



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL
TERRITORY**

**STANDING COMMITTEE ON ECONOMIC DEVELOPMENT
AND TOURISM**

(Reference: [Annual and financial reports 2018-2019](#))

Members:

**MR J HANSON (Chair)
MR M PETERSSON (Deputy Chair)
MR D GUPTA**

TRANSCRIPT OF EVIDENCE

CANBERRA

FRIDAY, 8 NOVEMBER 2019

**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	92, 124
Cultural Facilities Corporation	124

Privilege statement

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Amended 20 May 2013

The committee met at 10.47 am.

Appearances:

Orr, Ms Suzanne, Minister for Community Services and Facilities, Minister for Disability, Minister for Employment and Workplace Safety, Minister for Government Services and Procurement

Chief Minister, Treasury and Economic Development Directorate

Nicol, Mr David, Under Treasurer

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

Strachan, Mr Shaun, Deputy Under Treasurer, Commercial Services and Infrastructure

Bain, Mr Glenn, Executive Group Manager, Procurement ACT, Commercial Services and Infrastructure

Purser, Mr David, Executive Branch Manager, Goods and Services Procurement, Procurement ACT, Commercial Services and Infrastructure

Parkinson, Mr Andrew, Secure Local Jobs Code Registrar, Workforce Capability and Governance

Bailey, Mr Daniel, Executive Group Manager, Property and Venues, Commercial Services and Infrastructure

Clarke, Ms Liz, Executive Branch Manager, ACT Property Group, Property and Venues, Commercial Services and Infrastructure

THE CHAIR: Welcome to the third public hearing of the Standing Committee on Economic Development and Tourism inquiry into annual and financial reports 2018-19. On behalf of the committee, I thank you, minister, for attending today. I note that the last time you were involved in this committee you were on this side. So you know what this committee is all about at least. Thank you for attending and thank you to all your officials here today as well. We will continue to examine the annual report of the Chief Minister, Treasury and Economic Development Directorate, looking at procurement and property services, including community facilities.

I ask that you read the privilege statement and indicate that you are aware of that. Proceedings are being recorded by Hansard for transcription purposes and are being webstreamed. Would you like to make an opening statement of any sort, minister?

Ms Orr: No, I do not have one.

THE CHAIR: I will kick off then and ask: what involvement has the government procurement board had with the procurement of light rail stage 2 to date?

Ms Orr: I might hand over to Meredith to answer that one. She can give you a more detailed answer.

Ms Whitten: I am here as chair of the government procurement board. At this stage the government procurement board has not considered light rail stage 2.

THE CHAIR: Do you anticipate that you will for stage 2A? Have you received any advice on that?

Ms Whitten: The way the board receives its submissions is: it is a matter for the relevant directorate, as the government entity, to make a submission to the board. At this stage we have not received a submission of that kind.

THE CHAIR: Do you anticipate that you would have any input into the business case for light rail stage 2 or not?

Ms Whitten: The role of the board is to review procurement proposals. Usually in terms of procurement matters, that is a matter for the relevant directorate or ACT government entity.

THE CHAIR: I might just go on then and ask, while you are sitting there: what proposals have you considered over the last little while during the reporting period?

Ms Whitten: If the committee would like to turn to page 334 of the Chief Minister's annual report, where the government procurement board report is, you can see that during the financial year we have got a summary of the particular procurements that we have seen. There have been quite a few—73, I think, in total.

In relation to the matters that we have seen, we have got quite a range of proposals during the year—anything from a whole-of-government procurement such as our stationery contract through to panel procurements such as the professional and consulting services panel, plus capital works proposals as well. There are quite a number.

THE CHAIR: Do you normally just flick them through or do you look at them or do you ask for more information? What is your value-add?

Ms Whitten: The board meets weekly if there are proposals for the board to consider. That gives you an indication, with 73 proposals, that that is the only way we really could do it. It is a set time every week. Proponents make their submission to the board. The board comprises public servant members as well as non-public servant members. The board receives papers usually the Thursday or Friday before the meeting. The board then has read all those papers and we consider all those proposals.

Proponents come to the board. We indicate to the proponents that we have read the papers, ask them to give a bit of an overview of their proposal. Sometimes it does not quite come alive in terms of written documentation. And then we have the opportunity to make suggestions about whether the proposal really considers properly the risks that might arise in terms of this type of procurement and a range of other issues that might arise during—

THE CHAIR: Have you got the power to reject a proposal or do you just provide advice on it?

Ms Whitten: We provide advice. The advice is to give some assurance to the delegate that there has been some quality assurance occur which is external to the people who

are actually—

THE CHAIR: And is the proponent required to accept your advice or are they just—

Ms Whitten: The delegate needs to consider the information and the feedback from the board, but it is up to the delegate whether they choose to address—

THE CHAIR: In that sense, you are an advisory body rather than having any particular executive function in terms of saying yea or nay or imposing requirements?

Ms Whitten: Yes. Our functions are available on page 331 of the report, and it clearly says our role is to review and give advice.

MR PETTERSSON: I am not sure if I am going to land in the right spot here, but I will try. It is in regard to procurement by Skills Canberra. I was wondering if someone could provide potentially some background information. The Canberra Business Chamber was given the run on a service to provide employees with information. Does anyone have any information on that?

Mr Nicol: I do not. I think it is with Skills Canberra.

Ms Orr: I had an inquiry to my office about this particular one and, when we looked into it, it is not actually with us. It is definitely with Skills Canberra. They would be best placed to answer the question.

THE CHAIR: I have one on the Canberra Business Chamber.

Ms Orr: Noting that that first one, though, was not within our remit.

THE CHAIR: This one may or may not be. I remember that there was a light rail business engagement contract with the Canberra Business Chamber. Is that still ongoing or is that not within your remit?

Mr Nicol: I will get back to you. It is either TCCS or Major Projects Canberra. I think it is TCCS.

THE CHAIR: Did the board look at that one?

Ms Whitten: I recall a session, but it was about three years ago. The board may have seen that. I may or may not have been on the board at that time. I would have to take that on notice.

THE CHAIR: When you have these meetings, I assume minutes are taken. Are those minutes released?

Ms Whitten: Just to be clear about the procurements that the board sees, they are primarily over \$5 million, or over \$1 million if it relates to ICT or a public sector entity. The extract of the board minutes relevant to a particular proponent is made available to those individuals.

THE CHAIR: Are they made publicly available?

Ms Whitten: No.

THE CHAIR: Why not?

Ms Whitten: We do not publish the minutes. There is no requirement in the legislation for us to publish the minutes.

MR PETTERSSON: With the secure local jobs code now covering organisations who tender for government contracts worth \$200,000 and above, how has the registrar been supporting organisations, including those from the community sector, in this transition to the code?

Ms Orr: We might ask the registrar to tell you what he has been doing.

Mr Parkinson: Secure local jobs came into effect on 15 January. In the lead-up to that time we ran a large number of industry engagement sessions with both the Canberra Business Chamber and the MBA, as the two peak stakeholders there. Those were well attended. I do not have the number in front of me, but from memory there were over 100 different businesses at those multiple sessions. We ran two with the Canberra Business Chamber and two with the MBA. We ran numerous internal training sessions for ACT government staff in order to educate them on what secure local jobs was about, how to meet their requirements and the messages that they could pass on to their contractors. In many cases these procurement officers have existing relationships with contractors and can guide them through the application processes. In that round of training there were over 500 ACT government officers trained in secure local jobs at that point.

As the code has gone live, we have continued our engagement exercises. I have spoken to industry bodies such as the HIA—the Housing Industry Association—ACTCOSS, the Canberra Business Chamber again, and the MBA multiple times. I have guided them through the process. I have given training sessions to the contractors around how they should fill in their applications, the sort of information that we are after, what the ACT government is expecting to see in their applications and their labour relations training plans that form part of their submissions. I have provided question and answer opportunities for those contractors to ask questions and decide how to meet their obligations.

MR PETTERSSON: What about the community sector?

Mr Parkinson: The community sector is recently into the scheme. That section of the legislation only went active yesterday. We have been engaged by the Canberra Business Chamber and ACTCOSS to talk to their members. In the last months we ran a session at the ACTCOSS office for their members to attend. That was well attended by the member organisations, and we have been providing information to them, both directly to ACTCOSS and in those training sessions, as well as making information available via our website, which is our primary means of external communication.

MR PETTERSSON: When you give these briefings, how much follow-up work is

required from you? Are there questions that linger, that people still need to come back and get answered, or are these sessions hitting the spot?

Mr Parkinson: We think they hit the spot. There are a lot of questions that we get in the lead-up to the sessions, and we have tailored the presentation to match those questions that we get in the lead-up. For instance, in the community services sector, we changed a bit of the language. Talking to the construction and cleaning sector, the language used about for-profit companies and not-for-profits is a bit different. We have tailored that language.

We have gone back and had a conversation with our stakeholders since that last session with ACTCOSS, and asked about the areas that we did not quite get to. The feedback we have had is that it is pretty well on target at that point. Engaging with ACTCOSS beforehand gave us the opportunity to understand some of the concerns that they raised, and we addressed those in the presentation. There was a misconception as to how much the audits would cost, for instance. We have made sure we have emphasised the actual cost of the audits, and pointed them to the information on the website which sets out what are the standard costs for audits.

MS LE COUTEUR: When will the new sustainable procurement policy be completed and how will you evaluate its effectiveness?

Mr Bain: Thank you for the question, Ms Le Couteur. It is very much a live consideration, given that we are currently revising our sustainable procurement policy with a view to bringing it much more in line with the current international standard. It will remain, as it is at the moment, more of a principles-based policy, pointing and referring to individual policies that sit within it.

The timing for that is yet to be set in stone. We are consulting with other directorates, particularly EPSDD and CSD, to get their input into what might be meaningful and practical for their officers to understand what the policy is driving towards and how to implement it. I am hopeful that I could have something for government to consider in the coming months.

MS LE COUTEUR: As part of this, or possibly separately, have you put in place requirements that all newly leased or built government buildings will be all-electric, climate wise? That is action 5.13 in the climate change strategy.

Ms Orr: Ms Le Couteur, it is quite good that you bring this up because it shows one of the challenges we are grappling with in regard to timing. We have these new policies and the living infrastructure policy coming out. The work that has been done to date now needs to consider those things. One of the challenges that the directorate has been working on is bringing that newer policy work into the process.

MS LE COUTEUR: I take it that the answer is no.

Ms Orr: Not a no; it is under consideration.

