted to who we are talking to and how we deliver a message to them.

Over the course of this year we have essentially isolated our main target markets into a number of key areas. Ultimately they reflect the experiences you have in Canberra and what people engage in when they come here. For example, our main proposition to the marketplace is that Canberra offers a broad diversity of experiences that people can engage with in quite a contained area. So one of our key markers we define and determine and is what we call variety seekers.

We try to talk to people who when they travel want to engage with a diverse range of things. They want to come to a destination. They want to consume culture. They want to consume food and wine. They want to have outdoor and natural-based experiences. They want to do a lot of things when they are away. So through our campaign

messaging we try to talk specifically to those people.

We also talk to people who travel with families and want to generate memories with their families. We have positioned in terms of our media buy of how we talk to people who want to connect with their families and spend time away from their family.

Another market we have are people who we determine are discoverers and learners: people who want to engage with a destination and learn more about it or educate themselves and discover new things. That is where we can leverage off the strength of our cultural institutions.

We also talk to people who travel specifically for events. We know that a large proportion of the domestic market will travel and make decisions to travel based on events and the types of events that are happening. In terms of our campaign messaging we try to talk to people about what events are on and how we communicate our events calendar and target those people.

A really important part of defining who we talk to and why we do it is understanding that Canberra from a domestic perspective is very much considered a short-break destination. So we talk to the market about this being the type of experience you can have on a short break from where you are. That is very important for our target market of Sydney, regional New South Wales and Melbourne: about a three to four-night stay and these are all the types of things you can do when you are here for that period.

MR WALL: So domestically our target advertising marketplace is Sydney, Melbourne and regional New South Wales?

Mr Kobus: Correct, yes. It varies from period to period but about 65 per cent of our domestic audience is regional New South Wales and Sydney. We have seen a good pick-up from Melbourne with Tigerair coming into the market in particular. Also when we have exhibitions at our national attractions the Melbourne market tends to respond quite well.

For obvious reasons, where Canberra is geographically located, the drive market out of Sydney and New South Wales works well. Access is always important from a domestic perspective, so the south-east Queensland and Brisbane market has also opened up a bit with Tigerair and their frequency in and out of that market.

MR WALL: Which international markets are we going after?

Mr Kobus: International markets are very much aligned to where we have access and connectivity. So Singapore, for obvious reasons with Singapore Airlines, and then feeder markets from Singapore. Singapore as a global hub opens the world, but our focus is Singapore, Malaysia, India, China and Hong Kong in that context.

Then with Singapore and Qatar both those airlines connect really well with Europe. So what we are seeing is with the visiting friends and relative market a good response out of the UK at the moment and also Germany as a market is a good one for us. The European one is emerging and is an opportunity for us to start exploiting over the coming period.

MR WALL: For the inbound international tourist market what is the average stay we are seeing in Canberra off of the back of the direct flights and almost direct flights we have?

Mr Kobus: Our length of stay for the international market is impacted quite a lot by people who travel here for education or people who study here. Those are incorporated and our international visitor data includes those people who come here for tertiary education visits. When you look at our international visitor survey data our length of stay sits around 21, 22 nights, which is quite a long time. But there is a large influence on that figure from the international tertiary education university sector.

MR WALL: So someone studying for a year here is captured as 365 nights of occupancy?

Mr Kobus: Correct, yes. So it averages out over that period. When you think of those markets that I described, and where Australia sits in the context to the world, Australia is a long-haul destination for most global markets. When people make the decision to travel here, they are generally going to stay a decent amount of time, particularly if you are travelling from Europe. You do not do a short break to Australia unless it is for business purposes. So for the leisure market travelling to Australia you would bank on that being a one-week or two-week holiday.

In the context of that, we want to try to make sure that Canberra is on the consideration set for those travellers so when they make a trip to Australia they include Canberra as part of their overall stay in the country, which is important. The visiting friends and relatives market is probably a little bit different where someone might come and actually visit their family here.

But the advantage of the flights we have is that with the connectivity—and regardless of the ins and outs via Sydney—Canberra becomes a really good opportunity to capitalise on the open jaw side of things. People fly into Melbourne, they can do self-drive to Canberra and fly out of Canberra or vice versa. So we are seeing people moving in both directions, whether it be inbound or outbound, as international travellers.

MS ORR: How are the ACT's domestic and international visitor numbers tracking?

Mr Kobus: At the moment we are in this period where we have record all-time domestic and international visitor data. For the year ending June 2018 we are sitting around 2.7 million domestic overnight visitors and our international numbers are at around 248,000. So we are hoping to crack that 250,000 figure.

Mr Barr: It is 248,914, so very close to the 250,000.

MS ORR: So how many to go till we get to 250,000

Mr Barr: An extra 1,086 will get us to 250,000.

Mr Kobus: The pleasing thing around the international data—and in part this is

attributable to some of the activity we have seen with international flights—is the growth in the pure business and leisure markets. For the latest year-ending stats we saw a 20 per cent increase in visitor expenditure for the international market, which is really strong growth. Visitor numbers are one thing, but what you want people to do when they are here is spend money, stay in hotels and stay longer, and we are seeing really good growth in the total spend of the international market.

MS ORR: What is the total spend?

Mr Barr: Total spend was \$647.4 million for the year ending June 2018.

MS CHEYNE: Mr Kobus, you said there was 10 to 12 per cent awareness in the Sydney and Melbourne markets of the *Lonely Planet* accolade. Did we do any surveys about how many Canberrans were aware that we had received that accolade?

Mr Kobus: I will have to take that on notice. Some of the data we would get from the visitor centre survey that I mentioned would cover off the local community as part of that. Canberrans use the visitor centre as well.

The brand tracking information that I mentioned specifically talks to a domestic visitor audience so that was all conducted outside of Canberra so we can align the money we are spending or investing to talk to a domestic audience and understand how they are responding to the messages we are putting out. That does not include the local community; it is all looking outwards.

MS CHEYNE: The reason I am asking is because the friends and relatives overnight stay market is so strong, so if we have “Canbassadors” talking to their friends and family and being aware themselves that perhaps might assist.

Mr Kobus: Yes. I think there is probably a little bit of the reverse where the shift in people’s perceptions of Canberra and the experiences offers outside of Canberra potentially gets them to engage a bit more openly and freely with their friends and relatives who are here and make a decision to travel and stay with friends and relatives while they are here.

MS CHEYNE: I went to Detroit In January to see why it was number two and—straw poll—every single person I asked was not aware that they had been labelled that and was very surprised. I thought Detroit was a great place to visit, so I was just interested to know if we have had a similar experience in Canberra.

Mr Kobus: Yes.

MR PETTERSSON: We spent a lot of time talking about the new international flights. Are there any new exciting domestic aviation opportunities?

Mr Barr: Yes.

THE CHAIR: Oh, well, that is it; okay. Ms Cheyne?

Mr Barr: Yes, we continue to engage particularly with the low cost carriers to expand

their network. Clearly, Canberra Airport has prioritised Jetstar entering the market as a pretty significant short and medium-term objective for them, an objective that we support. I think that there are also some smaller airline regional connectivity opportunities that would support the broader Canberra region and enable some regional communities to better connect into our international flights. Those opportunities have emerged in recent times with destinations like Dubbo, Newcastle and others coming in under Pelican's footprint. At the south coast, I think Merimbula airport is due for an upgrade. So there is certainly a possibility of that sort of regional connectivity.

I think that Canberra-Newcastle has potential in the medium term as well. We will look at those opportunities. We are underdone on services between Canberra and Adelaide. It is routinely complained about that there is not a service in the middle of the day or mid-afternoon. I think there is a spot there for a low cost carrier. We have been working with a South Australian tourism body and the South Australian government on that proposition.

We have also been working with Tasmania for a Canberra-Hobart connection. That is something that we will continue to pursue. If we can get Hobart into the network, that would leave only Darwin as the only Australian capital city not directly connected. It is Hobart and Darwin at the moment that are not directly connected at all. They are the two smaller markets here in Canberra but I think in time the demand will be there to service those other cities. We will keep on working with those governments to bring that day closer.

MS CHEYNE: My questions are again about the Chinese tourism market. I note in the annual report that there were a few visits to China and an identification that China is a priority market for us. The Commissioner for International Engagement also visited there. You will recall that in estimates hearings we had a discussion about that as well. You gave quite a long response to the select committee recommendation that the government seek to invest more in promoting Chinese tourism and exploring more opportunities. I note in that response that an opportunity was identified to develop a China strategy. I am wondering whether there is an update on any of that work. What was learned out of those China visits? Where are we heading in terms of supporting our Chinese tourists?

Mr Kobus: Yes, the Chinese market is about 90 per cent of our total international market share at the moment. For obvious reasons, it is of great importance for Australia. There is a great opportunity for Canberra to capitalise on that. We are in the final phases at the moment of developing a comprehensive international plan for 2019. That has detailed actions that specifically talk to China as a market and how we are going to engage with China over the next 12 months and look to capitalise on the opportunity to grow the volume of visitors from China.

Some examples of the things that we will be doing in China over the next 12 months include the opportunity, in particular, to work more closely with Tourism Australia in the market; working with them to access and build the relationships that we need behind the firewall, so to speak, and start engaging with the trade in China.

Tourism Australia run a fairly large trade event every year in China. It is called

corroboree China. We participate in that. That is an opportunity for us to build relationships with people who are part of the travel trade to educate them on Canberra and the products that we have.

Another major trade event for us that is really important is the Australian Tourism Exchange where we have a program that has a heavy influence in engaging with people in the Chinese market. The important part for us for the Chinese market is trying to be very focused and targeted on how we do things. I guess it is a vast ocean of opportunity. For us to do a general advertising spend into China, we do not think that is the most effective or efficient way to do it. So there is a lot of trade engagement, a lot of working with particular people to build awareness and to use that as the capacity to leverage.

Another important opportunity for us is the Singapore Airlines connection; one stop to Canberra from China. We are looking at how we promote the fact that from the major centres where Singapore Airlines has access, we can look at running campaigns and specials that encourage the uptake of flights from the Chinese market through Singapore and into Canberra.

We are also looking at working with other partners. For example, a number of our national attractions will deliver travelling exhibitions into China. There is an opportunity for us there to partner with them and leverage off the work that they do to ensure that we can narrow that audience focus that I am talking about and start talking to people who are receptive to a message that they are already receiving. We are looking at how we can link Canberra off the back of that.

