



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2018-2019

(Reference: [Appropriation Bill 2018-2019 and Appropriation \(Office of the Legislative Assembly\) Bill 2018-2019](#))

Members:

MR A WALL (Chair)
MS T CHEYNE (Deputy Chair)
MS C LE COUTEUR
MS E LEE
MS S ORR

TRANSCRIPT OF EVIDENCE

CANBERRA

FRIDAY, 22 JUNE 2018

Secretary to the committee:
Mrs N Kosseck (Ph 620 50435)

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

ACT Audit Office	531
ACT Long Service Leave Authority	601
Chief Minister, Treasury and Economic Development Directorate	540, 601

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Amended 20 May 2013

The committee met at 10.01 am.

Appearances:

ACT Audit Office

Cooper, Dr Maxine, Auditor-General

Stanton, Mr Brett, Director, Performance Audits

Sharma, Mr Ajay, Acting Director, Financial Audits

THE CHAIR: Welcome to day 6 of estimates. Today we have the Auditor-General before us, before we continue on budget statement A with the Chief Minister, Treasury and Economic Development Directorate, looking at the ACT executive and government strategy, VisitCanberra, tourism and other areas.

If there is a question you take on notice, please just clearly state, “I will take that question on notice,” so that we can keep track of where we are up to. You have all done this more than once, so I am sure you are familiar with the privilege statement in front of you.

Dr Cooper: Yes, I am, and I have read it.

THE CHAIR: We received your opening statement yesterday. Thank you very much; the committee appreciates that. Are there any comments you want to add to that or are you happy to go straight into some questions?

Dr Cooper: Straight into questions.

THE CHAIR: Beautiful. During your recent appearance before the public accounts committee, you said that there was a box of missing documents that related to the recent audit on the sale of block 30 section 34 Dickson, which is the CFMEU office. What happens in a situation where you are aware of missing documentation or evidence but you cannot locate it?

Dr Cooper: Can I go back and say that I am not aware that the box actually exists.

THE CHAIR: Okay.

Dr Cooper: I will be clear for the record. There was an allegation that the box existed, which is very different from my being certain that the box existed.

THE CHAIR: Okay.

Dr Cooper: Okay? And that that box contained material that might have been pertinent to the performance audit we were undertaking. That raises a couple of questions for us. First of all, if that is pertinent, why was it not put on formal records at the time at which it was recording information? One would hope that an agency would actually comply with territory records and all relevant material would be available on official records. That is one issue. The other one, and I will hand this over to my colleague Mr Brett Stanton, is that for this particular audit, that was put to

us. We did undertake an exhaustive process of trying to find as much information as we could.

Mr Stanton: That is correct. I do not have the audit report with me, but in the audit report we identify the processes that we undertook to seek information, documentation and records associated with the audit subject matter. That involved going to existing directorate officers and seeking their advice, confirmation, that we had what was available that was on their shared drive systems and also what was available on their record keeping system. We also, for the purpose of the audit, accessed some email information, with the assistance of shared services.

So we went through a lengthy process to try to locate all of the documentation and records that were appropriate and pertinent for the audit. It was asserted to us that there was a so-called box of information. We sought advice from the directorate, and they advised us that they could not locate such a box themselves.

THE CHAIR: Okay.

Mr Stanton: At the time of the audit.

THE CHAIR: What impact do missing documents have on the ability and the functions of the Audit Office?

Dr Cooper: It is always prudent for every agency to have comprehensive records, because then you have transparency. I think that is one of the key accountability issues for people within government: to provide that transparency and accountability.

It is problematic if you do not have records. Some people would view no records as meaning that there is no evidence for whatever is claimed to have been done, so you might actually have to say that it was not done. The Audit Office goes much further than that kind of approach. We actually interview people. We then try to bring the material we do have into the picture, with statements we get. We try to, in simple terms, build the jigsaw puzzle as best we can. Then what we do is go through an exhaustive process of handing material back to everyone who has been involved; they see that and then they add further comments.

We try to build the best picture we possibly can, but we also are absolutely obliged to the Canberra community and members of the Assembly to say that we simply did not have documented material when we simply do not have documented material. I think the lesson out of this for all public servants is: don't document till you drown everybody, but document enough for transparency.

THE CHAIR: How common or widespread has this sort of instance been in your time as the Auditor-General—being unable to ascertain the veracity of a claim or a process, or coming across missing links in the paper trail?

Dr Cooper: There will be missing links, but often various sources can help you clarify what that link is. With respect to the audit you are referring to, it seemed to have a lot more problems in terms of documentation than we would normally incur on most audits. With most audits, agencies do comply with territory records; we can get

access; and where there are gaps, we can usually find a way to address some of those.

I will just defer to my colleague. Same experience for you?

Mr Stanton: That is correct. I would just add that the Audit Office might generally make two kinds of findings. One is in relation to where there might be some documentation but we question whether there was sufficient documentation to justify a course of action or demonstrate something. That is one thing. The second issue might be the lack of basic documentation, basic records, for a particular process. We have seen both of those sides.

THE CHAIR: What do you expect is the appropriate course of action for a directorate, or a minister responsible for a directorate, where key evidence in an audit is missing?

Dr Cooper: One would hope audits are about, in my colloquial language, pulling levers for change. The change might be that when that comes to the attention of anybody who has any link in the chain of management, people are trained on appropriate record keeping, and records from thereafter are kept.

MR COE: With regard to the role of the Audit Office, if, in your investigations, you come across anomalies that are outside the scope of your audit, how do you deal with those issues?

Dr Cooper: There are several ways we can deal with those. It depends on the severity of them. If we thought that, either within the audit material or outside, there were issues around criminality, we would refer that through to the police. There are other references through to corporations, which we have done once, I think, Mr Stanton? So we could refer it to another body. In terms of being just outside the scope, if it were significant enough and it related to the work we were doing, we would mention that.

MR COE: With the audit that Mr Wall referenced, regarding the Dickson land swap, if there is a particular absence of documentation, will that trigger in the Audit Office a deeper search for documents? Or do you, in effect, do the same search that you would do otherwise and then just comment that there was insufficient documentation?

Dr Cooper: No; we do a much deeper search.

Mr Stanton: May I just add that again for this audit and this audit report—I cannot quite recall the paragraphs of the audit report—because we did not find the documentation and the record keeping, we certainly did outline the processes and the steps we took to try to locate relevant documentation. And we stated that in the report.

MR COE: Did you go through call logs?

Mr Stanton: I beg your pardon?

MR COE: Did you go through telephone call logs?

Mr Stanton: No.

Dr Cooper: For that audit, no. But we did go through emails.

MR COE: Given that there is an absence of documentation and an absence of emails, what would need to happen for you to go to a next level of investigation as to how the deals were done?

Dr Cooper: Interviews under oath or affirmation for something that was of significance, like that particular audit. We did that. Therefore we used that as linking, and also we used that to help us see if there was some source of information that we had not accessed. We do that.

MR COE: I have to be careful that I do not mention something that has been said in an in camera hearing, but if there are reports that dozens of communication activities of some form took place and there simply is not evidence for that, would you not try and get call logs, text messages or anything along those lines?

Dr Cooper: No. The reason is that in the audit world I think you have to hit your responsibility. We will make an enormous effort to try to address the objective of the audit. Then what we have the absolute privilege and obligation to do is to make that transparent.

For instance, if there were X amounts of communication that one party said occurred and the other party said, "Well I have no record of that," we would put that out, because our audits try to address an objective, but they are part of a bigger system and the public accounts committee or public comment, the ongoing system, might also be able to flesh out some things.

We stick to trying to dealing with the objective. We will go outside it if needed. But you also have to look at the resources that we are using. We would be publicly held to account if we were to keep going on an audit rather than putting out, at a particular time, that which we have found.

MR COE: In light of the risk of potentially relinquishing \$2½ million worth of value, if there is not enough documentation, and it is either not in your charter or not in your capability to delve into call logs, text messages and the like—

Dr Cooper: We could do that if we wanted to, I think; there is no power stopping us. But, in all of this, we have a limited budget; we have key objectives. The key thing that we can contribute to the community is to go as deep as we possibly can and then look at not becoming so focused on that that we then do not give resources to other audits. It is a judgement call as to where you stop. On that particular audit, we would have interviewed a lot of people. We got records; we went back to the agency; we did everything beyond what you would normally do to try to source that information and those links.

MR COE: But there are still unanswered questions.

Dr Cooper: Yes.

MR COE: Your report really states that, especially with regard to all the communication that happened seemingly off the books. If you are not using your powers in that instance to go through the call logs, SMSs or any other form of communication, what is a situation when the Audit Office would engage those research techniques?

Dr Cooper: I am absolutely happy to answer that. I would say that it would have to do with going somewhere near criminality. If we looked at that, I would refer it to the police. If we even thought there was some criminality involved, we would give it to the police; they have those kinds of peak investigative powers. Our obligation is to put out the material, as we have done, to provide that transparency, to try to answer the objective or explain why we cannot answer the objective, because of the documentation.

Again, what is the role of the Audit Office? The role of the Audit Office is not to undertake investigations that other agencies like the police would; it is about to pull levers, to improve public accountability, to improve things in the future. I think that particular audit and the one before have pulled the levers to assist the agency going forward.

MR COE: But because of the unknowns in this particular audit, are you able to rule out criminality?

Dr Cooper: We cannot rule it in or rule it out. Our reports are fuller than other audit offices. We have put out what we think is all that background material. We are leaving it open. In leaving it open, that allows others to use that. If considered, they can build on that to do further analysis, be it the agency or the PAC.

MR COE: Do you think there is a gap between where the Audit Office stops and where the police start?

Dr Cooper: I do not think there is a gap. If we detected any criminality, it would have been referred to. You could say, depending on—

MR COE: I am talking about research and investigation, not necessarily in terms of the level of law. In terms of how it actually is investigated, is there a gap?

Dr Cooper: Then you could also—which the ACT is looking at, I think—look at an integrity component. You can go, I guess, from the Auditor General to the integrity people and the police.

We have to keep all of this in perspective. Most of the time, on most occasions, the audit world has documents, we look at them, and it is about pulling the levers to help agencies do things better and to give assurance to the community. The question around the audits that we are dealing with at the moment is: are they more on the extreme of abnormality for an audit? I think the answer is yes, for the kinds of issues. Normally it would be straightforward: you would go in; you would get the records. But there has been a complete lack of those records.

MS LE COUTEUR: My supplementary is partially answered but given all this—the

integrity commission and the issues that Mr Coe has been talking about—do you think there is any need for an updating of your legislation?

Dr Cooper: I think always you reflect on what is happening. I think our legislation for an auditor-general is robust and I would have to go and look at what colleagues are doing in New Zealand and the UK. I think it is still pretty contemporary. In fact I know we have powers that other jurisdictions do not. We use those very cautiously. Of course review it but review it in the context also of the changing environment of the ACT. We did not have an integrity person. We are looking to have that. Does that help?

MS LE COUTEUR: Yes.

MS CHEYNE: My line of questioning is very different. I want to talk a little about the functions and how you are going as an office generally. Are you on track to meet your scheduled audit program for this year?

Dr Cooper: We are working extremely hard to do that. We plan next week, not foreseeing any issues other than long hours, to table two more performance audits—one next Thursday, but maybe both of them on Friday, and one on Friday. It is just simply workload. That will be about responding to the proposed draft back from some agencies to then put it in the Assembly. And if we slip it will be a very short time, we hope. But I will say that one of those audits is on rural lands and that has involved a lot of consultation. When we give a report out and then there is more consultation, sometimes that can affect the deadline. But we will be giving it our best shot.

MS CHEYNE: Are there any other factors that have affected deadlines in terms of going right up to the—

Dr Cooper: This year was the first year that the audit office was actually targeted to do eight performance audits and that was because we used some of our funding, with support of everyone—the PAC, the Speaker and the Treasurer—to do more performance audits this year. It will drop back to seven next year, which is more the norm. I think when you always do more—there are only two of us of in the chain—it just takes a bit more time to—

Mr Stanton: That is right. Rural lands is the key audit at the moment. That is involving wide consultation. But some of the other audits on the program as well have also involved broad consultation. The performance indicators audit—

MS CHEYNE: Sometimes eight audits but the size and the scope of them can be quite different?

Dr Cooper: Any audit that involves more than one agency; and the indicators one involved everybody and how many indicators?

Mr Stanton: Hundreds of indicators plus all agencies and entities.

Dr Cooper: Hundreds of indicators.

Mr Stanton: That took some time to work through. But other audits have also presented varying challenges. The Dickson audit that was tabled in February or so also involved consultation in the latter part of 2017 into early 2018. That was time consuming.

Dr Cooper: And since the committee is interested in our process, sometimes we actually even have to bring in people from interstate as experts—they are not associated with the activities within the ACT—or sometimes they might be ex-staff who were critical at some point. Either we will go to them, to talk to them or we get them to come to us—even the logistics of organising those kinds of things—and when we are challenged we always try to get someone from outside the office, not as an umpire but to question particularly me and my colleague, Mr Stanton, whether we are listening, whether we have got the matters of substance in there, checking ourselves in terms of the work that we are putting forward.

MS CHEYNE: And just finally, in terms of recruitment and making sure that you have got staffing levels, good capacity and, I guess, good capability, are there any challenges in the audit world at the moment in terms of getting those good staff?

Dr Cooper: There are always challenges. Ajay, would you like to outline what we do?

Mr Sharma: The office has a work-first plan and an establishment which outlines the competencies we need for people at various levels. It also outlines the qualifications and experience in terms of external auditing. And it has been quite challenging in terms of getting experienced auditing staff. We have got competing, I guess, priorities in terms of the Australian National Audit Office and other firms who are recruiting at the same time as we are doing it. As a small office, while we provide a lot of flexibility and benefits to staff in terms of learning and development, it is always hard to attract and keep staff.

Dr Cooper: They do not get that career progression. They have got to go out of the office to get broader experience to come back to more senior positions. We just are not big enough to offer a career forever approach.

MS ORR: While we are talking about career progression and moving up in the audit office, how is the appointment of the new Auditor-General going?

Dr Cooper: I have no idea. We are not involved at all.

THE CHAIR: There is a reduction in FTE positions in the audit office this year and that is compounded by a reduction of two in the current financial year. What impact is that having on the capacity and the capability of the office?

Dr Cooper: We actually expect staff turnover of about 20 per cent or higher. That is pretty normal.

THE CHAIR: But that is a reduction though in the full-time equivalent positions, not churned but a reduction in bodies.

Mr Sharma: We actually have a balance in terms of full-time equivalent staff versus contractors. Sometimes while we are not able to find competent staff in terms of qualifications and experience, then we resort to using contractors. And sometimes when the task is for a confined period, for example if we have increased the number of performance audits in a particular year, as in 2017-18, then we resort to using contract staff as opposed to permanent staff.

THE CHAIR: As far as the budgetary impact of appointing contractors against staff?

Dr Cooper: We make savings through not having staff. We then spend it on contractors—

THE CHAIR: Where you need it?

Dr Cooper: It is up and down. It is not easy to say that one is better than the other. Contractors and consultants also bring a different view into a small office. They are from some of the big firms, small firms, and I think that is good for the office.

THE CHAIR: In terms of setting the budget, do you make a submission directly to budget cabinet or does your submission go via the Speaker?

Mr Sharma: It goes through the Speaker and the Speaker does the consultation on behalf of the audit office.

THE CHAIR: Are you satisfied with the way that that process is working?

Dr Cooper: I think that is a process that needs some further conversation. We are reasonably new at it. We are all trying to bed in as OLAS and how we all work. I think we have not quite reached finalisation in terms of process but we will learn each year. And I think next year it will flow on better than it has in the past. I am not saying there were any problems, it is just that we are all learning a new way.

THE CHAIR: What improvements could be made then in that process for future years and for your successor?

Dr Cooper: It is always one around timing in terms of being able to settle on something early enough, particularly in performance auditing, but we have now had assurance into the future on that. Next year it is seven, the year after that it is eight, then nine and nine is the norm. That actually helps us. You will notice in the forward PA program that we put out yesterday we have marked in that rhythm over the years to come.

MS LE COUTEUR: On public interest disclosures, do you have an agreement with the public service commissioner about who investigates what PIDs?

Dr Cooper: No, we treat it individually. We can liaise, and we do liaise. We are not duplicating resources. But people might come to us after they have been there and sometimes we might look at in a different way. There are a whole lot of avenues. But within the confines of confidentiality we do try and I do not think so far we have ever both investigated the same one.

MS LE COUTEUR: Do you think this will change when the integrity commission starts operating?

Dr Cooper: I do not know, sorry. We have had good communication with the other independent bodies—the ombudsman, the commissioner, the agencies—and it is beholden on us to try to keep that going rather than relying just on a structure.

MS LE COUTEUR: I am looking at one of your audits for next year. You are planning to do crown lease variation processes. Are you going to be able to, in the context of this, look at limitations of the native title scheme for the ACT, given our crown lease system? That is a fascinating, to put it mildly, issue.

Mr Stanton: We have not commenced the scoping or planning for that audit but we are absolutely in the scoping phase. When we get to it we will absolutely give consideration to where we might actually target the audit and the issues we might look at.

MS LE COUTEUR: Can I put in a big plug for this as an unresolved issue for the ACT?

Mr Stanton: Thank you.

MS LE COUTEUR: To put it mildly.

Dr Cooper: We will actually make a note on the record and possibly, as we always do, we will talk to everybody. The team might come and make sure we have heard you properly.

THE CHAIR: Thank you very much, Dr Cooper. I understand, as I said at the beginning, this is your last estimates appearance. Thank you for not just for today but also your service to the territory over your years as the ACT Auditor-General.

Dr Cooper: Thank you very much.

THE CHAIR: The committee will adjourn for 15 minutes.

Hearing suspended from 10.29 to 10.44 am.

Appearances:

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

Chief Minister, Treasury and Economic Development Directorate

Leigh, Ms Kathy, Head of Service and Director-General

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

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

Stankevicius, Mr Adam, Director, Government and Regulatory Reform

Wright, Mr Robert, Executive Director, Corporate

Perkins, Ms Anita, Executive Director, Communications

Arthy, Ms Kareena, Deputy Director-General, Enterprise Canberra

Verden, Ms Jo, Acting Director, Events ACT

Kobus, Mr Jonathan, Acting Director, VisitCanberra

Cox, Mr Ian, Executive Director, Innovate Canberra

Keogh, Mr Geoff, Director, Strategy and Policy, Innovate Canberra

Hassett, Mr Glen, Director, Programs, Investment and Enterprise Development, Innovate Canberra

THE CHAIR: Welcome back to the mid-morning session of estimates. We welcome back the Chief Minister. We will start by looking at output class 1, government strategy, and also the ACT executive. You have not changed your mind about making an opening statement this week?

Mr Barr: No; I thought the committee had made its views very clear in that regard.

THE CHAIR: So far so good, actually. We are doing very well. Could you please acknowledge, with the pink privilege statement, that you have read and understood it. We will go to Ms Orr, for a substantive question.

MS ORR: Chief Minister, the government is committed to establishing an ACT integrity body. The funding in the 2018-19 budget is ongoing, but where is the process up to and is it on track for legislation this year?

Mr Barr: The appropriation is contained within the Office of the Legislative Assembly appropriation. It is being held there. The Speaker has been written to, in that regard, to hold the money there until the entity is established, and the appropriation will then flow to the new entity. The Assembly has established a committee process to look at legislation. There will be at least two draft bills that will be considered by that committee. Ms Whitten, do you want to add anything further?

Ms Whitten: In addition to what the Chief Minister said, the government response to the first select committee report was tabled in the Assembly earlier in the year. That outlines the government's commitment to establish the commission and areas of policy that the government has agreed that it would progress. A number of the 79 recommendations have been noted, and we are working through that policy development at the moment.

Mr Barr: There are a number of issues, clearly, that the committee and the Assembly will need to determine, one of which will be the level of retrospectivity of the integrity commission's investigative capability. My sense is that an appropriate time line would be back to the start of self-government in the territory. That would be a clear delineating point for a self-governing territory, although there would then need to be another test, I would imagine, applied over the top of that, around relevance and a range of other factors. Clearly, if the entity is to have retrospectivity, it should go all the way back to the commencement of self-government.

There will be a range of issues, I imagine, that would want to be explored. People in the community hold grievances going back that far. There will, I think, be interest in that. There should not be just a time test but also a range of other thresholds that the commission would need to examine. That is just one of many issues that will need to be worked through.

The government response has indicated, on the initial committee work, that those issues will need to be brought back before a committee, which has now been established, to work through. Certainly, it is my strong view that retrospectivity should apply and that it should go all the way back to the commencement of self-government in the territory. That is the only logical date where you could seek to draw a line. Going back prior to self-government would be absurd. Certainly, it should be able to reach back to 1989.

MS ORR: Given that the money is being held but that the budgeting is there, in my initial question I did ask if it was on track for this year. Do you have any—

Mr Barr: Yes, I think that is the intent of the Assembly and the committee. I have been around for long enough now to know, though, that, when it comes to the fine detail of debating legislation and committee processes, it is in the hands of the Assembly as to when it wishes to debate it.

It may well be that we will determine to resolve and deal with the legislation by, for example, introducing something and passing it in the same sitting period, in order to complete that process in, say, this calendar year. I have indicated an openness to do that if there were consensus across both the committee and the Assembly.

It would be reasonable in that instance to seek to suspend the particular standing order that requires introduction in one sitting period and debate in another, should there be consensus. If there were not consensus, that clearly would be a controversial position. One would hope that we would reach a point of consensus this year which would enable legislation to be passed in the final sitting week of this calendar year, with operation commencing in 2019. The budget has been set in that regard, with that time line.

MS ORR: There are just some other factors that are outside one person's control, yes.

Mr Barr: Yes. I would say, after decades of experience now, that trying to predict Assembly committee processes and what can happen on the floor of the Assembly is a fraught business. I will not do that, other than to say that the budget is framed for a

commencement in 2019. There are a range of issues that will need some further consideration by the committee, and ultimately by the Assembly. If one of the issues relates to a suspension of standing orders to be able to both introduce legislation and pass it in one sitting week, and to do that in November this year, as long as everyone is in agreement, that would be a useful way to fast-track the legislation.

MISS C BURCH: With respect to the measure in the budget “more jobs for our growing city policy innovation team,” what is the current role of this team?

