



**LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

SELECT COMMITTEE ON ESTIMATES 2023-2024

**(Reference: [Inquiry into Appropriation Bill 2023-2024 and
Appropriation \(Office of the Legislative Assembly\) Bill 2023-2024](#))**

Members:

**MR M PARTON (Chair)
MS J CLAY (Deputy Chair)
MR M PETTERSSON**

TRANSCRIPT OF EVIDENCE

CANBERRA

MONDAY, 31 JULY 2023

**Secretary to the committee:
Ms K de Kleuver (Ph 620 50129)**

By authority of the Legislative Assembly for the Australian Capital Territory

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

APPEARANCES

ACT Building and Construction Industry Training Fund Authority.....	1079
Canberra Institute of Technology	1079
Chief Minister, Treasury and Economic Development Directorate	1079, 1120
Inspector of Integrity Commission and ACT Ombudsman, Office of the Commonwealth Ombudsman	1165
Major Projects Canberra	1079

Privilege statement

The Assembly has authorised the recording, broadcasting and re-broadcasting of these proceedings.

All witnesses making submissions or giving evidence to committees of the Legislative Assembly for the ACT are protected by parliamentary privilege.

“Parliamentary privilege” means the special rights and immunities which belong to the Assembly, its committees and its members. These rights and immunities enable committees to operate effectively, and enable those involved in committee processes to do so without obstruction, or fear of prosecution.

Witnesses must tell the truth: giving false or misleading evidence will be treated as a serious matter, and may be considered a contempt of the Assembly.

While the committee prefers to hear all evidence in public, it may take evidence in-camera if requested. Confidential evidence will be recorded and kept securely. It is within the power of the committee at a later date to publish or present all or part of that evidence to the Assembly; but any decision to publish or present in-camera evidence will not be taken without consulting with the person who gave the evidence.

Amended 20 May 2013

The committee met at 9 am.

Appearances:

Steel, Mr Chris, Minister for Skills, Minister for Transport and City Services and Special Minister of State

Chief Minister, Treasury and Economic Development Directorate
Arthy, Ms Kareena, Deputy Director-General, Economic Development
Harriott, Mr Mark, Acting Executive Branch Manager, Skills Canberra, Economic Development, Skills Canberra
Turner, Ms Skye, Director, JobTrainer Fund, Skills Canberra, Economic Development

ACT Building and Construction Industry Training Fund Authority
Carter, Mr Glenn, Chief Executive Officer

Major Projects Canberra

Doran, Ms Karen, Acting Chief Projects Officer
Little, Mr Martin, Deputy Chief Projects Officer
Power, Ms Rebecca, Project Director, CIT Campus—Woden Project

Canberra Institute of Technology

Lundy, Ms Kate, CIT Board Chair
Robertson, Ms Christine, Interim Chief Executive Officer
Andersen, Ms Josephine, Executive Director, Education Futures and Students
Jordan, Mr Craig, Executive Director, Strategic Finance and Transformation
Neiberding, Mr Craig, Chief Information Officer

THE CHAIR: Welcome to the public hearings of the Select Committee on Estimates 2023-2024, day 11. The committee wishes to acknowledge the traditional custodians of the land that we are meeting on, the Ngunnawal people. The committee wishes to acknowledge and respect their continuing culture and the contribution they make to the life of the city and this region. We would also like to acknowledge and welcome other Aboriginal and Torres Strait Islander people who may be attending today's event.

The proceedings are being broadcast live. The proceedings today are also being transcribed and they will be published on the Assembly website. When taking a question on notice, please be quite emphatic about the fact that you are taking that question on notice. Before the start of the first session, Ms Clay, you would like to make a brief statement?

MS CLAY: I would; thank you, Chair. Last week during estimates I was speaking about entertainment precincts. I mentioned a letter I had written to Ministers Gentleman and Cheyne, and said that our office had not received responses. We have since checked our records and we did receive responses to those letters.

THE CHAIR: Thank you, Ms Clay. In this first session we will hear from Mr Chris Steel MLA, Minister for Skills, and officials. I remind witnesses of the protections

and obligations afforded by parliamentary privilege and draw your attention to the privilege statement. Can I universally, within this room on the voices, ask you all to please confirm together, for the record, that you understand the privilege implications of the statement and that you agree to it? Excellent.

We are not inviting opening statements, so we will now proceed to questions. Minister, with reference to the increase in overall funding to the CIT, on page 146 of book B, Christine Robertson was appointed in August last year. Recently, staff of the CIT were told that the tenure of the acting CEO, Christine Robertson, was extended by another six months. Is this one of the reasons for the rise in total costs by quite a significant amount?

Mr Steel: Employment matters are a matter for the CIT and their board. I will hand over to Kate Lundy, the Chair of the CIT Board.

Ms Lundy: Thank you, Minister. With respect to the increases with regard to CIT's costs, I will ask staff to go through the detail. I am more than happy to outline Ms Robertson's contract of employment, which she has currently entered into extending. The contract is an extension for up to two years. The CIT has made that decision because Christine Robertson offers the stability and leadership that we are looking for whilst the Integrity Commission inquiry continues and we are unable to consider matters relating to the current CEO.

THE CHAIR: Stability and leadership are not words that instantly come to mind regarding the last 12 months for CIT. It has been a bit of a disaster, hasn't it?

Ms Lundy: On the contrary, following the Assembly's decision to refer the matter to the Integrity Commission, both the board and the new executive of the CIT have worked incredibly hard to reset the governance and financial accountability of CIT in the first instance and then embark on a journey of rebuilding the internal capacity of the CIT. That work continues. It is being guided by the minister, with his directions that we received last year. We have been working incredibly hard—the board, the executive team and leadership staff across the organisation—to get the CIT into a shape where it can respond to the economic imperatives of this region.

Mr Steel: Just to clarify, the Assembly provided a referral to the Auditor-General.

THE CHAIR: The previous CEO, Leanne Cover, is still being paid?

Ms Lundy: Yes.

THE CHAIR: What is the total cost to the CIT and government of the duplication of appointments of CEOs?

Ms Lundy: It would be the equivalent of her salary as well as the salary that we are paying our interim CEO. May I take this opportunity to say that that is the cost of both procedural fairness and natural justice. We are, of course, concerned about the length of the Integrity Commission inquiry; but, to apply both procedural fairness and natural justice, we think that is a price worth paying.

That is the price of the Integrity Commission. Even though we would like to see that inquiry proceed more quickly, if it were a question of resources for the Integrity Commission, we would urge that the resources necessary be provided to the Integrity Commission, if that means it would go faster, because it does cost us. But it is a cost that we are continually willing to pay, as a board, to ensure that all of those procedures are handled appropriately, properly and in accordance with the wishes of both the Integrity Commission and the community that supports the Integrity Commission processes, which we do.

THE CHAIR: All of that being said, it has been an absurdly expensive saga in the middle of an emerging cost of living crisis. I bring those two together because I am talking about the community perception of what has gone on here. I do not need to tell you; you have been out there talking to people, and I am sure you have copped a fair bit of heat from people face to face. It is not a good look, is it?

Ms Lundy: I think people respect that we are trying to rebuild an organisation that I would reflect was somewhat depleted at the time when this crisis hit. Part of that has been rebuilding an executive; part of that has been respecting the fact that the Integrity Commission has a process to go through.

You may recall that, at the time, the Integrity Commission sought the CIT's agreement not to investigate matters internally in relation to anything they were investigating. We continue to respect that. That is an important part of what we see as procedural fairness and natural justice.

THE CHAIR: When you say that CIT was in a depleted state before this saga commenced, am I to take it that that is a defence of the Hollingworth contract?

Ms Lundy: Absolutely not, no. Do not misinterpret me.

THE CHAIR: No, that is why I am asking you.

Ms Lundy: I am relating it to the executive rebuild. Many of the executives took leave at around the time. Of course, we placed the current CEO on paid leave. That is just to clarify what I meant about "depleted".

THE CHAIR: No, that is fine.

Ms Lundy: We did need to rebuild executive capacity to reset the organisation, and to start rebuilding its internal capacity and reduce its reliance on external consultants.

MS CLAY: The chair asked what the cost of that double payment was, and you said it was the cost of the salary. Can you tell us what the cost is, for anybody watching who would like to know what that is?

Ms Lundy: I will take that on notice. I do not have that complete figure. Would you like an annual cost of the salary?

MS CLAY: The total expected amount—however you express that. If you do not know for how long the arrangement will be in place, give us whatever information

you can easily give us regarding what that is likely to be.

Ms Lundy: Certainly.

MR MILLIGAN: Following on from Ms Clay's question, it would be good to get information on costs put in, officially—not just on salary but on travel, accommodation and any other entitlements that have been paid in that regard. When does the government expect to appoint the permanent CEO of CIT?

Ms Lundy: In relation to your first point, that is public information already. Under the ACT public service there is a \$55,000 pool of funding enabling people who are travelling to occupy positions in the ACT.

MR MILLIGAN: Is that annual?

Ms Lundy: Annual, yes. I will take the details of that on notice. There is a lot in the public domain, but the cap is \$55,000. It is not annual; it is finite. I will take the details of that on notice.

Mr Steel: In relation to your question, I think it slightly misunderstands the CIT Act. It is the board that appoints the CEO.

Ms Lundy: We have appointed Christine Robertson as an interim CEO. There is another extension of her contract, and that will be for up to two years. In relation to your question about when we expect to appoint a permanent CEO, that is entirely contingent on the duration and the outcome of the Integrity Commission inquiry. We are not pre-casting any particular outcome. We will consider the outcome of that inquiry when it is made, and that will inform our decisions on consideration of a permanent CEO or continuation of the CEO.

MS CLAY: Minister, sticking with CIT, but on slightly less contentious ground, we have renewed community calls for an arts space in CIT Woden campus. I recall hearing earlier discussion or a commitment—I am not sure—that the Youth Foyer might act as an arts space. It might become a performance space; it might be suitable for a gallery space. And I see these renewed community calls. Can you tell me: is CIT Woden going to have an arts space, and do you think that meets the current calls?

Mr Steel: The scope of the CIT Woden campus project was determined a number of years ago. That, of course, was necessary in order to secure funding to deliver that scope and to establish the design and go through the approvals processes. We have now largely done that for the components that you are talking about.

The Youth Foyer, which is separate to CIT, both literally and in terms of its management and operations, is primarily a housing project. It is not designed to provide broader community facilities. It is really focused on the needs of the young people who will be living there, who may be attending CIT as a student, or indeed another school or education institution.

The design of the CIT campus buildings themselves has progressed significantly. As part of that we have been able to incorporate a large multifunctional hall into the

design of the campus. I will hand over to Martin Little and Rebecca Power from Major Projects Canberra to talk a little bit about what that will deliver. That is in addition, of course, to the actual courses that will be run from CIT at the new Woden campus, which may incorporate some of those arts-type courses as well. The CIT interim CEO may be able to talk a little bit about that as well.

MS CLAY: We probably do not need detail on the courses, but it would be great to hear detail on the space.

Ms Power: We can give you a little bit more detail on the multipurpose hall space. As the minister articulated before, we have advanced the design of the CIT space considerably. The hall that we are referring to is a multipurpose hall. It is a two-storey-high space. It is available to be utilised by the community more broadly through the management of CIT. You can have at least 200 people at a sit-down event in that space. It is equipped to allow for musical performances and it has an adjacent kitchen to provide culinary services, should that be required.

MR PETTERSSON: I have some questions regarding the fee-free TAFE program at CIT. I was hoping you could tell the committee what the purpose of the program is and how it addresses the skills shortage.

Mr Steel: The purpose of the fee-free TAFE program, which is jointly funded by the commonwealth government and the ACT government, is to remove the barriers to studying or training in vocational education and training. It is particularly focused on key skills needs areas across the economy. At the moment the ACT has a very low unemployment rate and we are seeing workforce shortages across almost every sector of the economy, so our TAFEs are well placed to be able to support a pipeline of future employees through training.