Another thing that we are doing is just around content and how we deliver Canberra-based content to the Chinese market. That would be where we can have material translated and presented to an audience that helps them understand Canberra better. One of the things that we are a part of from a national perspective is an initiative called the Australian Tourism Data Warehouse. It is a database that stores content on the Australian tourism product. It is part of our looking at how we use the content in that database to be translated. We can then use that and distribute it through Australia's channels in China as well.

MS CHEYNE: I know we have had a discussion before about Chinese tourists. Like all tourists, they are pretty good at using their phones or they have relatives here who they are visiting; so they do not necessarily need brochures or signs to get around. But is that still something that we are exploring?

Mr Kobus: Yes, that is certainly an option. In order to do that we need the support of and partnership with our industry to want to co-invest in that type of thing. One of the things that we are looking at—South Australia have done some successful things in terms of enabling Chinese visitors with mobile phones to engage with content in and around the city—is how we can better deliver content directly to people's phones when they are here to give them translated information about the experience that they are having in Canberra. We are looking at some options there, looking at whether they are cost effective for us to implement over the next 12 months.

MS CHEYNE: Do we get feedback from our Chinese visitors about how easy they

find Canberra to engage with and get around once they are here?

Mr Kobus: Through the surveys we run at the visitor centre, we get some feedback, and then obviously through the international student market, we receive feedback from those groups as well. For us, with the Chinese market, there is an emerging population of travellers who are experiencing Australia for the first time and engaging with it. For example, I think in the past a lot of our engagement with China's market has been through the student market and people who are familiar with Canberra. They invite their friends and relatives to travel here.

For us, it is a process that we are going through of understanding the needs of the market, of people who are coming to Australia for the first time, and how we deliver information to them. Part of that is learning from and leveraging off how other states and territories have also done that successfully.

Mr WALL: Is this the right place to ask questions about EventsACT?

THE CHAIR: Yes.

MR WALL: Floriade wrapped up for another year. Big question: are we on budget this year?

Mr Barr: Yes.

Ms Verden: Yes, at this stage we are forecasting that both NightFest and Floriade will be delivered on budget.

MR WALL: In relation to the Protiviti review into last year's event, what was the process that led to the engagement of Protiviti to conduct that review?

Ms Arthy: We did a standard procurement process in that we went out to seek quotes from a number of firms. On the initial run-through, the proposals that we got back were very expensive. So we ended up going out and negotiating very strongly to get prices down. Protiviti was the company that we selected after that process.

MR WALL: No, thanks for engaging of Protiviti, but what was the process that led to their being engaged? What red lights came up? What flags arose as to there being issues in the organisation and contracting for the 2017 event?

Ms Arthy: Just by way of context, I joined the organisation in June last year. The first warning signs that I had that there were issues with the team were probably around August when there were a few internal staffing issues that I had to step in and deal with. At that time, a number of staff left the agency. It was at that point that I asked Ms Verden to step in to manage the events team.

In terms of the financial side of things, it really started towards the end of November when the invoices were coming in. The red flags that were going up were very much that once we started looking in depth at the budget we just had very little confidence that the invoices that were coming in were being tracked. Once we started looking at a couple of the larger invoices, we found issues with the contract and the procurement

process.

It was really up until Christmas when we saw the extent of the potential problem. That is when I made the decision to bring an external firm in to provide some assurances around the size of the overspend but also, more importantly, to identify what were the causes and to provide some recommendations about how to fix it. That happened then around Christmas, New Year.

MR WALL: There are a number of recommendations made in the report. Have they all been addressed, or which ones were given the greatest priority?

Ms Arthy: They were essentially given equal priority. Bear in mind that the team has also delivered successful events at the same time as doing fairly major reform of the whole system that sits behind it. We have addressed, or are in the in the process of addressing, each of the recommendations. I have Protiviti in at the moment doing a check of the progress of the implementation so that I can see what the next steps should be. But really our big focus was around staff and staff training and then making sure that all the delegations, all the procurement rules, are being followed, and fairly basic systems that sit behind all that.

MR WALL: Were any of the procurement activities from the 2017 event referred to the Procurement Board?

Ms Verden: I can confirm that none of the procurement activities were referred to the Procurement Board. We did seek advice from procurement in relation to those that we had concerns with. We also sought advice from the Government Solicitor's Office around a number of contracts and procurement activities that were concerning us and were identified in the Protiviti report.

MR WALL: Ms Arthy, you just mentioned that Protiviti are currently doing a review. Is that into this year's event or—

Ms Arthy: No.

MR WALL: the implementation of the recommendations?

Ms Arthy: The implementation of the recommendations. It is a check. It is not a review. I asked them to come back, given that they went through everything in a fair bit of detail, just to make sure that we are on track in terms of delivering and also to look at where we need to focus our effort. That is happening at the moment.

MR WALL: Have Protiviti been engaged for any other work inside the Chief Minister's directorate?

Ms Arthy: I can only talk within mine and, yes, they have been engaged to do some work around the Skills Canberra budget.

MR WALL: Is that the only other one that you are aware of?

Ms Arthy: To my knowledge, yes.

MR WALL: Chief Minister, would you be able to take that question on notice—the further engagement of Protiviti within your directorate.

Mr Barr: Sure.

MR WALL: I imagine that questions relating to their engagement for Skills Canberra are best addressed there.

Ms Verden: Yes.

MS CHEYNE: When will we know for sure that it was on budget?

Ms Arthy: They are still doing the remediation, which I believe finishes this week. Once we get through that and we have the final figures, we should be able to confirm. Certainly, by the end of this month we should be able to confirm that. Everything that we have seen—

MS CHEYNE: So your invoices have come in in a timely way?

Ms Arthy: Absolutely. They are tracked, and we know where everything is.

MS CHEYNE: All saved in a central spot?

Ms Arthy: As I say, unless something unforeseen happens with the remediation in the next few days, we are very confident that it is going to come in on budget.

MS CHEYNE: I saw the media release saying that this year was a much better Floriade, in terms of attendance, than last year. I note that that is attributed to having a different format, including engaging with a revitalised food and beverage offering. Do we have satisfaction rates for Floriade, not just in terms of attendance but in terms of how satisfied people were? While perhaps a revitalised food and beverage offering was a good thing and might have helped with costs, I have had some feedback that people think that Floriade is becoming too commercial. I am just wondering what the feedback is, what the satisfaction is. Yes, more people turned up, which is great, but were they having a better time when they did turn up?

Ms Arthy: I will hand over to Ms Verden shortly. Yes, we do get that sort of information, and we have some very preliminary feedback that we can share today. But we get the more formal report in a month or so, by the end of the year. In essence I have learned that you cannot please everyone when it comes to Floriade.

MS CHEYNE: Sure.

Ms Arthy: But we are very happy with the feedback we have got so far. Certainly the anecdotal feedback and the feel in the park were really quite nice this year in terms of positivity. Ms Verden, do you want to take us through some of the top-level results?

Ms Verden: Yes. I will pick up on Ms Arthy's comments on the report. We expect to receive the report from IER, who have been engaged to undertake the event

evaluation process, around the 15th of this month. I will just expand on Ms Arthy's comments around the budget, if I may. The remediation of work in the park completes on the 9th of this month, this Friday. Once we get the event evaluation report and we have completed remediation works, we will have a very good understanding, towards the end of this month, in relation to the financial outcome and also visitor satisfaction for this year's event.

We did implement a number of changes this year, off the back of last year's research and off the back of comments that we had received, particularly in relation to the opening and closing times; feedback from our traders, who are very important, and a significant part of the program; and feedback from our visitors, of course. We took on board that feedback and made changes to this year's event. The footprint did change. We had a more consolidated area for traders in the main area of the park. We engaged with a number of local companies. We had Pialligo Estate this year, Contentious Character, Underground Spirits and Capital Brewing, to really ensure that we were using this event to showcase the best of Canberra.

Anecdotal feedback to date has been very positive in relation to the changes that we have made. We will receive more detailed feedback in the event evaluation report towards the end of this month.

MS CHEYNE: Do you have a breakdown in terms of attendance between Floriade day fest and Floriade NightFest? I note that overall numbers had a big pick-up from last year, just shy of the record, but did NightFest perform as well as it has in previous years? Did it get the same number of attendees? It was held over a long weekend, right?

Ms Verden: Yes. This year it was held over five nights, Wednesday through to Sunday, which coincided with the long weekend. We sold around 19,500 tickets to NightFest this year. To compare that to last year, where the event was split over two weekends, so ran for six nights over a Friday, Saturday and Sunday night, they sold around 29,000 tickets to last year's NightFest. So the numbers are down.

We did take a different approach with NightFest this year as well, in terms of theming each night, to try to attract more attendance. Rather than running the same program every single night, we approached it by theming each night, trying to appeal to different audiences and also trying to encourage repeat visits through that process. Numbers are down on NightFest, and we will review that going forward in terms of how we program NightFest and whether five nights is indeed the right number of nights to run that event. And we will certainly take on board the visitor feedback that we receive in the IER evaluation that we will get towards the end of the month.

MS CHEYNE: Just because numbers were down does not mean that people were not more satisfied, potentially.

Ms Verden: Correct; potentially.

MS CHEYNE: You could have fewer people attending but people loving it, or last year more people attending and saying, "I'm not coming back."

Ms Verden: Yes, that is a possibility.

Mr Barr: And one fewer night, obviously.

Ms Verden: Yes.

MS CHEYNE: Pardon?

Mr Barr: There was one fewer night this year than last year.

MS CHEYNE: Yes, that is right, and that is pretty significant as well.

Mr Barr: But it would be pretty fair to say that the attendance on the Wednesday night was not as strong as Friday, Saturday and Sunday of the long weekend. The rationale is a balance between having the infrastructure and everything bumped in for a consecutive five-day period or two weekends. That is one of the trade-offs around cost as well, and staying within a budget. You will get more people if you focus on weekends, but it will cost more. You have to balance those two competing priorities: cost control versus attendance.

The only way to make up the extra cost is either to charge more for the tickets, which you would not want to do, or have additional funding. I guess it is a question of expenditure priorities within the event itself as to daytime versus night-time activities. It is certainly something to look at.

I went on the Wednesday night. It was pretty cold that night, from memory. It warmed up later in the week. Attendance can be very much driven by whether it is single digits in the evening, less than 10 degrees, which I think it was on that Wednesday night, versus slightly warmer weather later in the week. September in Canberra can be a little fickle like that, it would be fair to say, particularly at night-time.