Ms Leigh: Policy, of course, is a core skill for the public service, so I am very pleased that we have this additional funding in the budget to strengthen our policy and evaluation capability. It builds on the work that policy and cabinet currently do to provide strategic policy advice to the Chief Minister and cabinet and to coordinate and bring together work across the service on key policy initiatives.

MISS C BURCH: The budget papers say that this team is responsible for the red tape reform strategy. Can you please outline that strategy? Also, I am curious as to why the KPIs for the regulatory and process reform initiatives have been reduced in 2018-19.

Ms Leigh: Regulatory reform, again, is a good practice for government to ensure that it is not inadvertently imposing burdens on the business community or the community generally. Government always wants to be assured that it is focused on delivering the outcomes it intends and does not inadvertently have other adverse impacts.

An ongoing process of reviewing existing regulation to ensure that it does continue to hit the mark is important. We have had that work underway for a couple of years and there have been a number of reforms that have been undertaken as a result of the work of the regulatory reform team. The evaluation work enhances that team because it is really a continuum. If you think about evaluations, about ensuring that your policy hits the mark, regulatory reform is one aspect of that.

MISS C BURCH: Why has the accountability indicator been reduced?

Ms Croke: In 2017-18 there were three indicators: taxi industry evaluation, the smart parking trial in Manuka, and the red tape reduction bill. The smart parking trial has become business as usual, and the taxi evaluation is an ongoing consideration. That is where the reduction has come down to one, which really just points to the red tape reduction bill, the annual bill that gets introduced.

MR COE: Chief Minister, could you please advise how many redundancies have been paid in the ACT government over the past year?

Mr Barr: The current fiscal year? We will probably take that one on notice.

MR COE: Are there any agencies where voluntary redundancies are on offer at the moment?

Mr Barr: There is not a general across-the-service offering.

MR COE: I understand that, but if redundancies are offered, does approval have to be

sought from the Chief Minister's directorate?

Ms Leigh: Normally the director-general would have the delegations to deal with that matter. Depending on the significance, they are likely to discuss it with me.

MR COE: But surely in workforce capability and governance, the issuance of redundancies would be relevant to that area?

Ms Leigh: It would really depend on the particular circumstances, as I say. Something that is very specific might be quite clear-cut and just an obvious outcome of priorities moving on. If it were more significant, then yes, there would be a role.

MR COE: What about in the Chief Minister's directorate? Are there redundancies on offer?

Mr Wright: There are not any voluntary redundancies on the go at this particular point in time. I can tell you the ones for this financial year to date. Voluntary redundancies, as per section K of our enterprise agreement, are about recognising the need to make the most efficient use of our skills, abilities and qualifications. There have been 20 voluntary redundancies accepted to date in this financial year. We work in consultation with the unions, as is required under the enterprise agreement, and with the agreement of the officer concerned.

MR COE: Are those 20 VRs across the government or just in CMTEDD?

Mr Wright: That is CMTEDD specific.

MR COE: What areas are they coming from?

Mr Wright: The 20 VRs come from the following business areas. We have two in Access Canberra; a couple in revenue management; one in culture and communications; a group of 10 in property, procurement and venues; four in policy and cabinet; and one in the economic and financial group.

MR COE: What structural changes have occurred in those units?

Mr Wright: Mostly it was very small numbers, as you can understand from what I have read out. I can say that in the goods and services procurement area, that is part of being in line with our smart model and strategic procurement reform, SMS program, that we have in place. The key SMS objective is establishing a more strategic whole-of-government approach to procuring and managing the territory's goods and services. This was about necessitating a change of roles and functions delivered, and the professional skill set required. Hence an EOI VR program was undertaken.

MR COE: What about culture and communications?

Mr Wright: I could not go to that. I am happy to take that on notice, Mr Coe.

MR COE: What circumstances could be used as to why somebody would get a VR as opposed to either not having their contract renewed, if they are exec, or just having to

go to another part of the ACT public service?

Mr Wright: I would go back to the enterprise agreement, the requirements of that. Where positions become excess, we seek to redeploy those officers within CMTEDD, to start off with, and more broadly across the ACT public service. Should that redeployment not be possible, voluntary redundancy may be considered in those circumstances.

MR COE: What changes have taken place in the policy and governance area?

Mr Wright: Mr Coe, I do not have that information in front of me, but I am happy to take that on notice.

MR COE: Is there any likelihood that sweetheart deals are being offered to people who otherwise are in an area that is continuing to function as normal?

Mr Wright: I do not believe that to be the case, and we are very sure that we are adhering to the requirements of the enterprise agreement.

MR COE: What about just in terms of good governance? If you have an area or areas that are actually growing, and at the same time you are offering VRs—

Mr Wright: This is about the professional skill sets that are available. We take those matters very seriously. I think employment matters are extremely important, so we take all these decisions very seriously. We make sure that we work through all the steps required, and consult with the individual and with the unions. We do not take those steps lightly.

MR COE: If they are VRs, there is a fair chance the person is quite happy with the arrangements; it is just a matter of whether the taxpayer does all right out of it. Of those 20, how many are senior executives?

Mr Wright: I do not believe that this list would include senior executive service staff.

MR COE: Are there any senior executives who have had contracts terminated with associated payouts?

Mr Wright: I do not have that information in front of me, but I am happy to take it on notice.

MR COE: Thanks. Given that we are talking about senior executives, is anybody else in the room able to shed any light on this?

Ms Whitten: Mr Coe, I do not have the numbers in relation to senior executive service members. But the senior executive service does have the opportunity of being engaged either in a long-term or a short-term contract. That is a feature of the Public Sector Management Act, separate from the enterprise agreement. We do report our numbers in our state of the service report. As to whether it goes to that level of detail, I do not have that in front of me. There are decisions about whether senior executives are re-engaged, and that is part of the Public Sector Management Act.

MR COE: Is there any risk that there are some sweetheart deals being offered here with regard to VRs?

Ms Leigh: Mr Coe, we have clear requirements in place. Redundancies relate to where a function no longer exists. That is the requirement, and it has to be met. So no, I do not believe so.

MR COE: For each of those 20, could you please advise what function is no longer required?

Mr Wright: Happy to take it on notice, Mr Coe.

MR COE: Great; thank you.

THE CHAIR: And also the substantive level of the position that was vacated, please.

Mr Wright: Yes; I am happy to take that on notice.

THE CHAIR: Thank you. With regard to coordinated communications and community engagement, why has the total cost for this output significantly increased from what was \$7.4 million in 2017-18 to \$8.5 million in 2018-19?

Mr Barr: There are new initiatives in the budget. Ms Perkins might talk to those.

Ms Perkins: The core initiative that you are referring to relates to the government's commitment to strategic engagement. The key element of the strategic engagement initiative is the new online panel and insights community that is being developed at the moment. The online panel and insights community is one of the government's commitments for delivering new and different ways to seek the views of the community to inform policy program development. The online community and insights panel is currently out to market. It will be closing shortly. The details of that panel will be delivered in more detail over the coming months with a view to it going live in the next half of this calendar year.

THE CHAIR: What portion of the budget for output class 1.3 relates to programs and what portion of it relates to staffing?

Ms Perkins: Thank you for the question. I am not sure that I have the specific details of that breakdown here with me. I am happy to take that on notice.

THE CHAIR: Please.

Ms Perkins: I can say specifically that for the strengthening engagement component of the initiative, funded in this year's budget, approximately 4.1 over the four years is for the central strategic engagement team, and 1.1 million is being provided over the four years to establish and operate the online insights community. Other elements of the initiative include 204,000 to implement a whole-of-government customer relationship management system. That system is being put in place across government, for us to be able to centrally keep records of our contact with stakeholders, very much

with a point of making sure that engagement is taking place across government where that information is shared appropriately, so that we are not asking the same stakeholders the same information across different engagement activities. There is \$30,000 for the Environment and Planning Directorate support community engagement activities for the section 72 Dickson project. And there are savings identified in there as we reduce the use of telephone surveys to seek the views of the community to inform policy and program development.

THE CHAIR: How many FTEs are in that governance unit?

Ms Perkins: In this specific initiative that I am referring to?

THE CHAIR: In the communications space.

Ms Perkins: I will check the exact number and take it on notice, but I think we are at 30 FTEs.

THE CHAIR: Chief Minister, how many ministerial staff positions are classified as communication roles?

Mr Barr: A very small number.

THE CHAIR: I am happy for that to be taken on notice.

Mr Barr: It is likely to be around seven or eight, although some staff have multiple roles. It depends how you define communications. If they ever talk to a stakeholder, are they a communications staff?

THE CHAIR: I mean more if they are dealing in either the digital or social media space or marketing media.

Mr Barr: In that case, it is even fewer than eight. It is likely to be one or two.

THE CHAIR: On your initial sense of seven or eight, what would catch the seven or eight?

Mr Barr: That would constitute people whose work would involve engaging with the media, so press secretaries, communications advisers. There is no doubt that the balance is shifting from those who spend most of their time responding to media inquiries to those who spend more time producing content. That, I think, is a shift you see across all areas, but it is a relatively small component of the executive staffing budget.

MS LE COUTEUR: The budget measure talked about the fact that, as a result of doing this, you will be phasing out community telephone surveys and shifting more to online and face to face. Face to face: is this door knocking?

Ms Perkins: No. In terms of the engagement projects, the face-to-face activities that we refer to are still meetings and engagement opportunities. They might be a more traditional town-hall-style meeting; they might be pop-ups at community centres; they

might be presentations at community councils, allowing that two-way conversation. They are all still very important ways that we engage with the community, but we know now that we need to provide opportunities that hit all sorts of different types of demographics across the community—those who like and have the time to attend face to face, those who want to be able to access and talk to the government online, as well as those who will answer the phone and have a conversation.

MS LE COUTEUR: On answering the phone, I thought you said you were going to phase out the community telephone services; am I incorrect in that?

Ms Perkins: We are still going to retain some of those community telephone research programs, but we will be doing less as the online component increases. They will still be complementary.

MS LE COUTEUR: Good.

Mr Barr: We should probably get some clarity of language there. You said “phase out telephone services”, no—

MS LE COUTEUR: No, surveys.

Mr Barr: Surveys is what you meant?

MS LE COUTEUR: I assume that it will still be possible to ring the ACT government; I am not going there. I am not going there at all, Mr Barr.

Mr Barr: I just want to clarify that that is the case.

MS LE COUTEUR: No, surveys.

Mr Barr: These words do stay on the public record and people do interpret responses. If we take something on notice and your question referred to “services” but you meant “surveys”—

MS LE COUTEUR: I thought I said the word “survey”.

Mr Barr: Yes. I just wanted to clarify that, so that we know exactly what we are—

MS LE COUTEUR: Survey.

Mr Barr: Yes.

MS LE COUTEUR: You will still be doing telephone surveys?

Ms Perkins: Yes.

MS LE COUTEUR: I had interpreted what the budget said—

Mr Barr: But fewer telephone surveys because we will have other forms of capability for engagement. One of the reasons for this is that the number of people with a home

telephone has dramatically reduced. Although many people obviously have mobile devices, it is easier to engage online. That is why you see a lot of research companies, opinion polling companies and others moving to that mixed model in order to capture particular demographics.

I think you are aware, as I think everyone is aware, of my desire to ensure that our engagement processes are representative of the community, a community that is younger than the rest of Australia, that is more engaged in new technologies and works more. More people work in Canberra than in almost any other community in this country. They have less time to go to public meetings at seven or 7.30 at night at particular locations around the city. We have to do better than that, and that is the focus of this reform of community engagement. It is to ensure that there are more voices brought to the table. It is not about shutting down any existing voices but about bringing more into the conversation.

MS LE COUTEUR: Mr Barr, you mentioned quite rightly that most of us have mobile phones and not fixed landlines. Are you doing some work in terms of communicating using the mobile phones? I notice that a lot more organisations are ringing me on my mobile. I am actually not appreciating it, but—

MS CHEYNE: You are probably not answering because it is an unknown number as well. That is certainly the approach that I take.

MS LE COUTEUR: There is that as well.

Mr Barr: In terms of federal telecommunications law, there are “do not call” lists and those sorts of issues. As Ms Cheyne has indicated, some people will not answer numbers they are not familiar with, that are not in their list of contacts. I know I am one of those, so if I do not know your number I am not taking your call. It will go to voicemail and, if I need to call you back, I will.

MS LE COUTEUR: My observation is that I am getting an awful lot more of that than I am being offered online surveys, apart from ones which are clearly ridiculous, about a hardware brand or something. In terms of real public policy discussions—

Mr Barr: Yes. One of the reasons for having an online panel is to seek to get people in the community who would want to participate to join that process. This would be another avenue for a group of people who would not, unless hell froze over, attend a community council meeting. They would not want to go to that environment, and could not go to that environment, because they are working, they are raising a family, it is bedtime for kids, it is mealtime. There would be 10 million things they would do before attending a public meeting. But they live in this city and they have a right to be heard, and this is one way that they can engage in their own time.

MS LE COUTEUR: Given that you will, once you have set up the community panel, have a list of people and their email addresses, will you as part of the consultation feed them information about whatever it is that they are being consulted on?

Mr Barr: There will certainly be the opportunity for people to register interest in particular areas.

MS LE COUTEUR: And then you will provide information or something?

Mr Barr: If you look at the your say website as a platform and an indicative way of being able to provide more information to the community so that they can engage on the specific issues or more generally, there will be some people who would want to be consulted on every possible issue; there are others who say, “No, I am only interested in what happens in Tuggeranong,” or, “I am only interested in environment policy,” or, “I am only interested in education.” We have the level of sophistication through a platform like this and through the your say website to be able to tailor consultation to the interests of residents, and that can be broad or narrow.

MS LE COUTEUR: This is almost deliberative democracy but not quite. As I say, one of the distinct features of deliberative democracy is that people are given information from a range of sources, not just from one source. Given that you are mildly, semi, moving down that route, will you also do the same thing: provide updates to people and suggest to them that there are other voices on whatever?

Mr Barr: I guess there are limitations to that. In the climate change debate I would not be advocating providing people like former One Nation Senator Malcolm Roberts’s extensive writings on climate change.

MS LE COUTEUR: I am not disagreeing there.

Mr Barr: There are clearly limits to the range of things, and anything that would come through a government channel would be interpreted as government endorsed. I reckon even if you stamped it on every single page there would still be some who would say, “But the government distributed this material. Therefore you must endorse it or at least consider it legitimate in a community debate.” There are obvious limitations to that but even in a government discussion paper for example there are often different perspectives put forward in terms of our approaching a policy issue one way or another.

The great thing about living in a secular liberal democracy is that there is no shortage of opportunity for people to put alternative views. There are a relatively wide range of views held by members who are elected to this place, from the odd libertarian in the Liberal Party through to the odd democratic socialist in the Labor Party and environmental activists like you. There are a whole range of views, and in every election cycle we get everything from the far right to the far left and every possible flavour of political opinion reflected in our democracy. Our media is narrow but still has some degree of diversity but it is increasingly concentrated. That trend is only going to continue. I think you are right to highlight the need for a platform for a wider range of views to be heard.

We could have a philosophical argument about whether the internet and social media have provided an opportunity—and I think they have—certainly for more voices to be heard. There are questions of course about single sources of truth and everyone has got their own facts. It is an old saying, is it not, that you are entitled to your own opinion but not to your own facts? Whether there is a single source of truth anywhere anymore in Donald Trump world, who quite knows.

To the extent that this little jurisdiction can utilise technology and provide a platform for a more diverse range of community engagement, I think it is worth trying. That is the philosophical underpinning behind this change and it manifests itself in a variety of different ways, from the deliberative democracy projects that have taken place or are foreshadowed through to this online engagement, your more traditional forms of community engagement. I have to say that I have observed over nearly 15 years in this place now that the way people engage has changed.

MS LE COUTEUR: Probably a final on this, obviously you are going to be gathering a lot of data, a lot of submissions or just comments or whatever. How will these be shared back to the community or to the Assembly or to anybody?

Mr Barr: I guess there are a range of different privacy protocols that would need to apply. I think people can see existing practice in relation to submissions and to processes. Most often they are made public but sometimes submitters for a variety of reasons seek that their submission be private. We need to respect that opportunity. I think that will be one of the important issues to consider.

I think it should be really in the purview of those who are submitting and engaging to a process that they identify whether they want their engagement to be public. In some instances that is absolutely what those people want and, in fact, they make it public before they submit it. A tried and tested way for lobby groups, stakeholders and individuals to participate is to issue a media release, "Here is my submission to this process." Others do not wish to draw significant public attention to their input and some wish for it to be private and withheld. I think you have got to respect that range of information.

At the moment that information is broadly shared. Some of it is clearly presented in budget papers, annual reports and the like as data that is made publicly available against which the performance of government agencies, programs and the like is assessed. Obviously it would all be subject to the various freedom of information legislation and the like.

The government makes a lot of data available. Would every single piece of information that is obtained be publicly released? No, but the basis of information collection these days is the presumption of release.

MS LE COUTEUR: I was more asking because all the statutory consultations have rules about what is and is not released. This is non-statutory and governments clearly did not like this in the past. We have all answered phone surveys about what appears to be random collection of things and find that a small proportion of this becomes public. I was wondering if the base of this open government is more presumption that—

Mr Barr: If the data that underpins almost every indicator of satisfaction or the like within ACT government service that is published in these papers or annual reports is obtained through some form of just plucking it out of the air and deciding, "No we did not achieve a certain target this year. We will leave that open for public flogging on the basis that we just made it up," no. It is obviously reported on. And that is why we

have accountability indicators and we have processes like this. That is as it has been and will be in the future.

THE CHAIR: With regard to the government's desire to use, I guess, non-traditional communication and engagement methods—

Mr Barr: I think we have to start calling them traditional now because I think perhaps 21st century as opposed to—

THE CHAIR: I am happy to call it what you will for the purposes of the question, but there is going to be at the disposal of government, I guess, much more information and data at an individual level than there ever has before.

Mr Barr: That is the world in which we live, yes.

THE CHAIR: What safeguards are in place to protect individuals' privacy, individual data? We will start there.

Mr Barr: It will be, of course, subject to all federal and territory privacy laws in that regard across multiple pieces of legislation. You could observe a trend in this nation and indeed globally for governments, security agencies and the like to have more data on individuals than ever before. Some of that has spectacularly made its way into the public arena in recent times. I think it would be fair to observe that the data that is collected at this level of government is probably less likely to trigger national security concerns. People's views on the Dickson library or whatever are unlikely to be a national security issue. Nevertheless, there are important—

THE CHAIR: But I guess the significant fear can still exist that the use of that data ultimately, as it is has been a point of debate in the US, is the ability for that information to be used to manipulate an election. What safeguards are in place then to ensure that the information that government holds and, from an incumbency position, and that communications through that are not delving into realms of what is the political—

Mr Barr: All the safeguards that are in place—mostly the data protection laws are federal—they apply across the nation, which is, I think, appropriate. It should not be an area—and I would not advocate for it—in which we have eight different systems regarding technologies, platforms and data collection that are in large part global. All those requirements in terms of both federal and territory law are in place. But I think federal would be the predominant area of regulation in this regard.

Knowledge is power in any circumstance. But that information being collected by political parties is no secret. Your colleagues in South Australia have been very public about technology and platforms and—

THE CHAIR: Parties of all persuasions in this country have gone down this road.

Mr Barr: Absolutely. The most contemporary example I can refer to is that of the South Australian Liberal Party's platform which utilised, I think, the Republicans in the US. They have talked up very big about—

THE CHAIR: But the big difference, I guess, is a political movement using technology to engage with and communicate with voters as opposed to a government. The question was specifically: what is the process or safeguards in place to ensure that the use of that information, particularly as we are heading to next year and 2020, and which is at the disposal of an incumbent government, is—

Mr Barr: We are going to know, as you will, the level of satisfaction with sportsgrounds. We are going to know, as you will, the level of satisfaction with education and health services. We are going to know, as you will, the level of satisfaction with municipal services. We will know from community engagement priorities around—

THE CHAIR: How will outbound communication then be managed?

Mr Barr: Under the Public Sector Management Act, the caretaker provisions in relation to election periods, the government advertising legislation and the like. There is a pretty extensive framework in the ACT as regards those issues.

THE CHAIR: As is often the case, those types of regulatory frameworks often are not at the cutting edge of where technology is. Do you think there are currently sufficient safeguards or does some review or analysis need to be undertaken of those—

Mr Barr: I have no advice to the contrary. Should there be a need to update any of those provisions as they relate to new technologies, then yes, I am very happy to look at that. That might be an interesting area of inquiry for an Assembly committee to want to examine if it is deemed a priority in the lead-up to 2020 or beyond. But, to be frank, you know as well as I do that political parties have more information and capability to generate more politically related information through engagement and activities subject, of course, to all the laws that operate in this country. But political parties are given special privilege, greater than, indeed, commercial entities and community sector entities in most regards.

THE CHAIR: I guess the caution is: yes, political parties do this. I think everyone is familiar with that—the general public and most in this room—but the question is: when taxpayers' money is being used to drive those communication channels and it is taxpayers' money essentially administering and managing them, is the message that is being pushed outbound through those channels to the community being safeguarded against—

Mr Barr: Yes, we have regulation around the approval of government communications and there is an independent reviewer who assesses government communications.

MR COE: The government, of course, is in a unique position, in that it has a lot more information than political parties have. It could be anything from rental bonds to whether people are paying on time or where they are accessing concessions. There is all sorts of very personal information sometimes. What protocols are in place to go over who actually has access to that data? And does the government have a plan to

centralise that data?

Mr Barr: All of the existing legal framework. Nothing has changed in that regard. In terms of privacy legislation, federally and in the territory, there has been no change in that regard. It is not related at all to these initiatives. There is a process in relation to a government data lake. Perhaps Ms Leigh might talk about that.

Ms Leigh: As the Chief Minister has said, there are clear privacy requirements embedded in the legislation. The advantage of those requirements is that they are principle based so, as technology evolves, they do not become out of date. That has been the basis on which privacy law has been developed for a couple of decades now and I think it is the strength of the approach of the privacy legislation. That, as I say, is capable of continuing to apply according to developments in technology.