MS LE COUTEUR: When do you think it will become not in progress but an actuality?

Ms Orr: It is a live question. The short answer is: once we have worked through the issues and can actually have a policy that can be enacted and implemented. It is very easy to write something that says, “Do this.” It is not so easy to write something that says, “Do this,” and actually have a way of doing it.

That is the part that, certainly from my perspective, goes to the environmental procurement. Also, with a lot of the social procurement we are seeing coming through from other directorates, we are wanting to look at that. It is about getting a policy where all of these different priorities can be joined up and we get the action we want to see out of those, not just words on a page.

MS LE COUTEUR: This one, hopefully, will be a bit clearer: page 26 of volume 1, which I do not have in front of me anymore, refers to the ATSI procurement policy. How has the government reduced barriers to securing government contracts under \$200,000? What does this actually mean in practical terms?

Mr Bain: That is a question that has been exercising the mind of Procurement ACT, and, indeed, a number of the responsible areas in the various directorates, as to the measurement of the efficacy of a policy such as this. The framework put in place by the Aboriginal and Torres Strait Islander procurement policy is such that it is deliberately aimed at a very practical level for officers to actively engage and shift the culture of thinking, if you like, towards one that looks for opportunities to engage the Aboriginal and Torres Strait Islander commercial sector—commercial and non-commercial, for that matter.

It provides better information than they have ever had before as to what range of services and products are available. It gives guidance on and a preference towards approaching directly any such businesses; and, where that might not be likely to produce the best outcome, to at least include consideration and open up in the offer to market Aboriginal and Torres Strait Islander organisations.

It then takes it a step further in terms of the actual evaluation. We have included, for example, elements in the existing local participation plan and, indeed, where practical and applicable, in the secure local jobs action plans and material that comes forward there. Again, it is about providing an opportunity to indicate where better value outcomes could be procured through the engagement of Aboriginal and Torres Strait Islander enterprises.

MS LE COUTEUR: Do you have any evidence that there is more procurement from ATSI enterprises now than there used to be? Has it made a difference?

Mr Bain: The answer to that is: not yet. We are working with our colleagues in the Shared Services finance area to try to establish a dataset that will give us exactly that—not only a baseline but an indication of improvement. We are working very closely with the chief finance officers and chief operating officers of various directorates to help them get that measurement and get the matrix right. It is a little early, to be perfectly frank, to tell the efficacy of that at this point.

Ms Orr: I would also note that the policy commenced on 1 July this year, so we need

to give it a little bit more time before we start to see the impacts come out.

Mr Nicol: I have had discussions with colleagues at my level about pursuing this, so it is in the minds of directors-general. As Mr Bain and the minister have said, we will be monitoring this pretty closely. If we find that it is not getting traction, we will look to take further, more direct action in directorates to promote the policy. We are also promoting it. Procurement ACT has run many training sessions across the ACT government. We are working with Aboriginal enterprises to promote their interest in government work. We need both the supply and demand, so quite a lot of work is going into this policy at the moment.

THE CHAIR: Going to the issue of compliance with procurement guidelines, how is that audited and checked across government to make sure that procurement is being done in accordance with various legislation, regulations and so on?

Mr Bain: It is important, in answering that, to establish the framework in which we operate in the first instance, which is that primarily the responsibility for procurement outcomes, and indeed the conduct of procurement exercises, sits fairly and squarely with the responsible chief executive or director-general.

Notwithstanding that, we provide guidance and support particularly for complex procurement activity, through which we can guide the process and ensure compliance with not just the legislation but also the best practice principles. Under the \$200,000 mark, where they are deemed as being lower risk and less complex, we leave that to a tool we have developed which steps procurement offices through the legislative gateways and also provides some useful tools in building their approach to market material as well as their end contract. The guidance is delivered either directly by Procurement ACT or through one of our online tools, with help desk support. Compliance in that sense is done more post facto, in the wash-up, as we get to speak with directorates either at the project officer level or at the executive level about the outcomes and the experiences that they have had and our observations on those processes.

THE CHAIR: Have you identified any breaches of any procurement guidelines or legislation across any of the directorates? Is that reported to you or—

Mr Bain: It is not really reported to us. We do have a mechanism that we introduced late last year for complaints by disaffected parties to procurement activities. To my knowledge, we have had one preliminary complaint but that did not progress to a full investigation.

THE CHAIR: So if there is a complaint within a directorate, that complaint comes to you rather than to the directorate—

Mr Bain: Once it reaches a certain threshold it does. Initially it goes to the responsible area, the business area that is undertaking the procurement in the first place. The escalation path then very quickly moves to Procurement ACT.

THE CHAIR: The tools that you talked about are online guidelines for your procurement officers, are they?

Mr Bain: There is that. But the specific one that I was referring to, which we just released a couple of months ago, is OSQAR—online simple quotes and reporting tool. That steps an officer through. It is a questionnaire-based system where, depending on the answers to the questions, it guides them towards building the appropriate documentation, asking the right questions and filling in the appropriate areas. It is deliberately aimed at under \$200,000—

THE CHAIR: Who developed that? Was that done in house, or did you go outside?

Mr Bain: It was done in house. It was largely based on what the commonwealth has put in place but then put in an ACT context.

THE CHAIR: So you looked at their template and adapted it for the ACT?

Mr Bain: We looked at their system and how they step their officers through for less complex procurements, and then adapted it to the ACT context, yes.

THE CHAIR: Do you regularly do that: look at what is happening in other jurisdictions in terms of how that is done and then get best practice and choose it—

Mr Bain: We do indeed. We are very active. In fact, we are currently in the chair of the Australasian Procurement and Construction Council and we use that quite shamelessly to leverage off the work and the understandings of the best practice that other jurisdictions have put in place.

Mr Strachan: We are also looking particularly at what is going on with the commonwealth, within the Department of Finance. We look at the panel arrangements, particularly for ICT-related services. We are undertaking a pilot at the moment to look at whether there is any potential further leverage opportunity as to how they are effectively undertaking panel arrangements and reviewing panel arrangements, to see whether there is any distinct advantage for us to effectively leverage those relationships as well. We are being quite flexible at the moment about what we develop in house, what we develop with directorates directly or, alternatively, seek to leverage across government and governments.

THE CHAIR: How do you deal with the issue of conflict of interest? It is the nature of the ACT that we are all one step removed from each other. I imagine that it quite regularly happens that a conflict of interest of some sort arises. Is that dealt with by then getting someone else to do the procurement? Is it that it just needs to be declared? What is the process?

Mr Bain: There is a combination. One of the very early steps in any procurement process is to undertake the thinking and develop a probity plan and how we will deal with those sorts of issues. Clearly the hierarchy of avoidance and then mitigation still stands. So where it is feasible to have someone or an area that does have potential for any such conflict to be removed from the process then certainly that is the preference.

THE CHAIR: Are there steps in the process where, if you are involved in a procurement and you identify a conflict of interest or a potential conflict of interest,

you have to declare that?

Mr Bain: That is very much the case. Indeed, even for relatively simple procurements where there is an evaluation team established, that is one of the elements of being confirmed to that team. In fact, it is not just a point in time; it is an ongoing requirement. For the more complex and for the higher risk elements, that can be quite formal and sign-off of declarations can be required. It also plays a part when we are talking about advisers to any evaluation team or any other advice coming to the delegate where someone might have an active interest in the sector, for example. We are very particular, working with the Government Solicitor's office, who is our probity adviser by default, to ensure that things are put in place.

THE CHAIR: If you have a contract and procurement that is ongoing with someone that regularly engages with the ACT government, are there parts of that tool process that can be circumvented so you do not have to go through the whole process again—a preferred contractor type of arrangement? Does that exist?

Mr Bain: It does not go quite to the preferred contractor element. But it feeds into consideration by the delegate on the relative benefits of either extending or taking up options within that contract, if it was originally countenanced, and to the nature of any approach to market that might follow. Our preference, and the very strong guidance from Procurement ACT, is that by default it should be going out to a public and contestable approach.

THE CHAIR: Is there a weighting given if someone has dealt with the ACT government before? Do you have a weighting on that—that is, they did a good job previously and therefore there is a weighting that counts for them, or perhaps the valuation was less favourable and it counts against them? Is that part of the process?

Mr Bain: It is certainly part of the consideration and of any recommendation going up to a delegate. I would be careful not to use “weighting” per se. But certainly it is one of those considerations. Past performance goes to risk—very much so.

Mr Nicol: Perhaps I can add a couple of things to give a bit more colour. Delegates can agree to a single select in any situation. They can choose, with an appropriate and documented justification, to go for single select. As Mr Bain said, we discourage that because we feel contestability and openness is a fairer way. But we also do not want to go to market if genuinely there is only one supplier who can supply a product.

THE CHAIR: What percentage is single select as opposed to going to market?

Mr Nicol: I do not know that we have that information centrally. I can give you an answer from my perspective. It would be rare that I would go for a single select. The usual occasion where I go for a single select is if we have a particular piece of software that needs to be modified and really only the owner of the software can modify it. We genuinely would not go out to market in that situation, because other bidders would not have a realistic possibility of winning the contract.

The other occasion where it is used is where timing considerations mean that going out to market is difficult. But even in those situations I would prefer at least market

sounding: grabbing a telephone and a telephone book and ringing suppliers in the market to see what they offer and what services they could provide, rather than a full tender per se, and having that documented so that there is some evidence that we have tested the market.

MR PETTERSSON: It was touched on before, but how is the government planning to improve socially responsible procurements?

Ms Orr: I can take that and then we can all have a bit more of a chat. This is actually quite a live question for us. Something that I have noted since I have come into the ministry is that we have a lot of directorates putting out policies at the moment calling for Procurement to take into consideration social responsibility. Examples of that would be the gender equity strategy; the domestic and family violence strategy; the modern slavery strategy, which Ms Le Couteur, I know, has asked a lot of questions about previously; the multicultural affairs action plan; and the LGBTIQ plan. As you can see, there are actually quite a few there where either the government have said they have an interest in going into this area, in the case of modern slavery, or we have directorates saying, “As part of our action plan for supporting these community outcomes we would like to see Procurement respond to them.”

The question we have got is: how do we meaningfully respond to all these diverse needs? And that is the part, along with the sustainable procurement policy, where we are suddenly sitting here going, “How do we actually bring this into one framework that can be applied so that we have a lot of really good, well-meaning policies which in practice cannot be put together?” It is very much a live question for us as to how we do that. Is it not an easy question to answer. It is one that I think a lot of places around the world are grappling with.