MR WALL: On NightFest ticket sales, do we or the ticket sellers track where people are from? What is the break-up of local to visiting attendance?

Ms Verden: I will need to take that on notice in relation to that breakdown.

MS CHEYNE: The one good thing after another marketing platform, I think, came out in the 2016-17 financial year, and I note in the annual report that it is still going to be the platform for 2018-19. Is it ever going to change? It is pretty good. I like the music that is attached to some of those trailers. But are we sticking with it because it cost a lot and we need to stick with it or are we sticking with it because it has actually been very successful? I note that satisfaction is through the roof and everyone loves the Visit Canberra website and keeps turning up to it. But has the marketing platform been successful and are we just going to keep running with it until it is not?

Mr Barr: I guess the short answer is that there are a combination of factors, obviously, that go to how frequently you would refresh your general marketing and branding. Yes, you do. Having made a significant investment, it is not one that you want to chop and change with great frequency. Some tourism campaigns have longevity going into decades. The 100 per cent pure New Zealand, for example, has

been something they have been using effectively for an extended period.

The results speak for themselves. We are getting all-time record domestic and international numbers. There are a range of factors that are assisting in that. But a good marketing base is certainly helping, together with the sorts of targeting that Mr Coe outlined previously—improved connectivity. There are a range of factors that impact on those very positive results.

I would not foresee there being dramatic change, but it is not a forever platform. We have had a couple of iterations over the last decade. However, particularly changes on the supply side, more diversity in our offerings and the very significant change in terms of the hospitality sector in Canberra over the last 10 years allow us to market the city in ways we have not been able to in the past, because the claims would not have been true.

Let us be honest: it is everything from the fact that 10 years ago we might have had only one or two chefs-hatted restaurants and now we have got eight to 10 of them. There is much, much greater depth and diversity in our product offering in the hospitality sector; much greater depth and diversity in the accommodation sector. There are more attractions than we had previously; and clearly a much closer working relationship with the national institutions around supporting their exhibitions program through the special events—all of which generates activity and outcomes for us. Do you want to add anything?

Mr Kobus: Yes. Regardless of what it is called, I think the premise behind the one good thing after another platform is to really try to differentiate Canberra, as opposed to, in reality, what other capital city experiences are. It is about this notion that within Canberra you can get access to a range of experiences that are located geographically close to each other that you cannot get access to in any other capital city that you go to—covering everything from a great cultural experience to nature-based experience, to food and wine, to great things for your family, to shopping. Whatever it is, you can do that pretty much within walking distance from your hotel, essentially, in the city.

I think that is a proposition to the market that we can offer that no other capital city in Australia can and I think it is a really powerful message for us to get out there—particularly that short break market. As I said before, the key for us is that we are looking at positioning Canberra as a short break destination and removing the risk for anyone making a decision about a short break. If they are confident that they can do a lot of things in the time that they are in the city then that is a good thing for them.

The other important part of it as well, with our emerging profile on the international stage—we use the same platform internationally as well—is that the international markets also get a sense that when they come to a city like Canberra they can engage with a diverse range of experiences as part of the visit that they have to Australia. Another element I will add to that is that domestically there is a good understanding that Canberra does have national attractions. And everyone is pretty much aware that we are a city known for its national attractions and its cultural experience. But, given the investment that has happened in this town over the last five to six years, it is a great way to let people know that there are a significant number of other great experiences here that really do make a complete destination.

MS CHEYNE: And how do you decide whether to change the marketing platform?

Mr Kobus: I spoke a little about this before, the brand tracker research over the years.

MS CHEYNE: What is that?

Mr Kobus: That is research that we do into the market to get a sense of how the audience that we want to talk to is engaged with the destination, how they understand it, whether it appeals to them, their awareness of it. I think the important thing is: if we are going to change it we need to make sure that we are basing it on a really well thought through, evidence-based approach.

We would not change it for the sake of changing it, noting that every platform or campaign period does have a lifespan, but we would really want to make sure that, if we are going to position the city in a different way to what we currently are, we are really confident in the way we are doing it and it does have some level of a new way of communicating to an audience from we are currently offering. In part, that might be shaped if we continue to see the level of private sector investment that we are seeing, particularly in the tourism sector, and the way that the city's character and personality change with that investment. That might be the thing that defines how we position the city into the future.

MS CHEYNE: What sort of feedback is the brand tracker giving you? It must be all right?

Mr Kobus: Yes. I think for us domestically—and this is really about the rate of change that we see in the city in recent times—it is about really shifting awareness of what the city has, in the context of the diversity of experiences that are here. As I said, people understand that you can have a great cultural experience, but over time what we are seeing is a shift in people's understanding of what Canberra is about and the types of things you can do as part of a short break here. As long as we continue to see that evolve and grow, it gives us an indication that we are investing in the right areas, talking to the right people and positioning the city in the right way.

MR WALL: Just before lunch Mr Pettersson asked about new high-end hotels coming to Canberra. What are we doing at the opposite end of the market? What is the data—

MS CHEYNE: RV tourism?

MR WALL: RV tourism is part of it, but there is also two or three-star accommodation. Is the mix right? Is there a shortage in that space? What is the data that is available to government suggesting?

Mr Barr: There was, so we did go to market for that new group accommodation and it has subsequently been built and opened.

MR WALL: The one opposite EPIC?

Mr Barr: Yes, up at that end.

MR WALL: Is that government owned? Who operates that?

Mr Barr: No, that is privately owned. FreeSpirit?

Mr Kobus: Yes, FreeSpirit was the proponent or the provider.

Mr Barr: The next available opportunity in terms of territory government land that we are investigating is at Stromlo Forest Park. That is part of the master plan for the park. There is an opportunity within privately held land for renewal of land or expansion of some of the existing facilities that are located around the city. Perhaps, as part of some future planning beyond Stromlo, we will look to identify a further site for the rest of the 2020s. But the next one, in terms of government plans, would be at Stromlo Forest Park.

MR WALL: What is the idea for accommodation there? What style is envisaged?

Mr Barr: I can say that it will depend on market feedback and interest, but it will not be dissimilar to the one near EPIC. There is that sort of opportunity for a combination of meeting the needs of participants at events and activities at Stromlo Forest Park that could also accommodate visiting school groups and sporting teams—that sort of accommodation.

MR WALL: Typically, group or very low cost?

Mr Barr: Yes.

THE CHAIR: With the events that I see in Queanbeyan when I drive across the bridge, I believe a number of them used to be ACT based, often on the foreshore.

Mr Barr: Yes.

THE CHAIR: There has been a bit of migration down there. As I understand it, the NCA has been less willing to allow events to participate on that ground. I am hearing this a bit anecdotally—car shows and the like.

Mr Barr: Yes.

THE CHAIR: Is that a factor? If it is, have you had any engagement with the NCA to see if we can stem that flow, and does it matter, because if people are going to Queanbeyan they still stay in Canberra anyway?

MR WALL: Alternatively, the NCA is a very small pocket of the ACT. Why are we not being more forthcoming in regard to territory land?

Mr Barr: There are many different parts to that question. On your last observation about the regional leakage, such as it is, if an event goes to Queanbeyan, it is not significant. Yes, there might be some people who would stay in accommodation in Queanbeyan, and it would depend, of course, on the nature of the event, as to whether

it was perhaps more community driven or one that might attract entrants or spectators from outside our immediate district.

Your observation on the NCA is correct. They are cash strapped. They probably would not mind me saying that they are looking to drive more revenue from the use of their land. With some of the sites they used to make available that are desirable for event organisers because of their iconic location or their being located next to iconic facilities, they see that they can put a bit of a premium on that.

We are seeing that in the context of our own ACT government events on National Capital Authority land. They are pushing for us to pay significantly higher fees to them. We are resisting that and seeking to come to some form of arrangement. To be blunt, sometimes the quality of the product they want us to pay top dollar for is not there. We have entered into agreements with them that our money will be used to improve the quality of the facility. Improvements to Commonwealth Park are an example of that. People may have noticed a big effort in recent years to get rid of a lot of overgrown shrubbery, improve the quality of benches, tables and amenities, better toilets—all those sorts of things.

If they want to charge us top dollar to hire it, to utilise those facilities, they would want to be in a better condition than they are. That is a problem. The NCA is not properly funded. The solution I am proposing is that the NCA be allowed to keep the proceeds of pay parking within their precincts, and that that be available to them to reinvest in the maintenance—

THE CHAIR: It goes into consolidated revenue at the moment, doesn't it?

Mr Barr: It does, yes. It is all swept into consolidated revenue. It would be a significant amount for the NCA, and, equally, for each of the national institutions within the parliamentary triangle, to be able to keep their parking revenue. It would give them a very good incentive to encourage more visitors and more activity in the precinct, and they could reinvest that money. It is a rounding error in the context of the federal budget but it would make a massive difference to the NCA.

THE CHAIR: From memory, it was \$73 million for the whole lot—

Mr Barr: Over five years or so. It is about \$17 million a year; that is my understanding.

THE CHAIR: It was done in 2012 or thereabouts?

Mr Barr: Yes, indeed. In the context of the commonwealth budget and the consolidated revenue, it is nothing, but for the NCA it would be significant. I think that would be a way forward to assist the NCA and take some of the pressure off them.

In terms of some of the events that were once held in the parliamentary triangle, I note that a lot of car shows have gone to Pialligo Estate, who have been very keen to bring more activity into their precinct. We would encourage that. Obviously, Exhibition Park is available as well. I think there may be some capacity to have some more event-ready capability for Canberra. We are certainly looking at what else we might

be able to do. Clearly, the Arboretum and Stromlo Forest Park have a degree of infrastructure in place that can support more events.

THE CHAIR: It just seems that we lose it to Queanbeyan, and if it is being squeezed out of the NCA, for whatever reason, it would be good if we could capture that, rather than it migrating across to somewhere else.

Mr Barr: Yes, sure. I have no in-principle objection to that. Equally, I do not begrudge Queanbeyan having an event or two. For some parts of Canberra, Queanbeyan is closer than getting to certain areas of the parliamentary triangle. We will be good neighbours with our friends in Queanbeyan and offer a good regional approach. As I say, I do not lose too much sleep over Queanbeyan holding events. I think, “Good on them.” It is great if Canberrans can get out and support events in Queanbeyan, just as we have a lot of residents from Queanbeyan who attend events in Canberra.

THE CHAIR: On that good neighbourly note, let us suspend the proceedings. I think that is it for you today, isn't?