As the Chief Minister said, we are looking to make the best use of the data that the government holds. I think the citizen would expect the government to do that in the best interests of the community. There is a lot of information that governments collect that in paper records might not be easily accessible, but as more and more records are digital, it is easier to access that information and make better use of it. We do not just have information about particular usages of government services and therefore whether they are as effective as was intended or what the links are between different government services and whether they are therefore as effective as was intended. When paper records were held, it was a large process to make some of those correlations. It is much easier now to make good use of that information to improve the performance of the public service in delivering those services out to the community. I think it is incumbent on the government to always make the best use of the resources it has to improve its service delivery.

MR COE: But take, for instance, the government's plans to investigate what properties may be vacant, and therefore attract land tax.

Mr Barr: Taxation compliance, yes.

MR COE: It was reported that one possible measure was to look at utility usage.

Mr Barr: Yes.

MR COE: How would information travel from Icon, for instance, or ActewAGL, to the Revenue Office? What is actually the means of initiating that, and the data transfer that would happen?

Mr Barr: That would be covered by both federal and territory laws. We would utilise—

MR COE: I am not talking about compliance; I am talking about how it actually would happen.

Mr Barr: I will take that on notice. This is not a Revenue Office hearing; this is Chief Minister's.

MR COE: It is still an important principle.

Mr Barr: Sure. I appreciate that.

MR COE: It would be interesting to know whether you make a call about how much water is acceptable or whether it is a bit of a trigger. Do you then send that to Icon Water and say, "Run a query through your system and then send an Excel sheet back to us."? What is actually the secure way that you transfer, perhaps, 100?

Mr Barr: Sure. I appreciate the question; it is just that this is the wrong set of officials to assist with that, because that would be a Revenue Office to Icon Water matter.

MR COE: I understand in that instance, but it is as much a whole-of-government issue as well. This could have relevance to Housing ACT or it could have relevance to numerous other areas.

Mr Barr: As it relates to tax? Your line of questioning relates to taxation compliance; at least, that is how it started.

MR COE: That is an example. I am saying: surely this needs to be governed by a whole-of-government policy.

Mr Barr: Yes.

MR COE: And whole-of-government principles.

Mr Barr: Indeed, yes.

MR COE: As to how it actually plays out.

Mr Barr: And it is, and that is embedded in legislation.

MR COE: But what are the principles? How do you transfer it? Right now, what is the principle? What is the policy for how household data transfers between units of government? What is actually the provision?

Mr Barr: That will vary depending on the area. Another example is in the child protection space. As a result of royal commission recommendations, we have made a—

MR COE: True, but that is a bit different, because that is going to be case managed and that is going to be on case management systems. If you are talking about whole clusters of data, perhaps several hundred households, is it possible that emails are being sent between offices, either within the same directorate or in different directorates, with Excel sheet attachments with rows of personal information?

Mr Barr: No; that would be highly unlikely.

MR COE: I would be very curious to know if that is the case.

Mr Barr: I will take that on notice.

MR COE: Would it be worrying if that was happening?

Mr Barr: It would depend on the nature of the information and the various security protocols and legislative requirements that were in place.

MR COE: I cannot imagine what system would be in place right now that would allow Icon Water, for instance, to feed into a Revenue Office system or vice versa such that there are not major privacy breaches along the way.

Mr Barr: The Taxation Administration Act and the federal taxation laws allow a certain amount of information sharing for tax integrity purposes.

MR COE: It is how it actually transfers which is the concern.

Mr Barr: Sure. As I say, this is just the wrong group of officials. These officials are not involved in that specific process, should it occur. There is clearly data available to utilities on the number of connections, and their billing information would tell you consumption patterns. That is aggregated across the community.

MR COE: I understand the principle behind it. I am just very curious to know how it is possible to actually transfer that data.

Mr Barr: I will take it on notice.

MR COE: Please.

Mr Barr: Specifically in relation to Icon Water?

MR COE: Yes. I think that is probably the clearest example in my mind.

Mr Barr: Yes.

MR COE: How the Revenue Office liaises with Icon Water, how the data transfers, and whether there is access to each system from the other agency.

Mr Barr: Sure.

MS CHEYNE: On the broader topic about whole-of-government communications, I have a question about community councils and their role. I speak as a former chair of a community council, but I absolutely appreciate that not everybody wants to turn up at 7 or 7.30 pm, as you were indicating, Chief Minister. Those bodies do have a range of roles and ways to carry things out. I was just wondering, in the context of what is happening and what the government is thinking, how much funding community councils are getting. Will that increase or decrease, potentially? Is there any review of that funding? And are community councils acquitting the funds that they are currently getting in an efficient matter?

Mr Barr: I will go to Ms Perkins in a moment on the detail. But yes, the community councils will have an ongoing role and will continue to be funded. They serve an engagement purpose for a section of the community. As I am sure people who have been in elected roles in this place would know, there is a small but dedicated group of people who are frequent attenders of those fora, and from time to time meetings will increase in size to several hundred. I still think the largest community meetings I have ever attended might date back to 2006, and they were in the thousands. That was a very different scale of town hall meeting.

THE CHAIR: People are passionate about their schools.

Mr Barr: Indeed. I put these things in perspective and that sort of framework. But there are from time to time issues that will engage a community to the extent where hundreds of people, perhaps even 1,000, may turn up on a particular topic.

There are now 420,000 of us. Some are very young and so are unlikely to turn up to public meetings. But we need to reflect on that reality. There are 300,000-plus voters in the territory. If you were to take the combined attendance of all community council meetings held over a year, it would be probably less than one per cent of the total territory's population. Nevertheless, they are important fora for those who are interested in engaging in that way to participate, and funding is ongoing. Ms Perkins.

Ms Perkins: Thanks Chief Minister. Yes, the funding is ongoing for the seven community councils across the city. They each receive funding of \$12,821 per year. It is on an annual basis. Yes, they are acquitting their deeds. And in terms of how we continue to work with the councils as we move into more deliberative processes, we have extended invitations for the councils to attend some of the pilot projects that have been happening this year, including the CTP citizens jury. When the whole-of-government communications and engagement strategy was released in February of this year, a copy of that document was provided to all of the councils so that they can see the pipeline of engagement activities that are planned for the next couple of years as well.

MS CHEYNE: Is guidance or instruction provided about the government's expectations about how community councils use that money to communicate?

Ms Perkins: Yes. Within the deed of agreement for each of the councils, there is high-level guidance in that the purpose of the funding is that they can communicate the views, expectations and concerns of the community to the government. We encourage both face-to-face and other means for councils reaching out to their community. We certainly see that, with all of the councils now engaging not only through more traditional letterbox drops and so forth but also through livestreaming of their council meetings and social media accounts of the meetings. We also encourage them to ensure that their meetings are open to the public and publicly advertised.

The councils are modernising the ways that they are engaging with their communities, just as the government is. We will continue to have those conversations with the councils as we develop our engagement practices and share those learnings, and invite them to any community of practice events, meetings or training opportunities that we have available.

MS CHEYNE: That funding of around \$12,000 has been consistent for quite a long period of time. Is there any review of that? Do you get any feedback about whether it is sufficient or not?

Ms Perkins: The feedback that we have had varies depending on the council. Some councils fully expend all of their money. Others take a bit more time to spend their money. There are different examples and different experiences for each of the councils. As we develop our practice in community engagement, we certainly will have the conversations with the councils to see what is working and what is not working. If there is a need for a review, we would bring that back to government for consideration.

MS CHEYNE: Do councils that do not acquit all their funds in a year get an opportunity to roll over their funds?

Ms Perkins: Yes; that has happened in the past.

MS CHEYNE: Let me go to output 1.2, page 19. One of the first strategies is:

... drive transformational and cultural change to improve workforce readiness prior to moving to the Dickson and Civic Office blocks in 2020 ...

What does that mean? And why is transformational and cultural change necessary for an office block move?

Ms Leigh: I might commence, and then ask Ms Whitten to provide some more information.

MS CHEYNE: Sure.

Ms Leigh: The new office blocks offer us a real opportunity to take the “one service” approach to the next level. We have come a long way, and I am really pleased with how well the service is operating as one service, and with the level of collaboration, which gives us much more effective outcomes. Nevertheless, all the technology is fantastic, and we use it to the full, but there is something about physically bringing people together that allows you to go to the next level in terms of that collaboration.

The great thing about the new office buildings is that we will be able to bring together a number of directorates into the one building. In addition to that, we are going to have activity-based working, which we are already piloting across the service, both in Chief Minister’s and in Access Canberra. The advantage of activity-based working is that people are not tied to a particular physical location; they are able to group and regroup according to the particular outcome that they are working on. They can come together with other colleagues who are in their own directorate but not in their immediate unit. And once we are in the new office building, it will be so much easier to do that across directorates.

In the office building which is happening just outside this building, we will have core components of Chief Minister’s, Education, Community Services, and Justice and

Community Safety. There are some clear linkages across those directorates. People already work together very well, but it will be great for them to be able to be in the same building and to move easily according to the task they are on, or the individual meetings, to group together to focus on those tasks.

This is quite a significant change for the public service. One of the important things that will support us is digitalisation of our records. When people are tied to filing cabinets, it is much harder to have that flexibility. There is significant funding in this budget to support the public service to continue to move to digital records and to become paper-light. That requires significant support across the service to start to look at what that means for our working practices, and then going further to continue to embed that collaboration.

We have a number of committees in place to help guide that work forward and to make sure that all directorates are engaged. I will ask Ms Whitten to talk to you about the detail of those processes.

MS CHEYNE: Before we get onto that, just so that I can picture it, you are probably aware that when the federal department of finance moved into a new building, quite a lot was said about it. I know that Miss Burch and I, as former employees of that department—me for a very short time; Miss Burch, I think, a little longer—saw that quite a lot of change came about with that new building, and having a different physical space was meant to drive changes in how people worked. If I picture that, is that what we are aiming for now?

Ms Leigh: To some extent, although I would encourage you to picture the policy and cabinet area of Chief Minister's. We have had activity-based work in place there for over a year. It has made a really great difference to how staff operate. We have had a high degree of success and support from staff in that new arrangement. When people are working on projects together, they can easily come together. When they need some quiet time to focus on a task, to get it done quickly, there are quiet areas. There are lots of small meeting rooms.

Moving to activity-based work gives people more flexibility as to the particular work arrangement that they need for the particular task. It also frees up space to create more small meeting rooms so that people can move in and out of meeting rooms. When they need to have a more confidential or private discussion, or when they simply need to not disturb others around them, they can move easily into those meeting rooms.

We would be very happy to show people who are interested how we are currently operating in activity-based work in that area. We have had a lot of staff across the service come and have a look to see what it means in practice.

MS CHEYNE: Have you got high staff satisfaction?

Ms Leigh: Yes, we have. We have had surveys which have had very high staff satisfaction with the new arrangements.

MS CHEYNE: So it is a much more open-plan environment?

Ms Leigh: It is open plan, but what is really significant is that open plan has been quite common for a long time in many workplaces, but usually in open plan people are locked to a particular desk and do not have the option of moving away from that. Other people around them may be dealing with a work matter on the telephone; the person next door may be needing to concentrate on an urgent brief for a minister. There are no options for staff in a normal open plan to adjust their work environment according to the nature of their task.

That is the really great improvement with activity-based work, and that is why it has such high staff satisfaction. It really does improve the working environment for staff and the opportunities for improving productivity through simply being able to adjust your work environment to suit the particular task.

Ms Whitten: In addition to that, Ms Leigh talked about the Civic office block. We also have the Dickson office block, which will have Transport Canberra and City Services as well as EPSDD and Access Canberra. In total, we are talking about nearly 3,000 people moving into both of the office blocks.

At the moment, across the ACT public service, we have about 800 people working in activity-based working environments. That could mean that, for example, there is no partitioning like other open workspace areas; that we all have lockers; that we have ergonomic furniture, so there are stand-up sit-down desks; and, as Ms Leigh mentioned, that there are good collaboration spaces. We definitely have mobile technologies. Our opportunity to look at better technology, better ergonomics and better facilities is one of the three outcomes that we are looking for in terms of activity-based working.

MS CHEYNE: Is everybody going to get a sit-stand desk?

Ms Whitten: At the moment—

Mr Barr: And the latest version of Windows.

MS CHEYNE: So I have heard.

Ms Whitten: That is the intent.

MS CHEYNE: Good.

Ms Whitten: In terms of the survey responses that we have received to date, over 70 per cent of respondents were satisfied with their new workplace and workplace environment, and 69 per cent of respondents said that they would prefer to work in the new activity-based work environment than their previous work environment.

MS CHEYNE: That is very strong, but how are we supporting the 30 per cent who are not so enthused?

Ms Whitten: What is important about any change process is communication and consultation, not only with the individual staff who are involved—of course, that is occurring—but also with unions, to support their members as well. It is continuing to

understand what the issue is and how we can work through what that issue is in order to find a solution that will meet everyone's needs.

MS CHEYNE: Are we aiming to try to get some higher satisfaction levels as time goes on?

Ms Whitten: That was in relation to some changes at the moment. We will be benchmarking as we move towards moving into the two office block buildings. The plan is to move into Dickson in around March 2020—the construction has commenced or is about to commence—with Civic around October 2020. We will be benchmarking the staff.

MS LE COUTEUR: I want to ask about ACT government employees' involvement in public consultation run by the ACT government. Are there any restrictions placed on employees?

Ms Leigh: Public servants generally need to ensure that they are independent in providing advice to government and are seen to be independent in providing advice to government. We have principles about public servants' engagement generally in the public sphere. As a general principle the question is: would that engagement in some way indicate that the public servant is unable to maintain their independence in giving advice to government? With a more junior public servant, there is less likely to be that perception. On the other hand if I replied to a government survey with my name then there would be a clear perception that I held a strong personal view.

First, things have to be weighed up. Generally, there are not issues with that because public servants understand that. I am not aware of any particular concerns in relation to public servants. I certainly do not take an approach of trying to impose restrictions on individuals in terms of their personal life.

MS LE COUTEUR: Is that communicated down to managers? I have been told about a particular instance where a member of staff was told they could not put a submission in to an Assembly inquiry. The area that it related to was not the area in which they worked; it was a totally different directorate. Their knowledge involvement was 100 per cent in a private capacity, but they were told by their manager—or so they told me—that they could not comment and put a submission in.

Ms Leigh: I am not aware of the individual case. What I would say is that where any staff have concerns, they should certainly escalate that. Ms Whitten is always available to provide advice both to individual staff and to relevant managers. I would encourage anyone who has any concerns to take that approach.

Ms Whitten: Section 9 of the Public Sector Management Act clearly articulates the principles. We have previously talked about the caretaker principles as well, and that is available for people to look through. I am very happy to talk with individuals—

MS LE COUTEUR: This was not in the caretaker period.

Ms Whitten: No, I appreciate that, but there are some principles in that document that help guide thinking around these kinds of matters.

MS LE COUTEUR: You are not aware of any pressure being put on staff? This is the most blatant one that I have heard of. I do know the person's name and directorate, but I probably should not say it in this public context. I have heard more general comments from people, who say, "I work for the ACT government so I feel I should not respond to X, Y or Z;" whereas X, Y and Z cover a huge range of ACT government things. Obviously, most ACT public servants live in the ACT and thus have an interest in the government's activities, apart from their work interest.

Mr Barr: It is undoubtedly a tricky area. Individual public servants would need to make some judgements in relation to whether their participation in such a process could lead to a perception or otherwise. Most often those perceptions are unfounded and unfair; nevertheless they occur. I will give a practical example. You could be having coffee and breakfast in Manuka one morning and stumble across a petition about peacocks in Narrabundah, and, all of a sudden, allegedly you have completely undermined the consultation process in the eyes of some.

MR COE: You peacock lover, you!

Mr Barr: Indeed; so there you go. It can happen to the Chief Minister; it can happen to the Head of Service. In the context of what you have described, in my mind, it would not be an appropriate level of managerial oversight. It would be useful to ensure, through an appropriate communication channel for staff, what the boundaries are. The comments Ms Leigh has made are right; anything that very senior people do clearly and immediately could be perceived to be something that might seek to influence an outcome or a consultation process.

MS LE COUTEUR: What would be the best way of following up on this particular incident? I did write to the commissioner and got no reply.

Mr Barr: You have written to—

MS LE COUTEUR: I wrote to the public service commissioner, I thought, and got no reply.

Mr Barr: When did that—

MS LE COUTEUR: A few months ago, when it was reported to me. I could not believe, given it was not even in his directorate—

Mr Barr: Right. We will—

MS LE COUTEUR: I could not believe that this was actually government policy.

Mr Barr: I am sure that will be followed up.

Ms Whitten: I will follow up with Commissioner McPhee and his team, yes. He is the Public Sector Standards Commissioner.

THE CHAIR: On the example Ms Le Couteur has raised, how do the rules under the

Public Sector Management Act and the guidelines for public servants balance with the rights, freedoms and practices of Westminster parliamentary democracy and the standing orders of the Assembly, in advising that it is not best for an individual to make a submission to a parliamentary inquiry?

Ms Leigh: In terms of that last statement, I am not sure—

THE CHAIR: How is that balanced?

Ms Leigh: that that is the case. I do not want to take what you have just said as the starting point, that it would be said that it is not best to do that. It would depend on the exact circumstances. I would prefer to go back to the principles that I articulated: the importance of public servants being perceived as providing objective advice on everything; and how you weigh that up with people's engagement in their community.

MS ORR: Does the ACT public service inclusion employment program budget initiative fit in output 1.2?

Mr Barr: It definitely does, yes.

MS ORR: How will this initiative contribute to a more diverse ACT public service?

Ms Leigh: I am very pleased that we have this additional resource from the government to support further steps on improving the diversity of our public service. It is something that I think is extremely important in terms of getting the most out of our community. If we are not drawing on all parts of our community, we are not having the opportunity to get the best people into the public service. Equally, if we are serving our community and we do not have a good spread of community members in our service, again, are we properly understanding our community? It is something that I think is very important.

We have done a lot in this area, and I am very pleased with where we have already got to as a service. I think we have a good record of being a diverse and inclusive service. Nevertheless it is something that we always want to do more on. These resources will support us to put more programs in place. Across the service the understanding, from directors-general down, is about the importance of diversity in the service. There are a lot of measures already in place. Ms Whitten's area provides whole-of-service support to continue to support directors-general as they focus on ensuring that directorates do have a diversity of employees. This funding will allow Ms Whitten's area to take further measures in that regard.

Ms Whitten: This is an initiative that will roll out in the calendar year 2019. It will build on the existing programs that we have for supporting Aboriginal and Torres Strait Islander people, as well as people with disability, in our service, maintaining, attracting and retaining staff in this area. Part of the initiative will also go towards the LGBTIQ community.

We currently have, for example, with the Aboriginal and Torres Strait Islander initiatives, a traineeship program. This year we received about 43 applications for the program. We are currently going through interview processes to offer positions for

about 17 people.

The funding for this initiative will build on that, and we will roll out an Aboriginal and Torres Strait Islander career development program for Aboriginal people. Up to 40 places will be available. Twenty of those places will be for ASO staff and 20 for senior officer level staff. That is about staff who are already within our service and supporting people through their career, through the ACT public service. That builds on a program that we conducted in 2017.

In addition to that, this funding will go towards a new leadership program for Aboriginal and Torres Strait Islander people. Twenty employees at the senior officer and exec level will have that opportunity to work through a leadership development program in terms of their career into the executive service. The other aspect to the Aboriginal and Torres Strait Islander program will be mentoring staff, both Aboriginal and non-Aboriginal and Torres Strait Islander staff, in terms of developing individuals in the workplace.

We have similar programs for people with disability to the ones that I have just described in relation to Aboriginal and Torres Strait Islander people.

MS ORR: Currently, you have got programs for Aboriginals and Torres Strait Islanders and people who identify as having a disability. The program that is in place now will be an expansion of those. Is that correct?

Ms Whitten: We have got specific programs. These will be new ones.

MS ORR: These are in addition to the existing ones?

Ms Whitten: Yes, which is why the funding is important so that the minister can manage all that.

MS ORR: And that will be taking in the career development program, the leadership program and the mentoring—

Ms Whitten: And the mentoring, training, yes.

MS ORR: In addition to the program? That is the additional part?

Ms Whitten: Yes, correct.

MS ORR: And the same would happen for disability?

Ms Whitten: Yes.

MS ORR: Those same sorts of programs, mentoring—

Ms Whitten: Yes.

MS ORR: I think it was Ms Leigh said Ms Whitten's section will be working with other areas across government. Is that a new feature of this program? Can you give

me a bit more detail on how that relationship and implementation will be carried out?

Ms Whitten: In terms of our team, we always work across directorates and with directorates. We are working with directorates in terms of that. We also have existing programs—our network programs as well. That is very much about bringing Aboriginal and Torres Strait Islander staff together and also people with disability into networks from across all directorates together on a regular basis. Those exist as well.

The other additional initiative that we will be undertaking, which we did last year and we will be doing this year as well, is engaging with people with disability who are not yet in our workforce. We have held an expo of providers so that individuals and their families, as necessary, can come together on an annual day—our next day is 3 August this year—so that people can get a better understanding of what support is available more broadly about employment in—

MS ORR: Did you say you have held one of those?

Ms Whitten: We had one last year and we have got another one coming.

MS ORR: And did you get any feedback from the people who attended?

Ms Whitten: I think it has been very positive, and that is why we are going to have another one on 3 August. In fact, it is bigger than last year.

MS ORR: You did put some numbers in there as to what you see. Is there anything that you are looking at in particular to attract a certain number of people from these groups? Are there targets, I guess is what I am getting at?

Ms Whitten: As part of diversifying our workforce we have actually got targets in our directors-general performance agreements for both Aboriginal and Torres Strait Islander people and for people with disability. This additional funding will help us achieve those targets by June 2019 as well.

The other aspect of this new funding is not only about attracting additional people into our service but also retaining people within our service and also creating that career through the service. Sometimes people come through at an entry level but really what is that progress towards a more senior level? It is also to support people to feel satisfied in their work within the service as well.

MS ORR: Can I clarify: was it just the two focus groups for the diversity, Aboriginals and Torres Strait Islanders and disability, or are there some other focuses as well?

Ms Whitten: I am looking at Mr Stankevicius. Perhaps he could come to the table in terms of LGBTIQ.