CIT is delivering the fee-free TAFE program in the ACT, with up to 2,500 fee-free TAFE places. Originally, when we announced the program with Minister Brendan O'Connor, the federal skills minister, there were 46 qualifications and pre-apprenticeships at CIT that were eligible, but we have been looking at expanding eligibility of courses at CIT, as well as in terms of the students who may be eligible to undertake that training. I will hand over to Christine Robertson to talk a little bit about what is happening with the program and how we are going in terms of enrolments.

Ms Robertson: Thank you, Mr Pettersson, for the question. The fee-free TAFE initiative has provided significant uplift and reach across CIT in the last six months. The program is performing well, and we have been able to respond to demand for additional programs and increase our eligibility to include veterans. I will ask our Executive Director, Education Futures, Josephine Andersen, who is closely monitoring and managing our fee-free TAFE delivery, to provide you with some additional detail.

Ms Andersen: Our fee-free TAFE program is tracking extremely well. As at last Friday we had 2,167 enrolments, which is 85 per cent of the target we are seeking to achieve through the program until the end of the enrolment period, which closes on 30 June next year, so we are well on track to deliver those places before then.

The program is performing really well, not only in terms of skills needs but in terms of the cohorts that are engaging with the program. Of those over 2,000 enrolments, we have over 100 students who are Aboriginal and Torres Strait Islander; 168 of our students are unpaid carers; over 350 are women experiencing financial hardship; and over 650 are jobseekers. We have nearly 800 young people in the 17 to-24-year-old age range; 87 students are people living with a disability; and, since the scope of eligibility was expanded, we also have 15 veterans who have enrolled in those programs. It is not one of the metrics that we are required to report, but we have 35 students who hold a permanent humanitarian visa. I know, based on some anecdotal information, that that has been an absolute game changer for that cohort.

In relation to the skills needs, our top five full qualifications by enrolment are in cybersecurity, early childhood education and care, business, community services, and mental health. We also offer a range of short courses. We are seeing very strong enrolments in graphic design, the responsible service of alcohol, introduction to education support—which provides a pathway into early childhood education and care qualifications—bar service, and our introduction to cybersecurity awareness.

MR PETTERSSON: That is great. Minister, you have already made reference to a couple of changes. I was wondering if you could inform the committee what the changes to eligibility have been and if any further changes are being considered.

Mr Steel: The first change was in relation to the cohort of people eligible. Originally, the program was focused on school leavers—that is, young people aged 17 to 24—and jobseekers as well. The commonwealth government, working with us, has also wanted to have a strong focus on providing support for Aboriginal and Torres Strait Islander people to gain eligibility as well, and we have extended that to veterans recently. This is a program that we expect to be ongoing.

There is a negotiation happening at the moment to establish a five-year national skills agreement. The commonwealth has put forward that they would like to continue fee-free TAFE as part of that five-year agreement. We are looking at trying to establish eligibility rules that will be somewhat enduring, going forward—and I will hand over to the CIT to talk a little bit about the qualifications that they offer as part of the program—and we want to make sure that these closely align with the skills needs in the economy. Using the skills needs list as a basis for that is important.

Also, what we have heard from business as much as potential students is that the short courses are actually a really good way of upskilling, particularly in Canberra where our economy is quite highly skilled already and many people are looking to upskill in their current role rather than necessarily training afresh for a new industry, although many people will of course do that as well. The short courses provide that opportunity to upskill and a large number of those are eligible.

Ms Robertson: Thanks, Minister. Over 86 per cent of our students at CIT study part time, which is quite an interesting statistic, and what we have seen play out with our fee-free TAFE offerings is that our short courses have had unprecedented demand. Obviously, these short courses are meeting specific skills needs for students to enter the workforce, when we have a full employment environment, or for people who are

seeking to add additional skills to the qualifications that they already have. I will ask Ms Andersen to provide some additional information on the initiatives that we have underway at the moment.

Ms Andersen: I mentioned before that we have had strong uptake of short courses. To expand on my previous response, we have really strong enrolments in courses, as Ms Robertson mentioned, that provide a pathway to other qualifications. We have not yet seen that play out in terms of the duration of fee-free TAFE at CIT at this point, but we are hoping that many of the students who engage in those pathway courses will enrol in full qualifications if they are not going straight into employment. Also, as Ms Robertson said, we offer some really flexible options for students to fit study around their other work and life commitments.

Part of the question was around the uplift in enrolments that we have seen since eligibility was expanded in May. We have had 342 enrolments in some of the courses through that expanded eligibility and additional courses being added to the list in information technology, construction, nursing and other community services courses. Some of the notable enrolments are in courses such as certificate I and certificate II in spoken and written English. We have over 60 students undertaking those courses and there has been a huge increase in the number of students who are accessing courses in cybersecurity, as I mentioned before, but also information technology.

MR PETTERSSON: That is great. The headline is “Fee-free TAFE”. Are there any administrative fees or equipment costs that are alongside enrolment?

Ms Robertson: The courses are fee-free, but there may be costs associated with those courses—for example, students buy particular equipment. If we are talking about hospitality, they may be required to invest in a set of knives or other sorts of resources that are required for that course of study. It is free tuition.

MR PETTERSSON: What support is there for students to deal with those other costs?

Ms Robertson: CIT has a range of options, both through our student services area and through our CIT Student Association, to provide support with equipment or ways of being able to fund that equipment. I will ask Ms Andersen to talk a little more about the options we have for students who are in financial distress.

Ms Andersen: Thanks, Ms Robertson. Ms Robertson mentioned our CIT Student Association. There is a reconditioned laptop program where students can purchase a laptop for as cheap as \$40. That has been incredibly popular with some of our students. In relation to other financial barriers that our fee-free TAFE students experience, we will do whatever we can to support students to access courses. If it means working with industry to seek sponsorship of particular equipment or whatever it might be, we take a very bespoke approach and ensure that our response is tailored to the individual’s needs and that financial barriers should not prevent anybody from accessing a fee-free TAFE place.

MR PETTERSSON: That is great. Thank you.

MS CLAY: Ms Robertson, I think you said 80 per cent of students accessing CIT part time are working. Was that the figure that you gave us?

Ms Robertson: I am unsure they are actually working—their employment status—but they choose to study part time.

MS CLAY: Do we know how that compares to university? I will tell you the reason I am interested. Across the board is the pattern that students need to work more than they used to in order to afford basic rent and the cost of living, so I am trying to work out: is CIT uniquely servicing that or is that quite consistent with all students these days, regardless of institution?

Ms Robertson: I would say that, anecdotally—I do not have specific research that I can quote right now—as a vocational education training provider and a public provider, CIT would reflect the student cohorts that study across the system, nationally. Again, that is anecdotal; I would have to confirm that with appropriate research. Our region is unique in that we have unprecedented full employment and it is an opportunity for people to engage in much needed employment. Because of our commitment to ongoing education and training to build the skills needs of the territory, we are very committed to providing flexible learning options for our students.

COVID resulted in a significant uplift in CIT's ability to provide students with the opportunity to learn across a range of modes, including fully online. Increasingly, the opportunity to study fully online or in a blended model—some online delivery combined with some face-to-face delivery—is attractive to students who are in full employment.

MS CLAY: It is okay if you say you do not have the data and cannot answer this question. I am trying to understand whether what we are offering is genuinely convenient to students and therefore they choose it or, because of what we are offering, they have to choose it because they cannot possibly afford to live and exist any other way. Do you know what I mean? Are they being forced into this or are they genuinely choosing this and it is a great option?

Ms Robertson: Again, that is not data that I have. I could give you my views, but I cannot give you accurate current data that supports those views. As a professional working in this area, I would predict it is the latter. Our teachers engage with all our students to ensure that they can both succeed in the program of study they are undertaking and access flexible ways of studying and learning that will sit alongside their employment needs.

Again, I do not have clear research on this, but, anecdotally, we also find that some students are extending their period of study, staying with the institutes and in their enrolments for a longer period of time, to allow them to actually complete their study because that study is so critical to their ongoing capacity to earn. Vocational education and training has, for many years, provided the capacity for students to earn and learn at the same time. We are just seeing that, in my view, continuing to grow at the moment.

MS CLAY: Thank you.

MR MILLIGAN: Given the title, “Fee-free TAFE courses”, does that indicate that these courses are only available through TAFE or is there some funding put aside to offer subsidised or free courses through independent RTOs?

Mr Steel: That is correct. The funding is there for TAFE, not for private RTOs. However, there are the current subsidies that we provide for training through the Skilled Capital program and the User Choice program, as well as some other programs, and the private RTOs are eligible to be supported for places delivered through those programs.

MR MILLIGAN: That is probably more a substantive question, Chair. Can I ask the minister to talk a little bit more about the funding that is provided through the initiatives that he has mentioned?

THE CHAIR: Yes.

Mr Steel: The User Choice program, which is the Australian Apprenticeships User Choice program, provides subsidies for people who are undertaking apprenticeships or traineeships. It is a demand-driven program. What that means is that, if someone wants to take up an apprenticeship and they have a placement, there is nothing stopping them from getting a subsidy for the apprenticeship of their choice. We have seen large numbers of apprentices take up that opportunity, and host employers have been getting the benefits of those apprentices over recent years. During COVID, there was a significant spike in the number of apprentices undertaking training, which was fantastic. The Skilled Capital program provides subsidies for those undertaking training in a range of different qualifications that are aligned with the Skills Needs List.

I will hand over to Mark Harriott from Skills Canberra to provide a bit more information about those two programs, and also the other grants programs that we have that private RTOs can tap into as well.

Mr Harriott: Thank you, Minister. As the minister said, we have the User Choice program for Australian apprenticeships and traineeships. There is approximately \$15 million available for that program. However, that is demand-driven. There is also the Skilled Capital Release, which we released to the RTOs in the last two weeks. That is open for the RTOs to apply for. This year, we have tried to provide as much time as possible for the RTOs to apply for those positions. There is approximately \$2.3 million available for them to apply for at this point. We have also offered Skilled to Succeed innovation grants. That was an opportunity for industry and RTOs to come together to provide innovative training solutions. We had over 35 applications and we awarded—

Ms Turner: Six, I think.

Mr Harriott: There were, I think, six successful applications to fund innovating programs.

MR MILLIGAN: Thirty-five applied and six were awarded. Is that correct?

Mr Harriott: Let me just confirm that. Sorry—it was eight.

MR MILLIGAN: I guess you cannot speak to the reasons why other applicants were not awarded, but what could applicants do to have a successful application?

Mr Harriott: There were criteria to meet, obviously, and a panel went through all the applications. They went across several different criteria. They were awarded on their application against those criteria.

MR MILLIGAN: Looking at both the User Choice and Skilled Capital programs, who decides the courses for which subsidies are available? And does the government consult with ITECA or independent RTOs to decide which courses are in most demand and the subsidies that could be given to them?

Mr Steel: Consultations are done on a regular basis to update the Skills Needs List. Part of the work that we have been doing under the Skilled to Succeed plan is to undertake a series of workshops across five key industries for the economy. Through that, we have been listening to information about whether we need to update the Skills Needs List. For example, the early childhood sector, for some time, has wanted their qualifications to be permanently referenced in that list and also in the Critical Skills List, which is relevant to the skilled migration pathways. They are updated regularly. Mark Harriott can provide some information about the Skills Needs List process.

Mr Harriott: Thank you, Minister. We do an annual review of the Skills Needs List. Currently, on the Skills Needs List there are 121 qualifications. The Skills Needs List provides the maximum subsidy level for those qualifications, and then there are lower bands for qualifications that do not sit in that. They still receive a subsidy, but it is not at that higher level.

Mr Steel: There is a range of datasets that inform that as well. We will be working closely with the new Jobs and Skills Australia, JSA. They will have their own data sources that they can provide to us about, say, the ACT economy and which skills needs are in focus. But we have our own source of data as well that we use to help inform the updates to that list.

MR MILLIGAN: Thank you.

THE CHAIR: Mr Milligan, it would appear that it is with you for a substantive question.

MR MILLIGAN: Thank you, Chair. There have been reports of personal development sessions that have been conducted by Mr Hollingworth for CIT executives, I assume, but no-one turned up for those personal development assessments. Can you explain why that is the case?