Mr Bain might be able to provide some more information on this because he has recently attended a conference which goes to a lot of these issues and brought that knowledge back to us. We might hand over to you.

Mr Bain: The conference which the minister referred to was an OECD conference run in Paris in procurement week, where they looked at public sector procurement but through a lens of governance. Of the four day sessions, two full days were devoted to the question of value for money. The large part of that was consideration of the extent to which social and other inclusive agenda might form part of that value proposition.

As the minister said, it is a very live consideration, certainly across the OECD—but my understanding is it is much, much broader than that as well—where the idea that the use of the government spend to leverage ethical behaviour and more socially responsible suppliers and behaviour is very much top of mind for some. The responses to the various issues that came up there—modern slavery being a classic example of that—vary from, on the one hand, where you may be aware that the commonwealth has enacted legislation which is very much a report and if your report does not come up to a certain standard it will be published, and almost name and shame, a self-reporting model, right down to the Swedish model, where they are actually doing audits of supply chain, second and third-order supply chain suppliers, for a lot of their goods and services. There are a whole range of responses.

The key question that was being asked and addressed at the conference was how we actually ascertain efficacy and proportionality in the response. I think that is the thing that we too are working on here.

THE CHAIR: Did you feel any sense of irony about flying to a conference in Paris when the subject of the conference was value for money? Did you have to do an evaluation, before you went, of whether flying to Paris and spending time in Paris was value for money?

Mr Nicol: My recollection was that we did not pay for the airfares.

Mr Bain: No.

Mr Nicol: For us it was value for money.

Mr Bain: Indeed, I would suggest that the ACT got exceptional value, yes. For many of the participants it is a simple train trip. But you are right; it is a long way to go and that is why I took quite seriously the notes that I took of the meeting, which I brought back and hope to not just inform how we are doing this work but actually disseminate. I was there actually in my capacity as the Chair of the Australasian Procurement and Construction Council, rather than in the ACT government role.

MR PETTERSSON: Where are the rough spots in implementing these values? If we are saying we are trying to do better, where are we not doing well enough?

Ms Orr: That is a good question and is part of the consideration we are currently doing in looking at all these. I think it is fair to say that where a lot of our conversations have got to is: how do we get beyond having statements that say do this and how do we actually get it enacted? The other challenge is: if we have all these, at the moment, arguably, competing social priorities, how do we actually do it so that we get a good overall social outcome, rather than say that one group is having a really good outcome and the other groups are just falling by the wayside? How do we balance all these different things?

That is really where the challenge is. How do you put that into a framework that can be enacted, more than anything, and applied? That is not an easy question to answer. If anyone has got suggestions, we are happy to take them. Glenn, did you want to add anything to that?

Mr Bain: Not really, other than, as I said, it does come down to those two primary drivers of efficacy and proportionality. We are undertaking, for example, an assessment now of our actual risk of exposure to modern slavery in what we buy as a government.

MS LE COUTEUR: Are you looking at our supply chain for modern slavery? How far down?

Mr Bain: The initial analysis we are undertaking is having a look at what have been identified as the key, high-risk procurement activities and areas of goods and services and we are then trying to match that with what we actually spend our money on as a

government, just to get an indication of (a) the proportion of our spend that is going to high-risk elements, but (b) it will give us an idea—

MR PETTERSSON: Just interrupting for a minute; what do you mean by “high-risk elements”?

Mr Bain: There are certain industries and sectors that have been identified internationally as being at high risk of—

Mr Nicol: Basically where there are products that might be sourced from other countries. For example, we will have a lot of contracts that are largely sole-sourced from Australia, whether it is a capital project where we are laying bitumen—much of that is sourced from Australia—or whether other goods and services might have somewhere in the supply chain a product that is sourced from a country that might be at higher risk of not meeting the standards that we would expect.

Mr Bain: The ICT hardware sector is a great example, as you would all know. The textile sector is a high-risk sector as well. It is getting an idea of what our exposure to those sectors is, which should inform the proportionality of any response and, conversely, give us a good idea of just what influence we could actually have.

Ms Orr: The other good thing about the work Mr Bain has been doing, particularly through these opportunities to go to conferences such as the OECD one, is that it is looking at the different responses that other countries have put in place. It is certainly not a one-size-fits-all response and it has been really good to get the lessons learned from other jurisdictions. One thing that Glenn reported back to me from that conference was that he was talking a lot about our secure local jobs code, and that received quite positive feedback from overseas and a lot of interest from countries overseas as to how they could perhaps address some of the issues that they were having. I think that was a bit of a moment of pride for us.

Mr Bain: Very much so, and it is actually quite interesting that Australasia generally, but the territory in particular, had some leading examples. Another example was local participation and the idea that we do not preference a local business because they are local per se. What we preference, what we give acknowledgement to, is the economic benefit to the territory. That sort of thinking was quite enlightening to many members of the OECD. In some ways I think we are possibly even punching a little above our weight, so to speak, in terms of our advancement of that policy thinking.

MR COE: Minister, can you tell me where you are at with regard to linking the notifiable invoices to the contracts register?

Ms Orr: I will hand over to the directorate.

Mr Bain: It is a timely question, in as much as we are wrapping up at this stage a pilot we have been running through TCCS on an ICT solution for low-level, low-risk procurement that will automatically link work orders, other contract mechanisms and any invoices to its underpinning contract.

MR COE: But right now when an invoice comes in, do you have to link it to a

contract?

Mr Bain: As a matter of practice you do; the Financial Management Act sets that in place.

MR COE: But in terms of the current system, do you have to link it to a current contract?

Mr Bain: Yes, the process and procedures would do that.

MR COE: So when you export the spreadsheet, why can you not just add another column that has the contract ID?

Mr Bain: That is what we are working on and that is what this solution should go a long way to addressing.

MR COE: It has been worked on for two years. An Assembly resolution was passed two years ago and the Chief Minister said at the time that analysis indicated that it would be feasible to improve the systems and processes across government and that further work was to be done.

Mr Bain: And it is the further work that obviously—

MR COE: Why can you not just export another column right now?

Mr Bain: It is a matter of getting the ICT solutions that can do that and make those linkages. A disparate range of processes and systems are used, so it is not as simple as that, I have to say. The reporting might look like that at the end, and hopefully it will be—

MR COE: But surely you are generating a query that exports all payments over \$25,000? Your system should be able to do that.

Mr Bain: Yes.

MR COE: Therefore, are you not currently exporting everything over \$25,000 and specifying the fields you want in that export?

Mr Nicol: We do not have a single system that covers the whole of government that collects information on procurements and invoices. The current notifiable invoices system is a very manual process.

MR COE: What is that process, then?

Mr Bain: As you have described, a cut is taken for a time period of all invoices over \$25,000. It is then culled for exceptions to those notifiable requirements, such as internal invoicing.

MR COE: That first step—you said a cut is taken?

Mr Bain: That is right: an extract from our central financial system and other systems.

MR COE: So what system is that from?

Mr Bain: That comes largely from the Oracle system, which is the one that covers the vast majority—

MR COE: So that is the central system?

Mr Bain: Yes, but it is not right across government; not everyone uses Oracle to that level of specificity. For example, the schools do not feed that level of information up and into Oracle; it is done at a conglomerated level. The current system relies on us drawing information from a wide range of systems currently in use across the government.

MR COE: So looking at all the directorates, what portion of exports currently in for notifiable invoices come from the Oracle system?

Mr Bain: I am not sure I could give an answer to that; I do not have that number in front of me. I could find out and get back to you.

MR COE: Please take that on notice. From Oracle you are doing a straightforward export. Of all the Oracle ones where you are just doing an export over \$25,000, is there a field for contract ID?

Mr Bain: No, there is not. No single field provides a linkage at this point, and that is why we are piloting another Oracle product to introduce that.

MR COE: So for any given payment where do you link what contract it goes to?

Mr Bain: At the point at which the payment is authorised the authorising officer is required to have a mind to the underlying contract and the arrangements for that contract in authorising payment of an invoice.

MR COE: So if I send an invoice to Shared Services for payment are you saying that somebody there gets the invoice and then has to do a search—

Mr Nicol: No, the authorising officer in the directorate says it is a valid invoice to be paid not only because it is linked to the contract but because it is consistent with the clauses of the contract and the goods have been delivered.

MR COE: So it goes to whoever that authorising officer is. What is that person actually doing? If I send that to the authorising person, what are they meant to be doing?

Mr Nicol: So that I am clear, Mr Coe, you are talking about a supplier sending their invoice to the relevant directorate?

MR COE: To the relevant area.

Mr Nicol: The authorising officer will do all the things you should do before authorising payment of an amount outside of government, whether it be an invoice or on another basis. You should check there is a valid contract, which might be a verbal contract or a verbal quote.

MS LE COUTEUR: How would you check that?

Mr Nicol: The authorising officer is the responsible—

MS LE COUTEUR: No, not why but how? How does this authorising officer check that there is a contract?

Mr Nicol: The authorising officer is usually the officer in the business area that is managing the contract or is associated with that person.

MS LE COUTEUR: Even given that, how does he, she or it check there is a contract?

Mr Nicol: That is part of their business.

MR COE: But who else checks that? There has to be at least another person who cross-checks that.

Mr Nicol: Yes, there should be a second—

MR COE: How does the other person cross-check that if they are not the—

Ms Orr: Maybe we just need to run through how—

MR COE: Otherwise you have got the same person who issued the contract making the payment.

Mr Bain: No, that is not—

MR COE: That cannot happen.

Mr Bain: As you have indicated, there is a requirement for at least two people. The first is to acknowledge that the goods or services have been received in accordance with the contract. That is the very first check. A lot of this, I must say, is a little out of my competency because it is now done through our Shared Services colleagues and a lot of it is automated, where the invoice comes in to a Shared Services portal and is then farmed out to the responsible areas for coding, for checking and for authorisation.

But what I can say in terms of the process, as far as I have seen it operating in my area, is that quite often a physical stamp is still applied to a hard copy if it comes in. Someone signs off that the goods and services were received in accordance with the arrangement, whether that be a formal contract or not, and then the next level, usually a higher level, possibly even executive, authorises the actual payment to say that they are satisfied that not only were they delivered but there is money available and it meets the terms of the contract.

MR COE: What happens at that point? After someone else has perhaps physically stamped it or ticked it or whatever it is, signed it, then what happens?

Mr Bain: It goes back through into a queue for payment in the Oracle system.

MR COE: If it is a paper stamp, what happens then?