Mr Stankevicius: The office for LGBTIQ affairs falls within one of my responsibilities. We have been working very closely with Ms Whitten's area over the past year and will continue to do so in the future in terms of cross-government support across all directorates as to how they might work better, engage better and network better with their LGBTI employees. In particular, most recently, together we put a

survey out across the service and we got an extraordinarily high response rate to that survey in terms of LGBTI inclusion, networking and opportunities—a kind of a sentiment and a kind of assessment as well.

We got over 1½ thousand responses to that survey which, given that we have a service of 21,000, is a pretty good hit rate. We are in the process of analysing that at the moment, and that goes to: what kind of workplace do you think it is in terms of its receptiveness and its inclusion? What would make it a more inclusive workplace?

Again, also going to the points that Ms Leigh opened with, the question is: how is it that we make sure that we are attracting the right calibre of staff, that we have a staff and a workforce which is reflective of our community? We know that services that are reflective of their communities deliver better for those communities. They attract people who have the calibre, the skills and the experience that we want and that makes our service delivery better as well. There is a nice link there between what it is we are finding out—we will be, hopefully, once we crunch the numbers completely—from our respondents to the survey and how we can then turn that into programs across the service and how that better improves the service delivery to different communities across the ACT.

Obviously Ms Whitten's area led the way with a veterans survey that we did across the service last year. This is the next one, and I think there is also—I think Ms Leigh sent the email out—a gender equality survey, again asking similar questions to the gender perspective.

But certainly in the LGBTI space we are working very closely together. We will be providing the survey responses back to all directors-general in relation to how their individual directorates have fared in terms of those responses and that will then also feed into a workplace that we are developing for the office for LGBTIQ going forward as a whole-of-government work plan.

MS ORR: I have some more questions on the office for LGBTI affairs but they are probably of a more substantive nature. I can try with a long bow to bring it together but I do not—

Mr Barr: We appear to have the smallest number of committee members I have ever seen at an estimates hearing, and no chair at the moment.

MS ORR: Ms Cheyne is the Acting Chair.

THE ACTING CHAIR (Ms Cheyne): I am acting.

Mr Barr: Adam is here. It is probably a good time to ask the question then.

MISS C BURCH: I have got another substantive but—

MS ORR: I will not take 20 minutes.

Mr Stankevicius: To finish off that part of the question, I think the other important part is that we are increasingly supporting the development of organically developed

pride networks in different directorates across the ACT. The Community Services Directorate was the first to formalise that arrangement. It is a very active pride network and very engaged. We have participated in and worked with Education to develop theirs, and we went to the first meeting, the inaugural meeting, of that a few weeks ago. We certainly know there are a number of other directorates who are actively looking to develop pride networks within their organisations as well. But, as I say, it is an organic process. It is being led by the staff themselves.

MS ORR: This does link a little to where I wanted to go with the questions on the office for LGBTIQ affairs. You are talking there about supporting groups. We have heard quite a bit about within the service but are you looking at including it within the wider community and looking at initiatives undertaken in coordination roles that you have?

Mr Stankevicius: The office was formally established in this financial year. The manager was first appointed in September last year, and I think we have been in an engagement explosion. I think that is probably the way in which I would describe it. Obviously for a community that has not had a distinct and discrete place in government to relate to in the past, it has been quite a journey in terms of the diversity of the LGBTI community—everything from LGBTI scientists and engineers, obviously to sports people, ranging through community organisations and community services, young queer people, the queer departments at universities, people with HIV-AIDs.

There is a whole spectrum of community groups both within the ACT and the Canberra region and obviously inter-jurisdictionally that we have been working with as part of this first step in the development of the office. It is part of, I suppose, consulting as broadly as possible on where it is that the ACT government's strategic plan in the LGBTI space might take us in the future. Obviously that consultation will then be drawn into some proposals which we will put to government for consideration within the near future. I suppose that is the first thing we have been doing.

We have been supporting directorates in a number of areas that are having both policy and individual challenges. While you said “externally”, there is a bit of external and internal there in terms of staff that are transitioning in the trans space and some challenges and support we have been providing.

Obviously, very soon after the office was established we had the same-sex marriage survey at the federal level, and we very clearly got feedback from the community organisations we were working with at that time that the demand for counselling and support services had skyrocketed during that period. We were able to mobilise across government to be able to provide additional funding to the support and counselling services that we had in place in the ACT. We are working very closely with the Community Services Directorate and ACT Health as to how we might enhance those during the survey period.

This was particularly important in the trans and intersex space. Obviously same sex marriage matters very little to trans people and intersex people but they were, I suppose, unfairly drawn into the debate and unfairly characterised during that period. As such, the mental health issues that particularly those communities experienced at

that time were quite acute, very intense, and the government thought it was very important to ensure that those communities were supported more fully and forcefully during that time. That is certainly one of the other areas of emphasis that we have been doing in the office.

We have for the first time been supporting communities to recognise days of significance—Intersex Awareness Day, jointly with the LGBTI Ministerial Advisory Council. We held a public awareness forum about what intersex is and got some very positive feedback and some quite emotional feedback from members of the community. Some wrote to us afterwards saying how emotional they were, I suppose, after the event, that it was the first time they have ever seen their government acknowledge them as person and recognise they exist in the community and that they are someone the government values listening to and hearing from.

I think it is heartwarming when you hear those stories about people who felt excluded for such a long time, and how something as simple as an awareness-raising workshop for an hour and a half on a Thursday night at CMAG, with peers and people who are interested in them as people and interested in their life stories and their life journeys, can have a really positive impact on people's self-esteem and wellbeing when they are not necessarily in the best place.

We know from all the data we have—and there is only a little bit of data available, even internationally, on trans and intersex communities—that they have the worst employment outcomes, the worst education outcomes, the highest levels of bullying and harassment, both privately and publicly, and that is why I think the government was keen to support additional capacity for the office through this budget process to focus specifically on the trans and intersex communities.

MS ORR: You mentioned that you will be putting some things to government. I do not want to pre-empt what those are but is there any indication you can give us on what the forward work plan is that you are looking at? There has been quite a strong theme throughout this whole question about the mental health of people within the LGBTIQ community. What are you looking at to continue to support and build on the work you are already doing?

Mr Stankevicius: I think the government has already made a quite significant commitment to the mental health space right across the LGBTIQ community spectrum. Certainly in this period of government there has been a more significant investment. We have seen additional resources for a gender agenda in the trans and intersex space in particular. I think, through the announcement in this budget about the youth mental health space, LGBTI will be one of the categories that will be better serviced, I suppose, by the additional investment in mental health, which I am sure Minister Rattenbury will be talking about at a later date. I think there is already quite a significant investment that the government has made, and that obviously continues the investment made in the earlier funding for the LGBTI community consortium, which is focusing on that space as well.

I think what is really interesting in the massive amount of consultation that we have done so far is that there is an important part in the LGBTI debate about not focusing on the deficit model, not saying that everything in this community is a problem, that

there is an issue or deficit that needs to be addressed, that if there is a positive part of being part of a community—and this happens in all marginalised communities—where people can find a community that they identify with, that they feel comfortable with, that they can share their genuine selves with, then that is a really positive story for community inclusion.

That is part of the awareness days and the recognition days that we have been supporting with community organisations, that kind of affirmation and celebration and the ACT government's ongoing investment. The SpringOut Pride Festival in November is another good example of that kind of continued investment that says to those people that we do not just look at you as a problem to be fixed, or an issue to be addressed, that we see you as an important part of the way in which this community celebrates the richness of itself.

THE ACTING CHAIR: Yesterday we had a reasonably lively conversation about sexual health in the ACT—that there is quite high or increasing demand at the free walk-in sexual health centre. We were talking about the basis for that demand. One of the witnesses yesterday said that the ACT is quite a magnet for the LGBTI community, and that community does seek higher service support from the sexual health centre. Does the office have a role in terms of education about sexual health or providing any resources there, or does that sit somewhere else?

Mr Stankevicius: Minister Fitzharris has a specific advisory council in the sexual health and communicable and transmissible diseases space. Certainly, that council has in the past met jointly with the LGBTI ministerial council. Obviously, there is significant crossover in their areas of interest. We have a very good relationship with the Canberra Sexual Health Centre through ACT Health, through the AIDS Action Council and associated groups. There is quite a range of groups out there in the sexual health space. I think it is a positive thing that people are getting tested more often.

THE ACTING CHAIR: Yes, definitely.

Mr Stankevicius: It is part of the international agenda towards getting to zero in terms of new transmissions of HIV. Regular testing, we know, is one of the most important ways for people to be aware of their health and to not retransmit unknowingly to others.

We can also say that the government's significant investment in the PrEP trial means that you are called back on a monthly, two-monthly and then three-monthly basis. That would be a regular clientele that, prior to the funding of the trial, would not have been going to the Canberra Sexual Health Centre.

I have to be honest: when I have been there, there has been a mix of people—people who are obviously getting tested for STDs, very scared looking young couples who think they might have a baby on the way, and a mix of others who may or may not be dressed up colourfully, which might lead you to a conclusion about the kind of sexuality or the kind of life they are leading, or not. I do not think you can actually say that it is just the LGBTI community that is leading—

THE ACTING CHAIR: No, but I did say this does tend to be a demand area.

Mr Stankevicius: Yes, absolutely.

THE ACTING CHAIR: I am not saying that is the whole demand—certainly not.

Mr Stankevicius: No. I think there is a very positive story there.

THE ACTING CHAIR: Absolutely.

Mr Stankevicius: There is a really positive story about PrEP. That was a really important decision that the government took, and really important for the community. Now, the federal government—it took them a while—have followed with listing with the TGA and then on the PBS. That may wash through the system. Those clients, having got particularly good service at Canberra sexual health, will probably continue to receive their prescriptions and that contact there. It is very well ingrained into the sexual health network. Sexual Health and Family Planning are obviously an important service provider, both in the community and in our education system for safe and inclusive schools.

THE ACTING CHAIR: We had some concerning statistics yesterday that HIV is actually increasing, which is pretty terrifying. Also, with the availability of PrEP now, even though I absolutely agree it is fantastic, some behaviours that might be associated with that mean that other STIs might start to increase.

Mr Stankevicius: That is certainly the international evidence: now a lack of use of condoms has meant that things like syphilis and gonorrhoea are certainly on the rise. Again that regular testing is an important part of ensuring that that does not get transmitted. You get your treatment and then you can make active decisions about how it is that you express your sexual self. Again those involve a pill or a jab in response, in terms of gonorrhoea and syphilis. HIV is the one that we should be most concerned about.

MS LE COUTEUR: This is a continuation of Ms Orr's question earlier about employment. Obviously, we know Canberra still has considerable inequality and the market does not appear to be capable of ironing all of this out and achieving equality. How does the budget work towards promoting equality of employment opportunity? I am particularly concerned about people living on the outer fringes of Canberra, where local employment is usually not located.

Mr Barr: Is the question in relation to public sector employment or employment more—

MS LE COUTEUR: I suppose both, given the ACT government's role in fostering the environment of the ACT. Either of those slants would be of interest. The basic thing is: what can we, as the government, do to increase equality by providing employment opportunities for people who are not managing to get employment? From a socio-economic point of view they tend to be distributed quite a lot around the fringes of Canberra.

Mr Barr: There are a number of different elements to that question. The starting point

has been a focus over the past four or five years on supporting growth in the economy, which has, in turn, seen unemployment fall and employment increase. Participation levels are pretty consistently above the Australian average in the ACT, in terms of workforce participation. Generally, we are either number one or number two in terms of the proportion of our population either engaged in employment or seeking work.

The geographic distribution of unemployment is an interesting question. I am not necessarily sure that it is as straightforward in that I think a lot of pockets of disadvantage and higher levels of unemployment are not necessarily in the outer suburban areas but in fact have been in inner city areas, although those patterns will change. I have observed a pleasing downward trend in youth unemployment in recent times.

The broader issues around employment location are interesting ones. Clearly, there have been moves by the territory government and there was a recent federal government announcement around relocation of some employment from the parliamentary triangle or CBD areas into particularly, but not exclusively, Gungahlin. We did some mapping of where ACT government staff work. I think Woden is the area that has the most number of ACT government staff, reflective of the—

MS LE COUTEUR: The hospital.

MR BARR: hospital, but also recent decisions around moving office-based staff into the Woden town centre. Our employment distribution is much more diverse than the commonwealth's. Any suburb that has a school will have ACT government employment; fire stations—we obviously have a broader spread of ACT government employment.

The private sector employment nodes are diversifying. One of the factors for that is available land or particular types of private sector activity. But the very regimented and clear delineation of ACT planning zones means that industrial employment, for example, is in a certain number of very defined locations and absolutely nowhere else. Let us be clear about that. We have had a history and a culture of wanting to put dirty and smelly and other activities that we do not like to live next to in certain industrial suburbs. That is a very different regime in this city than is the case in others where, over their history, there has been much more mixed use and different types of activities occurring.

We have, by design, created dormitory suburbs where there is almost no employment. That has been as a result of the planning system dictating that outcome and not allowing any other type of activity to occur. That has its advantages and disadvantages. Ms Le Couteur, I think you have highlighted one of the downsides. That means that people have to travel further to where they work. That then brings in a question of transport policy. Undoubtedly, we are now engaged in the single largest investment in transport infrastructure in the history of the Australian Capital Territory, in a diverse range of public transport infrastructure, as well as investing in active transport infrastructure and continuing a program of road-based transport investment.

This goes to a broader question of where the future population growth that the city will experience will be accommodated. There is a very clear planning strategy to want to increase residential opportunities in areas of high existing employment that will

remain for our lifetimes. It is hard to see there being a significant shift of employment away from the parliamentary triangle and the CBD in our lifetimes.

The nature of work is changing a little, as we have heard, and it can be more flexible. Some people are able to undertake part of their work from home, which might negate the need to travel. But I suspect that, unless there is a significant move to rezone potential use, it is hard to see there being major employment created in outer suburban areas unless land is rezoned for that purpose.

MS LE COUTEUR: More generally, what about entry-level positions in the public service? They are possibly going to be most attractive to the currently unemployed?

Mr Barr: Yes. We have had a number of requirements around apprenticeships associated with appropriate elements of the ACT public sector, in infrastructure projects and the like. We have a very strong graduate program within the ACT public service. In fact I was speaking to the graduate group only last week. I had a very interesting Q&A session—a very engaged group of people across the full range of ACT government services.

I have made the point, and I will make it again today, that of all employers in this nation, I challenge you—not you, but I challenge anyone—to name one that would employ a more diverse range of occupations than the ACT government. I am yet to find one. I have put the challenge out there. I jokingly say that some of the only things we do not have are an army, an air force and a navy.

THE ACTING CHAIR: On that note, we will adjourn for lunch.

Hearing suspended from 12.31 to 2.02 pm.

THE ACTING CHAIR: Ms Orr, we will start with you.

MS ORR: I want to go to the VisitCanberra tourism statistics. It seems to be one good thing after another.

Mr Barr: Apparently so, yes.

MS ORR: Do you want to, just for the record, run us through where we are with our tourism statistics. Then I will shoot off with my line of questioning.

Mr Barr: Absolutely. I might get Mr Kobus to answer. I think there are new figures hot off the press this week.

Mr Kobus: Going to the summary of current tourism statistics, this week the latest national visitor survey data for domestic overnight visitation was released. That is for the year ending March 2018. It continued the trend of record-breaking visitation for the ACT that we have seen in recent times, particularly over the past two years, in terms of numbers of people travelling to Canberra from around Australia.

Where we are at the moment in terms of overnight visitors is that there were 2.69 million domestic overnight visitors, an increase of 7.7 per cent from the previous

year. That is slightly ahead of the national average of 6.7 per cent. Importantly, there were 7.1 million visitor nights, which is up 11.5 per cent on the previous year and well ahead of the national average of 4½ per cent.

Importantly for us, overnight expenditure is strong; there was \$1.5 billion in overnight expenditure for that year ending. That is a really important measure for us as we track towards meeting our goal of achieving an overnight expenditure target of \$2.5 billion by 2020. We are on track; we are currently around \$2.13 billion. Our projection is that we are on target to meet it, and hopefully exceed it. In the next couple of years, we will be doing a range of things to ensure that we are implementing the right things in the market to help us do exactly that.

From the international perspective, this is becoming an importantly well-earned part of what makes up our visitor market to the ACT. We had 14 international flights coming into Canberra as of 1 May this year. Eighteen months ago we had zero, so there has been rapid growth from that perspective. The success of those is underlined by Singapore Airlines increasing the frequency from four days a week to daily on 1 May, which was a really important milestone for us in the relationship and success of that airline to the market.

International visitors were just under 243,000 for the year ending December 2017. We have not got figures later than that at this stage; that is in the hands of Tourism Research Australia. We will be updated on that shortly. In that calendar year, international visitors were up 16.9 per cent, so there was a huge growth in our international tourism market. The national increase was 6½ per cent, so we are well ahead of that and it was the strongest performing percentage gain in the country except for the Apple Isle, which was slightly ahead of us.

Expenditure internationally—this is another really important one—increased by 23.3 per cent for that calendar year, to \$558.4 million. A significant part of the opportunity for us is to continue to grow that. I think we will see that with the flights we have and our ambitions to improve access.

MS ORR: Okay. In relation to the domestic overnight stays, noting that that is going up, do you have any analysis on where that growth is coming from?

Mr Kobus: Domestic overnight stays?

MS ORR: Where that growth is coming from.

Mr Kobus: Yes. In terms of our market mix with domestic overnight stays, depending on the quarterly fluctuations, between about 65 and 70 per cent of that is from regional New South Wales and Sydney. The next best performing market is Victoria, which is about 17 to 20 per cent, depending on what is happening.

A really important part of our objective over the next 12 months is to diversify that mix of domestic visitation. Regional New South Wales and Sydney are going to be bread and butter. Geographically it makes sense; the biggest market in the country is on our doorstep.

Pleasingly, we are seeing really strong growth from Victoria. The thing that is underpinning that is the success of the entry of the low cost carrier Tigerair. That is providing 200,000 seats that are available on that service per annum. That opens up a new market; in particular, it opens up affordable flights for the leisure market. We are seeing well over 20 per cent growth in visitation out of Melbourne specifically over the past 12 months, and similar numbers for regional Victoria. That aligns very strongly with when those Tigerair flights started. Again, that is a great platform to work with to justify opportunities for other major capital cities to connect to Canberra with a low cost carrier, and we are doing work around that.

MS ORR: You covered the expenditure, noting that the expenditure for overnight stays is also up. Do you know where we are spending that money, where that money is going within the local economy?

Mr Kobus: When people come for overnight stays, it is spread throughout much of the ACT economy. Obviously, accommodation is the main one. In terms of what is happening in the tourism market, the increase in overnight stays is really providing the private sector with confidence to invest in accommodation, and people are seeing good returns from that. Since 2013 we have had net growth of around 2,000 rooms in the city, and we probably have another 1,000 to 1,500 coming online over the next 12 to 24 months. That talks to the fact that that type of product is in demand and investors are having confidence to actually do something about that.

Then there are all the other things. When anyone is on a short break, they stay in places, they go to restaurants, they go to bars, they visit national attractions, they buy things in shops. It is spread right throughout our retail sector and our hospitality sector. And there is also spend at particular events that people participate in.

MS ORR: You have mentioned that the local carrier has been a big area of growth in getting other cities to connect. That goes to my next question: where are the opportunities for growth, given that we have been doing so well and we do not want to lose the momentum if we can do that?

Mr Barr: We continue that engagement with low cost carriers. I met with Jetstar when I was in Melbourne a few weeks ago, and we are pursuing a number of different connections with them. The threshold issue is getting them flying to and from Canberra in the first instance, and then looking at gaps in the market or opportunities for further growth.

Melbourne is the second largest domestic market, so there is opportunity there. We also think there is opportunity for growth into south-east Queensland, either out of Gold Coast or Brisbane.

I have written to the Tasmanian Premier, who is also the tourism minister, looking to work together on a direct Canberra-Hobart service, given that both the ACT and Tasmanian tourism markets have been the fastest growing in the country for quite some time now. We are in quite a competitive race with them. From quarter to quarter, our total tourism numbers will be very close.

To put some perspective on this, we are fast catching Adelaide as a destination. That

is really encouraging for the growth of our tourism sector. Adelaide is another market that we have sought to pursue for improved aviation access. At the moment Qantas has two direct flights a day, and Virgin might only have one. And that is it. There is scope for better connectivity Canberra-Adelaide, Canberra-Hobart, Canberra-Melbourne and Canberra into south-east Queensland.

THE ACTING CHAIR: What about Canberra-Gold Coast?

MS LE COUTEUR: That was going to be my question.

Mr Barr: We talked about that. Virgin currently fly direct, but it would be a good option. I caught that flight last week.

MS LE COUTEUR: They used to fly more. My daughter lives on the north coast, so I know it very well. They used to have a more regular direct flight pattern.

Mr Barr: Yes, but they do still fly direct. It would be an obvious market for Jetstar, for example, to enter into. That is the broad sweep of domestic aviation connectivity that we are pursuing. In the international arena, it is focused on trans-Tasman and China connections.

MS ORR: You anticipated where I was going, Chief Minister. In relation to the international market, you said that we have seen increases in that, too, particularly off the back of the 14 international flights that are coming into Canberra now. What markets are we seeing that come from?

Mr Barr: China is number one, and has been growing very rapidly. That is clearly a trend in Australian tourism. I believe that now China has surpassed New Zealand as the single largest source of international visitors into Australia. That was achieved recently. New Zealand had been number one; even though it was closer, it was a much smaller market. I think we are going to continue to see that trend of growth out of China.

We have seen good numbers out of Europe and the United States. They have been traditionally strong markets for us. The flight with now only one stop via either Singapore Airlines or Qatar from most European destinations has helped. North America continues to be a strong market for us. The South-East Asian market, clustered around Singapore, including Malaysia, has been positive.

New Zealand, although it is only number two for Australia, has sometimes struggled to be in our top five. That has been because of the lack of direct connectivity. Hence, there is the need to continue to work on that. I think they came into the top five when we had the direct flights to Wellington, but Auckland is the bigger New Zealand market, clearly, and the one that would have potential as a hub to then go on to North America. It makes sense for an airline like Air New Zealand, for example, to want to bring passengers into its hub and then connect onwards.