Ms Lundy: I think you are referring to a newspaper report relating to litigation between Think Garden and CIT. I am not in a position to comment on any of that, because it is before the courts.

THE CHAIR: Is that what you are referring to, Mr Milligan? I am not sure that is the case.

MR MILLIGAN: The contract with Redrouge Nominees.

Ms Lundy: There has been one public report. I am referring to a *Canberra Times* article which lists those matters. It is in relation to that litigation, so I am not in a position to respond to questions, because it is before the courts.

THE CHAIR: Mr Milligan, if I may, I am not sure there was miscommunication, but I think Mr Milligan was referring to personal development sessions that were conducted by Mr Hollingworth. I understand the broader matter is before the court. But the suggestion was that, for the personal development sessions that were conducted by Mr Hollingworth, none of the executive team actually showed up. I think that is—

Ms Lundy: I completely understand the question. It is my belief that information came from documents before the court in relation to that litigation. Therefore, we are not in a position to comment on it in any way.

THE CHAIR: Mr Milligan, do you have anywhere else that you want to go on that?

MR MILLIGAN: I am not sure whether you can answer these other questions. I am interested in any other sessions they have not turned up to.

Ms Lundy: This is the contention contained in the litigations, so I still feel unable to respond to this series of questions.

THE CHAIR: This is probably a substantive. I do not think the chair will pull me up, but I will try and do the right thing. Mr Milligan, I think we have decided that that has been exhausted—

MR MILLIGAN: Sure.

THE CHAIR: This is sort of related, but not really. The amount of money for the consultancy contracts is staggering. I have heard from a constituent that CIT withdrew the employment placement for a student living with a disability and undertaking a school based apprenticeship with CIT as his employer, and the reason that was given was that they had a business downturn. What does that mean—a “business downturn”?

Ms Lundy: I cannot comment on that. You are saying that someone said that, so it is information that I cannot really respond to. A business downturn—I do not really understand your question—

THE CHAIR: Ms Lundy, one of the things that you would understand is that this particular individual, irrespective of the advice that was given that you are not privy to, and ultimately I am getting this second and third hand, feels enormously aggrieved that what they were doing with CIT has been ceased and that economic reasons were given as the reasons behind it. This is at a time when a staggering amount of money

was being offered for these contracts. How many other people have been impacted as a result of these consultancy contracts and the business downturn?

Ms Lundy: With respect, I would say that we have a comprehensive process for dealing with any complaints of that nature through CIT. I would expect that, if someone felt so aggrieved, they would have had access to some form of process. I would defer to my colleagues in that regard. I cannot comment on drawing an association with the costs of the contractor, however. That may be how the person was feeling at the time, and I respect that, but CIT has been doing its utmost to continue to deliver award-winning teaching services to students right across our economy, and we do our level best, as the public provider, to support those in need the most. It concerns me to hear that someone would be so aggrieved, but I am confident the organisation has processes to respond to any concerns of that nature. Perhaps we could take on notice what those procedures would be. Would that be helpful?

THE CHAIR: Yes; that would be helpful. I understand that this is a difficult question to answer, but, given the financial magnitude of this contract, I am trying to get a handle on how many courses and subjects have had to be cut as a consequence and how many staff lost their job because of the additional money being spent on these consultancy contracts. Is it even remotely possible to answer that? There has to be an opportunity cost for this sort of expenditure in an organisation of the size that you are assisting to run. There must be an opportunity cost for a contract of this magnitude.

Ms Lundy: I would say that, since I have been chair of the organisation, we have been rebuilding the capacity of the organisation without those consultants in place, to ensure that we have an executive and a workforce that is the right size to respond to the needs of training here in the ACT. It is very difficult to concur with your conjecture, with respect, because we know that the organisation and the running of the CIT is always about striving to offer the best and the most relevant courses to our students. That is often a complicated formula in responding to both the availability of the teaching workforce and, of course, the demands of the student cohort. It is constant movement.

I would say it is not possible to draw any correlation, but we have been incredibly mindful, since July last year, both as a board and as an executive, to rebuild capacity within the organisation. It is quite a public conversation now about the role consultants play in organisations, and I am very mindful of the fact that CIT understands, right through its workforce and right through its executive, that our goal is to remove the ongoing need for major consulting in the running of the business.

In fact, the progress of changes and improving business systems since July last year has been rapid and impressive. We previously referred to the uplift in our governance structures, our financial accountability, and our procurement delegations through the executive, all of which have strengthened the business operations of the CIT as we move forward. I do not think it is possible to draw a correlation, but we are in the strongest position now to make sure that we have a workforce that responds to student demand, and we do our best to manage our teaching resources across the top of that.

THE CHAIR: Ms Lundy, in closing on this line of questioning, unless anyone wants to jump on the back of it, the Hollingworth contracts that are before the court are

obviously not going to proceed. Do you think that CIT, as an organisation, is better off or worse off because those contracts are not proceeding?

Ms Lundy: I think the CIT is better off in that the contracts with that organisation are not proceeding. In fact, it was the board's decision not to proceed.

THE CHAIR: Ms Lundy, how could you possibly have thought that they were a good idea in the first place? How could you possibly have arrived at a conclusion that those contracts were value for money and were a good idea in the first place? You have just indicated to me that CIT is in a better position because those contracts are not proceeding. How could you have possibly believed, in the first instance, that the contracts were worth supporting?

Ms Lundy: It is well known that those contracts were engaged in over a period of time and at some point were perceived as delivering value, but there is no doubt that particularly the final contract was not perceived by the board—who were not privy to the detail of the contract—to add value, and therefore we were not able to give the minister assurance when he asked the question of the board, that the contract would deliver value to the CIT. We have been very clear about that.

THE CHAIR: Thank you.

MS CLAY: Ms Lundy, are you able to tell us, for each year over the past three years, how many courses CIT has offered?

Ms Lundy: I could not tell you off the top of my head.

MS CLAY: Can you take that on notice? Is that information—

Ms Lundy: The number of courses?

MS CLAY: The number of courses for each year over the past three years—how many courses has the CIT offered?

Ms Lundy: We could take that on notice—yes.

MS CLAY: Great. Similarly, are you able to take on notice how many complaints from staff and former staff CIT has received for each year over the past three years?

Ms Lundy: Complaints in relation to anything specific?

MS CLAY: I am just after numeric data. It goes to the chair's question. We are trying to gauge what the opportunity costs are and if staff have been cut and courses have been cut as a result. I appreciate that it is very difficult for you to make a value judgement on that, but would it be possible for us to see how many courses have changed and also whether the number of staff and former staff complaints have increased or decreased over that time?

Ms Lundy: We will do our best to correlate complaints with that, but I do urge—

MS CLAY: I do not need any correlation—just the raw number of complaints made by—

Ms Lundy: Yes; I understand that.

MS CLAY: Not by students, just by staff or former staff.

Ms Lundy: Yes; I understand that. I also want to urge caution that it is not necessarily possible to correlate that with the engagement of a consultant, regardless of the chair's efforts to correlate.

MS CLAY: I would be happy with that information on notice. If you can provide any context that will help us interpret it, please do so.

Ms Lundy: Sure. Thank you.

MS CLAY: Minister, we are electrifying rapidly, and part of that means quite a lot of installations of rooftop solar, building solar, and batteries. How is Canberra going with making sure we have enough skilled electricians to do the inspections on all that electrification work?

Mr Steel: Those who are skilled in electrotechnology are going to be in demand in the future. We know that from the transition that is happening in the gas sector, with the electrification of everything, and we know this is going to be a key area of skills need, not only right now but going forward. As part of the work that we have been doing to develop the industry action plans across a variety of different industries under the Skilled to Succeed strategy, we have focused on a couple of key areas. One of those is the renewables industry, but we are also looking at the electric vehicle transition. The CIT has been leading in their delivery of electric vehicle technology qualifications. I think it starts next week or in the next couple of weeks. I will hand over to Kate to talk a bit about that in a second, but firstly I will go to Kareena Arthy to talk a little bit about how we are specifically looking at electrotechnology as a key trade.

Ms Arthy: Thank you, Minister. As the minister mentioned, we have identified five key industry areas that we are looking at for specific industry plans. One of them is around the renewables and sustainability industry, and we are at the point now where we are collating an awful lot of information that we have. We have conducted roundtables with industry to look at what the skills of the future are. We are also working very closely with EPSDD, who are doing a lot of work around the transition, particularly when it relates to transition away from gas, and looking at what the future needs are for electricians. As the minister mentioned, EVs are a particular focus for us as well in how we connect to the grid. We have already started conversations with our universities about how we can bring them in to work with the vocational education and training sector and how we deliver the skills that we need. In this city, as you can appreciate, we have a very integrated innovation ecosystem. We need to be able to build the workforce and look very carefully at how we bring every education provider together to have a focused effort.

We are at the point, as I said, where we are collating a lot of information. We hope to bring it together in the next couple of months and be able to release it. We want to

make sure that we set ourselves up for the next five years, particularly as we are negotiating the National Skills Agreement, as to how we can best invest in the skills and workforce that we need.

There is another element to this as well which is around workforce. Not all the solutions relate to training. We have also commissioned work by the University of Canberra to look at how we provide a workforce that we need. There is a whole heap of issues to work through, because a lot of it is about how we attract people to Canberra. As we have mentioned many times, we have exceptionally low unemployment. There is the matter of retraining the existing workforce, but also how we attract new workers and how we bring people from elsewhere. At the moment, we are trialling some initiatives to enhance the workforce, but we are working very closely with the industry around how we actually bring a workforce to Canberra. That is—

MS CLAY: I might drill down a bit. That all sounds very promising. I am pleased to hear it. I understand that we have electrical inspectors for batteries, solar panels, and most of those new technologies. I imagine it will be the same for EV chargers. The skills that an inspector would need are not those of a new apprentice but somebody who is quite experienced. I understand too that we have quite a small workforce of inspectors. There is a bit of a risk, if we do not have high-quality inspectors, with trades delivering work to the level that is acceptable to inspectors. We need to make sure from a regulatory point of view. How many inspectors do we have and how many do we need? And how are we making sure that we have the right level of skills and experience for those inspectors?

Ms Arthy: I do not think we would have the information around the number of inspectors or what would be needed. I am not even sure where I would find that out, to be honest. In terms of the skills, we are not just looking at new skills; we are looking at existing skills. We are working very closely. I can hand to my colleagues at the CIT who are doing a lot of this work as well. We need to make sure that the entire workforce that is involved with electrification has the appropriate skills, whether they are new or existing. I do not know the answer, off the top of my head, to the specific question around electrical inspectors. I am going to see if my colleagues do.

Mr Harriott: That would be under Better Regulation, under Minister Cheyne. Access Canberra.

MS CLAY: I might ask Better Regulation how many inspectors we have and how many we need, and then I might bring that information back to this area to see if we are delivering the right skills. Is that the way to do that?

Ms Arthy: I am not sure it is Better Regulation, so I am trying to—

Mr Steel: It is something we could probably pick up as we finalise the plan for the renewables and sustainability industry. We can check in with the other parts of government about requirements they may have around specific qualifications or extra training that is required for that particular role. It is important that there is a pipeline of new students coming into the trades. We have recently funded NITA to undertake some pre-apprenticeship training. That has seen large numbers of students move

through to get a taste, I guess, of what the industry is like—what it is like training as an electrician—in their school holidays, which is a great way of getting people interested in what is going to be a critical trade.

We are reviewing the subsidies for electrotechnology as well to make sure that they are keeping up with the cost of delivering the training courses, and we are also benchmarking those across other jurisdictions.

MS CLAY: Great. Just to clarify, are you taking that on notice, Minister, or is that something I should look for in future—

Mr Steel: I was not suggesting we would take it on notice. I am saying we will look at that specific issue and see whether it needs to be addressed as part of the development of the government's industry plan for sustainability and renewables.

MS CLAY: Great. Thank you.

THE CHAIR: Thank you, Ms Clay. Mr Pettersson.

MR PETTERSSON: I was hoping the committee could get an update on the electric vehicle maintenance training programs.