Mr Nicol: I personally do not know the mechanical process but essentially the authorisation is provided to Shared Services and Shared Services will make the payment if it is duly authorised by that—

MR COE: But the authorisation gets made. At some point in a system a decision has to be made as to what budget that invoice is going to come from.

Mr Nicol: Yes, a cost code will be entered.

MR COE: Who enters that cost code?

Mr Nicol: That is entered by the relevant directorate to the authorising officer.

MR COE: Into what?

Mr Nicol: It will be into Oracle.

Mr Bain: Yes, via HES usually.

MR COE: When it goes into that cost code—and that is where it actually comes out of that cost centre—surely there is a contract in that same entry?

Mr Nicol: At the moment Oracle financials does not capture a contract number against every invoice. A cost code could cover multiple contracts. It could cover activity for multiple contracts. Cost codes can be—

Ms Orr: Would a cost code be for an area rather than a—

Mr Nicol: Yes, it could be for an area; it could be for a team. It could be for a project, depending on how the relevant directorate wishes to set up its general ledger.

MR COE: Going back to the contract register, how do you know something is a live contract or an open contract or a closed contract?

Mr Nicol: I am not sure I understand the question.

MR COE: If you go to the contract register it says whether it is open or closed and it says whether payment has been made or not. Who does that work, then?

Mr Nicol: I would have to take that one on notice. I do not know.

Ms Orr: I think a lot of these questions are probably, if I am understanding correctly,

going more to Shared Services than to Procurement.

MR COE: There is a central policy. For two years we have been trying to get something that I think should have been done a decade ago.

Ms Orr: You have asked a question on policy, but all the questions subsequently have gone to the mechanics of the ICT system.

MR COE: This is the policy.

Ms Orr: We cannot answer the questions on the ICT without having Shared Services here. We did appear. I am happy to take some questions, given that it is my portfolio. If you want to contact my office, we can go to Shared Services and ask them the mechanics of the system, if that is what you are after. We can go around in circles all you want today. I do not think, without the relevant officials here, you are going to get the answer.

MR COE: Who is responsible for publishing the notifiable invoices?

Mr Nicol: Procurement ACT.

Mr Bain: Procurement ACT does that publication.

MR COE: You are responsible for this?

Mr Bain: That is right.

MR COE: The question as to why there is not that extra field—

Ms Orr: Glenn has already answered. There is not that extra field because there is not the capability in the ICT system.

MR COE: Not the capability?

Ms Orr: Again, the offer stands. If you would like us to talk to Shared Services and get you an answer to the question why Oracle cannot provide that information, we can.

MR COE: Why it is not possible; why it is not capable. Secondly, in regard to the notifiable invoices register, why is it that the data uploaded to dataACT has got two different date conventions, meaning that all the data is scrambled?

Mr Bain: That is the first time that has been brought to my attention. I will look into that.

MR COE: I encourage you to go through the data for the invoices register and you will see that a lot of the data is in date/date, month/month, year/year/year/year and then a lot of the other data is in month/month, date/date, year/year/year/year.

Mr Bain: In that same dataset?

MR COE: Yes. You cannot search by—

Mr Bain: A mixture within notifiable invoices?

MR COE: You cannot search by date in this dataset.

Mr Nicol: I will give a commitment: we will address that.

Mr Bain: Indeed.

Mr Nicol: And try to get it into a consistent form. The notifiable invoices register is a compilation of data. It is a very manual process. If a user at the end puts it in a different format—it is not a single-control system—we will endeavour to fix that.

MR COE: Why is that September's invoices were not updated until I raised questions in the Assembly earlier this year?

Mr Nicol: That was an administrative oversight by Procurement ACT and I have asked Procurement ACT to have a look at our processes to make sure that does not happen again.

Ms Orr: And it is also one that I have said to Procurement ACT they are not to do again.

MS LE COUTEUR: I note that in respect of engagements of over \$25,000, tenderers must have a work relations training and workplace equity plan in which the business commits to addressing health and wellbeing issues such as domestic violence, drug and alcohol impacts, social sustainability such as LGBTQI inclusion, gender equality and employment participation. How do you monitor this?

Ms Orr: That actually goes through the secure local jobs code. I will ask Andrew Parkinson back to the table to give you the answer.

MS LE COUTEUR: I will repeat the question. In summary, for over \$25,000 there is a whole heap of social sustainability things—health and wellbeing things like domestic violence, LGBTQI inclusion and gender equity—that they are required to do. How do you monitor it?

Mr Parkinson: There is two aspects of that. There is a requirement under the Procurement Act that a business tendering for secure local jobs work over \$25,000 is required to submit a LRTWEP, a labour relations, training and workplace equity plan. It is a mouthful. They are required to submit this plan as part of their tender. That is assessed as part of the tender assessment process.

There is a mandatory requirement that they submit it and there is a weighted assessment relating to the quality of that plan. That has been in force since January. We have seen a growth in those plans. Some of the first ones were fairly limited in what the aspirations of the company were to address all those matters. Since then some of the feedback we have had from industry is that they need some more guidance as to what would be appropriate in those plans. So we have been running

training sessions with the construction industry around where to find resources and what sorts of strategies are appropriate to have in place for addressing those sorts of issues.

We are seeing now a much better series of plans coming in as part of the gender submissions. They are picking up issues like women in construction. They are looking at links back to LGBTQI organisations and how to provide guidance and training to their staff. We are seeing an increased focus on how to talk about domestic violence in their workplaces. We are seeing a journey on those plans coming forward there. We have not seen too much direct evidence yet and reporting of successful outcomes, but we are certainly seeing a better approach from the companies in the information available to their staff and the support that they have available for their staff.

MS LE COUTEUR: Is this just an inward looking policy relating to staff entirely or does it also mean that community groups who get money from the government cannot discriminate against other groups such as LGBTQI people?

Mr Parkinson: It asks the company to have a strategy about how to address these matters. I have not seen any strategies, obviously, that would promote exclusion. They are all—

MS LE COUTEUR: No, they are not likely to. It is more that they do not promote inclusion.

Mr Parkinson: very positive. Yes, as we head down this labour relations, training and workplace equity plan journey, as I stated, we will be spending more time looking at the results to see how successful that has been. We have not had too much opportunity yet to see a successful implementation and long-term gains coming out of this. But we are certainly seeing a lot better language and strategies in place by the construction companies that are filling these in.

MS LE COUTEUR: I have a follow-up question, perhaps to Mr Bain. You went overseas to talk to people who were talking about not purchasing various things because of supply chain issues or other sustainability issues. Effectively, were you contemplating boycotts of different companies? This is very topical because I think that possibly the ACT government might be prepared to put on the record that it actually thinks discrimination on the basis of things like this is not a reasonable thing to do.

Ms Orr: Maybe that is actually more a question for me than for Mr Bain. I am not sure I can give you the straight out black and white answer that you are probably hoping for to this question, Ms Le Couteur. But I would note that the government has divested a lot of its financial holdings which, I guess, would give you a good indication of where the government sees the role of activism in that regard.

We also have a lot of these policies that are saying that the government would like to use its purchasing power for social outcomes. Without giving you a blanket statement that is very black and white, I think it is pretty clear where you can see the government's intentions are.

MR COE: Can you tell me where things are at with the whole-of-government contract with Comensura?

Mr Bain: Yes, I am happy to speak to that. Thank you, Mr Coe. Comensura is the key provider of our contract essential, which is our centralised contingent labour sourcing arrangement for use across government. What I can say is that there has been over the past year a significant take up of that centralised system across agencies to the extent that in the 2018-19 financial year, 91 separate business units used the scheme.

I can tell you that its operation is such that not only the demand side but the supply side too seems to be growing. We have 59 suppliers prequalified on that scheme. Seventy-five per cent of those prequalified suppliers actually received work from the arrangement. So at face value it would appear to be very successful. Obviously, it is valued by those people using it.

Ms Orr: Is that the update you are looking for, Mr Coe?

MR COE: Has the agreement been extended? What is actually the status of the contract with them?

Mr Bain: The actual contract arrangement?

MR COE: Yes.

Mr Bain: I don't know. David Purser, our goods and services executive branch manager, might have a little more detail on that.

MR COE: Thanks.

Mr Purser: Yes, we do have a current contract with Comensura. Unfortunately, I cannot recall at the moment exactly when that extends to. I know that it is certainly something that we are considering, as we are technically transitioning to a new vendor management system, which is another key component—contractor central.

Comensura perform a managed service provider, sort of neutral vendor, role. They manage the engagements through that system and the vendor management system is the actual technical solution that enables the labour request to be dispersed. I will certainly inquire and come back.

MR COE: Sure. Has that arrangement been extended?

Mr Purser: I do not believe so at the moment.

MR COE: Because it expired on 31 October.

Mr Purser: I must be corrected. I suspected that it had been extended. I will have to confirm the actual details.

Ms Orr: Maybe we can take the actual details on notice for you. Do you have any—

MR COE: It is a central question. This Comensura-contractor central contract expired on 31 October 2019. It has not been extended according to the contracts register. I gather that there are many subcontracts underneath that. I am wondering what the status of it is.

Mr Purser: No, beg your pardon; they are not subcontracts. I need to confirm if it has expired. I certainly believe that it would have been extended. I need to confirm that.

MR COE: They are contingent labour hire contracts.

Mr Purser: Yes.

MR COE: So there were multi-year contingent labour hire contracts as a part of that arrangement?

Mr Purser: We engaged Comensura as a managed service provider. Labour providers then register on contractor central. Once they have registered, then they are able to receive requests from the directorates that are managed by the managed service provider to those providers.

MR COE: Is it correct that staff at the Access Canberra call centre, for example, are on contracts that go through this Comensura contract?

Mr Purser: Yes, they are contracted to the providers. Comensura just performs a role as neutral vendor that really manages the system so there is a pathway between the buyers through to the suppliers. So they are not contracted to Comensura.

MR COE: Right. But in order for all those other agreements to be valid, you would think that there would have to be a head contract in place. So either the contract has expired—

Ms Orr: Mr Coe, I think there is a confusion between Comensura having a role as the person you contract and being a vendor. I do not think you are making the distinction between the two in your questioning, which is making it very hard to clearly answer your questions.

MR COE: Okay.

Ms Orr: It is a vendor. It is a portal for connecting.

MR COE: It does not—

Ms Orr: I think that is the easiest way to think about it. The contract then goes to the provider.

MR COE: It does not change the fact that according to your website the status says “expired”. It expired on 31 October this year.