Mr Barr: I believe so.

THE CHAIR: We will see you back later in the week, I believe. Thanks very much for your attendance today. You were much better behaved here, Chief Minister; it has been a delight. Members have five days to submit questions, and there are five days for responses.

Hearing suspended from 2.45 to 3 pm.

Appearances:

Stephen-Smith, Ms Rachel, Minister for Aboriginal and Torres Strait Islander Affairs, Minister for Disability, Minister for Children, Youth and Families, Minister for Employment and Workplace Safety, Minister for Government Services and Procurement, Minister for Urban Renewal

Chief Minister, Treasury and Economic Development Directorate

Nicol, Mr David, Under Treasurer

Bain, Mr Glenn, Executive Director, Procurement ACT, Commercial Services and Infrastructure

Purser, Mr David, Director, Goods and Services Procurement, Procurement ACT, Commercial Services and Infrastructure

Parkinson, Mr Andrew, Director, Commercial Infrastructure, Infrastructure Finance and Capital Works, Commercial Services and Infrastructure

Whitten, Ms Meredith, Deputy Director-General, Workforce Capability and Governance

THE CHAIR: Minister and officials, good afternoon and thank you very much for attending. We will be looking at ACT government procurement board and Procurement ACT.

Can you confirm that you are aware of the privilege statement?

Ms Stephen-Smith: Yes.

THE CHAIR: Minister, it is a brave new world; we do not do opening statements anymore so we will go straight to some questions. We recently in the Assembly passed the Government Procurement (Secure Local Jobs) Amendment Bill 2018. How are you preparing for that to make sure that the government is ready and also making sure contractors and the people who will be tendering will be ready as well?

Ms Stephen-Smith: Probably Mr Bain and Ms Whitten are best placed to respond to that. Obviously we are very conscious of the need to get documents out and finalised as soon as possible and we are working through that.

THE CHAIR: And you would be aware of concerns from industry about time lines on that. How are you responding to that specifically?

Ms Stephen-Smith: The first thing for me to say is that we have been working through the feedback on the code itself. Obviously the code needs to be made as a subordinate instrument and we are working through that as quickly as we can, continuing our discussions with the commonwealth. We will get that code made as soon as possible and the registrar appointed as soon as possible so that people can start getting certified against the code.

Mr Bain: I have read the privilege statement. In terms of the implementation task for the secure local jobs package we have set up a small taskforce that has been doing everything from the policy side of it which is handled within another area of Chief

Minister, Treasury and Economic Development Directorate through to the liaison with business entities and other affected parties. That covers the gamut of preparing documentation to try to make it as easy an implementation task for all concerned as possible.

One of the large pieces of work we have been doing is preparing elements that will go into returnable schedules for a lot of our approaches to market such that we can minimise to the extent possible any duplication of information collected. Any other pre-qualification elements they would otherwise be doing—for example, construction work, which is well and truly entrenched in our processes already—have been bled across if you like into a broader range of approaches to market such that we can take well-established understandings in the construction and related industries and try to spread those across to the potential respondents in other sectors. That goes right down to returnable schedules, including the various plans and things we are asking as a response to the secure local jobs processes.

On the other side, we are also dealing with the information out to potential auditors. The process, as you are probably aware, will involve entities wishing to engage with the territory to undertake an audit. The subject of that audit is around the industrial relations and other secure local jobs elements of the package. That audit would then inform a decision by the registrar as to whether to create a certificate for that organisation to then be eligible to respond to ACT government tenders.

THE CHAIR: What is the process for appointing the registrar? Do we know who that is going to be? Is there a selection panel? Who makes the decision?

Ms Whitten: In terms of the registrar position, now that the legislation has been passed an expression of interest process went out the week before last and closed last week. So we are going through a recruitment process at the moment.

THE CHAIR: Who has the sign-off on that decision? Is that you or the minister?

Ms Whitten: There are two parts to it: the legislation requires that the person is a public servant, so that comes under the executive arrangements within the public service. The second part is that the position is also a statutory office holder under the legislation, and it is a matter for government to make that decision.

THE CHAIR: Does that mean an existing public servant or does that mean you can recruit them in and you are just employing them as a public servant.

Ms Stephen-Smith: In the longer term, you could recruit to a public service position. The expression of interest process Ms Whitten has talked about is an internal expression of interest at this stage.

Ms Whitten: It was both; it was internal and did go externally as well.

Ms Stephen-Smith: There you go.

THE CHAIR: What have you done with the feedback on the code at this stage?

Ms Stephen-Smith: The work safety and IR area of CMTEDD have been working through that including, as I said, meeting with commonwealth officials to go through that feedback. That is obviously public in terms of both our consultation process and the Legislative Assembly inquiry process having been made public. We are working through all of that feedback but particularly the feedback from the commonwealth.

THE CHAIR: And what about the appointment of the six local jobs advisory council members?

Ms Stephen-Smith: I have written to both Unions ACT and the Canberra Business Chamber seeking nominations for the council board.

THE CHAIR: And who makes that decision?

Ms Stephen-Smith: Those are ministerial appointments.

MS ORR: Minister, I understand that there is work underway in respect of an Aboriginal and Torres Strait Islander procurement policy. Could you update us on where it currently is at?

Ms Stephen-Smith: I think Mr Bain is best placed to do that.

Mr Bain: Certainly, minister. That is exactly right. We are looking at an update to our whole-of-government procurement, particularly targeting Aboriginal and Torres Strait Islander engagement with businesses that are predominantly controlled by Aboriginals and Torres Strait Islanders. The process, such as it is at the moment, is that in the next four weeks we will be speaking with a number of specific entities, business leaders and representative councils, after which, hopefully this side of Christmas, depending on how that goes, we will be in a position to put out to a broader public consultation the proposed changes to the policy.

MS ORR: Can you just clarify for me what consultation with the Aboriginal and Torres Strait Islander groups and community in particular has happened?

Mr Bain: At this stage, the development of the policy was subject to a cross-government committee that also had Ms Katrina Fanning sitting with us as an Indigenous representative, if you like, as an overarching representative for Aboriginal and Torres Strait Islander interests. We are looking now at broadening it out to some of the key players in the Aboriginal and Torres Strait Islander business community, including Supply Nation, for example, Indigenous Business Australia and the ACT Indigenous business network.

Ms Stephen-Smith: And a number of other local Aboriginal and Torres Strait Islander business organisations and individuals. I think Winnunga Nimmityjah and Gugan Gulwan have also been invited to participate.

Mr Bain: That is right.

MS ORR: By bringing all these new groups to the table, how do you see the refreshed procurement strategy improving?

Mr Bain: The key elements of this strategy are around removing barriers to Aboriginal and Torres Strait Islander engagement with government at a procurement level. It sits very much at a government to business sort of level. When I say “business”, I mean enterprise in the broader sense, because there are, as the minister said, some other community organisations involved. The key element of what I am expecting to get back in terms of direct feedback on this will be questions about Aboriginality, for example. Where are the best sources for authentication? Is Supply Nation the one and only authority in this area, such as would be suggested by some of the commonwealth and other states using that as their key indicator? We want to spread the net and see if there are other legitimate ways of authentication of Aboriginal control of those entities.

MS ORR: So it is currently out for consultation with selected Aboriginal and Torres Strait Islander groups. What are the next steps? Can you just clarify for me?

Mr Bain: The next step is a series of one-to-one, face-to-face meetings with those 11 organisations, which we are currently scheduling. We are looking at wrapping that up, hopefully, by the end of November or early December, at which point we are going to regroup and take on board what feedback we get from that, particularly where it goes to threshold elements such as authentication groups, before we roll it out to a broader public consultation. Part of that public consultation or broader consultation will involve some workshops to be convened and organised by a third party that we are yet to engage.

MS ORR: Would you also update us on the status of the sustainable procurement policy?

Mr Bain: Work on that is ongoing. It is still at the internal committee level. We are looking to further enhance our triple bottom line expectations around sustainability. We are already in in the construction sector. I might ask Mr Parkinson to give us some more detail on that, because he is much closer to it than I am. It is the sort of thing that is already very much part of our procurement thinking. We are just trying to make it more explicit in particular areas, and to spread it across what we have learned from certain sectors and see where we can spread that right across the whole of our government spend.

MS ORR: What are the parts that you are looking to make more explicit?

Mr Bain: Sorry?

MS ORR: Maybe your colleague might need to come up again.

Mr Parkinson: Good afternoon.

MS ORR: You have read the privilege statement?

Mr Parkinson: I have read that before; I am checking it again to see if it is the same as last time. As Mr Bain was saying, the sustainable procurement policy is being updated to reflect the new international standard on sustainability. Many of the

elements in that are part of the value for money approach of government in the first place.

We look at the triple bottom line, particularly capital works and construction. It is about the whole-of-life costs associated with building infrastructure. It is looking at elements like energy sources. There has been a shift away from, say, gas power or gas heating within schools that we build, moving more to totally electrically heated buildings and electrically cooled buildings. We are looking at supply chain issues, such as where materials come from. We are looking at sustainable green materials. That is covered at the moment within processes such as the capital framework, but the sustainable procurement policy is codifying those and making sure that there is an obligation on people in designing and putting forward business cases for these bits of infrastructure, that those elements are specifically identified in the business cases that go up to government.

MS ORR: Can you provide some examples of recent successful projects that have included sustainable procurement?

Mr Parkinson: Environmental sustainability issues would be new school developments. For instance on a current school we are building, environmental efficiency was a key part of that: the air turnover for students, the energy ratings for the buildings that have been built. I am talking about the Margaret Hendry high school at the moment. That is just a recent example on building.

On Manuka Oval, there are pieces in the process where we have designed low energy, low-emissions mechanical systems to make sure that it is going forward. In the healthy waterways project that is currently being undertaken for EPSD, that is a whole healthy waterways process, so it is minimising concrete landscapes and putting in more natural environments. From a social point of view, with recent work in the Mr Fluffy demolition program, we engaged social enterprises to undertake the maintenance activities for the houses that the government owned.

It is constant within our capital works programs at the moment to build those social sustainable outcomes in.

MS ORR: You have mentioned one or two examples, but what do you see being incorporated into the updated policy?

Mr Parkinson: The updated policy picks up the new ISO standard. A lot of the elements of that are already within what we do. It is actually identifying those and being explicit in trying to achieve the outcomes of social, environmental and financially responsible procurement. That has been documented. As professionals we have often done it. It is actually documenting it and making sure that it is in that decision-making process and in our advice to government about the choices that are made within a procurement, within a development, to look at prioritising one element over the other.