Mr Steel: I will hand over to Christine Robertson.

Ms Robertson: Thanks, Minister. Thank you for the question. I will hand over to Ms Andersen, who can provide you some more details on that program and where we are up to.

Ms Andersen: Thanks, Ms Robertson. Mr Pettersson, you might be aware that we opened an electric vehicle training lab in May last year. That lab is equipped with five state-of-the-art simulators for training people on up to 20 different vehicle manufacturer types. Those simulators also provide for flexible learning via face-to-face and remote learning activities as well. Since we opened the EV training lab, we have received over 1,300 expressions of interest for training existing workers.

In 2022, we delivered two short courses to 75 existing workers, which included 13 Tesla apprentices. There is a two-unit depower and reinitialise battery electric vehicle safety course, and then a larger skillset, which includes the units in the course I just mentioned, but it is also about electric vehicle servicing and inspection. In 2023, we delivered those courses to 99 existing workers, and many of those are workers from Transport Canberra. We have been working on having a certificate III course, both in the light vehicle stream and in the heavy vehicle stream, ready to go, as the minister said earlier, and we are kicking off that course with a cohort of new apprentices to provide initial skilling in electric vehicle training. We are one of the first training organisations in Australia to have that course ready to go.

We have received strong industry support through the development of those courses, and we have been working with industry partners to make sure those courses meet the bespoke needs of particular vehicle manufacturers as well.

MR PETTERSSON: That is great. Circling back to the capacity, there were 1,000 expressions of interest and you have been able to get, I think, 99 through.

Ms Andersen: There were 99 this year and 75 last year. We are building the course. We obviously started from scratch in 2022, so we are looking at ways to expand course delivery. I mentioned some of the flexible options for people to engage in the training, through virtual learning and the use of simulators as well, and we are looking at how we can expand that on an ongoing basis. It is challenging when you are starting delivery of a course for apprentices, for example, because you need to have qualified teachers to deliver that course, who also need to have gone through that program, but we do have scope to expand from here on.

MR PETTERSSON: How do you expand? Seemingly, you would need to scale up by quite a significant number quite quickly.

Ms Andersen: Expansion relies on a qualified workforce. It also requires apprentices to have supervision from somebody who has that qualification in the workplace. It is a matter of delivering training to a broad group of people to ensure that that scaling opportunity is possible. We would also look, in the future, to how we would increase the numbers of simulators, for example, and access to electric vehicles to support that training.

MR PETTERSSON: How much does a simulator cost?

Ms Andersen: I think the five simulators we have were around half a million dollars, in total, a couple of years ago. I am sure they are more now.

MR PETTERSSON: Thank you. I understand that the ACT government is currently negotiating with the commonwealth on a new national skills agreement. What is the status of these negotiations?

Mr Steel: Thank you. We have been negotiating for some time with the commonwealth, over a number of years, in fact. We are hoping that with the new government we can strike an agreement well before the end of this year so that the new arrangements can start from 1 January. There are a number of different components to that. The previous government had been trying to put forward an efficient pricing, activity-based model of funding, which would have seen some of our course fees for students increase—in some cases by over 200 per cent. That was one of the reasons why we were not able to get agreement.

The new government are looking at a more flexible approach and are willing to work with individual jurisdictions on what our specific skills needs are. There is funding on the table for centres of excellence to be established in areas that are particularly important for the new economy. Electric vehicles are definitely on our mind, in terms of where we think there is going to be demand in the new economy, as are renewables and the electrical trades.

Ms Arthy mentioned that we are in negotiations with them at the moment on how we might be able to tap into that extra funding that is on the table, which was not on the table under the previous government. There is a strong focus on foundational skills as

well, which is critical to enabling some people to get the skills that they need to go on to do a full qualification, in some cases, let alone entering the workforce. That will be an important part of the national skills agreement, going forward. I will hand over to Kareena Arthy to talk about some of the other elements of this system.

Ms Arthy: Thank you, Minister. Picking up on what the minister was saying about centres of excellence, a large component of this agreement is around the capability and capacity of TAFE, as the central provider of training in the system, as well as looking at centres of excellence, looking at the workforce and leadership aspects of a national system when it comes to TAFE. There are also elements relating to data and evidence. Our current systems are national data collections, and the system of doing that is quite aged. We are looking at how we can modernise that. We are looking at what we can do nationally to contribute to Closing the Gap. We are also looking at foundation skills. They are the main elements.

Mr Steel: The other element is fee-free TAFE continuing, which we have mentioned before, which was a significant announcement. It goes back to the focus on TAFE being the centre of the training system. A number of places will be available. There will be 180,000 across the commonwealth, of which we will receive our proportion and share in the ACT, to deliver over five years.

MR PETTERSSON: How do the ACT's skills priorities compare to other jurisdictions? Are we all rolling in the same direction?

Ms Arthy: With the core ones, as you would expect, we are basically the same: cyber, electrical, and building and construction. We do not have much call for mining and agriculture here in the ACT. When you talk to other people, on the core elements we are fairly aligned.

MR PETTERSSON: Thanks.

MR MILLIGAN: The Ginninderry SPARK program is jointly run and offered, through the JobTrainer program, by the ACT government and the federal government. There does seem to be money that has been rolled over this year and next in the budget. However, I understand that the program has halted. Can you confirm that this is the case and can you explain what is going on?

Mr Steel: JobTrainer was a program that was funded under the previous federal government and was replaced by fee-free TAFE.

MR MILLIGAN: And that is why the Ginninderry SPARK program ceased?

Mr Steel: I am not sure that that was the specific reason. You would have to ask them. They have been tapping into a range of different programs throughout their period of delivering training. Mr Harriott might be able to provide some more information on that particular training provider.

Mr Harriott: Thanks, Minister. The Ginninderry SPARK program is all completed. We have had the graduations of those programs recently. Ginninderry SPARK, through the Ginninderry program and greater project, have decided to wrap up their

program for this year. That came down to some decisions around staffing et cetera. What they have done is scale back their operations and their training context for now. They are looking towards potentially restarting that into the future.

MR MILLIGAN: Can you confirm that the current students enrolled in that program have completed the courses?

Mr Harriott: Correct.

MR MILLIGAN: But you are unaware of whether or not the additional funding that was provided to them through JobTrainer contributed to them ceasing operating these programs?

Mr Harriott: I believe their decision to stop was based on staffing. They tried to do several recruitment campaigns to fill some key roles in the Ginninderry team. They were not able to fill them. They made a decision to cease those programs for the moment, looking to potentially restart those in the future.

MR MILLIGAN: Okay.

THE CHAIR: Minister, there were a number of ICT and facilities upgrades financed in this year's budget. I am specifically referring to page 100 of the budget outlook. Why are these costs not coming out of operational budgets?

Mr Steel: It is a significant reform program for CIT's ICT infrastructure, and that has required an injection into CIT to enable them to undertake that work. I will hand over to CIT to talk a little about the Cloud Campus program and what it will deliver.

Ms Robertson: Thank you, Minister. I assume you are referring to the Cloud Campus program that was funded. The Cloud Campus project has been initiated to support a whole-of-institute uplift across CIT. It is also fundamental to enabling activities in our new Woden campus to come on stream in 2025. I will ask CIT's Chief Information Officer, Mr Craig Neiberding, to provide you with some additional details on that program.

THE CHAIR: Excellent.

Mr Neiberding: Thank you. I think the question there was about the capital funding? This is not about operational delivery, keeping the systems on. This is about uplifting the capability of the ecosystem of IT products across CIT as a whole to further enable opportunities so that our students have state-of-the-art systems to enable them to learn in a manner that supports them. It is about giving our teachers the systems to easily enable flexible teaching practices, rather than putting mechanisms in place like we did through COVID—although we did really well through that period. This is about enhancing what we have done and creating an ecosystem of products for both our students and our teachers.

Ms Robertson referred to support for Woden. Woden is the cornerstone and this will help to support it, but it is beyond Woden. This is about supporting our students and our teachers across all campuses to give them modern technology to really enhance

their ability to deliver learning styles on modern systems and improve our security costs.

THE CHAIR: Is anyone able to tell me how much of this ICT and facilities upgrade spend is specifically for the Woden CIT campus?

Mr Neiberding: For the Cloud Campus piece, none of the funding that has been allocated for that is specifically for Woden. It is a CIT-wide uplift of systems and digitalisation. I will pass to Craig Jordan, if I may.

Mr Jordan: I will have to take the specifics of that question on notice.

THE CHAIR: All right. Mr Neiberding has spoken about this facilities upgrade providing flexibility in learning and delivering courses. Please correct me if I am wrong, but does this mean that there will be more teaching moving from face-to-face delivery to online delivery?

Mr Neiberding: I will probably refer to Jo for the details, the specifics, about the delivery of course content, but this is about enabling the ability to easily transition and creating opportunities to do that. My understanding is that, as we capitalise on the platform that we create, there would be that opportunity, but I will refer to Jo Andersen on that matter.

Ms Andersen: Thank you, Mr Neiberding. Mr Parton, what this uplift will provide is flexibility. We discussed earlier the number of students who are undertaking part-time study at CIT and the opportunities that have emerged from the COVID pandemic around delivering more flexibly. It does not necessarily mean that more will be delivered online. What it means is that there will be additional options for flexible and virtual delivery of training and conducting assessment. It is a multimodal proposition and a greater opportunity to curate resources so that teachers do not have to be reinventing the wheel all the time. There will be a digital repository of resources, building on what we already have, and fundamentally based on the needs of the student and supporting students whose preference is to learn face to face but also students who require a greater degree of flexibility.

THE CHAIR: Once these systems have been upgraded and are in place, given the financial efficiencies of online delivery, would you not be more likely to encourage students to be more online than face to face?

Ms Andersen: I am not sure that it is actually established that delivering online achieves financial efficiencies. It does not mean there is any less interaction between the teacher and the student; it is just that that interaction happens in a different way.

THE CHAIR: Yes. I accept that. This happens a bit in these hearings: all of us on this committee find ourselves operating in spaces that are a long way outside of our portfolio and sometimes we make assumptions that are not correct.

MS CLAY: Minister, we have already had a good update on what work you are doing to get more people, and the right people, into our electrical trades. Do we have any obligations on Evoenergy or tenderers for ACT major projects to make sure that they

have a certain number of apprentices as part of that training pathway?

Mr Steel: The local industry participation plans are the main mechanism, particularly through the procurement process, that we would use to encourage apprenticeships and trainees on projects. I will hand over to Major Projects Canberra in a second to talk a little bit about that. Evoenergy, I know, does have a number of apprentices. I will have to take that one on notice, specifically about Evoenergy's role. It is outside of my portfolio directly.

MS CLAY: It is.

Mr Steel: Certainly, we would encourage any employer to take on apprentices and to particularly support female apprentices in some of these industries where, quite frankly, there have not been enough of them. We have been separately also consulting on new requirements for the number of women in the construction trades as well. That is in a separate portfolio that we will discuss this afternoon. I will hand over to Major Projects, because they are here for CIT Woden, to talk about the local industry participation plan and how it is used in procurement, particularly for construction projects.

MS CLAY: Thank you.

Mr Little: The CIT project does have very specific key social objectives in terms of increasing the participation of a range of people in the industry. That includes increasing the participation of women in construction, the economic participation of First Nations people across the project and also providing more specific employment opportunities for local trainees and apprentices. In terms of the details of the project, there is a very specific target which includes 10 per cent of labour assigned to apprentices and trainees, which may include CIT apprentices and trainees. A minimum of five per cent of that is for CIT apprentices. There is a minimum of 15 per cent of labour assigned to women in construction. Overall, we have had approximately 6,000 hours across the project for employment opportunities for CIT staff and students.

MS CLAY: Thank you, Mr Little. You are a little far away, so I am just going to check that I heard you correctly: Major Projects is setting minimum targets of five and 10 per cent of apprentices on major projects, is that what I heard?

Mr Little: We did not set those targets.

MS CLAY: Okay.

Mr Little: We invited industry, as part of the procurement process, to bid back those targets. We are effectively inviting industry to nominate targets for that, so they exceed what would have been the minimum targets.