The discussion we have had, looking at Air New Zealand's forward strategy and the ability now for narrower body, long-haul aircraft to get further into the United States, is about a Canberra-Auckland and then Auckland-New York flight. East coast

US connectivity is possible from Auckland in a way that is still not quite there from the east coast of Australia. That is an alternative way to get into North America or the American market to access the Australian east coast.

Longer term, there is potential there with some of the new aircraft types that are tending to be favoured now. They are moving away from the very large A380 aircraft with 450 to 500 passengers to more point-to-point, city-to-city aircraft like the Dreamliners, A350s and the like, that have an incredibly long range but between 200 and 300 seats, depending on how they are configured. That would suit a market like ours a lot better.

MS ORR: If anyone is listening out there and has one?

Mr Barr: Yes.

THE ACTING CHAIR: Talking about China being our biggest market for people who come here, do we have any initiatives underway in terms of making Canberra a more China-friendly city? I am thinking about street signs in one of the Chinese languages or having some material available at the airport on arrival, things like that?

Mr Kobus: Yes. The Chinese market continues to grow strongly. It is up 12 per cent in the past year. The Singapore Airlines flight does provide good connectivity from China; it is essentially one stop to Canberra travelling through Singapore. Most of the campaign work we do into China is associated with the airlines, so we are looking at being very targeted in how we talk to the market.

In terms of how the industry responds to that, that is one of the challenges associated with the Chinese market. It is largely driven by demand. When a business sees the demand from the market, they will start to respond to the types of things that need to be done to cater to that market.

One of the things that we do is work quite closely with the Australian Tourism Export Council to do a range of things to help businesses be better at working with the Chinese market. That includes a lot of mentoring, workshops and helping business understand how to set up the right payment systems, down to individual businesses and how they market into the Chinese market by setting themselves up to use the relevant social media platforms and the like.

That work will continue in the months ahead. The important part is for business to actually see that they are getting a return on investment from that market, for them to see the value in investing in it.

THE ACTING CHAIR: Have you thought about having a special section in different languages on our own websites or on landing pages like the VisitCanberra page?

Mr Kobus: Yes. With most of our international markets, we work very closely with Tourism Australia. Our translated content through into China is largely through Tourism Australia's platform as a trusted brand. The awareness of Australia as a place in the Chinese market is far stronger using Tourism Australia as the key platform than just going it alone as Canberra by itself. Translated content is something that we are

evolving, but that requires investment from us and is something that we will respond to as we see the demand coming in.

THE ACTING CHAIR: But that demand function is there, though?

Mr Kobus: Yes, it is.

THE ACTING CHAIR: When is it going to hit that threshold level?

Mr Kobus: Correct.

THE ACTING CHAIR: But when?

Mr Kobus: What we see a lot with Canberra, though, as well, is that a significant part of the Chinese market is also associated with the education market, the people who are here for studying. The friends and relatives associated with those people who are studying are travelling here.

The other part of the Chinese market that works really well for us is the independent traveller market, people who feel confident coming in, hiring a car and navigating around, independent travelling. We still get a lot of the day trips out of Sydney, but they tend to come down in tour groups on a bus. They will go to Parliament House and they will go back. Our aim is to get more of the independent travellers, to get them to stay overnight and experience more of the city.

THE CHAIR: Chief Minister, we have spoken on a few occasions through this year's hearings around approaches to other airlines to come to Canberra. What is the format of those conversations normally? What are they looking for, from a territory perspective or a government perspective, to commit to coming into the territory?

Mr Barr: It will depend on their level of familiarity with our market.

THE CHAIR: Jetstar as a domestic carrier is a different proposition to, say, China Southern.

Mr Barr: Indeed, yes. It will depend on whether they have pre-existing commercial arrangements with our airport. That has been the subject of a degree of media—

THE CHAIR: We have touched on that already.

Mr Barr: Indeed, yes; we have canvassed that question. That is largely the Qantas group and the Virgin group and their low cost subsidiary carriers. The further away from Canberra you go, the more the exercise in engagement can be one of even introducing the destination, although I think we have moved beyond that phase with a number of the airlines now. The awareness of Canberra as an international destination was boosted significantly by the Singapore Airlines commitment, backed up by Qatar. Now when we approach airlines, I get a meeting every time. It is not hard any more to get in the door.

Tourism Australia have a program where they will support new international aviation

access into Australia. That is a cooperative marketing program, in large part. I am not aware of any situations where there is effectively a seat subsidy or some sort of underwriting, but there certainly are long-term marketing commitments that are entered into that require both parties, or in some instances multiple parties. Our Singapore Airlines arrangement, for example, would involve the Tourism Australia start-up fund and our own contributions to marketing, plus a commitment from Singapore Airlines over a period of time. We are negotiating similar arrangements with Qatar, and that would be the basis on which you would approach other international airlines.

We appropriated funds through previous budgets for aviation industry development. That is principally managed through VisitCanberra on a marketing partnership basis, but where it might relate to freight as well, we would be able to draw in some other resources and capability through the Austrade network and through the Australian government around export facilitation and the like.

You try and bring as many of the available resources to the table as possible. I would observe, having been tourism minister for a while now, that there is a much easier conversation to have about Canberra than there was a decade ago. The *Lonely Planet* recognition was symbolically very important as well as providing a very practical marketing angle for us. The decisions from both Singapore Airlines and Qatar to fly daily has helped. Then you enter into the complex world of trade agreements and aviation rights access, and we benefit there, though in the context—

THE CHAIR: That is where the Qatar flights give a competitive advantage to the territory.

Mr Barr: Yes, exactly. There is no doubt that because Canberra Airport is not one of the airports that is limited in terms of access into Australia, and it does not have a curfew, that is a massive advantage for us. It certainly helps in the context of being able to get a good conversation going along on viability, particularly if it is linked with another Australian market. A strong one like Sydney is logical and makes sense.

THE CHAIR: It speaks for itself.

Mr Barr: But it did work in partnership with Wellington for a time as well. Depending on the size of the aircraft that are coming from Asia into Canberra, a New Zealand destination is feasible. It may not be in an old 777, but in one of those slightly smaller but longer range aircraft, that is viable. That is the direction that we have pursued.

THE CHAIR: What about the marketing arrangements? Taking Singapore as an example, who administers the funding of what is pooled between ourselves, Tourism Australia and Singapore?

Mr Kobus: VisitCanberra administers that.

THE CHAIR: Singapore Airlines make a contribution into VisitCanberra, do they, for the advertising? How does that three-way promotion work?

Mr Kobus: We cooperatively spend with Singapore Airlines. Singapore Airlines has great reach and distribution into the markets we want to talk to. Obviously, our aim is to leverage the fact that that airline is landing in Canberra and fill the seats as a mechanism to get international visitors into the city. We work with them on key markets that they can connect to and we invest cooperatively with them to execute campaigns that talk to the markets that they own but also into the channels that are relevant across Asia and also into Europe. For us, at the moment, Singapore is obviously a primary target, but also Malaysia, India, the UK and Ireland are important. And then into China as well.

THE CHAIR: Let me give an example, just for a bit more clarity's sake. India is a destination you mentioned that is key to Singapore. Obviously, it is two flights away from here, with a stopover in Singapore. You have agreed on what the market is. How do the advertising and the promotion of Canberra as a destination occur in that marketplace?

Mr Kobus: We would invest dollar for dollar with Singapore Airlines. Then the advertising is across a whole range of channels. As I said, we will do stuff that links to Singapore Airlines, the channels that they own. Then we will also do everything from PR activity to media placements across digital and outdoor radio. Pretty much all the traditional channels you would use on a domestic level we apply, in partnership with them, in those international markets. Then we will also do activities such as facilitating visits by people into this market.

THE CHAIR: Is that normally facilitated by a domestic marketing or promotions PR firm on the ground in, say, India as a market? Is it administered out of here or are we sending people onto the ground over there? I am curious about the logistics of this.

Mr Kobus: With Singapore Airlines, we use Singapore Airlines as the mechanism to undertake that activity for us.

THE CHAIR: So we basically make a contribution to Singapore Airlines.

Mr Kobus: Correct. All the marketing activity with Singapore Airlines is managed out of their head office in Singapore.

THE CHAIR: It was a bit confusing because you said it was done out of VisitCanberra previously.

Mr Kobus: The administration of the funding is done in terms of us being the lead agency to engage with Singapore Airlines. Right?

THE CHAIR: Right.

Mr Kobus: We work with Singapore Airlines on establishing the appropriate activities that we would put into the marketplace, but then Singapore Airlines do the work to actually make that happen.

THE CHAIR: You get an agreement on that, a marketing strategy, and then you make your dollar-for-dollar contribution to Singapore and they execute.

Mr Kobus: That is right.

Mr Barr: VisitCanberra also has a role in terms of the Australian Tourism Exchange, which is an event held in Australia each year where we have a Canberra presence. We work in partnership with industry stakeholders in context. Then there are the equivalent tourism trade fair type events in other markets.

THE CHAIR: All around the place.

MS ORR: Going back to my line of questioning, we were hearing that there was an upswing in all the statistics. What is our room occupancy rate?

Mr Kobus: Our room occupancy rate usually fluctuates between about 77 and 79 per cent, as a 12-month average. A destination like Canberra does have cycles. Obviously, when federal parliament is sitting, occupancy is fantastic. In early January sometimes occupancy is a little bit lower.

Mr Barr: It is generally above the Australian average.

MS ORR: Which is what the target is meant to be.

Mr Kobus: Yes.

Mr Barr: Yes, but not as distinctly seasonal as some tourism markets are: they are full in summer and empty in winter or vice versa. Federal parliament does have an interesting impact on the accommodation sector, demand responsive transport and the like. We get feedback through the taxi industry, Uber and others that there is an appreciable increase in demand in parliamentary sitting weeks for all of our tourism, hospitality and accommodation sectors. In reality, you have at least 5,000 additional people in the city utilising all of those services every time parliament sits. That is quite a boost in terms of activity.

MS ORR: Apart from the staffers who are coming to parliament—we can all guess what they are doing when they come to Canberra—what are our visitors doing when they come here? With those who are coming to Canberra for other reasons, what are they doing? I am thinking back to the annual reports hearings, when we heard quite a bit about *Mamma Mia* coming to the Canberra theatre, and that being a big regional pull. How are those events that we are running and the festivals contributing to our rate? Are we seeing an uptake because of those things?

Mr Barr: In short, yes. There is a need for some very careful planning around the timing of those events to avoid, as much as possible, direct clashes with parliamentary sitting weeks. That hits us a bit on the supply side. With a lot of the events program, it is best if it can fall in the 26 weeks of the year or thereabouts that federal parliament is not sitting.

We are conscious of that, and there are certain times of the year that the federal parliament is unlikely to be sitting and then times when it is absolutely certain that it will be. For example, there would be no point trying to put on a major event in

Canberra in federal budget week because there would be no accommodation available. There are other times, as Jonathan indicated—for example, in and around early January—when there is capacity; hence events like the Summernats are important for the tourism sector at that time of year.

MS ORR: On the major events, can you clarify for me what is the difference between the major event fund and the major events portfolio?

Mr Barr: We have a fund that has been in place for a while now and this budget extends it out over the forward estimates period. That fund supports a variety of events that meet certain criteria. There is an assessment threshold around the minimum size of the event expected, interstate and international visitation, economic impact et cetera, against which applications to that fund are assessed. That sits in my portfolio area of tourism and major events, as distinct from the community-level events that sit with Minister Ramsay, which may have an element of tourism in them but are not principally focused on that market. The distinction really is around scale.

The major event fund has supported national institutions to bring major blockbuster events—the National Museum, the National Library, the National Gallery and the National Portrait Gallery. It has supported major sporting and other cultural events over the years. There is a separate events fund for community-level events like the Tuggeranong or Belconnen festivals and the like which, although they are highly valued by the community, are unlikely to be top-level tourism events for Canberra.

MS ORR: Ms Le Couteur disagrees.

Mr Barr: Do you think people will come from all over the world? We tend to focus our major event activity on a couple of long-term ACT government supported and owned events like Floriade and Enlighten, together with some events that are run by other organisations who would apply to that fund for marketing purposes rather than any delivery purposes.

MS ORR: You said in one of the previous statements that there was a bit of work to do in filling in the timetable for things that are going on, knowing that federal budget time is not a good time to do that. We did have announced in this budget a new festival.

Mr Barr: Yes, which is targeted at wintertime. We will seek to slot it into a period when there has traditionally been a lower level of both domestic and international visitors in the city. It would be fair to say that if you map it over the course of a year, our peak tourism seasons tend to be in spring and autumn, and summer and winter are a little lower, although we have been working pretty hard to get them all up to a pretty consistent level.

Where we can, we leverage our events program and our events budget to try to bring events that would have regional, domestic, national or even international appeal into either shoulder seasons or times that are not at absolute peak demand around the federal parliament or significant events in our annual calendar. Another example—it is not parliamentary related—is Anzac Day. There is a huge amount of interest in attending the dawn service at the national War Memorial on Anzac Day. That is a big

event for Canberra, too.

There are other examples across our annual calendar. Australia Day tends to be pretty good for Canberra, too, whilst ever the federal government maintains the focus of the Australian of the Year awards and the like in the national capital. That will be a positive time for us. There are other examples over the course of the year.

MS ORR: Apart from the fact that the new festival is being held in the winter months, is there any other information you can give us on what you might have in mind for that festival?

THE ACTING CHAIR: Is it going to be called Wintervention, as the CRA is trying to advertise it at the moment? I think that is very clever.

Ms Verden: We are still very much in the early planning stages for the new festival, and that is a working title that we are going with at the moment. The name will be developed in due course, once we further develop the concept and have a better idea around what the new festival will look like.

It is going to be very much centred on our strengths around gaming, coding, film and music. It will be a new and innovative festival which goes into the winter period, which does work nicely for the destination in terms of that winter lull. Certainly, it will become what we see and envision as being the third main anchor event which will sit alongside Floriade and Enlighten as major tourism drivers.

MS ORR: Brand CBR also has some additional funding in this budget. Can you go over what you are looking at doing with that and how it fits in particularly with growing our reputation externally?

Mr Kobus: There is \$2.1 million in the budget for the brand over the next three years. Looking ahead, our work on the brand is really consolidating the CBR brand as a true, whole-of-city brand, and one that is a very strong reflection of Canberra as a place to live, study, work and also to visit and invest.

We have done a whole range of things over the past 12 months that focus on promoting the brand to the community both nationally and internationally. An important thing to remember with the brand is that it is still quite young, and, with the awareness of that in markets outside Canberra, there is still a great opportunity to grow that.

A lot of the work over the past 12 months for the brand has focused on consolidating the brand's association with and use by the community. You may have seen "We are CBR". There are a couple of stickers on that side of the table that we can see. "We are CBR" is very much our business engagement part of the brand. It is an opportunity for people to express pride in the brand and use it to show that they are a Canberra owned and operated business. We also have a range of partnerships that we execute to help generate brand awareness. A good example of that is what we do with the national sporting teams—the Brumbies, Raiders and Giants—and leveraging our partnership with them to get brand exposure at sporting events and across venues, which really helps to promote Canberra to a pretty broad audience across the country.

Mr Barr: We also utilise the opportunity with sponsorship of major cultural events and the like. The brand is a feature of many of the ACT government's sponsorship of events and activities, from the grassroots all the way through. Any branding exercise is a challenge.

I do not want to get too side-tracked on this but, in the trade space, the federal trade minister has got agreement from the states and territories to endeavour to develop an Australian brand, because we have not been particularly successful in terms of branding our nation internationally in a multifaceted campaign. I had a little bit of a chuckle at that. I am in favour of it; I think it is a useful thing. But knowing about the difficulties and challenges we went through in developing a city brand, trying to develop a brand for Australia will be an interesting challenge, and I wish them all the best with that. It is important in terms of a consistency of message and coherence, in terms of how we are understood domestically and internationally.

The one observation I will make from our experience and that I have observed in other cities, states or jurisdictions where this sort of exercise has been undertaken is that these things are long-term projects. They are not one, two or three-year things; they are decades long. In order to succeed, the fundamental starting point and building block has to be ownership and pride at a local level. If there is not that in Canberra for our brand, it will not succeed. We have countless examples of that in our city's history. We all "felt the power" in the 1990s and that one was not embraced. Regardless of its creative merit, it was not embraced by the community, and it fell by the wayside. There are risks in this for anyone and everyone, but if you are not prepared to take a risk or two with these sorts of initiatives, you will never get anywhere.

I would say, from the vantage point now of where brand CBR sits, its level of community acceptance, usage and awareness is pretty good locally. Even people who were a bit cynical at the start are now using it, which is great to see, but it has more to go. It is a very young brand, as Jonathan has indicated. We intend to continue to support it because we think it is hitting the right notes and there is more that we can do with it.

THE ACTING CHAIR: Mr Kobus, one of the things you said was that there were some areas where you thought you could still grow that brand. Are you able to elaborate on what you said and give us a bit more of your thinking on where those areas might be?

Mr Kobus: Yes. The Chief Minister is correct in terms of the brand, and an important part of consolidating that is support from the community, just like an event like Floriade still relies 50 per cent on community support as an event to sustain it and have some longevity. That is the fundamental starting point. But in terms of growing, it is about generating more awareness, nationally and internationally, and using it as a platform to really showcase what this city has to offer across all those things: a place to live, invest, study, do business and visit.

One of those things I think we will look to be better at is how we transition to one common platform to market the city domestically and internationally so that we are not confusing the market with a whole lot of different messages about what is in the

city; we have one true, whole-of-city brand that we can put into those areas.

THE ACTING CHAIR: The brand Canberra ephemera, like the badges, how much do we spend on that?

Mr Kobus: I can take that on notice. I do not have the exact figure on the expense on merchandise but the arrangement that we currently have with the Canberra Business Chamber is that \$500,000 is invested in the brand. About \$300,000 of that is invested in the brand program. That covers everything from website curation, creation of content, distributing content, activations at events and also includes investment in things like merchandise. We also generate some revenue from merchandise sales—

THE ACTING CHAIR: Shirts?

Mr Kobus: Yes, shirts.

Mr Barr: The visitor centre has the full range of CBR—

THE ACTING CHAIR: I have a yellow one and a rainbow one.

Mr Kobus: One of the great successes of the past 12 months for brand and merchandise was the brand CBR stand at Floriade. We had, as part of the information and merchandise, an area that was strongly fitted out with brand CBR stuff. It was very well received both by locals and interstate people alike. It was great just to use that as a bit of a test for the support and residence of the brand in the market.

THE ACTING CHAIR: This is a serious question; it is not going to sound serious but it is. Has there been a review done about the backing for these pins that we wear? The Chief Minister will know what I am talking about. Sometimes you are wearing them and then they end up upside down. Yours is fine. I would have told you before if it were not. The backing on them means that they can easily spin around. I was wondering for the next iteration maybe we could look at ones that just stay in the same direction.

Mr Barr: Does it go to the relative weight of what is on the front versus—

Mr Kobus: Yes. I think it is a work in progress to get the perfect pin balance.

MS ORR: While we are asking slightly cheeky questions, can I ask a slightly cheeky one. I do not want to pre-empt the government adopting a mammal emblem but let us just say we did. Do you see a role for either one of the two critters we have vying for it within our—

Mr Barr: I think one of the beauties of the CBR brand and framework is its capacity to be utilised across a number of different channels and in a number of different ways. Not only has it received a significant social media penetration and opportunity but its adaptability across a number of different campaigns and activations would lend itself to being utilised by a bettong or by a rock wallaby, either way, or possibly by both.

MS ORR: I will not ask you if you have a preference between the bettong and the

wallaby.

Mr Barr: I might have—

THE ACTING CHAIR: He is team betting; it is all over Instagram today.

Mr Barr: I might have declared that. I am not sure whether it is meant to be a secret ballot or not but I might have done a bit of show and tell.

MR COE: With regard to Floriade last year, was there an overspend in the budget?

Ms Verden: I can answer that. Currently we are still finalising the expenditure associated with Floriade last year. At this point in time I will have to take that on notice.

MR COE: Is it usually eight or nine months before you can get financial closure on Floriade?

Ms Arthy: In this case we have had a significant change of personnel in the team and that has meant that it is taking us longer to finalise the accounts. When we do get that done we can provide the answer in terms of the exact cost of the event last year.

MR COE: On that change in personnel—I gather around 50 per cent of staff in the area—what is the reason for that?

Ms Arthy: A lot of the reason is around a change in expectations in terms of what we might want them to deliver against what they perhaps wanted to be involved with. For example, I came in last year and the way that we were looking at the major events was that we were transitioning from the previous model, which was very much hands-on, to a much more oversight model. A lot of the people and staff we had in the unit were very much in the hands-on mode and made the choice to leave after Floriade was delivered.

MR COE: Are staff in the events area flat out?

Ms Arthy: I think the simple answer is yes.

MR COE: Are they stretched almost beyond capacity?

Ms Arthy: I would not go that far. We have a lot of strategies in place to work with the team to make sure that when we are delivering these major events they have support. I think it is important to acknowledge that in events teams there are natural ebbs and flows and around the time of events and the lead-up there is an incredibly heavy workload. But we do try our very best to make sure that appropriate mechanisms are in place, that they have appropriate rest, that they are provided with the support they need to get through those times. Jo might be able to talk in more detail about the specifics, if you would like to hear more about our specific strategies about what we do to support them.

MR COE: Go back to the question of cost and possible overspend. On what has

already been booked as opposed to what is also going to come in, how are you tracking at the moment?

Ms Verden: At this stage it appears that costs are higher than what we had originally budgeted. However, as we are working through the challenges associated with the eight staff who have left Events ACT, it has taken us a little longer to fully understand the total cost associated with Floriade last year.

MR COE: We looking at, what, \$1 million or \$2 million or something, what sort of amount?

Ms Arthy: I think it is premature for us to be able to give you a decent steer. We have contracted an external group to come in and help us finalise the accounts. As I say, we are hoping in the next sort of month we will have the figures finalised.

MR COE: This is obviously a cause for concern, is it not, if you have had to bring somebody else in to assist with it? But you must have an idea of the direction that it is going. Are we looking at \$100,000, \$1 million, \$2 million or more?

Ms Arthy: We are looking certainly at more than \$100,000 but again I cannot give you any more specifics until we actually see. The reason why I brought someone in was just purely that, with the change of staff, we were unable to have anyone with a corporate memory to be able to track through all the invoices and contracts to make sure we had everything lined up. We can provide the information on notice very shortly.