Ms Orr: Yes, Mr Purser has already said he will take that on notice and clarify as to what the status of that is.

MR COE: Are you able to do so right away?

Mr Purser: Yes, absolutely. We can clarify that very quickly.

MR COE: Thank you.

MR PETTERSSON: I have some questions about property services. I note that the Causeway community hall and Oaks Estate community hall were recently added to the hire portfolio. What was the impetus behind that?

Mr Bailey: Currently, a number of halls are managed through ACT Property Group; Venues Canberra do the bookings and hire them out. With those two properties, Oaks Estate recently returned to ACT Property Group. Previously, it had a head tenant that was looking after that facility and taking all of the bookings. They no longer do that, and the property was handed back to Property Group to run. It plugged in with the rest of the halls that we have throughout the ACT, where the bookings are now done via Venues Canberra.

The Causeway hall was the same. I think it also had a tenant in it. That arrangement had finished, so it is another one that was handed back. I think Property Group did a bit of work on the actual facility, and it is now at a standard to be hired out. Again it just plugs in with the rest of the halls that we have.

MR PETTERSSON: How is the hire of these venues promoted to the wider community?

Ms Clarke: Venues Canberra does promotion of all the community properties that are for hire and that are under the responsibility of the ACT. They are pushing out social media through a Facebook page, as well as a regular update in the *Canberra Weekly*. Not the next edition but the following one will have a specific promotion of those community facilities. Apart from having as many events as possible that can be held at community halls such as the Causeway, it is important for the community that they are aware that they can use them. We have had a lot of interest from people holding a birthday party, a wedding or an engagement party, things like that.

Mr Bailey: The decision was made to put them into Venues Canberra. Property Group previously were doing a lot of bookings for the facilities they had. We have put them all under venues now, and we have them all in the one place. We have commercial bookings with Albert Hall, the woolshed and things like that, but it has meant that we have all of the halls and those things in one particular area. You can call up and, if that particular property is not available, it can lead to suggestions of other properties that we have in the portfolio that can be booked.

MR COE: The annual report makes mention of a whole-of-government tender with 277 suppliers tendering for multiple categories, resulting in 1,665 assessable components. What tender are you referring to?

Ms Orr: Do you have a page reference for that?

MR COE: Page 110 of volume 1.

Mr Bain: I was trying to find an answer to the previous question. I am sorry; I did not hear.

MR COE: On page 110, the sixth bullet point makes mention of a whole-of-government tender, with 277 suppliers tendering for multiple categories, resulting in 1,665 assessable components. What arrangement is that?

Mr Bain: That is for the whole-of-government arrangement, the panel arrangement, for professional consulting services. It was a really encouraging response, I have to say, notwithstanding the workload that came with the response. It is a highly prized panel arrangement by the sector.

MR COE: How long does the contract for that panel arrangement last?

Mr Bain: The initial term is five years, but it is an open arrangement which would enable the territory, at its discretion, to periodically revisit not only the actual entities on the panel but the scope of services provided underneath it.

MR COE: How many were successful in joining the panel?

Mr Bain: I have those numbers, if you can bear with me.

Ms Orr: Mr Coe, I can answer that for you. According to my notes, the panel, which is going live this month, is 71 per cent small to medium enterprises, 55 per cent local suppliers, and five verified Aboriginal and Torres Strait Islander organisations. They are included in that final outcome.

Mr Nicol: And there are 66—

Mr Bain: Sixty-six actual suppliers.

MR COE: For all of these whole-of-government panels, what monitoring do you do to check when the agencies do not use a panellist?

Mr Bain: It is a really good question, Mr Coe. It is something that we have been dealing with. Procurement ACT takes the contract management role in the whole-of-government panels as well, so we are very interested in what we term “leakage” off those panels, where some services might be procured that would fit within the parameters of the panel but are not using the panel.

To be perfectly frank, we have limited capacity to monitor that. We do go on general ledger spend analysis from time to time, to see where agencies are spending their money, then do a cross-check as to how that correlates with our records of expenditure against the panel. The framework in the territory is that while we have whole-of-government panels, the directors-general are not necessarily bound to use them. It is not something where we can go in with a big stick. It is very much more a case of proving the worth of the panel and getting people to come along of their own volition.

MR COE: How do you actually monitor the spending against the panel?

Mr Bain: The spend against the panel is very closely monitored. The contract manager is the point of contact for any work order that goes out under the panel. We keep records as to expenditure across directorates against each of the categories, and indeed down to the detail of how wide the offers to market were within the panel. We try to get some sense of proportionality and distribution across panel members regarding at least the opportunity to bid for that work.

MR COE: I am keen to know whether there is an update on the Comensura situation.

Mr Nicol: I understand we do have an update.

Mr Purser: Yes, we do, Mr Coe. An extension has been executed for a further two years, through to September 2021. The contract variation is in the process of being notified. We have 21 days to complete that notification, so it will be included in the next update.

MR COE: When was that executed?

Mr Purser: Obviously, prior to the expiry. I can confirm the exact date, but—

Mr Bain: We will take that on notice.

Mr Purser: not in the last few days before the expiry.

MR COE: Okay, if you can take on notice the date of the execution of that option, that would be good.

MR MILLIGAN: My question is in relation to the Yarramundi Cultural Centre. Over the past 12 months what has the attendance at and the hiring of that space been like and who in particular has been hiring that space?

Ms Clarke: I am not able to give you the exact number but I can say that there has been a varying group of hirers, a broad range of community groups through to government as well as some commercial bookings.

MR MILLIGAN: Are any discounts given to Aboriginal and Torres Strait Islander community groups or organisations or individuals to hire that space?

Mr Bailey: We have a commercial rate and a community rate, but there are instances where people can seek further discounts on that for particular reasons and we can put that to the delegate for consideration. There is not a nominated rate that I can point to. By default it is the community rate but there are instances where people will seek a reduction in that fee.

MR MILLIGAN: What assistance does the government provide different groups to hire this space in relation to public liability insurance? Is there an overarching scheme that groups can use if they do not have public liability insurance?

Mr Bailey: Yes, there is. A number of years back an issue with hiring out our community facilities was the fact that if someone was having a 21st or an 18th birthday party you simply could not get insurance to cover it. We have an overarching policy; a form must be completed and they must meet certain criteria to be covered by our public liability insurance. I will take the figure on notice, but an extra \$200 or thereabouts will get public liability insurance for the booking of a particular function.

MS LE COUTEUR: Is that all the venues or just a few of them?

Mr Bailey: They are the venues that Property Group hire out. Initially it was for the Hall woolshed, but my understanding is that it would still cover Yarramundi.

Mr Nicol: If a group has a long-term rental and they sublease the venue we might not be able to cover those people; it depends on the policy and the nature of the lease we have with them.

MR MILLIGAN: Does it cover up to \$20 million or does it vary, and is there a qualifying criterion for organisations to go through? Have you rejected insurance for any individual or organisation in the past?

Mr Bailey: I am not aware of any we have rejected; there may well have been and I will confirm that. The higher risk functions for which you can hire out a venue are an 18th or 21st birthday party where alcohol will be present. But that does mean that that cannot happen; it can happen but we have other measures in place. For instance if you are having an 18th birthday party you must have X number of security guards employed via Property and Venues or Property Group. That means that the insurance can then cover the event. If someone wanted to hire the venue and not have any security we would not be able to take the booking. They book it, they pay for the security as part of the hire, they meet the criteria for the insurance and they are covered.

MR MILLIGAN: Is this liability insurance available only to organisations and groups for functions and events or does it include sporting activities or other recreational pursuits?

Ms Orr: It would go to covering the activities that go on within the properties we hold. That is the short answer to the question.

Mr Bailey: If organisations have their own public liability insurance it is expected that their insurance will cover it. This is just for those that do not have their own insurance or could not get their own insurance.

MR MILLIGAN: If a local community wanted to put together an event in an ACT facility that had an element of sporting activity in it, does your public liability insurance cover that?

Ms Orr: There are a lot of variables in there, Mr Milligan.

Mr Nicol: Saying yes or no to that question would be very difficult without knowing the individual circumstances of each case.

Ms Orr: We could say it could be considered.

MR PETTERSSON: How does the government go about improving community facilities across Canberra? How do you identify them and how do you fund?

Ms Orr: Okay. That is a really good question, because we do have quite a large property portfolio and quite a large maintenance and improvement program to go with that, and some pretty good things coming up in the next round. I will hand over to Mr Bailey for all the details.

Mr Bailey: In ACT Property Group we have an ongoing maintenance program. If you look at the portfolio, you will see that we have 299 tenants occupying different spaces, community tenants around Canberra. The portfolio is of a reasonable age now and there is an ongoing program there. Looking at 18-19, ACT Property Group spent \$1.7 million on capital upgrades across 46 projects at 36 ACT government owned facilities. Of that, \$1.27 million was funded out of the better infrastructure fund, the BIF program, and then ACT Property Group funded the rest.

It is a wide range of works. It is based on condition assessments that we do for the portfolio. From that we assess the risk and identify the priorities from them and have a program. We just work our way through it. It is ongoing, so we will have a list of works that are going through that are ranked from high to low. We can always bring works forward if they are needed. Obviously high risks or any sorts of safety things are addressed immediately, and then we just work our way through the program.

Mr Nicol: We also maintain a capacity for reactive maintenance, obviously, in buildings. Sometimes things go wrong but our aim is to get into a place with our proactive maintenance to minimise reactive maintenance, because it usually costs more, it is usually not an efficient use of assets and it disrupts our clients.

MR PETTERSSON: That was around the internal maintenance side of things. Is there an outward-looking community-based engagement when it comes to improving community facilities?

Ms Orr: When you talk about improving, what sorts of things you are considering?

MR PETTERSSON: Air-conditioning is an example. I would not classify it as maintenance for some buildings, because some do not have air-conditioning.

Mr Bailey: There is a level of amenity that is required in these properties. If we have a community organisation renting one of our facilities, we still ensure that there is heating and cooling in that facility. We are very proactive with that. It is not something we attribute to whatever rent they pay as to the level of service; we ensure that it is across the board. So—

Ms Clarke: For example, at the Albert Hall we get a lot of feedback with our regular consultation with the Friends of the Albert Hall, as well as having a conservation

management plan. There are examples like that that help us be proactive in enhancements at the facilities.

Mr Bailey: Albert Hall is a good example. Progressively over the past five to six years we upgraded the heating and a number of facilities there. But then in summer it was a bit of a challenge at times there for heating, so we have got air-conditioning in there now; another thing we have done to ensure that it is up to standard.