MS ORR: Given that it is updating against these other standards, is it something that you would be putting out for consultation with industry groups?

Mr Parkinson: We have been doing internal consultation at the moment. The new standard is very principle based, so providing concrete examples is important. Certainly we will talk to our designers and talk to our suppliers as we get more concrete about the sorts of KPIs we are going to out of that process. If you went to consultation just on the standards themselves, most people would say, “What does this all mean?” We are just trying to put some concrete things in it.

MS ORR: Can you give us an indication of the time line for updating the policy?

Mr Bain: We are expecting, certainly by early next year, to have something out to people. As Mr Parkinson said, it is largely a reframing, to try to put some meat on the bones of the ISO itself.

MR WALL: As a supplementary on the Indigenous procurement policy, what weighting will be given under that then for local Indigenous-controlled corporations compared to those that are based outside Canberra?

Mr Bain: It is a really interesting question actually because that is one of the key elements. I said that there were some fundamental elements that we would like to go out and get some further advice on before we make it public. At this stage we are concentrating more on, as I said, the barriers to entry rather than any specific rewards for entry, if you like. But it is certainly one of those things that we are talking about. At the moment the local industry participation policy includes elements of this. That said, there is, as probably everyone knows, a 10 per cent default weighting to form part of that at this point.

MR WALL: And will there be, I guess, the ability for government to go directly to Indigenous-owned or controlled corporations as part of that policy as opposed to going through a normal procurement round?

Mr Bain: That is very much the early thinking, that within certain risk thresholds, yes, that approach would be—

MR WALL: So that would be similar then to the commonwealth policy?

Ms Stephen-Smith: Say, for example, for a procurement under \$200,000 rather than going to the usual three, if you can go to an Aboriginal and Torres Strait Islander-owned organisation that is something that we are currently looking at.

MR WALL: Will there be restrictions on companies engaged under that process subcontracting out work?

Ms Stephen-Smith: That is one of the big things that have come up in relation to black cladding and trying to make sure that we avoid some of the pitfalls that other governments have seen over time in terms of having an Aboriginal and Torres Strait Islander 51 per cent ownership but actually no genuine control over the organisation. One of the things that we are actually seeking some more feedback on through the consultation is: how do we ensure that the organisations are genuinely Aboriginal controlled and then actually do the work?

One of the things we know and Katrina Fanning talks about a lot is the fact that Aboriginal and Torres Strait Islander-owned businesses are 100 times more likely to employ Aboriginal and Torres Strait Islander people.

MR WALL: I would just flag that certain experience from commonwealth contracts with local businesses has been that they have lost the account to an Indigenous-controlled corporation and that they have been subcontracted to do it a greater price than they tendered for in the first place. I think that there is a very tough threshold there. Is the taxpayer getting value for money whilst we are getting the social feel-good? Are we still ultimately giving the same contract for doing the same job and just paying an intermediary a significant amount of money for social conscience?

Mr Nicol: Yes, that certainly is something that we are aware of and will be looking at. And also the value for money test remains. We do want to contract only where a contractor, even if it is a single-select to an Indigenous-owned corporation, can do the work and it is assessed as value for money.

MR PETTERSSON: I want to lead off by saying congratulations to the Contractor Central working group for their staff award. Well done. I just want you to tell me about their hard work in reforming how directorates access contracted labour through recruitment agencies.

THE CHAIR: Did you just text him that question, minister?

Ms Stephen-Smith: In all honesty, I was not expecting that question. I definitely have officials here who can talk at length about Contractor Central if that is what Mr Pettersson would like. I am sure we do.

Mr Bain: Dave Purser, Director, Goods and Services, who should take a lot of the credit for the work behind this, to be perfectly frank, can give you a much more detailed explanation.

MR PETTERSSON: Why did they get a staff award?

Mr Purser: Sorry, I actually did not quite catch the question.

MR PETTERSSON: It was about the Contractor Central working group staff award earlier this year for their hard work in reforming how directorates access contracted labour through recruitment agencies.

Mr Purser: Prior to us establishing Contractor Central, generally contingent labels engage on a case-by-case basis by directorates. Generally they negotiate with individual companies the rates. What we have done is establish an arrangement across government which all directorates can access that sets out the common vendor management system, fixed margin and rates. It enables us to get full visibility of our contingent labour, their durations, the management of that.

There are also a number of benefits that have driven significantly more competition, particularly SMEs, that perhaps did not have the marketing resources of large

companies and now can compete on a level playing field. And we have seen significant savings out of that arrangement, in the order of \$4 million per annum.

THE CHAIR: Well done.

MR PETTERSSON: What actually changes for the worker? Is it any different for them? Do they interact with more entities, fewer entities? Do the rates of pay change?

Mr Purser: No. Their rates of pay are not affected. Each time an engagement goes through the system it goes out to the market of providers that are selected by the purchaser, and businesses that are offering contingent labour then bid for that work. The framework, while it does define the margins for the providers, does not set the rates for the actual workers. That is basically set by the market.

MR COE: Minister, can you talk through how the procurement board operates? It is something that—

Ms Stephen-Smith: Sorry you missed the very beginning, Mr Coe where I said, “Please ask the technical questions early.” Ms Whitten is still here.

MR COE: It is an interesting aspect of the ACT government that is very rarely spoken about, externally, I mean, and in the media especially. I am just curious how directorates engage the procurement board and what functions it actually provides or undertakes.

Ms Whitten: I am the Chair of the Government Procurement Board. That is why I am appearing before the committee. The procurement board is established in legislation under the Government Procurement Act and its role is to consider procurements over the value of \$5 million for directorates and over \$1 million for other agencies—thank you, Glenn—and ICT. The board has a number of members on it. Some are government members and some are non-government members.

Each week the board is scheduled to meet on Tuesday mornings at eight o’clock and directorates provide proposals that are over that value or of a high risk to the board. Each directorate or agency works through Procurement ACT with Mr Bain’s team, before the proposals come to the board.

The Government Procurement Board annual report is part of the Chief Minister’s department’s annual report. It is at page 301 of the CMTEDD annual report, volume 1.

MR COE: Who are the members of the board?

Ms Whitten: There is a combination of a chair and a deputy chair, both of whom are public servants. I am the chair, and the current deputy chair is Louise Fielding. The non-government members of the board are, at this point in time, because we have had a bit of a changeover of membership: Virginia Shaw, Richard Bear, Roger Broughton and Suzy Nethercott-Watson. The government members of the board, besides Louise and me, are Dominic Lane from the ESA and Damon Hall from TCCS.

MR COE: After contracts have been awarded does the procurement board have any

role in reviewing risky contracts?

Ms Whitten: In answer to the membership of the board first of all, there is another government member, Fleur Flanery who is in TCCS. In relation to contracts, we do ask some proponents when they bring forward their tender proposals to come back and talk with the board about how that procurement has occurred and how that has progressed. We have a number of agencies that come back on a six-monthly or three-monthly basis. The asbestos task force, for example, was one group that came back and talked to the board on a regular basis just to see how that procurement was going. That is not necessarily a matter of routine but it does occur.

MR COE: What about the Riverview contracts? Are they on an ongoing watch of the procurement board?

Ms Whitten: Usually it is a program of procurements that come back to the board. In relation to Riverview, I know that we have not seen that in the past two years. And I have been a member of the board for the past two years.

MR COE: Given the huge expenses attached and huge figures associated with that contract, why is it that it is not on the radar of the procurement board?

Ms Whitten: There are some procurements which relate to land which are not necessarily the purview of the procurement board. I am happy to take your question on notice specifically about Riverview.

MR COE: What is the purview of the procurement board with regard to land contracts?

Ms Whitten: There are some land proposals that do come to the board. Riverview is a few years old. I would need to go back and check about that particular proposal.

MR COE: But you have said that there are some land contracts that are not in the purview of the board. What is the scope of the board as it relates to land contracts?

Ms Whitten: If we go back to what are the functions of the board—and it is in our annual report—in relation to the board's functions as prescribed under the act, as I mentioned earlier, it is procurement proposals with an estimated value of \$5 million or more or \$1 million or more for some procurement proposals, particularly where it relates to a public service directorate or involves ICT systems or involves the disposal of assets. In relation to land, it is complex and I think I would need to take that on notice.

MR COE: Did any issues regarding the Dickson Tradies go before the procurement board?

Ms Whitten: The annual report is for the period 2017-18 and I would have to go back and check in relation to Dickson Tradies.

MR COE: In the past 12 months, if you want to keep it to that period, has the issue of Dickson Tradies come up in the procurement board?

Ms Whitten: Not that I am aware.

MR COE: What about with regard to recommendations by the Auditor-General that are relevant to the procurement board?

Ms Whitten: Not that I am aware. Recommendations come before—

MR COE: The Auditor-General has had several reports that are, I think, pretty scathing about procurement. Has the procurement board not taken upon themselves to look into the findings of the Auditor-General's reports to look at ways that improvements can be made?

Ms Whitten: The board is always very interested in how best to manage its responsibilities. But once again I go back to what the legislation requires of the board, and that has been our key focus.

MR COE: Minister, have you sought any—

MS ORR: Sorry, can I just double check. With the Riverview project, the reason it did not come before the procurement board was that this was under the SLA, potentially? I think it might be better placed asking the relevant party.

Ms Stephen-Smith: The party. We will take on notice anyway the role of the procurement board in relation to that historically.

MR COE: Minister, have you raised with the procurement board any of the issues outlined by the Auditor-General?

Ms Stephen-Smith: I have not specifically, no. I am happy to go back and have a look at that and, as Ms Whitten says, also look at on notice what the procurement board has done and what Procurement ACT has done in terms of responding to those recommendations.

One of things I have done is convene a meeting recently of a number of people involved in procurement across government and, separately, Ms Whitten to talk about some of the challenges that have been faced in procurement but largely around goods and services because, just in terms of my own responsibilities, my responsibilities around procurement do relate to goods and services and not to property or infrastructure. Just to be clear in terms of my responsibilities—

MS ORR: Minister, could you give some examples of what that would be?

MR COE: What is the delineation? Who is responsible, then, for land or infrastructure?

Ms Stephen-Smith: The major projects part of the body sits with the Chief Minister. Probably Mr Strachan can clarify that.

MR COE: But where does it actually say that certain procurements are not within the

purview of the Procurement Board?