MR COE: Have all the invoices actually come in?

Ms Verden: I am fairly confident at this point in time, yes all the invoices associated with Floriade last year have been receipted.

MR COE: If they have been receipted how can you not have an idea of what the liabilities are?

Ms Arthy: The issue comes down to scale. There is an overspend but in terms of providing you an accurate idea in this sort of environment it is very difficult for us right now, just because we have not got all the accounts put together. I do not want to mislead the committee by providing a number, and then once we get the report back from the—

MR COE: I understand that. But if you have actually got all the invoices, what is the—

Ms Arthy: There are issues in relation to—and without going into boring accounting treatments—how prepayments are done. In any one year we are dealing with prepayments for next year, actual delivery in one year, and dealing with potential payments of a previous year. We are trying to sort out exactly what accounts and invoices match the 2017 event, as opposed to being prepayments for 2018 or tidying up accounts from 2016.

MR COE: Are there issues with implied or verbal contracts?

Ms Arthy: I am trying to think through. Not verbal contracts. I would have to get a better understanding about what you mean by implied contracts.

MR COE: In terms of what is prepayment and what is not, surely if that has been invoiced then it should be relatively straightforward, or if it has been booked—

Ms Arthy: No, it is more of an accounting treatment, just how it comes in and out of our systems. I am not an accountant and I cannot engage in great depth with how that happens, except, with the change of personnel and the records that we had available to us, it was not exactly clear which invoices related to prepayments as opposed to delivery of last year's event as opposed to tidying up the 2016 event.

MR COE: Have any funds had to be shuffled from one area of the directorate to another in order to meet these liabilities?

Ms Arthy: That work is getting done at the moment in the strategic finance area. How that is happening will be a matter for them. Every year, in any part of government that I have ever worked in, there is shuffling around to cover shortfalls in one area and underspends in another. In this case, this matter is being dealt with out of our strategic finance area.

MR COE: Whatever the quantum of the overspend or potential overspend is, where is that money likely to come from? Are we going to see an additional appropriation, or is it going to come from elsewhere in the directorate?

Ms Arthy: I cannot answer that. That is a matter for the strategic finance area; that is not something that I am involved with. I can take it on notice and come back.

Mr Barr: We will take it on notice. I have not been approached for a Treasurer's advance at this point in relation to this specific matter. But we will see.

MR COE: Will it roll over into the 2018-19 appropriation?

Mr Barr: I would hope not, but I will need to get some further information and some further advice.

MR COE: If it is not rolling into the 2018-19 appropriation, and it is not a Treasurer's advance, that means it has to come from another area within the directorate?

Mr Barr: Yes. There will be underspends in the directorate; I have been advised of that. My hope is that those underspends will more than account for any overruns in relation to Floriade, noting that Floriade is a relatively small component of the total directorate's budget. Nevertheless, that does not mean that the processes around the management of Floriade in the future—this has demonstrated that there were problems. They need to be addressed, and they are being addressed so as to ensure there is not an issue in the future.

MR COE: You mentioned that an external consultancy has come in to assist. What

firm is that?

Ms Arthy: Protiviti.

MR COE: What is the likely cost of that work?

Ms Arthy: It is around \$20,000, but I do not have the figure here. I can definitely take that on notice and come back to you.

MR COE: Yes. Finally, with regard to the underspend in other areas, is that an underspend having carried out the full scope of work that was planned or is that because the scope of work in other areas has been reduced in order to make savings?

Mr Barr: I cannot give you an absolutely accurate answer on that. I imagine it will be a combination of the two, but more the former than the latter.

MR COE: But the latter could be in part to make savings in order to pay for this overspend?

Mr Barr: Certainly that is conceivable. I will see at the end of the fiscal year. The important element here is that the issue is addressed now and managed in this fiscal year, and does not become an ongoing challenge. Clearly the changes that have occurred in the events area have been in part in response to some of the challenges around the government maintaining a significant events delivery capability as opposed to effectively outsourcing the delivery of a number of our events.

That is the balance. Are we best placed to run every single event in the territory?
Answer: no; we are not. Are there some events that EventsACT should run? Yes, there are. It is finding that appropriate balance between events that would be government run as opposed to government financed.

THE ACTING CHAIR: What were the satisfaction levels with Floriade last year?

Mr Barr: Improved on the previous year.

THE ACTING CHAIR: Good.

Mr Barr: There are still, undoubtedly, challenges with the footprint that we have been given by the National Capital Authority in which to operate the event in Commonwealth Park. From what I have seen, in terms of the suggested use, the programming and utilisation of the park for the Floriade that is coming this spring sought to address some of the concerns from visitors over the past two years, particularly around the main focal point in the space between the car park and the tree line that is the beginning of the Stage 88 space. It is at the southern end of the visitors information centre, and then flows down the hill towards the footbridge, and over Parkes Way on the northern end. That is the area that the National Capital Authority have had the greatest concern about.

In previous years, we have had to put in temporary planters rather than full-grown garden beds. They want that space restored more quickly after the event; they do not

want it closed off as much before. If you walk through Commonwealth Park now, you can see where a lot of the established flowerbeds are, and they are in positions where the National Capital Authority are more content with having those more substantive plantings.

It is undoubtedly a more challenging event to run with the requirements that the National Capital Authority have placed on the use of Commonwealth Park. That is, without doubt, a fact. It has meant changes to the footprint of the trading village and all those sorts of questions.

An event that is 30 years old, if it sets up in exactly the same footprint every year with exactly the same traders and exactly the same performers in exactly the same spot for 30 years in a row, will start to lose its appeal as something that visitors would return to. You have got to change it and make some changes from year to year. It cannot just be the theme of flowerbeds; it has to be a bit more than that.

The feedback over the past couple of years has given organisers this year a pretty clear steer about how we can improve on the event and the various other activities that are part of Floriade, be that the night-time NightFest component, launch events or specific themed days during the course of Floriade.

It is an event that is massively publicly subsidised. There is absolutely no question there. It has always been. For the record, again I will rule out any entry fees for day-time Floriade. We will not go down the path of the previous Liberal government that sought to put a fee on entry to Floriade. It will continue to be a very significantly publicly subsidised event. It will be free to the general public. There will be ticketed night-time activities through NightFest, as has been the case since that event's inception. That is the approach that we will adopt whilst ever we are in government.

MR COE: Are there any probity or integrity issues associated with the overspend?

Ms Arthy: I have asked the organisation that we have coming in to provide me assurance around that.

MR COE: That is one of the open questions?

Ms Arthy: That is one of the open questions, yes.

THE ACTING CHAIR: That organisation being Protiviti?

Ms Arthy: That is right.

THE ACTING CHAIR: That will conclude output 3.2 and 3.4. We will move to 3.1, innovation, trade and investment.

Mr Barr: We will just do a quick change of officials.

THE ACTING CHAIR: Before you speak, can you please acknowledge the pink privilege statement in front of you.

Chief Minister, you noted already in the hearings that you are travelling soon to support the bond program.

Mr Barr: Yes, that is correct.

THE ACTING CHAIR: What other activities will you be doing as part of that?

Mr Barr: That is with my Treasurer's hat on. The other elements of the Singapore, Hong Kong and Seoul mission in July include a business program in Singapore, which will be in the economic development purview. I will get the guys to talk about that in a moment. There is also an element that relates to the chief ministerial role as chair of the Council of Capital City Lord Mayors at the same time in Singapore. There is a major world cities summit, I think on a Sunday. The first Sunday I am away will be spent at that event.

THE ACTING CHAIR: What is a major world cities summit? What does it hope to achieve?

Mr Barr: It is the global cities summit. I will get the full detail of the program. It is publicly available; I do not have a problem with that.

THE ACTING CHAIR: I can look it up.

Mr Barr: It is not the primary purpose.

THE ACTING CHAIR: I was just wondering what the outcomes are that get achieved at some summits.

MR COE: Good question.

Mr Barr: That is an interesting question. As I say, I would not go solely for that purpose, but as I will be there, I will give up my weekend to participate in said activity.

MR COE: Selfless!

THE CHAIR: So selfless! The burden of office!

Mr Barr: Indeed. Australia is represented there by a number of other cities, but this year I am also chair of the Council of Capital City Lord Mayors, so I have a small ceremonial role in some part of the activities. But that is not, as I say, central to this particular mission.

The opportunities in Singapore will include a number of business investment and investor presentations, as well as the bond activities. I will be meeting with Singapore Airlines to discuss, with the tourism hat on, some further opportunities for further promotion of Canberra in partnership with them.

We then go to Hong Kong. As I have already announced, I will be meeting with Hong Kong Airlines, undertaking bond presentations, as well as conducting a series of

investor showcases in Hong Kong with particular investment areas targeted there. Then there will be a similar short program in Seoul.

The entire trip is about seven or eight days, so it all happens pretty quickly. There are two or three work days in each market. I think it is about 38 or 40 hours in Hong Kong, a period of travel, and then 48 hours in Seoul. It is about three days—if you count the weekend, four days—in Singapore.

The various elements of the program I can throw to others.

MS CHEYNE: Will the Commissioner for International Engagement be joining you?

Mr Barr: Yes.

Mr Hassett: There are a few other elements in the program around trade development. In particular, the CBR Innovation Network, in partnership with ANU Connect Ventures, is going to be running its second investment showcase in Singapore, which is providing a platform for nine growth-stage companies to pitch to venture capital investors. It built on the investment showcase that was run last year where we had 18 companies participating in the investor showcase, four from Wellington. They pitched in front of about 100 VCs and investors.

There are also going to be property investor showcase presentations in Singapore and in Hong Kong. That is being supported by commercial real estate companies, JLL, CBRE and Colliers. That is an opportunity to present some investment opportunities in line with the government's urban renewable policies. There is a tourism sales mission in Singapore that will enable Canberra and region tourism operators to explore and capitalise on opportunities. The national tourism education project is also going to be doing an education agents "famil" and taking over the education agents from some of the national capital attractions.

So there are multiple elements to the program. I might add that Screen Canberra is going to be delivering one of its screen accelerator workshops in conjunction with the Singapore Film Commission.

MS CHEYNE: So just a few things! Excellent.

MS LE COUTEUR: As we all know, the government has made a commitment to the ACT becoming carbon neutral by 2045 or earlier. How do the investment programs and innovation programs you are managing in this output support that goal?

Mr Cox: Most of our relationship with the line area of government, EPSD, which is in charge of the renewables and our carbon reduction footprint area, is an investment facilitation relationship. Where we are involved—and this may be a role of government sort of answer, and I apologise for that—and the work that we do is around investment facilitation and supporting companies being a part of the community here. For example, two very significant companies that have come through our program, environment, and who are very closely attached to the work at EPSD are Windlab and Reposit Power. Those particular companies have been quite instrumental in the reverse wind auction process; they have grown on the back of that;

they are contributing in terms of business capability building in the market here. I think Windlab are managing around 2,000 megawatts of renewable energy from Canberra globally at the moment. If you like, where we get involved is in the company growth aspects of this and how those companies, I guess, fulfil their obligations through the market here.

MS LE COUTEUR: I understand that both these organisations came to Canberra as part of the reverse auction for renewable energy. Were you involved in any of the program design for that?

Mr Cox: Reposit Power and Windlab?

MS LE COUTEUR: Yes. I understand that they were part—

Mr Cox: They are both home-grown companies.

MS LE COUTEUR: I should have said they grew in Canberra because of their involvement with that program. Possibly I am wrong. My question really was: were you involved in that program? It would appear to have some business support elements to it.

Mr Cox: That is right. Going back a couple of years I and my team were personally involved in supporting EPSD devising an investment facilitation framework around the consideration and evaluation of bids. The elements of that were around what the bids were in terms of enjoining industry development, in terms of enjoining research capacity and the renewable energy innovation fund, which I think is around \$12 million.

Mr Hassett: Yes, that is right.

Mr Cox: A large component of that is now being delivered through the Energy Change Institute at ANU—around half of that. Carved out of that fund was the establishment of the renewable energy hub 2degrees in Turner. And there is an element of entrepreneurship small business start-up that is involved in that as well. We are trying to grow the next generation of Windlab and Reposit Power.

Mr Hassett: There was also a contribution to the innovation connect early stage commercialisation program where grants of up to \$30,000 have been provided to, I guess, start-ups in the renewable energy sphere. And the renewable energy hub is also closely connected with our CBR Innovation Network and is in part managed by Entry 29, which is one of the co-working facilities that is housed at the CBR Innovation Network and at the hub.

MS LE COUTEUR: In general, do you apply any ethical filter or as part of your activities would you, for instance, support some company which had some ethical pluses?

Mr Cox: That was not part of the evaluation process. I am stretching my memory of—

MS LE COUTEUR: I am not talking specifically about the renewables. But in general, is this in any way something that you think about, for instance, if there were a company interested in promoting tobacco or pokies, both of which are things that the ACT government has existing policy against? Is that in any way relevant to your considerations?

Mr Cox: Those particular examples have not come up.

MS LE COUTEUR: I assume that is probably—

Mr Cox: That may be the answer. Those sorts of dynamics around investment proposals we have not seen through the processes. The investment leads come to the government in various ways. In some cases they come through in a very filtered way through Austrade. I am not sure but those sorts of considerations around reputation and ethical investment are filters, I believe, that Austrade would probably apply.

MS LE COUTEUR: Maybe a better example might be: would you put some positive emphasis on businesses which supported, say, local employment, employing Indigenous Australians—those sorts of things?

Mr Cox: I think you are moving into a procurement question perhaps as well.

MS LE COUTEUR: I was not trying to. I know this is relevant to procurement but I was not trying to. I was just trying to look at what companies, what innovations, what trade you support and whether you look at these positive things. I am assuming you have more requests for support than you can—

Mr Barr: In terms of ACT-based companies exporting or—

MS LE COUTEUR: No. My understanding—maybe I am wrong—is that the ACT government does put some money into supporting early stage companies through the innovation fund.

Mr Barr: Yes, that is correct.

MS LE COUTEUR: Am I totally wrong about that? That is what I am talking about.

Mr Barr: Yes. But they are locally based companies.

MS LE COUTEUR: But they could still have employment?

Mr Barr: Yes.

Mr Hassett: That is true. Certainly we do put weight in our commercialisation programs on building local capability and employing people. Our innovation connect program is an early stage commercialisation step that links into a series of other capital investment programs. And certainly that is about creating jobs.

We support Indigenous business through an entrepreneurship program that is delivered by a local company, Yerra, which was founded by the Canberran of the

Year, Dion Devow. He is mentoring nine companies through that program, working in collaboration with the University of Canberra and the Mill House social enterprise hub. That program is all about providing services and mentoring for those Indigenous businesses to succeed, to grow and to employ people.

MS LE COUTEUR: But in terms of your decision-making and where your support will go, are these issues considered at all?

Mr Cox: They are not always our decisions to make. For instance, through the CBRIN program—

Mr Barr: Do you want to spell that out?

Mr Cox: Canberra Innovation Network.

Mr Barr: Canberra Innovation Network, for the benefit of Hansard.

Mr Cox: CBRIN delivers a range of programs. We have got a funding agreement with CBRIN but within the CBRIN program world there is a shared working space with around currently, I think, 100 paid-up members and probably 200 that come into our—

Mr Hassett: Yes, 229.

Mr Cox: Sorry, 229. There is something called the KILN Incubator, there is something called Griffin, there is something called Stir, which is a young post school entrepreneurship program. I think they had about 1,000 activations—

Mr Hassett: Hits, yes.

Mr Cox: And if you count all the companies' start-up interactions right across that program world plus some of our direct programs, such as Innovation Connect, the number is in the 600s. There is quite a significant number. As a small funding agency we do not have necessarily line of sight over that. But those sorts of companies are emerging through the network and they are developing employment; they are contributing; they are coming up through good mentoring and advisory systems. I think it is a really good work in progress.

MS ORR: Following on from that with a supplementary, can you give a bit of an overview on what the renewable industries are doing in Canberra and how those have grown? We had quite a specific conversation, I think, with Ms Le Couteur focusing on one aspect of that. I want to get a broader understanding of the sustainable industries renewable energy, those sorts of things.

Mr Hassett: As I understand it, at the renewables hub there are about 30 start-up or growth companies that are working in that share working, co-working facility. Just to mention one of them that has been fairly successful in the program environment, Reposit Power, which builds virtual power plants out of distributed energy resources, was established in 2013 and it was established with some innovation connect funding. That is currently employing 34 people and has raised funding of around \$5 million.

Equally Windlab, which is a really significant renewable energy company for Canberra and which was established from some research out of the CSIRO, is a wind development company that is currently employing 22 people in Canberra and has raised \$70 million in capital. It was listed on the ASX in August 2017. They are a couple of companies that have really grown strongly in this market.

Mr Cox: Just adding to that, there was a report that has come out in the past couple of days via the Austrade channels from Clean Energy Australia, and I have just managed to dig up some numbers quickly. Between 2010 and 2017 local renewable energy jobs increased by about 22 per cent, while national jobs declined. Canberra has about 4½ per cent of the nation's renewable energy jobs compared to about 1.7 per cent of the population. There is some significant activity happening here.

MS ORR: I want to talk about the priority investment program. It is quite a broad title for a program. Can you give me a bit more of an idea of what you expect this money to be directed towards?

Mr Barr: It is deliberately broad in order to give flexibility from year to year over a three-year program. It has been designed also to simplify the process. The starting point for me was that I did not want 100 small programs that all had administrative overheads and the like. I sought from this area a simplification and a quite clear set of priorities for economic development over the next three years.

That is the starting point for the new budget allocation. There were a series of previous programs that were also coming to a natural end, so this presented an opportunity to build on the existing work that had been undertaken in terms of our business development strategy, looking at key industry sectors, being able to have the flexibility to tap into opportunities such as the recently announced commonwealth government supported national Space Agency, to give us some flexibility to respond in that context.

I will invite Mr Cox to give some more detail on the types of industry sectors and the areas that this particular funding will cover. The headline here is around consolidation, simplification and a new focus, with flexibility across these industry sectors.

Mr Cox: This started in about 2015 when we did a business strategy called “confident business ready”. That articulated a number of sectors where we were trying to sharpen and focus our effort. Part of the reason for doing that was to bring resource support and effort, in a more scaled-up way, to a smaller number of opportunities.

At the same time that was happening, at a national level Austrade was doing the same thing. The industry department, through AusIndustry, was doing the same thing. The regulatory reform agenda at a commonwealth level was doing the same thing. In a partnership way, states and territories, including us, were pushed along this path of joining up our resources and our effort with what was happening nationally.

“Confident business ready” articulated a number of sectors, and the sectors that were raised there were space and spatial technology. We had done some work a couple of years before that on preparing a response, in the Carr-Rudd era, around spatial and

space industry precincts. Cybersecurity has been growing rapidly; that was identified in 2015 as well. ICT and e-government are fairly obvious in the market we are in. I refer also to sports technology, health innovation, and ag and environmental sciences.

We also tested this again with some consultant work we did with Rod Glover. That was done in conjunction with the universities. The dynamic at play there is that the universities had very strong specialisations in particular trajectories and pathways. In joining up with that specialisation, that unique knowledge or that unique capability, it was around building some scale and sector narrative around what we could do.

It has been a two-year program to get to the sharpened point that we have reached now. Over that period of time, and even before that, those sectors have actually grown up. They have densified. The leadership within the sectors has sharpened. It is not a case of government leading the sector; it is a case of enjoining and co-designing an effort with the sectors to push this nudge economic theory along. That is where the program, the PIP, sits.

Yes, it is a broadly described program, but the sectors are probably half-a-dozen in nature, in terms of growth and driver sectors, and economy building sectors. That is where we anticipate the interest coming from—those sectors—with leadership from the institutions with critical mass behind them, with local SMEs and with MNEs. We will push the guidelines out fairly soon and we will test the market.

MS ORR: Is it possible to say what the six sectors are? Was it six? Did I hear that right?

Mr Hassett: The areas that came out of the work that we did with Rod Glover in the development of a collaborative investment framework were around cybersecurity as a short-term opportunity, renewable energy, on the back of the work that has happened in terms of the reverse options and the industry development about renewables. With space and spatial information, we have already mentioned the recent announcement of the national Space Agency. There are significant opportunities around the plant and agricultural precinct at Black Mountain, and investment in that. And, as Ian mentioned, there is healthy and active living. That is, in part, working with that precinct in Bruce and around the University of Canberra and the AIS.

MS ORR: Some of those we have heard quite a bit about, but I note the plant and agricultural precinct and the healthy and active precinct. I have not heard a lot about those. What are the opportunities you see coming out of those?

Ms Arthy: I can start on healthy and active living. The healthy and active living work is being driven out of Minister Fitzharris's portfolio under her wellbeing responsibilities and worked through my area. \$150,000 was provided to the University of Canberra to develop a business case about what a research centre of excellence could be to do world-class research into being healthy and how to promote being more healthy and more active.

That work is underway at the moment, and it is due to come in to us in the next few months. That is how that is being taken forward. I would expect that we could talk more about that at that point. In terms of the work that is being done around plant

technology, I will hand over to Mr Cox.

Mr Cox: There is a very large concentration of agricultural, biology, plant sciences and environmental sciences on Black Mountain, between Black Mountain and ANU. It has been an objective of ANU for some years—I am talking about 10 or maybe 15 years—to try to bring this together instead of having two separate entities sitting across from Clunies Ross.

There have been some interesting investments around Black Mountain as well. If you think of plant sciences, most people tend to think of glasshouses, green stuff and growing stuff, but the technology is moving to data analytics, space observation and plant phenomics. There is quite a goldmine of capability on Black Mountain that is largely underutilised in terms of its industry development capability. Both of those institutions are trying to form and join up in particular ways. They are trying to use that as a magnet to attract world-class researchers, which then attracts SMEs and multinationals, and it builds a realm of activity that is much greater than just the research that may be present on Black Mountain.

Mr Barr: Just so that the record is clear, we are referring to the CSIRO at Black Mountain, not Black Mountain itself.

MS ORR: Thank you, Chief Minister, for that clarification. I am just trying to get my head around what this program is going to do. I will take one step back. The renewable energy: what do you see as being the growth opportunities within that area?