Mr Strachan: Part of the challenge we have here is that occasionally we have some breakdowns in particular key community settings. I can think of one or two examples in the past six months. What we are trying to do at the moment is look at the urgency around it, whether it is to do with HVAC or whether it is to do with air-conditioning or heating, depending on what the circumstances are. With some of the changes that we are continuing to look at in terms of Property Group and the administration of that space, particularly around the timeliness of work orders coming through, I think it is fair to say that the team have a renewed sense of urgency around addressing those issues.

MS LE COUTEUR: I would like to talk about the general subject of affordable community facilities, particularly in the new areas of Canberra. I asked you a question—

Ms Orr: If it is the question on notice, I can give you an answer to that.

MS LE COUTEUR: and I am well aware of your response. For people who have not been part of that correspondence, it was about the privately provided place in Coombs which as yet is still just empty and has nothing happening in it. There was—

Ms Orr: Just to clarify for everyone else, because we have had quite a few conversations, so that everyone else is on the same page as we have this discussion, as I told you the day you asked the question, I did not want to give you the wrong answer, but those properties are not actually part of Property Group. They are with the Suburban Land Agency and privately held.

MS LE COUTEUR: I am talking to you as the minister for community facilities: presumably the minister who has responsibility for ensuring that they exist.

Ms Orr: Are you asking about those two properties, because you have referenced them, or are you asking a broader, more strategic question?

MS LE COUTEUR: I am asking more broadly.

Ms Orr: That one I can answer.

MS LE COUTEUR: I was starting there as an illustration that what we are doing at present does not appear to be working.

Ms Orr: I think that is—

MS LE COUTEUR: Basically, my question is: how do we get cheap, or affordable—

whichever word you want to use, but effectively it means pretty cheap—community facilities in the new areas? In the older areas it works because you either have the NCDC-provided stuff or government facilities which are no longer being used. In the new areas it is not working.

Ms Orr: Ms Le Couteur, I get what you are saying. I would actually challenge that. I think it is a question across all of Canberra, and there are challenges that are different for the newer and the older areas.

MS LE COUTEUR: Okay, but it is worse in the new areas.

Ms Orr: In some respects. Those two properties that you referred to are privately owned. They are not part of Property Group. But it does raise the question of how we make sure that we are getting enough community facilities across all of Canberra for all of Canberra's population to use. Certainly, since day one of being minister, which I would note is not quite three months, I have been really cognisant of this. One of the first conversations I had with Property Group went to these exact questions that you are asking about: how do we make sure that we have the places and spaces for our community to come together and to have the activities and the sorts of connections that they need to have facilitated?

That has led to a body of work on which we have been doing initial work behind the scenes. I am happy for Mr Bailey, who has been tasked with doing all of the hard work, to fill you in on where that is up to. It is starting to look at this question of how we can best get something fit for purpose and a match with where we need the facilities in the community, in the right space, to inform further work to get this improvement. Mr Bailey, do you want to run Ms Le Couteur through some of the wonderful background work that you have been doing?

Mr Bailey: We are putting a bit of a matrix together of where we have community properties right now, the tenancy occupation of those particular properties, where the waitlist and the demand are, so that we can look at where the hotspots are, and the values of the properties. We are doing a full review, basically trying to define where the problem areas are or where the hotspots are. That is coming together. At the moment it does not really look at the new areas because we do not have any stock in there.

Ms Orr: Ms Le Couteur, it is very easy for us to grab a map and say, "There's nothing here, there's nothing here and there's nothing here." Unfortunately, we need to have a little bit more of a rigorous process than that, in informing the policy. This is the first step in that regard. We are saying, "What is it we actually have? What properties do we have where?" In doing that we can identify where the gaps are. From that, we can take a look, as Daniel said, at the waiting lists and the need that occurs. We can start to look at where we are perhaps not filling the capacity that we might have.

An obvious answer would be where we have nothing, but there is also a question, in those more established areas, where the property is not quite right and it is not fit for purpose for what the community wants to do. Particularly with some of our older properties in the stock, there are questions around that, and we need to look at that. I

guess that we are looking at a Canberra-wide view of what is going on. From that I can guarantee that there will be further steps as to how we start to address some of the needs that we hope to identify through this process.

MS LE COUTEUR: I am shocked to find that this is a new review you are having to do. I have talked about this with previous ministers. Surely, you know that stuff, anyway, about where they are. But leaving that to one side, are you talking to Education as part of this? The usual response, particularly for groups who want a couple of hours a month or a week is, "There's a school; this is meant to be available after hours." But the groups generally find it almost impossible, if not impossible.

Ms Orr: They cannot always get access, yes. Certainly, a lot of the feedback that you get as a local member I also get as a local member for my electorate. They are certainly issues that I am cognisant of and that I have been discussing with Property Group.

Picking up on your statement about whether we would know, yes, we know where our properties are. It is more about understanding the need and the wants that are out there in the community and whether our property is meeting those needs. That has really been the purpose of this work as opposed to a simple identification of which suburb a particular building is in.

As far as the schools go, certainly it is something that we have put down for future consideration. We really need to, from my perspective as minister, and having regard to the direction I have given, get this baseline analysis done, to go from there, so that we are informed in how we are going forward, and getting the best outcome from that.

I really want to avoid Ms Le Couteur coming back here in the future and asking this same round of questions, saying, "Haven't you already considered this?" If we can build up a process from there that we can keep going back to and have a framework around it, hopefully we can avoid that.

MS LE COUTEUR I hope so because Ms Le Couteur did ask virtually these same questions in the Seventh Assembly. I was absent for the Eighth Assembly, and I have been asking about it for three years in the Ninth Assembly.

Ms Orr: Ms Le Couteur, I know you will not be here in the next Assembly, but if you ever want to write me a letter, hopefully, I will be here and I will be able to answer positively for you.

MR MILLIGAN: There are 241 territory-owned commercial buildings. Can I have a breakdown of the commercial buildings, government office accommodation, community and multi-purpose facilities and the aquatic and leisure centres?

Mr Strachan: I can give you a breakdown of the community buildings: childcare centres, 37; community hubs and centres, 57; cottages and residential, 19; community halls, 12; former park depots, 14; youth cultural and senior citizens centres, eight; and venues for hire, four. That is 151.

MR MILLIGAN: I take it you received \$104 million in rent from these buildings.

Can you give a breakdown of how many sporting clubs, churches and not-for-profits are paying to use government-owned buildings? Was a discounted rate offered to these groups, particularly churches and not-for-profits?

Ms Orr: The easiest way to get an answer is to look at the policy for pricing. That will give you an indication of who is being charged for what. Mr Bailey might have a bit more information.

Mr Bailey: Of the 276 community tenants 74 per cent of those tenancies pay a community rental rate and 26 are occupied under a peppercorn rent arrangement. The rental figure you mentioned of \$104.8 million is the rent for the entire Property Group. Property Group has some office accommodation and that would factor in that.

Ms Orr: Probably quite significantly, Mr Milligan.

MR MILLIGAN: Of the 26 properties with a peppercorn rent—

Ms Orr: It is not 26 properties; it is 26 per cent of the community tenants.

MR MILLIGAN: Is it possible to get a list of those tenants?

Mr Nicol: We will take that on notice. I think we know what you want and we can see what we can give you without identifying a particular commercial arrangement.

MR MILLIGAN: I note you had 14,200 calls and over 16,200 work orders in response to trade and services and so forth. Is that a lot? Is that what you expect?

Ms Orr: When you look at the number in isolation it looks like a lot, but when you contextualise it within the size of the property portfolio and the range of assets we hold it is not.

Mr Nicol: We also occasionally do work orders for other directorates for their properties.

Mr Bailey: We have a 24/7 response centre, so that is pretty much on average about that. I remember starting in the ACT government seven years ago and it was around that 12,000 to 14,000 per annum figure in calls. That can be anything from a flickering light above a desk to something in community tenancies or some of the schools that happen after hours.

MR MILLIGAN: Are there regular audits or inspections of all properties? How often are they conducted?

Mr Strachan: As Mr Bailey said before, Property Group is working off asset condition reports for individual properties. We had a look at the profile of each property as it currently stands with the reports that have been done about 18 months or so ago. That is everything from essentially looking at HVAC systems through to looking at minor repairs, refurbishment elements and so on. It is quite an extensive program that Property Group is managing. Through the discussions with the minister we will be keen to time the next cycle of that once we have undertaken the analysis

and sought the direction of the minister.

Mr Nicol: CMTEDD central also undertakes activities such as looking at high-risk plant as part of our responsibility for workplace safety. That will look at Property Group quite separately from their own internal processes. Mr Bailey might talk about the inspection program.

Mr Bailey: Aside from those condition assessments that Mr Strachan was referring to, the property tenancy officers are out and about quite regularly. There are different teams within the ACT Property Group looking after a portfolio of properties, and they will be out and about on a regular basis inspecting properties and meeting with tenants. That is part of the role. Aside from the relationships, it is identifying things to prioritise work.

Ms Clarke: We have regular inspections twice a year. Our staff will take photos of every room and look at the condition of the rooms.

MR MILLIGAN: Are all ACT government-owned properties currently leased?

Mr Nicol: We can talk about ACT Property Group properties.

Mr Bailey: We are currently sitting with a small bit of vacancy. We were at 96.1 per cent on 30 June. The vacancies we have are some small rooms in some of the community buildings. We have a wait list; we know there is demand for community properties. Organisations are very prescriptive in where they would like to be or what type of accommodation they want. We have consistently had around that three to four per cent vacancy rate just because there will be little pockets that may take some time to fill, small rooms of 30 square metres right up to 100 square metres are challenging.

We have always had that bit of stock there, and occasionally some stock gets handed back and people move out. But for the most part, once community groups are in the buildings they usually stay there under community rent.

MR MILLIGAN: You mentioned that there was a wait list. How long on average can people expect to wait to receive a property? Do you have targets?

Ms Orr: That was a question I asked when I took on this portfolio, and the response I got was that there is not an easy answer to that. Just because someone is on the wait list does not mean they have not been offered a property and for whatever reason have said no to that offer. It is very much a case of looking at the requirements requested by the group. When Property Group feels they have a suitable property they will put it to that organisation and it is then up to them. It is quite variable as to when these options are taken up.

Mr Bailey: We check in regularly with the people on the wait list to see whether they still want to be on it, so the list is current.

MR MILLIGAN: Is Gugan Gulwan listed as one of the groups still waiting for a suitable facility?