Ms Stephen-Smith: I am not talking about the role of the Procurement Board; I am talking in relation to my role as Minister for Government Services and Procurement.

MR COE: But does the Procurement Board report to you?

Ms Stephen-Smith: Yes but that does not mean it solely reports to me.

MR COE: Who else does the Procurement Board report to?

Ms Stephen-Smith: In relation to other matters, it would report to other ministers in relation to procurements that relate to their portfolios. So it is—

THE CHAIR: But the Procurement Board is, as I understand it, appearing here today to answer questions about ACT procurement and the responsibilities of the Procurement Board—

Ms Whitten: In relation to the current—

MS STEPHEN-SMITH: Yes, but—

THE CHAIR: in relation to all of their responsibilities, not just the responsibilities that might relate to you, Minister.

MS STEPHEN-SMITH: That is right.

THE CHAIR: The board is here to respond to all of the questions about all of its responsibilities.

MS STEPHEN-SMITH: Yes but I was clarifying in relation to Mr Coe's question, which was specifically around what I had done as minister. That is the clarification that I was seeking to make.

Ms Whitten: At the time of the annual report, the minister was the Chief Minister. In terms of considering proposals, the board provides advice back to the proponent for consideration by the delegate, who is usually a public servant or an executive within a directorate.

MR COE: But that is the same for all procurements, is it not? That is the same regardless of whether it is a good or a service or IT or land or whatever. But I am still a bit puzzled about the original comment about land and infrastructure. How can it be that a contract in infrastructure that falls under the procurement act does not have to go to the Procurement Board?

Ms Stephen-Smith: That is not what I was saying. I was just saying it in relation to the administrative arrangements and my role as minister—

THE CHAIR: I think Ms Whitten said that earlier, Minister.

Ms Whitten: Just to be clear, under the Government Procurement Act, at section 3A, “Application of Act to land sales etc”:

This Act does not apply to the grant of a licence or lease of land, or the sale of a lease of land, under the *Planning and Development Act 2007*.

MR COE: Right. The procurement act is still relevant though.

Ms Whitten: The land is managed under different legislation, so I am not clear what the procurement aspect would be—

MR COE: There are still tender requirements, tender processes and the like. Furthermore, especially with regard to Dickson—Dickson went through EDD; it did not go through the LDA, so there are no LDA jurisdiction issues either. I just wonder whether there is a massive gap. Further to that, I recall that the Riverview contract is actually about management services, not about land. The land side of things was done years ago, I gather, when land changed hands, and then it became a joint venture. Since then it has been largely a management contract and also marketing. So surely those are things that would come—

Ms Stephen-Smith: I think Ms Whitten said in relation to that that would have been prior to this annual report period. She has taken on notice to go back and provide a response in relation to the role of the Procurement Board in that contract.

MR COE: That might be so, but these are contracts that are live now and have massive payments being made on a monthly basis. I am surprised that that is not one of the high-risk contracts; that it is not being monitored closely.

Ms Whitten: In relation to the actual contracts, it would be a matter for the relevant directorate or agency to manage that risk.

MR COE: Can the Procurement Board self-refer issues?

Ms Whitten: We will work with the proponents when they submit their proposals and, if we think that we need to monitor a particular procurement, we will say that to the proponents at the time that the proposal comes to the board. That is all we do.

MS ORR: Can you help me out by clarifying what role the Procurement Board has and when it goes into the process and goes out of the process?

Ms Whitten: Each directorate or agency prepares a proposal for consideration by the board. It articulates what the statement of requirements might be for a particular procurement, including a risk plan and other relevant documentation. The board considers the suite of documents that is before it and provides comments back to the proponent about their proposal and any risks that might need to be considered as part of the board’s consideration of it.

MS ORR: But the procurement would be undertaken by the relevant directorate—

Ms Whitten: Absolutely.

MS ORR: and with consideration to the advice provided by the board?

Ms Whitten: Yes, the proponents consider that advice. They often give us feedback about what they have done about that advice as well.

MS ORR: And the board would not necessarily have an ongoing monitoring role as the standard?

Ms Whitten: That is correct.

MS ORR: But that would not preclude you? Did you say you can have a monitoring role?

Ms Whitten: We do have a monitoring role, but with something that is a few years old we may not necessarily—

MS ORR: I think Riverview was signed quite a while ago.

Ms Whitten: It has been quite a while.

MS ORR: Can you clarify for me again what you do not cover? I think it was in the legislation. I did not quite hear it when you read it before.

Ms Whitten: That was in relation to land and leasing of land. The responsibility sits in the planning and land act; it is not a function of the board.

MR COE: Does the Procurement Board send out advice or give advice about best practice with regard to procurement?

Ms Whitten: The board works very closely with the Government Procurement ACT. The Government Procurement ACT is usually the functional area that provides advice to directorates and other agencies about better practice.

MR COE: I am always puzzled when I see ACT government contracts where the value of the contract is commercial in confidence. I am wondering whether the Procurement Board has any view about whether the public should know how much contracts are worth.

Ms Whitten: The Government Procurement Act provides for confidential information to not be included in contract material. That is something that is managed between the contract manager and the delegate and the organisation that they have engaged. There are specific provisions around what that confidential text might be. That is a matter between the parties to the contract.

MR COE: But if there are commercial-in-confidence sections, how would the Procurement Board know whether a contract falls above their threshold?

Ms Stephen-Smith: The fact that it is commercial in confidence in terms of public release would not necessarily mean that the Procurement Board would not have

access to that information; that is my guess.

MR COE: But if it then gets varied over that threshold later on, how would the agency know?

Ms Whitten: There is a requirement under the act that if a contract is varied by 10 per cent or more then the procurement should come back to the board. That does occur from time to time.

MR COE: What about times when the contract is varied and then it tips over the threshold?

Mr Bain: As a matter of process, to answer that in general, the establishment of a threshold as to whether it should come before the board is based on the estimate of the proponents, that being the directorate responsible for the engagement. The initial advice often given when they come to either the capital works team or Procurement ACT is to overestimate rather than underestimate. Best practice, if it is close, is to take it through the board process just in case. Nonetheless there are instances, as you have suggested, when from time to time the contract value varies or the estimate varies before we even go to contract. Those sorts of things come up through the normal negotiation and interaction with the Government Procurement ACT or capital works. Again, that level of advice is provided at that point.

I think it is important to note that the Procurement Board is looking at the proposals. It very rarely, in my experience, looks past the procurement element into the contract management side of the engagement.

THE CHAIR: We will leave it there. Thank you very much for appearing. I think you have got your fair share today. I remind members, the minister and officials that you have five days to get your questions on notice in and five days to get them returned.

Appearances:

Steel, Mr Chris, Minister for City Services, Minister for Community Services and Facilities, Minister for Multicultural Affairs and Minister for Roads

Environment, Planning and Sustainable Development Directorate

Ponton, Mr Ben, Director-General

Rutledge, Mr Geoffrey, Deputy Director-General, Sustainability and the Built Environment

Chief Minister, Treasury and Economic Development Directorate

Nicol, Mr David, Under Treasurer

Bailey, Mr Daniel, Executive Director, Property and Venues, Commercial Services and Infrastructure

Gordon, Mr Garry, Director, ACT Property Group, Property and Venues, Commercial Services and Infrastructure

THE CHAIR: Good afternoon, minister and officials. Welcome to this afternoon's hearing on community facilities, including property services and charging policy. I remind people, as they come forward, that there is a privilege statement. Make sure that you are aware of that, and indicate as such before answering any questions. There are no opening statements today, minister, so I will turn straight to Ms Orr.

MS ORR: Minister, the Tjillari Justice Aboriginal Corporation play an important role in the Indigenous community. Can you explain how the ACT government is supporting this group?

Mr Steel: We have been working with the Tjillari Justice Aboriginal Corporation, which is a well-known not-for-profit organisation providing assistance to children where they have a parent involved in the justice system. They aim to break the cycle of intergenerational offending and support the development of cultural identity, and positive family and community connections. The group has requested additional space at their current facility, and Property Group has been working with them around that request and has granted some additional space to them. The licence is currently being prepared.

Mr Gordon: The Tjillari Justice Aboriginal Corporation are currently looking at accommodation at the Grant Cameron Community Centre in Holder, and a licence is currently being prepared for their occupancy.

MS ORR: Would that be a move of premises for them, so that they can have more space, or is it a new space? Are they moving to a larger space or is it about establishing a new space altogether?

Mr Gordon: They are taking additional space. Currently, they occupy just over 65 square metres, and they are taking some additional space adjoining that. It is approximately 54 square metres of additional space that they are taking.

MR PETERSSON: Could you give me an update on the sale of land to the

Ahmadiyya Muslim Association?

Mr Steel: As members would be aware, for some time the ACT government has been working with the Ahmadiyya Muslim Association around a future site for a mosque. We have been looking at a specific site in Narrabundah, which is block 43 section 34, to establish the mosque. It has been a five-year search but they are now in the process of developing up a development application. Once the DA is approved, the direct sale will be concluded and they will be able to start construction on the site. Of course, that is a site that neighbours the Spanish Australian Club, the Best Western hotel and the Narrabundah Ballpark area. I think they are pretty pleased that this is coming to a conclusion.

MR PETTERSSON: When can we expect to see it all finalised?

Mr Steel: I cannot say I am sure of the time line. I will pass over to EPSDD.

Mr Rutledge: Thanks, Mr Pettersson, for the question. As the minister was saying, we have been working with them for some time, and we now think that we have quite a good site.

I do not know if you know the site, but it is at the back of the golf range at Narrabundah. We have been working with them to make sure that the site is suitable for them and for the comings and goings, as well as maintaining the ballpark, which is a growing spectator sport. We think we have the right site for them. They are now in the process of developing their own development application. Most of the direct sales of land are provided on the formal application. They have had a couple of discussions with us. I think now the ball is in their court.

As the minister said, it is hard to put a time frame on it because they are very keen to go. They have to get their due diligence and their plans done. We think we have a good outcome here. Like the minister, I do not really want to put a time frame to it, but I know it is now definitely in their court rather than having anything waiting for government.

MR PETTERSSON: That is good to hear; thank you.

MS LE COUTEUR: Minister, in October you put out a media release about planning. I probably do not have to say any more; you know I am talking about Woden's future community centre. Can you tell us a bit more about what is proposed for this?