MS CLAY: That is great, and are they meeting them?

Mr Little: Yes.

MS CLAY: That is excellent. Is it the right target? Is that the right number of apprentices to make sure that we have both high quality work and a really good training pathway?

Mr Little: In terms of the right number, I think the designated projects are providing a base for industry to work off. We are building capability in the ACT across not just the CIT projects but also the other projects. Whether that is the right number, industry is responding to that and probably CIT are best placed to talk about the overall numbers required from industry.

MS CLAY: Thank you.

DR PATERSON: I was hoping the committee could get an update on the Training Fund Authority and what emerging trends we are seeing in training in the ACT?

Mr Carter: In terms of emerging trends, in the last 12 months that trend has strongly been in the area of silica training awareness, which was mandated on 14 July 2022. There have been, to date, approximately 14,000 individual completions of that program, but we have directly funded a rebate too. That program has been extended until 1 October for all industry completion of that. That essentially means that every single individual trade and/or employee or worker must be trained in that. It is the employer's responsibility to ensure that their workers are trained.

I think that target will be met in terms of the total output. The consensus from various industry experts suggests that there are anywhere between 15,000 and 18,000 currently employed in the industry here in the ACT. Anecdotally, there is no exact way of measuring that, but we have got a fair idea from previously mandated programs back in 2014, when asbestos awareness was made mandatory. That has predominantly been the last major program of industry focus.

That is not to say it is the only one. There has certainly been an increase over the last 12 months in high risk licensing training. It is up to 19 different programs, spanning forklift through to cranes of all different capacities, scaffolding, rigging, dogging—all of that type of training, all of which is funded through the authority for a rebate of up to 70 per cent of the training costs. All of those programs are what we would call full fee commercial programs, so they are not individually subsidised through the CIT or through the ACT government to CIT. They are a commercial cost to employers. Why has that uptick taken? Given the difficulties, during COVID, in attracting individuals with those skills from outside of the ACT region, a lot of local businesses sought to upskill their existing workforces, to continue with the work operations, where they were unable to obtain those skills from Sydney or regionally.

MR PETTERSSON: How much funding was provided by the TFA last financial year?

Mr Carter: In the last financial year, the TFA—and we know, because we completed the financial statements and submitted them to the Audit Office last Monday—operated at about a \$1.9 million operational deficit. The rebate value per silica awareness training was \$100, provided by the authority for a four-hour course. As I said, that would be at least \$1.5 million associated with that alone. The remainder

was, in general, around the high risk licensing area.

We are not-for-profit. We anticipated this several years ago, when we was advised by WorkSafe ACT that they were intending to mandate the program in the ACT. The authority has always, over its 23-year existence, operated a six to nine-month balance in its investment account to cover industry demand as and when this has happened over the period of time. That was, again, within the parameters of what the board expected. We are pleased to have been able to reduce the cost to ACT industry for that additional training this year.

MR PETTERSSON: Wonderful. Thank you.

THE CHAIR: Mr Carter, regarding the silica training that you have described, are you able to tell me which individual or organisation constructed that training unit—actually put it together?

Mr Carter: As I understand it, the course was developed by Creative Safety Initiatives several years go. The program has been delivered and supported through training rebates from us since 2015-16.

THE CHAIR: Is Creative Safety Initiatives a CFMEU-owned organisation?

Mr Carter: I could not be as specific to say that they are owned, because there are a number of operational trust arrangements that support how they operate as an individual. They are an individual entity, as a registered training organisation in the ACT.

THE CHAIR: But they are not connected to the CFMEU?

Mr Carter: Again, I do not know whether the word “connected” is correct. They are an individual registered training organisation that may well have some affiliation, but I cannot be sure of the exact arrangement

THE CHAIR: Mr Carter, you have mentioned some high numbers who have gone through that course, partly because it is mandatory—14,000-odd.

Mr Carter: Correct.

THE CHAIR: You have got to do it.

Mr Carter: Yes.

THE CHAIR: Are you able to tell me, for each of those individuals that undertake the course, how much money goes back to the author of the course?

Mr Carter: I understand that there are some nine registered training organisations that have achieved a licence to be able to deliver the training program. It is not just CSI delivering; there are nine. The course costs range between \$390 and \$400 per person, as I understand it. Our rebate was established by our board, based on a matrix delivered on the value of the course but also the cost of face-to-face hours. The

four-hour course receives a consistent rebate, from our perspective, of \$100, because that is what we fund for those type of awareness programs. I do not know the exact figure that may or may not be provided back to the owner of that program, being CSI.

THE CHAIR: Please excuse my ignorance in this space, but did I hear you correctly in saying that it is not just the CSI course that is offered. If you are to pass, get the box ticked to say that you have passed this mandatory training, my understanding is that there is just the one course that you can do and it is the CSI course, no other.

Mr Carter: In the ACT the mandatory program by WorkSafe ACT has designated that one course only.

THE CHAIR: Right.

Mr Carter: As far as the rebate is concerned, we provide agreements with the nine RTOs that deliver the training program to pass the \$100 on, on our behalf, to eligible applicants. That is done through a gap price exchange when somebody enrolls to do the training program. For example, if it is \$400, we provide \$100. The individual would pay \$300. They would receive that rebate and then, on a fortnightly or monthly basis, those RTOs invoice us for the number of people they have provided the training to. As for how the RTOs themselves have to provide a further cost back to the course owner, I am not familiar with the administrative process around that.

THE CHAIR: Minister, are you in a position to tell me how much money goes back from each individual that has been mandated to do this course? Are you able to tell me how much of it goes back to the author of the course? At 14,000 participants, that is a hell of a lot of money. No? You are not able to?

Mr Steel: I think we can take that on notice.

THE CHAIR: All right.

Mr Steel: The reality is that for a range of different courses nationally there are licence fees, I think they are called, that have to be paid to those that establish the intellectual property for a particular training course. That is a system in place nationally, and I think it is applied to courses here in the territory as well. Mr Harriott might be able to talk about the way that the training system operates in that regard.

Mr Harriott: I would have to take that one on notice, Minister.

Mr Steel: Yes. We will take that on notice, thanks.

THE CHAIR: All right. Excellent.

Mr Carter: There are other programs that have a licensing arrangement, so it is not specifically that course. The Working Safely with Asbestos-Containing Materials course was developed by an entity and they licensed that program for delivery to other providers also. It maintains the cost of ensuring that all the intellectual property and all the resources are consistent across the delivery platform of whoever delivers that program; that is what I understand.

Mr Steel: The basis for the system is that it encourages investment in new courses by various RTOs, and all the intellectual property associated with that, in areas where there is a gap in skills need. The current set of courses and qualifications that are available may not be meeting the needs in emerging areas, so RTOs have stepped in to provide their own and develop their own training courses around that. Once that need has become clear across Australia, many RTOs will pick up that training, pay the licence fee and deliver the training course. It is with the package of materials that is provided by that licence holder. There is a process for some of those courses being established nationally that we can take on notice and provide some more information on.

THE CHAIR: I guess what I am trying to get a handle on is: how much money has gone back to this provider who has put together a course that your government has mandated that every construction worker must do? That is all I am trying to get a handle on.

Mr Steel: There is obviously a clear need to skill people up in silica awareness.

THE CHAIR: There is. Yes.

Mr Steel: We know what a killer this is. It has been a national issue. I represented Minister Gentleman at a national meeting where we said we needed to address this issue head on, and that is what has been happening in the territory. This training course is clearly critical to making sure that workers are safe on site and that they do not develop the sorts of diseases that can occur with silica dust.

THE CHAIR: I guess it is just as well for CSI that they were ahead of the game and were able to develop this course in time for it to be the course that was mandated by the government.

Mr Steel: I think the mandating really is a question for WorkSafe ACT.

THE CHAIR: I understand.

Mr Steel: There is a need out there for that training to be delivered and there are a range of RTOs that are providing that training.

THE CHAIR: All right. We will now take a break.. Thank you.

Hearing suspended from 10.28 to 10.45 am.

THE CHAIR: Welcome back to the public hearings of estimates for 2023-24. In this session we will continue speaking with the Minister for Skills and officials. Minister, I believe you have a correction to make?

Mr Steel: Yes. Earlier in estimates I said that nationally there were 180,000 fee-free TAFE places that would be delivered through the NSA. That was 180,000 for 2023. There will in fact be a further 300,000 fee-free TAFE places from 2024 to 2026, subject to agreement with the states and territories, as part of the National Skills

Agreement.

THE CHAIR: Along the lines of clarifications, we asked earlier about the connection that Creative Safety Initiatives has with the CFMEU, which was not able to be answered. I want to state for the record that Michael Hiscox is listed as being the Chief Executive of Creative Safety Initiatives. He is the Assistant Secretary of the ACT branch of the CFMEU, and the head office address for CSI is the head office of the ACT branch of the CFMEU. I thought it was important to note that, in regard to the evidence that we covered in the last little while. Mr Milligan, you have the call.

MR MILLIGAN: I would like to go back to Ms Robertson's acting role with the CIT. A number of people have raised questions with me in terms of finding out how many days Ms Robertson has actually worked from her office here in Canberra over the last three months.

Ms Lundy: That question has been answered previously, in that Ms Robertson is able to work flexibly within the rules of the ACT, and the CIT supports that. I see Ms Robertson an awful lot in Canberra, but I think it is reasonable to say that some of those days she would have worked in her office through a video screen, like lots of other people have done through this period. I am not able to respond to that question specifically. The way that we have responded to it previously was as much detail as we could give.

MR MILLIGAN: I am sure Ms Robertson is able to work remotely, and we are doing that a lot these days, although there is no reason why we cannot have an answer to the question in relation to how many days Ms Robertson has worked from her office here in Canberra.

Ms Lundy: I think that is a reasonable request, although it concerns me that the motivation for the question is to impugn something less than perfect in her ability to work. I know that I cannot ask you questions. I do not want the answers to these questions to cast aspersions in any way on Ms Robertson's commitment to her role as interim CEO, as she has been working extremely hard, like all of her colleagues, all of our teaching staff and all of our admin staff, to make sure that CIT is responding to the needs of the Canberra community, and continuing to provide excellent training and teaching to the level of quality that Canberra and the region expect.

MR MILLIGAN: In relation to the \$55,000 that is allocated for travel, accommodation et cetera, is that meant only to be used for a six-month period and, in certain situations, for nine months? Is it up to the Remuneration Tribunal to determine that? Did you mention earlier that that \$55,000 can be used for up to 12 months? How did that decision come about?

Ms Lundy: Yes, it was with approval of the Remuneration Tribunal. My recollection is that it is available for a nine-month period. As chair, I sought an extension up to a 12-month period because the amount had not been expended. There was no additional funding but the Remuneration Tribunal, as far as I can recollect, formally approved that extension of three months. I would like to take the detail of that on notice to ensure that my answer is correct.

MR MILLIGAN: Thank you, Ms Lundy.

THE CHAIR: I would like to return briefly to the silica dust training. Minister, I understand that this issue of mandatory training straddles a number of portfolios, but yours is definitely one of them. Are you of the belief that it is appropriate that your government has mandated that every construction worker in Canberra must undertake a silica dust training course, but the only course that you are able to undertake is the one that has been put together by the CFMEU organisation Creative Safety Initiatives?

You have taken on notice the fee that goes back from each individual who has undertaken the course; but, at 14,000 participants, even at \$50, you are talking not far shy of \$1 million that will go straight back to the CFMEU. Of course, no-one is surprised; everyone is aware of the fact that the CFMEU is directly affiliated with ACT Labor. Do you see that arrangement as appropriate, Minister?

Mr Steel: I am not responsible for the mandating of that training. That is a matter for the WorkSafe commissioner to answer. I would certainly direct your questions there. I have undertaken to take on notice to provide some information in relation to training package licensing and how that system operates around Australia. I understand that there are training packages that may have been licensed by the MBA. There are a range of different training providers that develop training packages and have licences associated with the use of those training packages. That is part of a national system. I am sure that, if there is an RTO that provides training that is relevant, that may be accessed by organisations like the TFA and others who wish to fund training in that area. It is not something that I am specifically responsible for, from a Skills Canberra point of view.