Ms Orr: That is a slightly separate issue in the sense that Gugan Gulwan has very specific requirements; it is not just on a list waiting for space.

Mr Nicol: We are dealing with that organisation through CSD. They used to be on the wait list and the government took a decision in the 2018-19 budget to explore a specific solution to their problem. I do not have up-to-date information of where that is up to; it is a question for CSD.

Ms Orr: It might be more of a question for the office of Aboriginal and Torres Strait Islander affairs.

THE CHAIR: I remind officials that you have five days from the receipt of the draft transcript to respond to any questions on notice. Thanks, minister and officials, for attending today.

Hearing suspended from 12.25 to 3.47 pm.

Appearances:

Stephen-Smith, Ms Rachel, Minister for Aboriginal and Torres Strait Islander Affairs, Minister for Children, Youth and Families, Minister for Health and Minister for Urban Renewal

Chief Minister, Treasury and Economic Development Directorate
Arthy, Ms Kareena, Deputy Director-General, Economic Development
Tyler, Ms Sam, Executive Branch Manager, artsACT

Cultural Facilities Corporation
Elvin, Ms Harriet, Chief Executive Officer

THE CHAIR: Good afternoon and welcome to what is the final public hearing of the Standing Committee on Economic Development and Tourism inquiring into annual and financial reports 2018-19. I welcome you, acting minister and officials. We are looking at issues relating to arts engagement and also at the Cultural Facilities Corporation.

I ask you to indicate that you are familiar with the privilege statement in front of you. These proceedings are being recorded by Hansard for transcription purposes and are being webstreamed and broadcast live. Minister, would you like to make an opening statement?

Ms Stephen-Smith: I acknowledge the privilege statement. No, I do not have an opening statement, thank you.

THE CHAIR: Fantastic. I will start. I believe that there is a workshop that has been concluded that was designed to inform the decisions around the Canberra Theatre Centre development. Can you give me a heads up on that workshop and any outcomes from it in terms of the way ahead?

Ms Tyler: ArtsACT and the Cultural Facilities Corporation have been working with Treasury, as well as the CRA, the City Renewal Authority, on the development of the business case for the Canberra Theatre Centre. There have been a number of workshops regarding the development of the business case that have included investment logic workshops, risk management workshops and, I guess, delivery methods workshops. The outcomes of the investment logic workshop certainly and the risk management workshop have been informing the business case development as we have progressed throughout.

THE CHAIR: Has it just been an internal government process or have you invited people from the arts community to participate as well?

Ms Tyler: The majority of the business case workshops have been internal to government but have included representatives from the City Renewal Authority, Treasury, Major Projects Canberra, the Cultural Facilities Corporation and artsACT. I think that that is the majority. There have also been, over maybe the past 18 months consultation with the performing arts venue group. I am not sure of the date exactly

but we talked about the types of venues that may be included in the future of Canberra's arts infrastructure. That also informed the development of the business case scope.

The consultants, KPMG, who are developing the business case, have also been discussing with a range of community members where the business case is heading, what the demand for those parts of the new development might be. Those community members have included operators of existing theatres, theatre directors and arts practitioners from a range of different organisations.

THE CHAIR: Out of all of that, is there anything significant to add? We have talked about the new theatre complex before in previous hearings. Is there anything on which you have sort of changed course or any significant outcomes from those, or is it more in the detail?

Ms Tyler: I am not sure that there is any change of course as a result of those discussions. In some cases they have highlighted the need and demand for new facilities. The consultations also included, I should add, some of the national promoters and people who bring shows to Canberra and to other places, and those who are working on those things. I think it definitely informs the development of the business case. But I do not know that we have changed course.

Ms Elvin: Yes, to build on what Ms Tyler has just been saying, I think that rather than causing us to change course, the consultations have refined and shaped our thinking. For example, some of the consultations with national players have confirmed that a 2,000-seat venue is viable and is desirable. But within that, there may be scope to perhaps introduce screening curtains or to section off different parts of that venue so that you could then use it for slightly smaller auditorium sizes. So it is really those sorts of refinements, I guess, rather than causing us to change tack entirely.

THE CHAIR: In terms of the procurement, how it is going to be built, we have heard from other committee hearings about the courts building and the delays there that have been quite extensive. Is somebody looking at some of the more recent procurement of buildings and how they have played out to learn those lessons or are you not in that space? You are looking more at what you need rather than at how it will be actually built and what the process there will be?

Ms Tyler: The Treasury officials that we are working with on the development of the business case are working very closely with Major Projects Canberra. They are part of forming of the infrastructure delivery team within Procurement. There certainly are considerations to be had from those other developments. I am not fully across those. It is not my area of expertise.

THE CHAIR: Sure.

Ms Tyler: However, there have been no decisions made about which methodology will be used at this point.

THE CHAIR: So it is more a central-type decision in terms of infrastructure rather than the arts minister himself, is it? Who makes that decision? Will it be—

Ms Stephen-Smith: Ultimately cabinet will make that decision both in terms of going ahead with a very significant capital investment but also on the methodology for that.

Ms Arthy: I think it is a matter of timing. The stage we are at at the moment is really around the business case, looking at options. As the minister said, it will be going to cabinet for a decision. We are not at that point yet to make recommendations about the procurement model. But, as Ms Tyler said, Treasury are working closely with Major Projects Canberra.

THE CHAIR: In terms of time lines, do you have a rough estimate of when this will go as a package to cabinet?

Ms Arthy: No, we cannot say at this point. It is just still working through the business case and finalising that at the moment.

THE CHAIR: But is the plan to do that prior to the end of this term of government or is it something that might be a decision for the next government?

Ms Arthy: We are planning in the upcoming months to provide advice to cabinet. Whether government decides to do anything from there is really a matter for further consideration. But from our point of view, we will be completing this phase of work in the next few months.

MR PETTERSSON: I have a question about the community arts officer in Gungahlin and how she is engaging with residents.

Ms Tyler: The arts officer in Gungahlin, Ms Michele Grimston, has been working with the existing organisations within the Gungahlin region. The program so far has included hidden treasures, pop-up events at libraries in Gungahlin, NAIDOC in the North, a library window exhibition project, school holiday art workshops, an open art exhibition at the Gungaherra Homestead as part of Mental Health Month. The arts officers are really working very closely with the existing organisations in those regions and with artists and individuals to look at the program of things that are happening as part of that pop-up program.

MR PETTERSSON: Do you have any idea of attendance at or interaction with these events?

Ms Tyler: I do not have any numbers on attendance at those events. I can look into that and ask for detail.

MR PETTERSSON: That would be nice. I have another Gungahlin question. There was quite a large art installation in Throsby somewhat recently. I was wondering if someone could give me the back story of how that came about.

Ms Tyler: Can I ask for clarification on which art installation you are talking about?

MR PETTERSSON: The kangaroos.

Ms Tyler: The kangaroos were originally commissioned for the 30th birthday celebrations for Floriade. We looked for a home for those kangaroos around Canberra where they would fit within the environment and have reference to other elements within our community. Throsby Park was chosen for a range of reasons. At that location there were always kangaroos in that environment. A bush setting next to the playground was seen as a suitable location for that.

MR PETTERSSON: When those kangaroos were commissioned, whom were they commissioned for? Who owned them first?

Ms Tyler: They were commissioned by artsACT in collaboration with EventsACT as part of Floriade.

MR PETTERSSON: Are those kangaroos that were put in Throsby still under the remit of artsACT?

Ms Tyler: Correct.

THE CHAIR: Can you give me an update on where we are at with the Kingston arts precinct?

Ms Tyler: We are currently in the design development phase of the Kingston arts precinct, following the announcement of Geocon as the successful tenderer for that precinct development. artsACT are working very closely with the Suburban Land Agency on that design development phase. That follows a 100-day period that Geocon calls the concept release stage where the concepts that were submitted as part of the tender were released publicly.

As I said, artsACT are working very closely with the Suburban Land Agency. We meet very regularly on the project. The Suburban Land Agency are responsible for the day-to-day dealings with Geocon. artsACT are the conduit to the arts organisations and the arts community that are moving to the Kingston arts precinct.

We have established monthly meetings with those resident organisations where we all meet together along with, often, representatives from the design team, Fender Katsalidis, Geocon as well as the Suburban Land Agency. And those monthly meetings are an opportunity for us to talk through communication, project updates as well as specific design development requirements as part of the precinct development.

The arts organisations that are moving to Kingston have also had quite a significant amount of one-on-one time with the design development team. And we are looking through their location within the precinct and the functional briefs that are associated with those organisations.

We are about to move into a more detailed design phase with those organisations where we are looking at very preliminary sketch plans of the spaces within those buildings and how they are working, making sure that the functional requirements of each of those organisations are met in that design. We are in a very exciting phase of the development, to be able to get to that design opportunity.

Geocon have also established a community reference panel. The existing tenants of the precinct—the Glassworks, Megalo and other members of the community—are involved in that panel, which is being operated by Geocon.

THE CHAIR: In terms of the organisations moving in—as you describe it, you are working on what the facility will look like—have they been given a time line? I assume that some of those organisations are going to have to get out of leases and are going to have to move from somewhere. They will need to know broadly when that time line is so that they can work the other end, so to speak. Has that been established yet?

Ms Tyler: We have a very broad time frame for the delivery of the precinct design development. Things like estate development plans, all the planning approvals, will happen in the next 18 to 24 months. Following that, construction will commence, which is expected to take up to two or so years, depending on the program that is developed once the designs are finalised. Organisations have a rough time line associated with that.

Once we get through this design development phase then we will start working with those organisations on their transition plans into the new precinct. That is likely to occur probably closer to construction commencement because we will still have two years from that point until they move in to start planning that. We are still a little way off having those detailed conversations about the move and how that will take place.

THE CHAIR: While we are talking about Kingston, can you give me an update on what is happening with the Fitters Workshop?

Ms Tyler: The Fitters Workshop is an ACT Property Group asset and is available for hire through Venues Canberra and ACT Property Group. The Fitters Workshop itself is not included as part of the development for the Kingston arts precinct. artsACT, separate to the Kingston arts precinct project with Geocon, have funding for upgrades to the transport depot building, including roof repairs and electrical upgrades but also upgrades to amenities such as toilets. One of the things about the Fitters Workshop is that there are no amenities associated with the building. Upgrading the toilets at the former transport depot will allow people who hire the Fitters Workshop to access toilets within the former transport depot, which will save people having to bring in portable facilities.