Mr Steel: As you are probably aware, there has been a range of issues in Woden around community facilities. Woden Community Service in particular is an organisation which has been growing at an extraordinary rate, mainly as a result of ACT government support and through various different programs, including the human services gateway which they run. As a result they have had to expand outside their existing site on Corinna Street. They have occupied up to four sites at one time. It is currently on three sites across the Woden town centre. So they are in need of a much larger community facility.

Also, there has been concern in the community about a lack of meeting space. The

government has tried to address that by moving out the heritage library from the mezzanine level of Woden library. We have also seen the need to look at how we can create extra space for community meeting space for events, and potentially for the arts as well.

Part of what we have announced is that we want to bring together agencies from across government to explore the options around planning for a future community facility in Woden to meet the needs of the area, and it is a growing area. We know that there will be more people living in the town centre in the future. We have brought together a working group, and they have already started to meet to discuss the options, as well as how we can consult with local community groups, Woden Valley Community Council, Woden Community Service and the Woden Seniors, about what the future community facility needs are in the town centre.

Of course, that will be informed by the Woden town centre master plan as well, which identified some community facility zoned sites in the centre, but we need to consider all of the different options. I might hand over to the Director-General of EPSDD to provide some further information.

Mr Ponton: Thank you, minister.

THE CHAIR: Your shirt has certainly livened up proceedings!

Mr Ponton: And I toned it down for today! In terms of the overall planning for community facilities, I do not know that there is a lot more that I can add to what the minister has said, other than to note that through the community engagement activities that we undertook for the development of the master plan, and subsequently through the Territory Plan variation, we did undertake a needs analysis in terms of understanding, with an increased population, what types of community uses would be required.

Having listened to the community, we made sure through that process that there would be land that was suitably zoned for community facilities, keeping in mind, of course—and I have made the observation in previous hearings—that it does not necessarily need to be land that is identified as “yellow” on the map. Community facilities can in fact occur on commercially zoned land. Some of the work that we will be undertaking in coming months will be looking to work with the development industry as part of this exercise to see if there are opportunities for the development industry as they develop mixed use sites, to incorporate some of these important community facilities. That will work in parallel with looking at the land that is owned by government that is zoned for community facilities, to see what the opportunities are there. But the important part is about doing some more work in terms of fully understanding what the needs of that local community are and building on the work of the master plan.

MS LE COUTEUR: You talked about working with commercial sites, developers and mixed use. Do you have a policy in terms of financial arrangements for that? Will there be a contribution from the ACT government? What sort of rental arrangements would there be for community groups? I know that in other places, when push finally came to shove at the other end, five years later, this has been a substantive issue.

Mr Steel: Those are all things that need to be considered, which is why it is so important that we have agencies from across government coming together and directly working with some of those community organisations that may end up using the site, to work out what is appropriate in the circumstances. Currently, Woden Community Service pay a community rental in ACT government properties, but at varying times they have had to pay commercial rental in order to find space to operate in. We want to make sure that we can find space that is affordable for those community groups, and support their excellent work in the community. I will pass over to Mr Ponton to provide some more details.

Mr Ponton: I do not know if there is much more that I can say, minister. I was going to say the same thing. In this next body of work, part of what we will be looking to do is to establish the guidelines or the criteria. If we do provide for community facilities within mixed use sites, we need to fold this into the planning work that we are doing in relation to community benefits. It may be that if a proponent looks to identify space that is available free or for a reduced rate, we might be able to look at what other opportunities might exist for that particular proponent. That is part of the work that we now need to embark on.

MS LE COUTEUR: Minister, you said that there was a working group. Who is on the working group?

Mr Steel: We will take that on notice in terms of the exact names, but Mr Ponton is chairing that working group.

MS LE COUTEUR: It does not have to be names; the positions.

Mr Steel: Yes, we can provide that. Mr Ponton can provide as much detail as he can now, but we have tried to bring together all the agencies that have an interest in this. There are quite a few that we came across and it will also include even agencies that are not directly on the working group, such as ArtsACT. We may still liaise with them where appropriate as well.

MS LE COUTEUR: Page 130 of the CMTEDD annual report talks about the estimates committee 2015-16 recommendation 48, which is that the ACT government should consider the provision of arts facilities in the Woden-Weston—

THE CHAIR: Is this a new question, Ms Le Couteur, or are you angling this as a supplementary?

MS LE COUTEUR: It was a recommendation that we should do—

MS ORR: I think that means it is a supplementary.

MS LE COUTEUR: Okay, it is a supplementary.

THE CHAIR: You should just say it is a supplementary.

MS LE COUTEUR: It is a supplementary. You said there are going to be arts

facilities in this. Tell us about the arts facilities.

Mr Steel: That is certainly something on which we will need to consult. I know that the minister for the arts has been keen to start a conversation about the future of arts facilities in the Woden and Gungahlin areas in particular, so that is certainly a relevant conversation.

The working group needs to consult with the community about what they would like to see in this facility, whether it has some arts focus as well as a community focus or whether it is just a community facility. There is a whole range of different issues that will need to be worked through, and certainly the arts is one of those.

MS LE COUTEUR: So effectively you are going back to ground zero as far as what happens.

Mr Steel: From?

MS LE COUTEUR: Well, there was a recommendation about arts facilities. You are not going on the basis of work that has been done in the past?

MS ORR: Sorry, Caroline, what was the recommendation?

MS LE COUTEUR: The estimates committee 2015-16. It is quoted on page 130 of the CMTEDD annual report. It recommended that the ACT government should consider the provision of arts facilities in the Woden-Weston Creek area and Gungahlin. The government agreed with the recommendation and stated that it will work with community organisations in considering the provision of arts facilities across the territory and currently in progress is an arts infrastructure plan. It sounded like you were not starting on an assumption that there would be anything in particular; you are going back to ground zero.

Mr Steel: The primary focus of this is around a future community facility, particularly to support Woden Community Service, but also to provide a meeting space. Those recommendations will certainly be an input into the working group process, as will a whole range of other pieces of work that have been done in the past. We will be drawing on all those things rather than necessarily starting again. They will be inputs into this process.

MS LE COUTEUR: Have you got a site in mind for this?

Mr Steel: One of the considerations is looking at the Woden town centre and considering how we can get the best urban regeneration outcome from potential community facilities in the town centre. This is actually a huge opportunity to add another step in the renewal process.

MS LE COUTEUR: You will be aware obviously of the work that was done by AMC on the Callam offices. Is that going to be used?

Mr Steel: I think all those pieces of work will be an input into this working group.

Mr Ponton: If I may add to that minister, in terms of the previous work that has been done, much of that work has been done through various parts of what is now the environment and planning directorate. We are making sure that we have all the relevant people on that working group. As the minister said, this is an important consideration in terms of urban revitalisation, so we will have the urban renewal team participating. They were responsible for the earlier AMC work. We will also have planning representatives and the like to make sure that we have the input of all the relevant interests into this work.

MS ORR: I take it that the community will also be involved in this work?

Mr Steel: Yes. Those three key community organisations will be very much a part of the process of the working group moving forward.

MS LE COUTEUR: Just to be clear, what I think you are saying is that, number one, Woden Community Service will get some better accommodation, which we would all agree is definitively needed. Number two will be some meeting space; and after that is yet to be decided. Is that a fair summary of where we are at?

Mr Steel: I would not put it in those terms. We are at a much earlier stage than that. We are actually looking at what the community facilities needs of the community are before we jump to what that exact space looks like. We need to do some really thorough consultation with those community groups to work out what their needs are. Looking ahead into the future, Woden Community Service may look quite different in ten years. We want to make sure when we are planning for a future community facility that it takes that future into consideration as well as the broader needs of the community.

We are not just talking about a meeting space; it could be potentially a much larger space if you are going to have events there and if it is going to be a flexible space. If it is going to incorporate the visual arts, for example—that is only one potential use—that looks quite different to just a small meeting room. We are working to try to make sure that some of those meeting spaces are in the Woden library as well.

We are also mindful that there are performing arts spaces at Canberra College which have been built only in the recent past. All of that needs to be taken into consideration. It is a very detailed piece of work around the needs of the community before we begin to determine exactly how many meeting rooms there will be in a facility and those sorts of things. It also includes looking at appropriate locations around the town centre.

MS LE COUTEUR: Which locations you are looking at?

Mr Steel: That work has not begun yet, although it has in the sense that the Woden master plan has provided some input, in terms of where the community facility zones are. There are the existing locations of Woden Community Service, including the youth centre. Then, as Mr Ponton mentioned, there is the opportunity for a mixed-use development to potentially activate some of the existing buildings which are empty in the town centre in order to support a regeneration outcome. So there is a whole range of different options that need to be considered.

MS LE COUTEUR: I assume you are not looking at the CIT site and that you regard that as too far away?

MS ORR: I do not even frequent Woden and I know that it is too far away.

Mr Steel: Yes.

MS LE COUTEUR: it is just a question.

Mr Steel: Certainly it is community-facility zoned, but I would imagine the proximity to the town centre would cause a problem.

THE CHAIR: Do you have a consolidated list of community facilities available for groups and the public to access?

Mr Bailey: We have a list; I am not sure if it is publicly available.

Mr Gordon: We do not usually make it publicly available, but certainly we could provide it to the committee.

THE CHAIR: My understanding is that you are going to try to raise the profile of a number of venues through a digital advertising campaign. If you are a member of a community group, surely it would be sensible to have an advertised list of what government facilities are available for meetings or events so they can access them? If you know what they are but no-one else does—the committee probably will not be accessing these facilities—is that sensible? Is it viable for you to list them—what they are, when they are available and what are average hire costs—for community facilities? I am not talking about organisations getting a three-year lease or so on; I am talking about particular events and meetings.

Mr Steel: Just as an example, the Weston Creek Community Centre manages some of the halls and venues not just at Weston Creek: it manages the community centre on Parkinson Street in Weston, the Weston Community Hub and the Chifley community hub. They are a central point of access for the community in terms of booking those sorts of halls and meeting venues. They work with Property Group, so they would be a central place for many people to go to. I will pass over to Daniel Bailey to explain what may happen for the other facilities.

Mr Bailey: I think you are right; I think that that is a good idea. Property Group has control of most community facilities, but there are still others within the directorates. We have some publically available venues that we advertise on our website. But if you are looking at including some of the community halls then we could consider that.

THE CHAIR: I suppose a centralised portal—even if it directed you to someone else who is the actual booking agency—just so you know what the resources are within the community. I am surprised there is not something like that.