THE CHAIR: This may be the wrong area to ask this; it could be the right area to ask it. I am trying to get my head around exactly when and by whom the decision was made that this would be the mandated silica training course. It would be just this one; this is the one that we are doing. Is that a WorkSafe scenario? Is it with Minister Gentleman? Is it with CIT? It is obviously not with CIT—

Mr Steel: We can take on notice the genesis of that particular training package and how it is recognised, and whether there are other training packages that have been developed.

THE CHAIR: All right.

MS CLAY: Minister, on page 142 of budget statements B—you probably will not need to look it up, but I will give you the reference, anyway—it says that CIT is—and I quote:

... seeking opportunities for renewal of other campuses including potential for CIT Fyshwick to update and upgrade facilities with the East Lake Urban Renewal.

Can you tell me what that means?

Mr Steel: You would have seen in the draft district strategy that covers the inner

south that this area has been designated as a future innovation precinct. Obviously, CIT is an innovative organisation. They are developing nation-leading training in relation to electric vehicles, and they are certainly, as we discussed earlier, looking to expand what we do there. It is the trade skills centre, so it delivers a range of different trades, but there is an opportunity out there to look at, particularly with Woden being developed, what we need to do across some of the other campuses as well.

Fyshwick has come up because of the need for some of those key trades. There is the need to move into new areas and expand places, for example, in electric vehicle training. It is a campus that is now several decades old, so we are looking at how that works with the broader precinct that may be developed around it.

If you think about CIT Fyshwick, literally across the road there is a hydrogen refuelling centre. That is a great synergy with the work that is happening with the electric vehicle training centre, their work on fuel cell vehicles, and the training supporting it. I think there are some opportunities there, and we are at the first stage of doing that. I know Kate Lundy is passionate about this one, so I will hand over to Kate to talk about it.

Ms Lundy: It is an opportunity. There is no doubt that the redevelopment of that East Lake precinct sits across a time frame that means CIT has the opportunity—and I will leave it at an opportunity at this point—to grow into that area and strengthen its offerings in all of these new technologies, or technologies that we know are present, and we need to have a skilled workforce to participate in and respond to it.

Trade skills are as critical as ever. Anyone in Canberra knows what it feels like to wait for a tradie to get work done, either around their place or in their business. That demand for our traditional trade skills will never get smaller, either. When you combine both the opportunity of moving into that area of electrification and mitigating other sources of energy systems with the ongoing increased demand for trades, it was music to my ears that there was an East Lake redevelopment consideration being undertaken by the ACT government. I think the minister knows full well that he will be hearing a lot more from CIT about what those opportunities could look like going forward. I do not know whether any of my colleagues want to add something.

MS CLAY: It might be premature to ask, but is there any kind of time line for that, or is this just early concept district planning?

Ms Lundy: The indication from the ACT government is that that consultation is beginning. The opportunity for CIT, as we move into 2024 and the conclusion of our Strategic Compass—our strategic plan—is to build a strategic plan for the ensuing five and 10-year period. We believe that that redevelopment opportunity will be embraced by our next series of strategic considerations. Now is the right time to be thinking about what those possible futures could look like for the Fyshwick campus.

MS CLAY: That is great. Is there consideration about housing as well? We always have concerns in Canberra where our housing and our jobs are not co-located.

Ms Lundy: I am not in a position to talk about housing specifically in the context of

that redevelopment. That is for the ACT government, and I presume it is a planning portfolio matter. But it is a very exciting opportunity for CIT going forward.

MR PETTERSSON: CIT students competed at the national WorldSkills competition earlier this year. I was hoping the committee could get an update on how they went.

Ms Robertson: CIT students will compete in the national WorldSkills competition in Melbourne in August, in a couple of weeks time. This week we will be having a formal farewell to our cohort of participants, who will travel to Melbourne and undertake an intense period of scrutiny around projects that allow them to demonstrate not only that they are capably trained through their training at CIT and their relevant apprenticeships, but also that they have exceeded expectations, and that they are benchmarked at a national level.

Ms Andersen is working closely with our students and trainers to support those students through this process. Ms Andersen may give some additional detail about how many students we have participating in this year's competition, how many trainers we have supporting those students and in what specific trades they are representing the ACT.

MR PETTERSSON For my benefit, what are the different stages? Are there local, national and international stages to it?

Ms Robertson: Yes, that is correct. WorldSkills International is an organisation that was established in Spain, post World War II, recognising that, like now, for the ongoing social and economic wellbeing of communities, trade skills—not only trade skills but trade skills excellence—are absolutely critical. That movement has been evolving for all of those years and in some ways mirrors the Olympic Games model. Indeed international competitions are often held alongside the Olympics, so we talk about WorldSkills as trades Olympics.

It is a fascinating process that continues to strive. It is a volunteer organisation. It brings trades experts, business experts and supporters globally into this amazing opportunity to continue to promote excellence in trade skills training. The cycle starts at regional-level competitions, and CIT for many years—CIT is the major provider in the region—has hosted regional competitions. We have then gone on to participate at the national level. Indeed a recent student in our bakery program was recognised as fourth best in the world as a baker—patisserie and those sorts of skills.

It is a significant opportunity for CIT to demonstrate, at a national and international level, the excellence of what we do, and the amazing skills that we develop in our tradespeople, our graduates, who work with our extremely dedicated and capable trainers at CIT. Jo, would you like to take us through some of those trades, by way of example?

Ms Andersen: Yes, absolutely. We have 13 students progressing to the national competition in Melbourne. They are participating in competitions that range from baking through to plumbing, electrical, carpentry and horticulture, across a range of different competitions, as I said. We have a number of staff who have committed their time to mentoring those students to make sure that they are in the best position

possible to achieve success at the national competitions. We also have a number of staff who are judging at the national competitions. One of our teachers, Michael Blasch, is in fact the chief judge for the horticulture competition. If they are successful, they will represent Australia at the WorldSkills competition in Lyon next year.

MR PETTERSSON: Very exciting.

Ms Andersen: Indeed.

MR MILLIGAN: In your Major Projects Canberra booklet, on page 12 we see that the Canberra Institute of Technology Woden is referenced; \$332 million and above has been indicated there as a cost. I think the original cost was estimated at \$240 million. Can you explain in a little more detail in terms of the cost increase for this particular project?

Mr Steel: I will hand over to Martin Little and Rebecca Power to talk to that.

Mr Little: The current budget that is in the budget paper reflects the contracts that have been entered into and the current agreed scope. They also address a number of industry stressors and strains that occurred during the pandemic and COVID, which we are probably all aware of, and the industry responses to the procurement when we took those contracts to market.

MR MILLIGAN: Are you expecting this build to be completed by December 2024?

Mr Little: There are no guarantees in the construction industry currently. We are still forecasting that the main build will be completed at the end of 2024, while noting that there are still contingencies held by the territory for risk.

MR MILLIGAN: When will it become operational? When do we expect that that campus will open and operate? When will they be taking the first list of enrolments?

Mr Little: That is probably a question for CIT. We are working closely with CIT and we keep them briefed, as our end user, if you like. As we progress the construction, that date will be firmed up. In terms of allowing for operational commissioning, CIT will then take the baton and be able to confirm that date.

MR MILLIGAN: Do you have anything further to add, Ms Lundy?

Ms Lundy: The answer to that is as soon as possible. We are very excited about being able to move across to Woden and be able to work there. As you have heard, the time frame is contingent on the build being completed in the time frame that has been forecast; then, of course, we have the move.

MR MILLIGAN: With the new premises, you would hope to offer more courses to students. We have that skills shortage, so there needs to be a focus on bringing people into those courses. Does the government have a plan to attract more teaching and staffing to provide these courses? Is there a plan going forward in terms of that?

Mr Steel: There has been a discussion nationally about how we can attract more trainers into the industry, particularly from the trade that they were qualified in and working in, so that they can bring those skills into a teaching role. Currently, they would have to undertake a Certificate IV in Training and Assessment, which is provided by CIT. It is about a year-long course, from memory, so it is a reasonably significant undertaking for someone that is wanting to come in to teach. I know that a number of other jurisdictions have talked about whether that could be potentially shortened, but it is also important that the teacher trainers have the skills they need to be able to properly teach courses. There is a balance to be struck there, certainly.

Generally speaking, CIT has been reasonably successful in picking up teachers who are qualified in their industry, and who are perhaps at the end of their working careers; they might be in a period of their careers where they do not want to be on the tools anymore but they do want to impart their knowledge to a younger generation. That can be quite a rewarding career for many people, particularly in our trades. CIT might have some specific information on what they are doing for their particular recruitment and onboarding process to support more opportunities.

The private RTOs would also have their own ways of attracting people. I visited NECA the other week, who undertake a lot of training in the electrical trades area. They have certainly been very successful in attracting teachers to be able to deliver those trades. CIT can provide some information.

MR MILLIGAN: How have they been able to do that?

Mr Steel: Providing flexibility has been key for them. They have even been looking at what they can do, particularly, for women who may be wanting more flexibility around child care and so forth. There are opportunities there. Each organisation will have their own recruitment strategy, and CIT will be no different.

Ms Robertson: CIT has a strong commitment to ensuring that our workforce is aligned to the current skills needs of the ACT. We also have a strong commitment—indeed it is a requirement of the Australian Skills Quality Authority—to ensure that our teachers are appropriately trained. As the minister said, this involves not only training as a trainer and assessor, according to the Certificate IV in Training and Assessment, but also currency in a particular discipline or skillset.

Being a trainer in vocational education and training is quite a complex and significant commitment. CIT has the capacity to attract untrained discipline experts who do not hold a qualification in training and assessment and scaffold a learning process for our new recruits to help them develop skills and training, basically on the job, supported by the opportunity to go through that program, which we provide free of charge to staff.

The Australian government has recognised—and this has now come to the fore in the negotiations going on between the states and territories around the new National Skills Agreement—that, like many other industries in the country, our workforce has been depleted over many years. We need to continue to find ways to promote vocational education and training, and the work that we do, the work that our educators do, as being an aspirational career for many people—not only people who

have, as the minister said, come to the end of their ability to work as a tradesperson, but also younger people who may want to work, run their business and take the opportunity to come into organisations like CIT, undertake some additional training, upskill and pass on their knowledge and skills to our aspirational students, who are very keen to learn and develop great skills.

There are many ways, but we do need to recognise that our workforce has been depleted due to a lack of investment over a number of years. CIT is part of a national network of public training providers who share knowledge and information and share innovative ways of being able to build the workforce we need for the future.

Ms Lundy: If I may, I will add a couple of comments about vocational education qualifications. I and the board feel really strongly about increasing and improving the status of vocational qualifications. There is an ongoing conversation in the context of national reforms about the relationship between a university education and a vocational education. Here at CIT we are extremely proud of the array of qualifications that we are able to provide to young people, older people, people transitioning their careers and people pursuing their passion or their hobby.

It is about recognising that all of the people that choose to obtain their qualifications through a vocational education pathway contribute incredibly valuably to society. We have to remember that as we put our best foot forward in providing the opportunities for anyone who wants to pursue a vocational qualification, but particularly those in our community who find it tough to find the right pathway, those in need. That is our job at CIT: to step up for those people and to put in the wraparound support for those people to be able to pursue their dreams and goals.

THE CHAIR: On community day, which seems like a long time ago—day one of the hearings—we heard from Michael Hopkins from the Master Builders Association. He expressed his disappointment that funding had been cut to the Women in Construction program. Over the past four years this program has been funded by the ACT and federal governments and has been highly successful in attracting women to the construction workforce. Minister, given the funding cut to this otherwise successful program, what other strategies does the government have to increase the number of women in the construction industry?

Mr Steel: I do not think the word “cut” is quite right in relation to this program. I will hand over to Mark Harriott to provide some further information.

THE CHAIR: What word would you use, Minister?

Mr Steel: We provide a range of grants which are often taken up in order to support a new program so that it can get established, and I believe this is what has happened in this case. I will hand over to Mark to provide further clarification on that.