THE CHAIR: The Fitters Workshop is almost collocated but not a part of that arts precinct then? Is that right?

Ms Tyler: Currently it is being managed by Venues Canberra with Property Group. In the future management of the arts precinct, the hire and ongoing operations of the Fitters Workshop will be incorporated into the board of precinct management, the same as the former transport depot. Currently the hire is managed by Venues Canberra with Property Group, despite its being an artsACT asset.

THE CHAIR: At some stage it will all come under artsACT, including the Fitters Workshop?

Ms Tyler: The hire and operations of the facility, yes. The repairs and maintenance, no.

THE CHAIR: You have got no visibility on how often the Fitters Workshop is being used? You may recall, back in a previous time, it was being used by Megalo and then they moved off to their own facility. Then it was going to be used as a venue for orchestral and choral events. Is that happening, or you do not know?

Ms Tyler: I understand that it is being used for events such as the Canberra International Music Festival. There are often exhibitions within the Fitters Workshop. It is hired for a range of different uses: markets, other operations. The Artists Society of Canberra recently had quite a major exhibition in the Fitters Workshop. It is being used for a range of different activities. Megalo were never actually tenants of the Fitters Workshop. They moved from Watson directly into their current space in the former transport depot.

THE CHAIR: You are right, they did. They were due to move in but they did not.

Ms Tyler: They never actually moved in there.

MR PETTERSSON: I was wondering if I could get an update on Belconnen Arts Centre stage 2.

Ms Tyler: Belconnen Arts Centre stage 2 is currently progressing in accordance with the program prepared by PBS Building who are the contractors for the site. Construction will continue for the rest of this year and into early 2020. The construction completion will be followed by a commissioning period.

Currently the building expansion includes flexible theatre space, new dance and rehearsal space, new gallery space and events kitchen and cafe space. And the project will provide the community with more opportunities to engage with the arts through expanded user-friendly facilities at the community-focused Belconnen Arts Centre.

MR PETTERSSON: What interruptions have there been to the normal functioning of the centre during this time?

Ms Tyler: There have been some minor interruptions to the operations of the centre. We have been able to facilitate a new wall for exhibitions in the foyer space of the Belconnen Arts Centre where there used to be glass doors and windows out onto what is now the construction site. Whilst there have been some other interruptions with noise and things like that through the construction period, we have been able to take advantage of those through having that exhibition wall in the foyer.

We work very closely with Belconnen Arts Centre staff around ensuring that, if there have been reasons to turn off power supply, it is not at a time when events have been planned. We are working very closely with those operational staff to ensure that the interruptions are as minimal as possible.

THE CHAIR: The minister's creative council: how many times a year does that meet?

Ms Tyler: The terms of reference for the minister's creative council set out that they can meet up to eight times per year. In 2018-19 they met three times, and they continue to meet. Those figures were for the current financial year; 4 July, 1 August and 3 October. They have met almost monthly, with a few months where there have not been meetings.

THE CHAIR: Are the outcomes of those meetings minuted?

Ms Tyler: Yes.

THE CHAIR: Is that publicly available or is that just provided to the minister as a briefing?

Ms Tyler: The minutes are provided to the minister as a briefing. We have been working with the council on meeting summaries. The first of those meeting summaries has been distributed through the artsACT e-newsletter. Generally, discussion topics for the council over this establishment period—a new council—have been things like establishing their work plan, social prescribing for arts activities, cultural mapping in the ACT, wellbeing indicators, community engagement and the arts biennial.

THE CHAIR: Who sets those agendas? Does the advisory council do that or does the minister direct what the minister wants the council to address?

Ms Tyler: There has been a combination of both of those things, where the minister has asked for advice on particular items and where the council has had self-directed discussions on things as well.

THE CHAIR: Is there anything of particular interest coming up that the council is going to be looking at? Are there any burning issues?

Ms Tyler: The work plan includes a plan for them on how they are engaging with the arts sector. It is a two-way conduit that is a really important part of their work. They should be coming out in future months and looking at that engagement element. The biennial has been a significant area of conversation for the creative council, as well as the establishment of their work plan, which has been quite considered in ensuring that they are providing the best possible advice for the minister.

THE CHAIR: There is a new funding model, I believe, that is going to commence in 2022 for arts organisations. Can you give me a bit of an update on progress with that? Have the directorates engaged with arts organisations to bring them up to speed?

Ms Tyler: The new arts organisation funding will commence from 1 January 2022. There have not been any decisions about what the model for that funding looks like at this point. Organisations that are currently funded under organisational funding arrangements in the key arts organisation category have had their funding extended to the end of 2021. Program organisations who are currently funded for the 2019 calendar year went through an application process, which has not been finalised at this stage for 2020 and 2021.

In terms of the ongoing engagement that we are having with currently funded organisations, that is really about ensuring that they understand where we are up to in the process, while understanding that this funding is secure until that point. We are currently working on an engagement plan around the organisational funding to ensure that we are hearing from the community and the arts sector on what that organisational funding outcome should look like.

THE CHAIR: What is the rationale behind the change?

Ms Tyler: The organisational funding program has been in place for a significant number of years. That is not to say that we are making the change for change's sake; rather we are looking at how to streamline that organisational funding program. There are currently two categories and we have had a model where applications have been staggered each year. Not all of the organisations that are funded are up for application each time. Part of the response that we are having is to ensure that we are looking at the whole sector at once, when it comes to the organisational landscape, rather than looking at a select number of organisations each time the applications are open.

THE CHAIR: Moving to public art, we used to have lots of conversations about public art back in the day, you probably remember, with Mr Stanhope. He used to love his public art. Is there a forward program of public art, and what is the budget for that at the moment?

Ms Tyler: There is not currently any budget for new public artworks in the artsACT budget. We have been working with other parts of the ACT government on public artwork installations in a variety of different places. Some of those projects have included the artwork that is in the courts project. We work quite closely with ACT Health on artworks there. We have had conversations with the Suburban Land Agency, for example, and other government directorates where there has been opportunity for new public artwork to be installed as part of those developments.

THE CHAIR: There are no forward budget plans for expenditure on public art at the moment? The funding is going into arts organisations, as opposed to the government commissioning any bodies of public art; is that right?

Ms Tyler: Yes, public art is generally capital works funding. No, we have no capital funding for public art.

THE CHAIR: In terms of the infrastructure plan for arts, beyond the Kingston arts precinct and the new theatre, is there other infrastructure spending happening?

Ms Tyler: The only other funding that is currently in play for arts facilities includes the Belconnen Arts Centre. There have been previous funding allocations over the past number of years, which have included \$880,000 over four years for works at Ainslie Arts Centre, Gorman House and Tuggeranong. We had \$250,000 allocated in the 2018-19 financial year for better arts facilities, which included commencement of a specialist asset replacement scheme and scoping of improvements at Watson Arts Centre kiln shed, and they are continuing. We have had some other minor works at Gorman House, Tuggeranong Arts Centre and Strathnairn Arts. There was the former

transport depot funding of \$5.9 million in the 2018-19 budget for the works at that building, that I discussed earlier.

This current budget, for the 2019-20 financial year, included \$1.67 million over three years for capital works design at Ainslie and Gorman arts centres and Strathnairn Arts, and critical works at various arts facilities, including roof and repairs at Strathnairn Arts, and works to improve site safety at Ainslie Arts Centre and Gorman Arts Centre.

THE CHAIR: How is the CMAG upgrade going, with respect to increasing storage size and some of the display areas?

Ms Elvin: Yes, we are well into that project. You will have seen that part of that has been completed already, which is the work on the upper floor where we have created a new home for the Nolan collection by improving the climate control system there and fully enclosing that upper gallery so that it is suitable for the ongoing display of valuable works like the Nolan collection. That has been completed and it is launched. It is actually very successful in drawing more people to see that collection and doing children's school programs and so forth. The second part of the work is underway at the moment, and that is improving the storage areas, as you have alluded to.

THE CHAIR: Has that affected visitor numbers?

Ms Elvin: In terms of?

THE CHAIR: The fact that you are increasing the number of people who can come and look. Are the capital works that are going on there deterring people? Has that had any impact?

Ms Elvin: Probably both of those effects are occurring. Given that there are other spaces within CMAG that are open throughout those works, I do not think it is having a negative impact on visitor numbers. The refresh for the Nolan collection is actually attracting more people, particularly to that collection.

THE CHAIR: You abut onto Civic Square, and the government has had some programs to try to make it a more engaging space. What conversations have you had with government, if any, about Civic Square and perhaps what can be done to make that, if not an extension of CMAG, certainly a more welcoming place so that people are attracted to the precinct and therefore perhaps use CMAG and the Canberra Theatre more extensively?

Ms Elvin: There are probably two aspects to that. One is the longer term aspect, where we are working very closely with the City Renewal Authority on a Civic arts and cultural precinct plan. It is really looking at that whole Civic Square precinct and how it can be better presented, activated and so forth.

We are also working with a range of agencies on specific activations like the Multicultural Festival, for example. We always now have the children's sanctuary within CMAG. That is a very successful integration of that festival with CMAG. Another example would be that we supported the Spiegel tent in Civic Square, which was a very successful use of Civic Square. Having the Canberra Theatre Centre

support that is a great integration of our activities with Civic Square.

THE CHAIR: Most of those sound like temporary-type activities. Is there any forward planning in terms of what we might do in Civic Square on a more permanent basis to make it more engaging?

Ms Elvin: That is within the realm of the work that the City Renewal Authority is doing. You have probably noticed already that they have put out some very attractive tables, chairs, coloured umbrellas and so on, that have been very well received. You quite often see people sitting out there and eating their lunch. Indeed, Mr Hanson, you may sit out there yourself and eat your lunch. It is a much more attractive space in that respect.

THE CHAIR: We will do lunch sometime.

Ms Elvin: We will do lunch in Civic Square.

THE CHAIR: We will meet midway. On that note, I do not have any further questions. Given that we have a little bit of time, if there is anything that you think we have missed, minister, I will give you a quick dorothy dixer opportunity here.

Ms Stephen-Smith: No, not particularly. If you are all done, Mr Hanson, we will be happy to take an early mark.

THE CHAIR: If Mrs Dunne was here, I am sure we would be going on until the last moment.

Ms Stephen-Smith: I am sure that is the case.

THE CHAIR: Thank you very much, minister, for attending, and thank you very much, officials, for attending today. I remind you that you will have five days from the receipt of the draft *Hansard* to get in your questions on notice. I am not sure that we had any; there might be one.

The committee adjourned at 4.17 pm.