Mr Cox: One of the challenges with the renewable energy area is that the refund expires sometime this year.

Mr Keogh: In September 2019.

Mr Cox: In 2019. There has been a lot of effort by ANU to also form something called the energy institute, which is a multidisciplinary way of looking at new energy on campus. It brings in not just the technical side of new energy but also the economics of new energy, the ICT and mathematics that sit behind it, and builds on and increases that capability.

They have also used some of their re-funding to do some quite deep research into battery storage and technology. They also have an outreach program that reaches into the research commercialisation entrepreneurship space. That is now a pretty interesting base of science, research and innovation and entrepreneurship, also supported now by the growth of organisations like Reposit and Windlab, and the entry into the market here of some major multinationals that are participating in the renewable energy market that are based in Canberra.

The way we see it is that it is a critical mass of capability that spawns research, as well as application within homes, through the battery technology. There is a base of capability and critical mass here that has other supports around it from the program environment—things like CBRIN—to be able to grow in the sort of trajectory that we think it will.

MS ORR: The opportunity for space is obviously with the Space Agency. With cybersecurity, what opportunities have been identified?

Mr Keogh: The space and cybersecurity sectors go very closely together these days. Specifically, with cybersecurity, when you think of the national security agencies in Canberra and the intellectual property in our universities that is focused on cybersecurity, it is a major opportunity. The cybersecurity industry is expected to grow to something like \$120 billion, which is about a doubling over the next five to 10 years—that is worldwide. A lot of that will be in government cybersecurity.

The commonwealth government funded what is called AustCyber, which is the Cyber Security Growth Network. We established the Canberra node in partnership with AustCyber. We have an industry advisory body, which is chaired by two people from the private sector. All the universities are represented on that body, and it is actively campaigning for Canberra to be seen as the centre of Australia's cybersecurity industry. While Melbourne and Sydney have the banks and that part of the cybersecurity industry, the growth area is around government cybersecurity. With the threat that cybersecurity attacks pose to government infrastructure and government intelligence, we think there is a big opportunity in Canberra to grow the cybersecurity sector.

MS ORR: The question I was getting to in all that before I got sidetracked by wanting to learn more about each of the areas was about the priority investment program. How is it going to start filling in some of the gaps that have been identified in these priority areas and taking them forward, helping them develop?

Mr Cox: We refer to it internally as building innovation infrastructure. How the program itself will operate is that it will be an open, competitive call for applications process. We have developed some experience in running these sorts of programs in the past few years, devising good, open but innovation-encouraging guidelines, guidelines that also encourage collaboration.

If the recent past is a guide, what we anticipate seeing is projects that come to us that have enjoined partners. There will be an industry partner and a university partner. That will seek to address a particular innovation infrastructure issue within the market. If I could stray into a past example, that is probably the best way of actually describing it.

MS ORR: Please do.

Mr Cox: I might call on Geoff to help me out with this one a bit. We have had a program which has now folded into the PIP program called the KCA program, the key capability area program. We have run that for a couple of years. There are some announcements due shortly on the last round of program outcomes, but in the year before that there were two major projects that involved building space infrastructure or space innovation infrastructure. One of those was the partnership between the ANU; Liquid Instruments, which is a spin-out; and QuintessenceLabs. Those three partners are working together to build cyber-secure data transfer between space and ground stations. It is a unique capability. QLABs, if you like, is almost the poster child in cyberspace in this country. It is here in Deakin and growing quite rapidly. It also

has a major invested partner in the form of Westpac.

The other example in the space area is UNSW. I think ANU is a partner, Geoff?

Mr Keogh: No, just UNSW in that one. ANU was a partner in the other one.

Mr Cox: UNSW have created a facility called a space system design.

Mr Keogh: Space mission recurrent design facility.

Mr Cox: It is not about space missions, necessarily shooting astronauts and rockets up, but being able to design all the complexities. Their focus is cube sats and small satellite deployment. That again is a unique capability which matches what is at Mount Stromlo, which is the Australian—

Mr Keogh: Advanced Instrumentation and Technology Centre.

Mr Cox: So we have mission planning capability and we have equipment testing capability. And we have data secure capability with the other project. That is a unique capability that is not resident in any other place in this country.

MS ORR: So the focus of the program, the opportunities for those identified sectors, will largely be driven by them based on what they have identified as the gaps to develop?

Mr Cox: Yes. Somewhere in my earlier answers I said that the sectors have grown up and there was quite significant leadership within the sectors. We have been quite instrumental in actually forming groups. We have a space sector group and we have a cyber group. They have been working with ideas and collaborating now for a couple of years. The creation of these programs and these projects is becoming quite a natural and highly prized process to be part of.

Mr Keogh: If I can just add quickly to Ian's answer, in relation to the space mission design facility at UNSW Canberra, we provided \$350,000, which was half the cost; UNSW put in the other half. The software that they use there was provided by the French space agency CNES. It gives them the capability to design space missions with any partner across the world. They now have 40 space engineers and scientists at UNSW Canberra. It is probably the largest space group in Australia. They are currently building and designing microsattellites; they are testing them up at ANU's facility at Mount Stromlo under an MOU with ANU; and they are launching them on behalf of the Department of Defence.

The Department of Defence in the defence white paper has committed to spend \$10 billion over the next 10 years on space technology as part of Australia's defence capability. Most of that is resident in Canberra. One of the things that I find when we talk to people about having a space agency in Canberra is that they think we are going to be launching rockets. But it is all about the intellectual property, the design, the building and being a leader of the space industry in Australia.

MS ORR: So it is just a three-year program at this stage?

Mr Keogh: That is right.

Mr Cox: That is right, yes.

MS ORR: I assume it will be reviewed to see where next to take the program.

MR COE: I have some questions about the grant to Screen Canberra. Is this the right opportunity?

Mr Barr: Yes.

MR COE: With regard to the additional funds that have been granted to them in this year's budget, will that be more of the same or will it have a different bent?

Mr Barr: When you say grants to Screen Canberra, do you mean the annual operating allocation to the entity or do you mean the screen production fund? That is not in this year's budget; that will be in this fiscal year. It is not a new appropriation in the forward years.

MR COE: With regard to the grants that are issued, the production grants, what local content provisions are embedded in those?

Mr Barr: The productions have to take place either wholly or partly in Canberra.

MR COE: I understand the productions, but that is not necessarily local content in terms of how it engages local industry. What are the requirements on engaging local industry?

Mr Cox: We have been through quite an intense process of developing a funding agreement with Screen and around the fund over the past couple of weeks. There are some broad objectives around this fund. If I can just go to the past for a second, the growth and trajectory of Screen Canberra and the film funding that has been applied over the last six or seven years have supported documentary film production, and supported that fairly significantly in its early stages. As the industry started to grow up and get more capable, and Canberra became a much more visible shooting location, the film funding that was applied gravitated into or started to attract organisations like Fox, Matchbox and others, and productions like *The Code* and *Secret City* were produced.

With those sorts of outcomes, what is delivered back is first of all direct funding. Typically a \$200,000 investment drives about \$700,000 or \$800,000 in locally applied expenditure. That also invariably incorporates some degree of post-productions, some degree of attachment—so film experience—some degree of experience gathering from the local body of people that can work on these films.

So there is a direct expenditure outcome, but outside that there is this strong branding and visibility outcome. Series like *The Code* and *Secret City* have had a very strong and positive Canberra branding outcome.

MR COE: What about in terms of the actual provisions in the grants? Do they actually stipulate—

Mr Barr: Yes. I am very conscious of time; I have a 4 pm appointment I have to get to and we have 30 seconds to go. I am very happy for a copy of the funding agreement with Screen Canberra to be made available to the committee—that is no issue at all—once that has been finalised. If there are any other questions you have, we will take them on notice. Our time is about to expire. I do not want to get into a 15-minute conversation, because I physically cannot be here; I have to go. I am very happy to take any questions on notice in relation to this and happy to provide that funding deed once we have finalised it with Screen Canberra.

MR COE: Sure, but it is not just the past funding deed; it is a different one—

Mr Barr: No; the one that we will sign that is around the management of this fund.

THE CHAIR: In no uncertain terms, the Chief Minister has expressed that he is going to afternoon tea.

Mr Barr: Sorry, but I could just see this going for 15 minutes and I have to be somewhere at 4.

THE CHAIR: There is always a recall day.

Mr Barr: That is why I was endeavouring to be helpful and taking everything on notice.

THE CHAIR: Okay. The committee will adjourn for 15 minutes.

Hearing suspended from 3.44 to 3.59 pm.

Appearances:

Stephen-Smith, Ms Rachel, Minister for Community Services and Social Inclusion, Minister for Disability, Children and Youth, Minister for Aboriginal and Torres Strait Islander Affairs, Minister for Multicultural Affairs and Minister for Workplace Safety and Industrial Relations

Chief Minister, Treasury and Economic Development Directorate

Nicol, Mr David, Under Treasurer

Young, Mr Michael, Executive Director, Workplace Safety and Industrial Relations

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

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

ACT Long Service Leave Authority

Josipovic, Mr Goran, Chief Operations Officer

THE CHAIR: Welcome back to the final session for today's estimates hearings, and the final session for the week. Minister Rachel Stephen-Smith is here for output class 5, looking at workforce injury management and industrial relations policy. The Long Service Leave Authority is here as well, if there are questions from members in that direction. Minister, the committee is trying to avoid opening statements.

Ms Stephen-Smith: Hence I have none.

THE CHAIR: Excellent. Be warned: the first one to make an opening statement will be named and shamed! The stakes are getting higher. I will kick off with a question around the Work Health and Safety Amendment Bill that was presented in the Assembly during the previous sitting. What consultation was undertaken with stakeholders in the development of that bill prior to it being presented in the Assembly?

Ms Stephen-Smith: The Work Safety Council was consulted. As you know, the Work Safety Council is a tripartite body with representatives of employer and employee organisations on it, as well as some independent ministerial appointees. Feedback was received from various members of that body. Obviously, there was the standard internal consultation within government and PCO. They do the drafting and that kind of thing. Michael might have more information.

Mr Young: As the minister said, the primary forum for consultation was the tripartite Work Safety Council, which is the ministerial advisory body established for that purpose. The nature of the feedback received was both verbal and in writing during the council meetings in session, as well as in one-on-one meetings with stakeholders where they requested the same.

THE CHAIR: What was the sentiment on the Work Safety Council in relation to this legislation?

Mr Young: When it was first debated at the Work Safety Council, it was supported

by a majority. The views of other stakeholders were collected over the intervening period. Certainly, there was generally strong support for the changes. Where there were concerns, they were questions around how the changes might be implemented in practice. Those were worked through with the regulator and with industry.

MS ORR: That is talking about who has been consulted on the bill, but where did the actual decision to undertake the review initially come from, the decision leading up to it being consulted on?

Ms Stephen-Smith: The proposal was put forward initially by the CFMEU in considering a range of areas where they believed that either our regulatory authority was not strong enough or there were improvements that could be made.

I did not acknowledge the privilege statement at the start. I do not think Michael did either. I apologise for that, and I acknowledge the privilege statement.

There are a range of things. As you know, the CFMEU has been publicly campaigning in relation to a number of matters around work health and safety. This was something on which I think there had previously been legislation before the national harmonised laws came into effect, from recollection.

It was also reflected in the work that was done by RMIT in terms of looking at the safety culture in the sector. That was an outcome, going back, of the *Getting home safely* 2012 review. That review in 2012 had recommended that in 2017 a review of the safety culture of the sector be undertaken. RMIT University undertook that review of safety culture in the sector. One of the things it identified was that the collaboration between employers and employees around work health and safety was not as strong as it could be, and communication lines could be improved. This was one way of doing that.

Establishing the requirement to have health and safety reps on large construction sites, have them trained, the requirement to have health and safety committees on large construction sites and have them trained—that was one way of ensuring that there was better communication between employers and employees about what was going on on the ground in terms of health and safety on large construction sites. They are complex sites with a range of safety risks. That changed over the time of the bill as well.

MS ORR: If I have understood that correctly, working backwards, consultation and discussions have been brought up in the committee forum by the CFMEU but they are based on a broader, ongoing discussion in a wider public sense, largely driven by that RMIT report.

Ms Stephen-Smith: There has been ongoing discussion since 2012, since the *Getting home safely* review was conducted. Obviously, a range of recommendations were implemented coming out of that. That resulted in a significant reduction in lost-time injuries in the construction sector which was then not maintained over more recent years; hence the CFMEU's position that we needed some stronger requirements around the role of health and safety reps and work health and safety committees. That coincided with the RMIT work, which confirmed the position that that communication on site is not as strong as it could be.

THE CHAIR: What were the views of the industry members on the Work Safety Council?

Mr Young: The Work Safety Council has established a subcommittee to look at construction safety in general, particularly following the recommendations of the *Getting home safely* report and the RMIT report. These proposals were, I believe, discussed there at length before they were put to the Work Safety Council. There is a wider representation of industry representatives at that body as well. For example, the HIA is represented there but not at the Work Safety Council.

THE CHAIR: With the Work Safety Council subcommittee, which members of the committee sit on the subcommittee that was tasked with looking at this?

Mr Young: Certainly, the Master Builders Association is one. I do not have the full list in front of me.

THE CHAIR: Would you take that on notice, Mr Young?

Mr Young: I will take the full membership of that committee on notice.

THE CHAIR: Yes, both the full membership and the subcommittee which you made mention of, please.

Mr Young: Indeed.

THE CHAIR: Why has the decision been taken to abandon what is a nationally consistent approach to work safety, in particular, in the construction industry?

Ms Stephen-Smith: There are areas where the ACT has departed from this before, particularly around asbestos safety. There is currently a review underway of the national harmonised laws. The ACT is putting forward the position that these requirements around health and safety reps and health and safety committees should be included in the national harmonised laws as an outcome of that review, and is making some other recommendations around that.

THE CHAIR: How was the \$5 million figure arrived at—for projects over \$5 million, as the legislation as it is currently presented states?

Mr Young: That was certainly one of the matters that was discussed at the construction safety subcommittee and at the Work Safety Council. I think it was a product of that consultation around trying to understand a proxy measure for the size of the project that matched up with those RMIT recommendations around where the maximum value might be felt, and also to establish a transparent mechanism for identifying those contracts. They were certainly factors that were considered.

MS ORR: Can you clarify for me what the scope of the review is?

Ms Stephen-Smith: Which review?

MS ORR: The independent review into work health and safety oversight: what is the scope of that review?

Ms Stephen-Smith: Are we talking specifically about the amendments to the Work Health and Safety Act and how that figure was arrived at? We can certainly do that.

THE CHAIR: We might finish on this line first, if we could.

MS ORR: I was getting confused as to where we were up to; my apologies.

THE CHAIR: What work has been done, either in the form of a regulatory impact statement or other, to determine the cost implication on projects of \$5 million or more in adhering to these new measures?

Mr Young: The cost to industry and to projects was certainly considered as part of that wider consultative process, and it was taken into consideration by government in determining whether the proposal should go ahead.

THE CHAIR: What steps were taken in considering that impact?

Mr Young: Certainly, feedback was sought from industry, and also from the service's own capital works management area. Obviously, we are managing a number of large construction contracts, within that broad scope. Feedback was received and consolidated.

THE CHAIR: For a small project at around that \$5 million to \$10 million mark, what is the impact going to be of complying?

Mr Young: In terms of the analysis, we examined what the average cost of training a particular worker in the relevant areas was and then extrapolated that through to a typical contract. That was the basis for forming a view. Obviously, there is a certain amount of reduction that would occur over time as a critical mass of people are trained and they are continuing to work on projects in the future. That amount of mandatory training reduces over time. These were all factors that were considered in the calculation.

THE CHAIR: Minister, what is the standard of training that you are going to be prescribing by the regulation powers should this legislation pass?

Ms Stephen-Smith: That is a really good question, and I am going to hand it to Michael to answer.

MS ORR: Are we talking about the budget or are we scrutinising a bill before parliament?

Ms Stephen-Smith: No; we are scrutinising a bill.

THE CHAIR: But it is a bill that forms part of policy and funding that is part of the budget.

Ms Stephen-Smith: It is one of the items on which—

THE CHAIR: One of a number of measures.

Ms Stephen-Smith: It is one of the items on which policy advice was provided, and probably a provision of policy advice is an indicator for work safety in IR. So in that sense, yes, there is an indicator in the budget that relates to this item. But Ms Orr is right.

MS CHEYNE: That is a very long bow.

Ms Stephen-Smith: It is a pretty long bow to be scrutinising at this level of detail.

THE CHAIR: Discussions over the past week have been very broad and wide-ranging in line with members' interests.

MS ORR: Yes, but I do not think we have discussed any bills that are currently before parliament.

Ms Stephen-Smith: Mr Wall, I think you have also at least had the opportunity to attend a briefing on the bill.

THE CHAIR: I believe a request has gone in, but I am running without staff at the moment, due to personal reasons of many in my office, so we are working through it.

Ms Stephen-Smith: You are perfectly welcome to have a briefing on the bill and to ask as many questions as you like in that forum if others would like to move on to budget matters.

THE CHAIR: I have a couple of more questions on this; then we will finish up and we will move on.

MS ORR: I do have questions on the budget I would like to get to.

THE CHAIR: We still have 45 minutes to go, Ms Orr, and I believe you took out that much time in the last session on one line of questions.

MS ORR: You did not stop me.

THE CHAIR: Going back to the question I asked previously, minister, what is the standard of training that is going to be prescribed by the regulation powers?

Mr Young: That is quite a technical issue that we are working through at the moment. I am happy to provide something on notice that gives more information about the nature of the training courses that are being proposed.

THE CHAIR: When did the CFMEU become the authority on workplace safety training in the construction industry?

Ms Stephen-Smith: Well—

THE CHAIR: It is a legitimate question. When you look at the number of workplace deaths we have had in the ACT, and obviously that forms part of the motivation for making these changes, five of the six deaths that happened on construction sites in the ACT recently—and I mention the five that would be captured by this legislation—were all on sites that were under a CFMEU EBA.

Ms Stephen-Smith: I think—

THE CHAIR: They were union sites, yet we are handing significant additional powers to particularly the CFMEU to become an authority on workplace safety and training when their track record is less than rosy.

Ms Stephen-Smith: I think, Mr Wall, we will probably just need to accept that we have a fundamentally different view about the role of unions on sites.

THE CHAIR: But there is still a role to scrutinise the decisions that are being taken despite the fundamental disagreement.

Ms Stephen-Smith: As others have said to you, the clue is in the name: we are the Labor Party. We do actually believe that unions have a legitimate role, in fact a fundamental role, in ensuring that workers' rights and workers' safety are upheld. The CFMEU is the relevant union for the construction industry and has a long track record of standing up for workers' safety and improving worker health and safety, not only on individual construction sites but in terms of working with policy advisers and with governments to improve laws and regulations around work health and safety on construction sites.

They also have a very strong record in supporting a range of work health and safety initiatives, including things like OzHelp, where they work together with industry associations to ensure that workers' health, including mental health, is protected.

So they have a very strong record in both work health and safety issues and the training that is required. In fact, I think they are a training provider or associated with a training provider in this sector.

THE CHAIR: I am just curious as to why the decision has been taken not to just mandate training in the industry, which has been done in the past, and was done, as you mentioned rightly before, with asbestos training, and also mandating that the relevant trade union be involved. Wouldn't it be better—

Ms Stephen-Smith: In the selection of work groups. So where there is one—

THE CHAIR: Yes, but wouldn't it be a better policy setting that freedom of association was still allowed in construction work sites and within the construction industry by allowing a broader cross-section of people to be involved in the development of those committees?

Ms Stephen-Smith: In terms of the bill, relevant unions, where they have workers represented on site, are to be consulted on what the work groups are from which the

health and safety reps and the health and safety committees would be elected. That is their role.

We recognise, I think, across the board that unions have a legitimate role to play where they have workers. They are identified and specified in the Fair Work Act and the Work Health and Safety Act as having a role to represent workers where they have members on site. I am not great with the jargon in this space but they are permit holders for work health and safety; they are permit holders for the Fair Work Act; they have legitimate roles under both of those acts to represent workers. We are not doing anything different here than is done under those acts in terms of their role to represent workers.

THE CHAIR: What assessment was done as to the impact of deviating from the federal Fair Work Act and other federal legislation that is largely harmonised across the country?

Ms Stephen-Smith: We are not deviating from the Fair Work Act. This is an amendment to the Work Health and Safety Act.

MS CHEYNE: What are we doing in the ACT public service to prevent workplace injuries?

Ms Stephen-Smith: Your time limit is?

MS ORR: Don't forget I have questions, and I want to get to them.

Mr Young: I will try to restrain myself. I am just considering where to begin. In a sense, there was an improvement plan put in place in 2011, which has, since that time, been working at essentially overhauling the way that the territory manages not just safety but also health, wellbeing and injury management for its staff. In many senses, what we are coming to at the moment is a combination of that strategy and putting forward an application to become a self-insurer for workers compensation purposes.

Coming back to the question of safety, one of the very helpful things that that provides is a requirement under the licensing conditions to independently audit the territory's whole-of-government safety framework to a higher standard than the one that we have been applying previously.

One of the things that we are doing at the moment in anticipation of lodging that application for self-insurance is auditing the territory's whole-of-government safety framework and identifying means by which we can improve that to ensure that we are in the best possible place for the purposes of not just demonstrating our compliance with a self-insurance licence but ensuring that we are doing everything that we can to protect the health, safety and wellbeing of our staff.

That is an immediate initiative, but let me step back a bit further in time to some of the other initiatives that are central. The Chief Minister, Treasury and Economic Development area have been under that improvement plan. Funding is provided to employ additional staff with expertise in areas around safety and allied health. Key resources that are involved in assisting the policing of the safety framework were

centralised within my division to give better access, at a whole-of-government level, not just to policies and procedures but to particular sorts of issues that are occurring in workplaces and giving them the ability to intervene where appropriate.

We have invested very significantly in the ICT systems. The system that we have in place to electronically monitor and report on safety incidents when they occur has been significantly overhauled over the past two or three years and is now operating with real-time reporting and response to incidents when they occur.

MS CHEYNE: How does that benefit prevention?