Mr Harriott: Thank you, Minister. I believe the funding for that one actually expired. It was under a different funding arrangement for Future Skills for Future Jobs. Under those industry grants that I spoke about before, the ones that had 35 applications and eight successful ones, there are two programs that focus on women in construction. One is a partnership with Lendlease, Women in Construction, and the other one is

with the University of Canberra, Training and Upskilling Women in Construction.

THE CHAIR: Minister, irrespective of the reality of grant money expiring and it being a one-off for establishment, surely the Women in Construction program has delivered some good outcomes? I am wondering if the government gave consideration to creative ways to keep that program going, given that I know that this government—as is the case with, I think, all parties in this place—has expressed that it is a very important thing to get more women into the construction industry.

Mr Steel: We absolutely agree with that. That is why we are currently consulting about putting gender on the tender through the Women in Construction Procurement Policy, which is one of the key commitments that we have made under the ACT Women's Plan. We have been consulting on a range of different targets for the number of women employed in different job categories and making sure that there are internal plans in place to achieve gender equity in the workplace.

This will mean that industry themselves have to make sure that there are women employed in construction, that there are women apprentices employed and that there are women in leadership roles working on construction sites, particularly on ACT government projects. That, no doubt, will translate into other private sector projects as well. We have taken a slightly different approach to achieve the same outcome, which is to require the industry to make this happen.

THE CHAIR: As a consequence of that government investigation, is there any chance that at some stage in the future the Women in Construction program or something similar could be revived?

Mr Steel: There are absolutely opportunities for organisations to come forward, through the range of grants that we have on offer, to support those sorts of roles. What we are saying is that there is now going to be an expectation on industry to make sure that they have women employed on site. That is different to providing a small amount of funding to a program which may fund a limited number of places. This is making sure that they employ these apprentices on every project over a certain amount of money—\$5 million or more.

THE CHAIR: So you have made the call that stick is better than carrot in this instance.

Mr Steel: I think things have moved. We were not seeing the industry move as fast as we would have liked and so, yes, we have taken the approach that we want to consult with industry about what might be appropriate in relation to requirements for procurement. I would not characterise it as “stick”; I would say it is around procurement policy in that we have made it clear that we want to invest in projects where we have got more women employed on site.

THE CHAIR: All right. Thank you.

MS CLAY: We heard about some targets before for women apprentices; they were targets set by the industry. Are you talking about putting gender on the tender and getting industry to set targets?

Mr Steel: We would set the targets, through the policy. There are a range of different targets, depending on what the roles are. Mr Harriott might have some further detail on that one. A 10 per cent target is the proportion of women employed in construction on ACT government-backed projects that we have put forward. We are consulting with industry about what they think of that target before we finalise the policy. I know that other stakeholders, like the CFMEU, would like us to go further. We have been listening to that feedback and we will finalise the policy over the coming months.

MS CLAY: How would you ensure that those targets are met? What is the compliance and enforcement strategy?

Mr Steel: That would be no doubt assessed through the procurement process. Already, through the Local Industry Participation Policy, the tender evaluation takes into consideration what tenderers have put forward in relation to apprenticeships and other local industry participation targets. That is taken into account in assessing the outcomes that we could achieve through the tender process. But this is being a little bit more prescriptive than what is currently in the LIPP, which itself is under review. Having specific targets there will mean that any tenderer will need to meet those targets.

MS CLAY: Would that then be a term of their contract, if they are successful?

Mr Steel: Indeed. Mr Little might be able to talk to the current CIT Woden campus project and how the LIPP has translated into the actual contract.

Mr Little: Yes. Thank you, Minister. That is correct. Those targets that are fed back through the procurement process are then set in the contract. We monitor their performance against those targets on a recurring basis. In the case of the CIT project we monitor monthly. As I said before, our construction partner is just ahead of those targets at the moment.

MS CLAY: Thank you. I am interested in the same area, women in the trades, but I might pick up a different strand of it. One challenge is to make sure that we get enough women entering the trades. We have heard a little bit about that this morning. The other challenge is making sure that we retain women in the trades that they have chosen. What work are you doing to make sure that we are retaining women in those trades and what problems are you noticing?

Mr Steel: I think providing a pathway for women to move up during their career, into different leadership roles, is important. That is why the targets we have been consulting on include those leadership roles, not just targets for apprentices at the lower end. It is really important that we have that leadership. That demonstrates to women who are looking to get into a trade that there are people like them working at all levels of a construction project or in the broader industry. That sort of role modelling is critically important, and that is why we have been able to set it there. I will hand over to Rebecca Power, because I know she has played a particularly important role in this area and is part of NAWIC as well.

Ms Power: Thank you, Minister. Yes, it has been a bit of an ongoing passion for

several decades. Yes, we are working closely with our industry partners, not just with the MBA but other industry partners, to improve how we support and mentor women once they are in the actual trades and when they are in the industry more broadly. There are several programs in place for mentoring and support. NAWIC runs a mentoring program, which MBC is closely involved in, where we provide a very structured program to support individuals. It is very affordable as well.

We are also continuing to work with Lendlease, who have a broader mentoring and support process for all of the women who are coming through in this particular contract for the CIT Woden project, again to provide them with that ongoing support and career mentoring to continue to improve their retention.

MS CLAY: I would assume that the barriers for women to remain in the trades would be similar to the barriers in many other workforces. One of the barriers we often hear about is women wanting permanent part-time work at different stages of their lives, and flexible work. How are we ensuring that that is possible in the trades?

Ms Power: That is an excellent question. One of the biggest struggles we have in the part-time work process is working closely with the industry to ensure that it is able to provide positions and that what it is funding—linked to all of the other programs—is commensurate with the hours that people are working. That is something that is a responsibility of the industry, and we work closely to make those provisions possible in our contracts. We look at five-day working weeks, for example. One of our projects in education has a five-day working week on site. CIT Woden also has a five-day working week, and that makes a big difference to the participation of women in the industry, particularly in the trades. There is further investigation going on in child care right now. That is outside of our remit, but it is in the broader industry discussion.

MS CLAY: Sorry; did you say the five-day working week?

Ms Power: Yes.

MS CLAY: As opposed to the—

Ms Power: Six-day working week.

MS CLAY: Right. Thank you. Just checking. Under our government procurements and government contracts, we are setting targets for women apprentices and trying very hard to enforce those. Are we also having a look at whether we need to set targets for offering permanent part-time work or the revolutionary five-day working week? We have heard that in bus driving it is really hard for women at the moment because they can only work casually or full time; there is no permanent part time, which would be a more child-friendly way to work. Are we looking at any targets or ways to make that easier under our procurement and contracts?

Ms Power: At this particular point in time, we have not specifically looked at that detail, but we can take that perspective.

MS CLAY: Do not take it on notice. Is it a barrier? Is access to permanent part-time work a barrier or has that not been identified as a barrier?

Ms Power: I have not heard it specifically identified as a barrier to me, only through hearsay, so more analysis is needed.

MR PETTERSSON: The government has just tabled its response to the ECI committee report on the most recent annual reports hearings. There are a couple of recommendations about CIT skills and Auslan. I am wondering what work is underway to address the shortage of Auslan courses in the ACT.

Ms Robertson: Thank you for that question. CIT currently does not deliver Auslan training, but at CIT we work very closely with Skills Canberra to look at specific skills needs. Should there be a significant case for setting up that training, and should there be funding available, we would work with the industry, with Skills Canberra and within our own resources to determine what is an appropriate response in that case. Through our wholly owned subsidiary, CIT Solutions, we offer some introductory programs at an entry level and the next level, for people who might be interested in understanding a bit more about what that career looks like, but at this point we have no specific plans to stand up that qualification.

MR PETTERSSON: So that is it for CIT: no immediate plans. The government agreed to put all certificate levels of Auslan, plus the Diploma of Interpreting, onto the ACT skills needs list. What happens next?

Mr Steel: What that means is that if a provider wanted to come forward to provide that training, they would likely be able to access the subsidies that are available under various programs, as something that has been identified as a need. I will hand over to Mark Harriott. He might provide some further information.

Mr Harriott: Thanks, Minister. After budget estimates last year we added the different Auslan qualifications to the skills needs list, as well as the interpreting qualification. The main provider for those qualifications at the moment is Deaf Connect. They have a funding arrangement with the ACT government as well, so any students going through that can receive that funding.

MR PETTERSSON: Okay. Thank you.

MR MILLIGAN: I have a question in relation to seeking feedback from staff and students at CIT. Is there money set aside in the budget to do that, and is there money set aside in the budget to allocate for upskilling and training of the staff at CIT?

Ms Robertson: Yes; absolutely. CIT is a training organisation. We are also a learning organisation. As part of our normal course of business, we have integrated into our operations many opportunities for staff to give voice to their views about their own experience of working in the organisation. Importantly, we have many constructive staff who work alongside the leadership and executive of the organisation, and the board, to make our working environment a more productive and engaging place to be.

Under the requirements of our enterprise agreement for our teaching staff, we allocate a percentage of our salary budget to those teachers to maintain their currency as qualified trainers and assessors. We also have other processes in place whereby we

support individual staff to engage in a range of conferences and professional development activities, as determined through their work planning processes with their particular manager. There are a range of options available.

We also have stood up a workload management committee that is being managed by our Executive Director, Corporate Services, and that has broad representation across the organisation. We look at what systems and processes we might be able to improve at CIT to make the experience of our staff, on a daily basis, more streamlined and more efficient.

We talked before about our Cloud Campus initiative. One of the major drivers of this initiative is to significantly uplift the state of our current ICT infrastructure, which comprises a range of legacy systems, so our staff are dealing with outdated technology that from time to time does not meet their needs as educators or administrators within the organisation. Mr Neiberding may be able to provide us with more information about some of the improvements that we have already stood up and that we will continue to stand up so that staff can have a better working experience at CIT.

Mr Neiberding: With the Cloud Campus, some of the aspirations are to create an easier way to work on relevant platforms for our educators and trainers and to have an interconnected ecosystem of products. While we currently we have great tools—or, as I call it, great bones in the body—it is about connecting them so that teachers know where they need to enter data once, to streamline it. The objectives are to reduce administrative effort for our trainers but also to give the right information, at the right time, to our students to really support their learning at CIT.

With this program we have been collaborating through a co-design process. We are not going out and saying, “This is what we are doing.” We are working with teachers to hear where our real priorities are. We have had feedback from the workforce committee on what they see as priorities to support teachers, what they would like to see, and we are building that into our program of work so that we deliver on that. We are not just focusing on the student experience; we are focusing on the trainers’ experience as well, and uplifting our capability across the board.

MR MILLIGAN: You mentioned earlier that you give staff an opportunity to voice their views on the running and management of CIT. Did you consult with staff on the matter that involved the former CEO and the acting CEO and seek feedback from staff on whether they support it or have issues? Did you give them an opportunity to raise questions?

Ms Lundy: The board made a decision to appoint an interim CEO, in the course of managing that crisis. That was a board decision. Since then there have been a number of opportunities where we have sought feedback from staff or the opportunity has been there for them to express their views about whatever they like. I am not aware of any specific negative feedback about the appointment of an interim CEO. Largely thanks to queries of people like you, there is an ongoing dialogue in the public domain about the fact that we are still paying two CEOs.

We are allowing procedural fairness and natural justice to unfold as the Integrity

Commission inquiry continues. In that sense, the board takes full responsibility for the appointment. The staff have the opportunity to express their view in many different forms. Whilst everyone is concerned about the fact that we are paying two salaries, we do not hide from that—from our staff or from anybody else—because it is a fact of life and it is about letting procedural fairness and natural justice unfold.

MR MILLIGAN: You mentioned that there are a number of different forms on which staff can provide feedback. How do you promote that to staff, and is that anonymous?

Ms Lundy: From the board's point of view, we have a number of communiques and we have encouraged staff to speak their mind. I will hand over to the organisation so they can describe the mechanisms that are available within the organisation.

Ms Robertson: I can give you an example of that. As you are aware, CIT went through a process at the end of last year, working with the Chief Minister's office and experts within that office, to look at the needs of our executive management and to benchmark and right-size leadership across the organisation and fill gaps where they existed.