Mr Steel: I was on the Access Canberra website today and you can quite easily book a whole range of different ACT government venues which are listed. It is not a comprehensive list, but it certainly includes the major venues you would expect, like

Albert Hall and so forth. That is certainly up there and it is worth pointing out to the community.

THE CHAIR: How is the determination made about what the fee will be for venues? Who sets that? If you have a facility that is managed by another group, does it set that fee or does Property Group? For example, is one hall in Weston Creek going to cost \$200 but if you go to Woden it will be \$600? Is there consistency? Are guidelines applied?

Mr Gordon: Where there is an external manager community group, they set the charges. But usually the charges are around accessibility. It is not about profit maximisation. We do not have a part to play in setting what those fees are. In respect of those properties that we directly manage and hire out—the Albert Hall being at one end of the spectrum and the Giralang community hall being at the other end of the spectrum—we would look at what the community considers is an accessible fee.

At the Albert Hall, we have struck a fee there that makes it accessible and attractive. In the past 12 months we have changed the fee structure slightly and as a consequence of that, by bringing it down just a little, making it more affordable. We have actually increased the number of hires and we have increased the total revenue as a result.

With other halls like the Giralang hall, we start with looking at about \$15 an hour as an hourly charge. Then we start to have a look at discounts for half day and full day hire, whether they clean the hall themselves or we have to bring in a cleaner. We make adjustments for that, but the key is about making it accessible.

THE CHAIR: In respect of those facilities that are managed by other groups, do you audit them to make sure that they are applying the same sorts of principles that you would, that there is no gouging? These are community assets. Do you audit them to make sure that their fees and charges are within those expectations, that they are not profiteering out of it? I am not suggesting they are and I have not heard of any such cases but—

Mr Gordon: We do not specifically audit them from a compliance perspective but we work very closely with them. In particular, they are talking to us often about the maintenance, the works that need to be done. So we have a really close relationship because the condition affects the availability and affects the value. There is an ongoing close dialogue about how to get occupancy up and make it suitable.

THE CHAIR: Right, but there is no sort of formal process as such?

Mr Gordon: There is no formal process as such.

THE CHAIR: In terms of those facilities that might attract a five-year lease or a two-year occupancy—whatever it might be—do you advertise what is available or do you wait for someone to come to you with a request?

Mr Gordon: Currently, we promote the venues through the ACT government website. We also promote the venues through social media, in particular Facebook. As yet, we do not publish days that are available and days that are booked.

THE CHAIR: No, this is more now moving on to—

Mr Steel: Tenancies as a whole.

THE CHAIR: Tenancies, yes, that is right. A particular group—a veterans group, a sporting group, a group for disabled kids or whatever—needs a venue. It may be Parkinson’s ACT or Arthritis ACT. As you appreciate, there is a long list of these people. Do they come to you and say, “Look, this is the sort of thing that we need,” or is there a list of what facilities are available? The next part of that is what your list is like compared to availability of spaces?

Mr Bailey: I can start the answer to that. We have a waiting list. There is a community waiting list that ACT Property Group manages for government. That is the one list. At any point in time there can be a varying number of tenancies on there. When you actually get on to that list, you specify what you are after. You may be after 100 square metres. You may broadly say it should be in Belconnen or Woden. Some can be very specific. If we have a vacancy come up there, we go to the actual waiting list, go down the order and allow everyone that opportunity. We check that list annually to make sure it is current, that people still want to stay on it. That is how we allocate it.

THE CHAIR: In respect of that waiting list, if you have two people who meet the criteria, does whoever is on the waiting list first get it?

Mr Bailey: Yes, that is right. There is a priority list.

THE CHAIR: Who determines the fee?

Mr Bailey: That is set. If it is a community rental, we have a community rental rate that is set so it is—

THE CHAIR: Is it a square metre type of thing?

Mr Bailey: That is right. It will either be a community rental rate of \$143.90 for a net lettable area or it will be \$69.54 for a gross floor area. Net lettable area is shared accommodation. That includes electricity, water and things like that; so it is a higher rate. That is the rate that they—

THE CHAIR: Is there flexibility in that? Some square meterage is much better than others, obviously. It might depend on accessibility and parking. Can you decrease that if there are grounds to do so?

Mr Bailey: Yes, there are opportunities where that could be looked at. We know our portfolio is unique. People come in and they want something but they may have to take a little extra space because a particular room, for example, is bigger than what they really wanted but it is the only one there. We have some flexibility to work with the different groups.

MS ORR: Can you fill me in on what work is being done to ensure that the

ACT Disability, Aged and Carer Advocacy Service has a facility that is fit for purpose?

Mr Steel: ADACAS, as people are aware, is an organisation supporting people with disabilities, older people and their carers. They have been growing. So the government has been working with them to provide for additional space to support the growth. We have been able to offer additional space at the Weston Community Hub. Licence negotiations are nearing completion. They will hopefully be in their new space very shortly.

MR PETTERSSON: How has the ACT government provided assistance to the Rape Crisis Centre in Weston?

Mr Steel: I believe they are also located at the Weston Community Hub. They have also requested additional space from the ACT government at the facility. That has also been approved. A new licence has actually been executed with them to obtain particularly additional office space at the centre. They will be occupying that space from 1 December this year.

MR PETTERSSON: Does that mean that there was empty office space in that Weston Community Hub from a previous group moving out?

Mr Steel: I believe that is the case but I will throw to Garry Gordon to confirm.

Mr Gordon: Yes, I believe that is the case. There was vacant space.

MS LE COUTEUR: During last year's annual reports hearings, I asked about community groups who had previously been rented premises at a peppercorn rent and the leases were coming up for renewal. The Property Group at the time talked about moving them on to a community rate of \$130 per square metre per annum. I understand that in March this year at least some of the community groups were able to retain their community peppercorn rental agreement. With Downer in particular, as an ex-Downer resident, I am aware of it. My question is: did all the community groups who had previously had peppercorn rental arrangements transit their arrangements to continue to be peppercorn, or were some of them moved to the \$130 per square metre per year arrangements?

Mr Steel: There has been a range of different historical peppercorn agreements that have been in place for some time. After consideration by government, I understand that they will be grandfathered on those arrangements.

MS LE COUTEUR: So all the peppercorns have been grandfathered? Great.

Mr Steel: I will confirm with—

Mr Nicol: Yes, while they continue. If they renew, they will be grandfathered.

MS LE COUTEUR: Yes, assuming they will be.

Mr Nicol: But not if they come back two years later and ask for a new space.

MS LE COUTEUR: That leads to the next question. That implies that you are no longer doing peppercorn rental arrangements?

Mr Nicol: That is correct.

MS LE COUTEUR: What are you charging? Are all new community groups on that \$130 per square metre arrangement? What is the situation?

Mr Bailey: That is the default. When that community rental rate was set up, its origins were basically cost recovery. That is basically just what it costs to run and maintain these facilities. As I was saying, with that community rental rate, which is now \$143.90—that is the net lettable area—that actually includes electricity and all the services: water, gas, everything. Our government maintenance costs are in those as well. It is not something that we are doing too well out of; it just covers its costs. In saying that, there is always flexibility and there is always a possibility to look at individual cases. But that is the default.

MS LE COUTEUR: So it is not a like for like comparison? I think that some of the older peppercorn arrangements had the group paying outgoings, like electricity.

Mr Bailey: Yes.

Mr Nicol: And, I think, generally the first \$500 of maintenance.

MS LE COUTEUR: And, certainly for Downer, minor repairs.

Mr Nicol: Yes.

MS LE COUTEUR: Particularly with groups who are leasing heritage-listed buildings, where the minor repairs can be quite an ongoing issue, do you have a different arrangement where groups may be doing a considerable amount of ongoing minor repairs out of their own budgets? I think Oaks Estate is one.

Mr Gordon: What we are working on at the moment is a policy that was introduced back in 2007, which introduced the cost recovery charges that Mr Bailey was talking about: the gross floor area rate and the net rentable area rate. The purpose of that was to do a cost recovery on what it cost to operate and maintain the buildings.

That policy came across with a number of childcare centres and community facilities from the Community Services Directorate. The policy was silent on the allocation of or decision-making around peppercorn arrangements. As you were discussing, many of the peppercorn arrangements have been in existence for some time. We are proposing a review of that policy so that we can look at the circumstances that might exist where we might have to make an allocation of a peppercorn arrangement to another organisation in the future, based on the circumstance of the organisation, its funding, its contribution, and the circumstances of the property. That is a piece of work that is in train at the moment.

MS LE COUTEUR: I assume that you will have some consultation with at least the

groups affected by this?

Mr Gordon: Definitely.

MS LE COUTEUR: Some of these groups put a lot of energy into maintaining the hall or whatever it is that they have to look after, and they receive no government funding for it.

Mr Gordon: Exactly. As you are aware, we spent a lot of time with the Downer group last year, looking at their circumstances. We came to a very good outcome and we appreciate your contribution to that.

MS LE COUTEUR: And I appreciate the result, which I think was equitable for all sides with that one.

Mr Bailey: We have an upgrades program as well. With your example, if there were something where we were being alerted through our systems that there was an ongoing problem at a property, that would be looked at with ACT Property Group's upgrade program to seek funding or, within its own funding, do upgrades there. We would never be in the situation where we would be sitting back just letting something deteriorate or expecting the tenancy to have to wear considerable costs.

MS LE COUTEUR: Thank you.

THE CHAIR: Is the booking of facilities done through Access Canberra?

Mr Bailey: Yes.

THE CHAIR: If I want to book something—

MS ORR: Are you planning a party, Jeremy?

THE CHAIR: I am concerned about the community, Ms Orr. If I, as a member of the community, wanted to book something, is there a centralised booking system?

Mr Bailey: No, there is not a centralised booking system.

THE CHAIR: My understanding is that there was funding made available for work on a coordinated community facilities booking system in 2017. Is that right?

Mr Steel: We might come back on that.

Mr Gordon: We will have to check that.

THE CHAIR: Okay. It does not sound as though that has progressed, anyway. So there is no centralised booking system? Each venue has to be booked separately? You have to find that venue and then book it separately?

Mr Bailey: As Garry was saying, most of these community halls are auspiced by some community organisation that will hire them out. They will have someone just

booking it out and maintaining it. At Property Group, we hire out our venues that we have control of. There is nothing in terms of a booking system centrally.

THE CHAIR: Thanks very much, minister and officials. We have five days to get our questions to you. You then have five days to get them back.

The committee adjourned at 4.24 pm.