Mr Young: It ensures that where an incident is occurring, all of the relevant responsible parties and people with expertise are aware of that and are able to apply their brain power to that problem to produce a solution, and then also share the learnings of that at a whole-of-government level. To give an example, there was an incident that occurred in a directorate quite recently which we became involved in and investigated. We were able to generate whole-of-government safety messages based on the risk and the learnings of that incident.

MS CHEYNE: So when something is reported very quickly and people become aware of it very quickly and can investigate quickly, the source of the issue can be mitigated or dealt with so that it does not occur again?

Mr Young: Indeed. It also allows us to intervene around medical rehabilitation and workers compensation management much earlier than was previously the case. There is extensive evidence that shows that that sort of upstream early intervention results in faster recovery and faster return to work and generally reduces the impacts of injuries where they do occur.

MS CHEYNE: On return to work and retraining initiatives, I note that there has been quite a bit of a boost in funding in recent years for initiatives in this space. Can you give an example of some that have made a difference in terms of trying to keep people in work or get them back to work sooner?

Mr Young: Absolutely. There are a number of things operating there. One of the initiatives being developed that could be applied at a wide scale is developing a product that delivers, essentially, a workplace mediation service that is focused on resolving workplace conflicts which might result in psychological injury and providing a particular return to work focus in that type of an environment. That is something that could be made available quite widely.

At a more micro level, we have been able to identify people who, as a result of an injury, have been unable to return to their previous roles: the workers compensation scheme, for reasons that varied, has not been able to step in and provide training and vocational assistance. The funding that was set aside in the budget last year is being used in that circumstance to essentially put in place a return to work and rehabilitation program for a person.

MS CHEYNE: So making sure people do not slip through the cracks?

Mr Young: Indeed. For privacy reasons, I cannot give the specifics, but the case that I have in mind did result in a return to duty that had not been available before we intervened.

MS CHEYNE: Finally, is all this work for something? Has it resulted in any changes? It all sounds pretty good, but have we actually seen some changes or is it just more of the same? Are we having fewer injuries?

Mr Young: We are. The headline measure is a dollar one, and that is that the territory's workers compensation premium has reduced by around 25 per cent compared to where it was three years ago. It is only possible to reduce those costs, given the system that we are under, by reducing the number of injuries that occur and also, where they do occur, reducing the impact of them by getting people back to work faster. That is, essentially, the objective that all of these programs are pointing at, and that is evidence that there has been a material positive impact.

MS CHEYNE: Where have we seen the greatest difference? Is it in reduction in serious injuries or reduction in smaller injuries?

Mr Young: It depends on the period of time that we are looking at. If you look at a long-term 15-year trend, the reduction in the number of injuries that are occurring and lost-time injuries has been very significant. In more recent years, there have been improvements in essentially that return to work. So the injuries are becoming somewhat less severe as measured by—

MS CHEYNE: So even if we get a lost-time injury, we are still getting the amount of lost time reduced?

Mr Young: Indeed. Yes.

Ms Stephen-Smith: Can I just respond to one of Mr Wall's earlier questions? I can confirm that a regulatory impact assessment was undertaken.

THE CHAIR: Are you able to provide that to the committee, minister?

Ms Stephen-Smith: I will have to seek advice on that.

MS LE COUTEUR: My question is about insecure work and what the ACT government is doing to address that. I was told that in the Department of Health around 20 or 30 per cent of the staff—it is certainly a large proportion of the staff—are on temporary contracts. This clearly is government policy.

Ms Stephen-Smith: Within the ACT public service, you mean? Within the ACT public service or, more broadly, the incidence of insecure employment?

MS LE COUTEUR: I am talking specifically within the ACT public service. That is why I mentioned the Department of Health. Probably some of the staff of the Department of Health are not employed as public servants. I was not making that distinction. They are nonetheless effectively employed by the Department of Health and there is a large proportion of them who are in insecure work.

Ms Stephen-Smith: The reason I ask that question is that the overall responsibility for the ACT public service does not sit with me; it sits with the Chief Minister.

MS LE COUTEUR: I thought that you, as industrial relations, were it.

Ms Stephen-Smith: I am consulted and involved in those conversations but it is not my area of policy responsibility. The officials here do not have responsibility for public sector management. Having said that, we have obviously been in consultations with the unions around the incidence of insecure work across the public sector, trying to get a better handle on it, on what the reasons are behind the levels of insecure work in some agencies. You have mentioned Health.

MS LE COUTEUR: Health seems to be a star here.

Ms Stephen-Smith: I happened to have a recent conversation with Minister Fitzharris about this. I do not want to speak on behalf of Health. I will keep my comments a bit more general. There are a range of reasons for people to be employed on short-term contracts or in a different types of employment arrangements within the ACT public service. In some areas where there is a high female workforce, particularly with our young female workforce, the incidence of maternity leave is relatively high in those positions. The backfilling of those positions cannot be a permanent job because there is someone in the permanent job already.

What we are doing at the moment is really trying to get a handle on what the background reasons for some of those employment conditions are. We are making our view as a government around the importance of secure work clear to the ACT public service leaders and managers and around the fact that we need to try to improve the security of work where we can, recognising not only that that is better for employees, when they have got security of employment, but that in fact that stability of employment for staff could potentially improve the service provision for Canberrans as well. It is in fact quite a complex issue around why some of those levels of insecure work exist and it is something that we are working through with the relevant unions to get a better handle on how we can address some of those issues.

MS LE COUTEUR: Given your first answer, I assume the secure local jobs package and the secure local jobs code are not part of your remit.

Ms Stephen-Smith: I am actually doing the policy work on the secure local jobs package. Mr Young has been doing some of the policy work in that space. That obviously applies when work is contracted out.

MS LE COUTEUR: I do find it surprising that it is easy to ask questions about the work that is contracted out. Have you done any work with the community organisations as far as this is concerned? What happens if community organisations agree to a grant before the secure local jobs package is rolled out?

Ms Stephen-Smith: It is around contracts, not grants, at this stage. The application of the package would be around contracted work, not grants. If your question is around the community sector—

MS LE COUTEUR: It is around the community sector. It is a bit arbitrary with the community sector, whether it is a grant or a contract.

Ms Stephen-Smith: Obviously there are a number of community sector organisations who have contracts with the ACT government and a number of those contracts, where they are above the threshold which I think was publicly stated in the discussion paper as \$250,000, would obviously be captured under the secure local jobs package.

We have been in consultation with ACTCOSS about it. They put in a submission in response to the discussion paper that was released in February. And we are in further consultation with them at the moment about some of the detail of how it is going to work.

MS LE COUTEUR: I understand you are having to get a compliance unit for this. Is that going to include any reps from community sector organisations, given their specific issues?

Ms Stephen-Smith: Yes. The compliance unit was funded in the budget as part of the funding for the implementation of the secure local jobs package. I do not see that as being a representative group. It is obviously ACT public servants but—

MS LE COUTEUR: No, not necessarily. I presume “representative” is a tripartisan advisory board but will your compliance workers include someone who has had some experience of NGO and community organisations, not just people who have purely worked for private sector organisations in the past?

Ms Stephen-Smith: I think it is probably too early to say what that process of recruitment will result in. There will be a need for some specific expertise and we are still working through what that is going to look like in terms of those positions.

MS LE COUTEUR: Will the tripartisan advisory board include NGO community sector representation?

Ms Stephen-Smith: I would expect there would be a broad range of employer representatives on that. Certainly ACTCOSS is represented on the Work Safety Council.

MS LE COUTEUR: Will you agree with ACTCOSS and other community sector organisations about the method for costing, how much this is going to cost the community sector and what, if any, adjustments would be needed in their contracts?

Ms Stephen-Smith: That is probably part of the conversation that we are having with ATCOSS at the moment.

MS LE COUTEUR: I assume that you will shortly be starting with provision of information, resources, training et cetera for everybody including the not-for-profit sector.

Ms Stephen-Smith: When you say “shortly be starting”, obviously there is a bit of

policy work and a bit of implementation work before we get to that point.

MS LE COUTEUR: Sometime in the time frame envisaged by the budget, to pull it back to our budget?

Ms Stephen-Smith: Certainly part of the role of the compliance unit would be to support businesses and other organisations that would be required to comply with the code and the package to ensure that they were able to do so.

MS ORR: I want to ask about the younger workers advice service that is being funded. How will this service be provided? It is on page 92 of budget paper 3 if anyone needs the page number.

Ms Stephen-Smith: We will go to market for a provider for that service.

Mr Young: Indeed, yes, in terms of scoping out the service. Again we have been working closely with the Work Safety Council and one of its subcommittees which is looking specifically at apprentice and young worker safety. Ongoing consultation with those groups will inform the scope of the service which I expect will be a matter which forms the basis of a tender.

MS ORR: Can you give me a bit more background on the program the service is going to be running, what it is you are looking to do and what is the need you are looking to fill, before I jump to my next question?

Mr Young: I think many of the stakeholders on those groups that I just described have alerted us and the regulators to the fact that young workers, students working part time, apprentices, are not aware of the obligations and protections that are available to them in the wideranging workplace relations sphere which includes work safety, workers compensation and others.

The intent was to provide a trusted and independent source of advice for those types of vulnerable workers to, essentially, give them information and refer on to relevant other sources based on their individual needs. It envisages, I assume, a telephone and internet-type outreach service where there would be some sort of portal for a young worker seeking information to access the service and receive that information.

MS ORR: There is funding for that in this financial year but it then increases. When are you looking for it to start?

Ms Stephen-Smith: January 2019.

MS ORR: I assume that allows time for the going out to market process to be undertaken.

Ms Stephen-Smith: Yes.

MS ORR: This is actually a topic that came up a few times during the first day of the estimates hearings when we had the community groups talking about these issues. I am quite interested because it is something that they have indicated is an issue. I also

want to get a handle on what other work, beside this advice service, the government is doing to consider the needs of young workers.

Ms Stephen-Smith: There is a young worker safety subcommittee of the Work Safety Council that will be reporting back to me fairly soon. Michael might want to talk a bit more about it, apprentice and young worker safety.

Mr Young: Indeed. That report, I believe, is yet to be considered by the Work Safety Council but will be looked at at its next meeting. This will be the report of the subcommittee to the council, and after that point it will make its way to the minister. The terms of that are to recommend strategies and improvements that might need to be made, particularly around the work health and safety frameworks, to better ensure the protection of young workers.

Other initiatives that have been undertaken recently, I believe, include an inspector position at WorkSafe ACT. It has been established with a dedicated focus on Australian apprentices.

MS ORR: What would that inspector position be doing? I know it is somewhat evident from the name of the position but could I have a bit more about the day-to-day idea of what the inspector is doing?

Mr Pepper: This is part of a broader focus of WorkSafe ACT, and I might ask Mr Jones in a moment to provide some greater detail. From March this year there has been a dedicated campaign that WorkSafe ACT has undertaken on apprentices and young workers in workplaces. This involves on-site inspections, and there have been over 100 workplaces that have been inspected to date. The focus so far has been around electrical and plumbing, as well as construction, to identify, I guess, compliance rates in terms of the work health and safety frameworks that are underpinning the work of these vulnerable workers.

Compliance rates to date have been reasonable but it has identified a need for greater understanding within industry of what supervision actually means for some of these young workers on site. The particular position that you are referring to will be focused in those areas but I will get Mr Jones to expand on that as well.

Mr Jones: We recognise in WorkSafe that young persons, including apprentices, are potentially vulnerable in the workplace due to information and other issues that may or may not be available to them. Through a range of consultation with industry and Skills Canberra, we have identified that, I guess, some intensive work needs to be done to identify what those risks are, how do we best inform those young workers about their rights and responsibilities, and how, I guess, to empower them to express concern or to ask questions about their safety at work, which can be quite intimidating for a young person who is keen to hang onto their apprenticeship or their job.

We have been conducting a fairly intense audit since March this year where over 140 apprentices have already had a meeting with WorkSafe and a discussion about responsibilities. We have been engaging with them quite extensively in terms of what they can expect in a workplace, and what some of their rights and, I guess, obligations are in terms of making sure that they are safe and how to approach, for example, their

employer. We have covered well over 120 work sites so far, and that audit is continuing.

From the information we have been getting so far in terms of some of the lack of understanding about what supervision by employers actually means and some of the lack of information that some of these young persons have, in cooperation with Skills Canberra we have come up with a service-level agreement between Skills Canberra and WorkSafe ACT to have a dedicated inspector that will focus purely on making sure that young persons, particularly apprentices, are provided a safe work place, that they understand what rights they have as a young person, as an apprentice, and to empower them to approach their employer, WorkSafe, Skills Canberra or their training organisation if they have any concerns and how they can do that.

Clearly if that may be intimidating for them, they can do that anonymously to WorkSafe and then we, on their behalf, can make approaches to the right people basically to make sure that apprentices have appropriate supervision, appropriate training for the jobs that are given to them and also that they have enough information on how they can better inform themselves about how they can make sure they have a safe workplace.

We will be focusing very much on apprentices. A lot of it will be an engage, educate approach to make sure everyone has that information. It is amazing how empowering that can be when you have a discussion with an apprentice in front of their supervisor or their employer so that everyone is suddenly on the same page when we inform everyone of what their rights and obligations are on both sides. There will be a lot of that but clearly compliance is very important. We will be following up on that as well.

MS ORR: You mentioned that you have been out speaking to, I think it was, 140 young apprentices to inform them of the inspector role. Is there anything you can share on what sort of feedback, broadly speaking, you have had? I do not want you to give away personal information but some of the issues you are seeing there where this inspector role might actually come to—

Mr Jones: Once our audit is finished we will produce a detailed report with a range of recommendations. So far, while compliance has been quite good, a lot of the interactions we have need to be pre-arranged because we need to find out where the apprentices are, especially in residential building, because they move around pretty quickly. There is some warning on some of the discussions. Obviously there is some preparation before we get there.

A lot of the issues we are coming across include employers not fully understanding what supervision means, which changes depending on the year of the particular apprentice, and what tasks they can do with or without direct or indirect supervisions. We are in the process, already before the audit finishes, of providing a lot more detailed information than we currently provide to employers to inform them about what supervision means in various circumstances.

We will provide examples of both good supervision and, if you like, what bad or poor or inappropriate supervision may look like. Some of the anecdotal feedback is that apprentices are being asked to do work they have not been properly trained for, going

onto sites that they have not been inducted into. It is really making sure that apprentices are not used just as cheap labour, that they are actually appropriately trained and they are treated with the respect that an inexperienced worker should be treated with. That is the main area of focus that we are looking at and the feedback that we are getting so far.

MS ORR: Is there any other proactive work you are doing, particularly in the area of young workers and safety but I guess more broadly and more generally if you wanted to—

Mr Jones: WorkSafe has a very active proactive program right across all industries. This one is particularly focused on apprentices and young workers. But there are other areas of high-risk work that we focus on. It is not only construction; it is also in other areas including hospitality and health care where it may not be the risk of an immediate physical injury but certainly psychological injury and things like that. We are gearing up to do some fairly intense work later this calendar year dealing with mental health, particularly focusing on bullying and harassment and I guess stress-related health matters which have a significant impact obviously on all areas or workforces. That will be a focus coming up. And we will have some quite intense proactive programs focused on those.

MS ORR: I probably cannot ask too many more questions on that because we do not want to give away your thunder before the announcement. If I have understood correctly, the young workers line will be there for all industries but there is going to be particular focus on apprentices because they are seen as being slightly more difficult. Have I understood this correctly?

Ms Stephen-Smith: I think that there is a particular focus in relation to WorkSafe's work on apprentices because that has been identified, including by the subcommittee of the Work Safety Council, as a particular area of concern in terms of safety issues and of course through the RMIT review as well in terms of the construction sector. The young workers advice line would be really targeted at all young and vulnerable workers. While it is called young workers, anyone would be able to call it up, particularly acknowledging the vulnerability of young workers in terms of—I think, as Mr Young said—they not necessarily understanding their rights or where to go to or whom to go to for a particular issue. It is also a sort of one-stop shop.

But also recognising that there are particular groups of young workers, like international students, who are going to be particularly vulnerable to exploitation because they then have that extra concern about their visa conditions and they need to work to make the money to stay, I think we have a responsibility, as we promote studying in Canberra, to ensure that that advice is available to international students who are working here and who may not necessarily want to engage with a federal government agency in the first instance because they do not know how that information might be shared.

MS ORR: That will also pick up, I guess, areas where a lot of young people are working but which are quite casualised and insecure, such as hospitality and some parts of retail. Is there anywhere else in particular that you have identified that would be covered or targeted?

Ms Stephen-Smith: It does not have a particular target in that respect.

THE CHAIR: With regard to some of the accountability indicators, there is the actuarial study on workers compensation. Is that looking at the ACT public service workers comp or the workers comp scheme broadly?

Mr Young: It is the ACT private sector workers compensation scheme. There is the annual report that that refers to and the year in question that that review was completed. It has been published. In addition, a schedule of reasonable premium rates was published as a supplement to that report. We have been doing that each year for a number of years, the intent being to better inform industry and employers around the types of services that they should receive and the performance of industry in terms of claims experience.

THE CHAIR: From a policy perspective, is the government happy with the current operation of the workers compensation scheme or is this an area where you are looking to make some improvements?

Ms Stephen-Smith: There were some amendments to the private sector workers comp just last year, as you know, to increase the death benefit. There has been some consultation with the Work Safety Council about other amendments in that vein in terms of improving the consistency of support for people. Mr Young could probably touch a bit more on that but there are no plans for a major overhaul of the private sector workers compensation scheme, if that is what you are asking.

THE CHAIR: The cost of workers compensation in the ACT is an issue that is raised commonly, particularly within the business sector, and that is certainly an issue that I am sure the Canberra Business Chamber and its members have raised with you.

Ms Stephen-Smith: Yes.

THE CHAIR: Is any work being undertaken to look at ways of reducing the premium in the ACT or do you believe that it is currently at the right setting?

Mr Young: I guess, by way of context, I too have certainly received that type of feedback that cost is an issue for industry, although I must say that that usually comes up in the context of very significant reductions in costs that have occurred in New South Wales and the comparator being the driver rather than any increase in the territory's premium rates, which have been stable for quite a long time.

THE CHAIR: That is it. We remain an island jurisdiction within New South Wales and, I guess, in the vein of remaining competitive with across the border, whether there was any view to delve into this area.

Mr Young: Indeed. It is something that we are always looking at. As the minister has indicated, there is no legislation afoot. The insurance council is represented on the Work Safety Council and these issues are discussed there on a regular basis, as is industry.

MS ORR: Minister, I am sorry if I do cross over to anything we might have done before but I was very confused at the beginning. I think this is a new question.

Ms Stephen-Smith: That is alright.

MS ORR: Minister, last month you and Minister Ramsay announced an independent review into work health and safety oversight. That was the review that I was trying to get the scope of that project on.

Ms Stephen-Smith: The context for this is in part that there has not been a comprehensive review of work health and safety compliance and enforcement since the national harmonised legislation was introduced in 2011. It is a recognition that best practice in this space is constantly evolving. This is about checking into how what we are currently doing could be improved to reflect best practice. But Michael might be able to talk a bit more.

Mr Young: I think the minister has summarised quite well. The scope of the review is looking not necessarily at the nature of the obligations on workers of the design of the legislative framework, rather it is looking at the compliance and enforcement infrastructure, policy and procedures that the territory has in place to implement the national WHS regime.

Certainly I am a member of Safe Work Australia where these issues come up. The question of, I guess, regulator approach to applying the legislation is something that comes up often. This is, I think, a useful and timely review to assess that and ensure that the territory is getting the maximum benefits from the regulatory framework and doing everything that we can to reduce injuries in the workplace.

Mr Peffer: Do you want to talk about where the review is up to?

Mr Young: Sure. The review has commenced. Consultation is underway with both internal stakeholders and representatives on the ACT Work Safety Council. I am scheduled to be interviewed next week.

MS ORR: What is the time line for reporting? You said it is underway and your own appearance—

Ms Stephen-Smith: I am expecting Ms Noone to report in September to me and Minister Ramsay.

MS ORR: Once that has reported you will obviously consider the report and we will be hearing more in the future?

Ms Stephen-Smith: Yes.

THE CHAIR: I have one very quick line of questioning for the Long Service Leave Authority.

Mr Nicol: I think our CEO is unavailable today, unfortunately.

Mr Josipovic: I acknowledge the privilege statement in front of me.

THE CHAIR: I will keep it very short and painless for a Friday afternoon. Are there any views to change any of contribution rates for any of the affected sectors in the coming financial year?

Mr Josipovic: We have had a reduction in the contribution levy rate for the April to June quarter. From 1 July the levies will be booked in. In the construction industry we have gone from 2.5 per cent to one per cent. It is a 0.4 per cent decrease across the schemes. For cleaning it has gone down to 1.2 per cent and for community also 1.2 per cent. And for the security industry it has gone from 1.47 per cent down to 1.07 per cent.

THE CHAIR: And more of a policy question, minister, is there any work being done to expand the long service scheme to other industries?

Ms Stephen-Smith: I did receive some advice along the way around what the parameters for the types of sectors that the scheme could be expanded to but there is no plan in the works to do that. I know that there are some stakeholders looking at various things but we have not got any policy work underway. I think that is a fair description of where we are at.

THE CHAIR: From the advice that you received, what industries or sectors did it highlight as potential candidates?

Mr Nicol: I think my memory of the advice was more in the nature of what types of industries would lend themselves to this sort of arrangement. They are very consistent with the current industries that are covered: mobile workforces that move between employers within the one industry, with long-term transitory/vulnerable working arrangements offered; typically, I think, industries where someone maintains an employment arrangement with a particular occupation for a period of long service leave but it might be with multiple employers. They cannot take advantage of a single employment long-term relationship that would pay a long service leave arrangement. That was my recollection.

Mr Young: That is right but, just to reiterate, there is no active work underway to expand the scope of the schemes. That type of analysis went to, I guess, the purpose of establishing the schemes in the first place and what industries potentially fit in those categories.

Mr Josipovic: If I can just restate, the building and construction industry rate was 2.1 per cent. I think I might have said something different.

THE CHAIR: You did, from my recollection. Thank you for correcting it. We will adjourn the hearing there. For any questions that were taken on notice, we ask that the answers are handed back to committee secretary within five days. Day one for counting purpose will be—I imagine we are being generous and it is a business day—Monday. The committee stands adjourned until Monday.

The committee adjourned at 4.58 pm.