Consistent with that process, there was an extensive period of consultation engagement with staff from January through to March this year. Staff were given numerous opportunities—either anonymously or by identifying who they were and what comment they wanted to make—through our human resources team and through our website, to be able to provide extensive feedback. Indeed we did get extensive feedback through that process. As a result of that feedback, we made some changes to the structure, particularly around how we manage quality at CIT and the significant effort and significant leadership requirement for that role.

We consulted on a structure that we had determined, with the approval of the board and with expertise provided through the Chief Minister's office. We shared that with our staff. We provided online opportunities. Our executives made themselves available for one-on-one conversations with staff that wanted to provide feedback into that process.

As a result of that feedback, we also learnt that there were other issues that were of concern to staff, and that particularly related to your previous question about workload management. We have put in place other structures and processes to deal with those issues.

We continue to provide a range of opportunities for staff to engage. Ms Andersen, in her role as Executive Director, Education Futures and Students, facilitated a forum last week at our Bruce campus where she was supported by the executive team and spoke to around 200 staff about the exciting changes that are now being implemented through that portfolio. That will focus on ensuring we have capable leadership across student experience, across education design and delivery and, importantly, across the quality of what we do, and across our student life cycle, from how we engage with our students when they first indicate interest in studying at CIT right through to their graduation.

Staff are on board and excited about that initiative. Again CIT is in a process of evolution as we continue to ensure that we have the capability we need to deliver the skills and training priorities that we have talked about in detail in this space this morning.

THE CHAIR: I will continue on that theme from Mr Milligan. I received a hard-copy letter in my office today. Given that this letter is addressed to me as the chair of the committee, and given that I have not gone through the process of sitting at a formal meeting and circulating it, I will not go into the specific details of it. It comes from staff at CIT—well, so it says. It is anonymous. But the level of detail that is provided certainly indicates to me that it is highly likely that it comes from within the organisation.

Some of the allegations are extraordinary, and because it is anonymous and because we have not spoken about it as a committee, I will not air them. It certainly displays, Ms Robertson, that your suggestion that staff are on board and excited does not line up with the rhetoric in this letter. It certainly expresses a concern and a dismay at a lack of dissemination of information. That is all I will refer to, because I do not think it is fair to refer to specific details in it. Is it possible for you to address that sentiment, as communicated to me in that anonymous letter?

Ms Lundy: Mr Parton, the best way to respond to that is that there is never going to be a 100 per cent universally shared view. No-one is suggesting that every single person in the organisation is comfortable, but I think that it has been a characteristic, particularly through this period of controversy, that anonymous attacks on our executive, the board and everybody else are fairly persistent. It is incredibly destructive to both the morale and, I suppose, the esprit de corps of the CIT as a whole.

We feel that we have enough mechanisms within the CIT for concerns to be specifically aired through our systems within the organisation, and there is an incredible effort by our executive to respond to those concerns and accommodate fixes, where it is appropriate and possible. To bring an anonymous letter in here, it feels like intentional muckraking, respectfully, not necessarily by you, but a campaign to make things hard for CIT without being able to give us the opportunity to follow through with specifics.

I feel confident, as chair, that we have created those mechanisms. I am sorry that, with respect to the person who has felt the need to write to you today, this is the only way they feel they can air their grievances, because I am confident that the organisation has the means to do that.

I do not feel, as the chair of the board, that it reflects the broad view or experience of our teaching staff as we are going forward today. Everyone in this room knows as well as I do that you cannot keep 100 per cent of the people happy all of the time, but I can tell you that there has never been a greater effort than what I am seeing with our teachers and executives right now to stand proudly beside that CIT banner, put their best foot forward and move through this period of controversy in the best way that we can.

We cannot do that because the time frame is not ours; it belongs to the Integrity

Commission. We will keep putting our best foot forward whilst that takes its time, due process and everything else. But it is not inhibiting our team—and I mean that collectively; everyone we have on staff—from doing the absolute best they can for the students that turn to CIT to get their education, to get their skills and, ultimately, to get a job.

THE CHAIR: I appreciate the response; thank you. Ms Clay?

MS CLAY: Minister, we have heard an update about CIT Woden being gas-free. Can you tell me what the status is regarding gas and also electricity efficiency at all of the CIT campuses?

Mr Steel: I will hand over to Craig Jordan to provide some further detail there.

Mr Jordan: Thank you for the question. We do have gas at our Fyshwick and our Reid campuses in particular. As part of government, we are looking at the various projects that have been made available and bidding for future work to convert our gas to electric. When opportunities, grants or funding become available, CIT will make appropriate bids for those, for that work.

MS CLAY: Which ones are gas-free already? Which campuses?

Mr Jordan: Woden will be gas-free; Reid and Fyshwick currently have gas.

MS CLAY: Bruce?

Mr Jordan: And Bruce; sorry.

MS CLAY: Reid, Fyshwick and Bruce have gas?

Mr Jordan: Yes.

MS CLAY: What is your plan with Bruce, Reid and Fyshwick?

Mr Jordan: As the government announces various initiatives for electrification, CIT as an entity will make a bid through the normal government process to convert their equipment over to electrification.

MS CLAY: No time line on that; it is just under development?

Mr Jordan: It is something that we constantly look at. I would have to take that on notice and get the specifics about what they are working on. I do know that other government directorates, such as EPSDD, have made some announcements about the future, and I would have to look at those specifically.

MS CLAY: Take it on notice and, if there is specific information, provide it. If there is not, no harm; that is okay.

Mr Jordan: I need to emphasise that it is part of our budget process that we go through every year, when we bid, in a normal business case.

MS CLAY: Have you done an audit of your gas assets to see which ones are coming up to the end of life so that you know when it is timely to bid for that electrification?

Mr Jordan: I am not aware of an audit within my time frame of being there, which is approximately 12 months.

MS CLAY: There are a few other sustainability initiatives that are really great at some campuses and I am wondering whether you are intending to roll them out to others. CIT Bruce is doing insect farming and food rescue to reduce its food waste. Is that just on that campus or is that something that might be a feature of all of the campuses?

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

Mr Steel: The CIT Woden team might be able to talk to the sustainability of the new campus because it is a major feature of the project.

Mr Little: The new CIT Woden building will be green, six-star green-star rated, all electric. It incorporates a range of green star or sustainability initiatives, including being a timber superstructure with the zero emissions involved in that.

MR PETTERSSON: You will most likely have to take this on notice: in regard to the CIT Gungahlin site, is there any data on the utilisation of that space? How often are classes held there?

Mr Steel: I think it is quite well utilised but it is a very small space. It only has, functionally, one classroom at the moment and a breakout area for students. I think it is quite well utilised. Unless officers have any further detail, we can take that on notice.

Ms Robertson: Ms Andersen can provide you with an update on what we are currently doing in the Gungahlin space.

Ms Andersen: We do have really strong utilisation of the Gungahlin space. For example, English language courses are conducted Monday to Friday from 9.30 am to 2 pm and also Monday to Thursday from 5.30 pm to 8 pm. For a very small space, that is quite high utilisation. We also have flex sessions, which are drop-in sessions for students, for accounting, legal and bookkeeping, and there are three sessions held over the week. There is also a business flex session which is held on Saturday mornings.

THE CHAIR: We will now draw the session to a close. Thanks, Minister Steel, and thank you, genuinely, officials, for answering questions well and for turning up and being in the firing line. I know that sometimes it is not easy. I think you have done exceptionally well, and we are much appreciative of your attendance. If witnesses have taken questions on notice, please provide answers to the committee secretary within five working days of receipt of the uncorrected proof transcript.

Hearing suspended from 11.45 am to 12.46 pm.

Appearances:

Steel, Mr Chris, Minister for Skills, Minister for Transport and City Services and Special Minister of State

Chief Minister, Treasury and Economic Development Directorate

Konti, Ms Bettina, Deputy Director-General and Chief Digital Officer, Digital, Data and Technology Solutions

Whybrow, Mr Mark, Executive Group Manager, Finance, Procurement and Contracts

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

Bailey, Mr Daniel, Executive Group Manager, Operations, Economic Development

Elkins, Mr Matthew, Executive Branch Manager, Venues Canberra

Hocking PSM, Mr Stuart, Under Treasurer, Office of the Under Treasurer

Mirzabegian, Ms Sanaz, Executive Group Manager, Procurement ACT

Robinson, Mr Calvin, Executive Branch Manager, BPIF, Shared Services Finance

Clark, Ms Nicola, MAI Commissioner, Economic and Financial

Justice and Community Safety Directorate officials:

Ng, Mr Daniel, Executive Branch Manager, Civil and Regulatory Law, Legislation, Policy and Programs

THE CHAIR: Welcome back to the public hearings of estimates 2023-24. In the first of our afternoon sessions we will hear from Minister Steel, this time as Special Minister of State. We welcome the officials. The proceedings are being broadcast live. The proceedings today are also being transcribed and will be published on the Assembly website. When taking a question on notice could you be emphatic about that, just by saying, “I will take that on notice.” Then we can all be on the same page. I remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the privilege statement. Could we, universally, on the voices, agree? I am assuming that you do agree. Could you all please confirm together for the record that you understand the privilege implications of the statement and that you agree to it.

Witnesses: Yes.

THE CHAIR: Excellent. As we are not inviting opening statements we will now proceed to questions. Minister, it would seem odd for us to start this session with any other topic than this, given the publicity that this saga has garnered up until this point. I am talking about the \$76 million that was spent on the now-abandoned human resources information management system. Last year, during budget estimates, you proudly exclaimed that the HRIMS Learning had been launched. You also advised that the system’s ongoing development would enable us to generate savings in the longer term, in the management of those systems through efficiencies. It is safe to say that those comments did not age well. Can you please advise on what date you knew that the program would have to be abandoned and whether the decision was made by cabinet to cease its progression?

Mr Steel: The decision was made in the budget to cease the HRIMS program. That

was made on the basis of a number of reviews that were undertaken following the first point when we knew that the program was not on track, which was in December 2022. I took on the role of Special Minister of State in November 2020, and we became aware that it was not on track during the height of the COVID-19 pandemic. We initially sought to reset the program and look at how we could continue to complete the program. Following further investigation, we paused the program and undertook a review into what had happened. The subsequent review revealed that there was an option, which had been discounted initially, to look at upgrading the existing HR21 and CHRIS21 systems.

We made a decision, through the budget, to change approach and pivot to upgrading the existing systems. What this really came down to was the question of whether we wanted to spend \$142 million more on the HRIMS system—more than we had already spent to deliver that program—with the transition to SAP SuccessFactors, or undertake a much lower cost and lower risk process of updating the existing systems. That was the decision that we made in the budget. I can come back to you on notice about the particular time but I think the review that was undertaken by Geoffrey Leeper came late last year. In relation to the comments that I made about savings, the whole purpose of upgrading our outdated legacy HR and payroll systems is to provide efficiencies, and the HRIMS program was meant to deliver savings to the system.

THE CHAIR: It didn't, though, did it?

Mr Steel: We still intend, through a slightly different approach in upgrading the existing systems, to provide efficiencies and reduce manual processing. My comments at that time are correct. They remain consistent with the approach that we are taking to upgrade our HR and payroll systems to deliver efficiencies in the way that we manage business processes.

THE CHAIR: I am hearing that you are saying that they are correct, based on your knowledge and perception at the time, or are you continuing to tell me that the abandoned contract will generate savings in the longer term?

Mr Steel: Upgrades to our HR and payroll systems will generate efficiencies by reducing the manual handling of business processes.

THE CHAIR: But, Mr Steel—

Mr Steel: We do expect there to be efficiencies gained through this approach, and it was the intention of the HRIMS program to deliver that. Now we are taking a different approach but we also expect that to provide efficiencies.

THE CHAIR: But you are clinging to and supporting a comment that you made at estimates last year, when you said that this would enable us to generate savings in the longer term. Are you suggesting to me that you stand by that comment—not that it was correct at the time—that you genuinely believe, as you are sitting here telling me, that that \$76 million will generate savings in the longer term?

Mr Steel: Upgrading our HR and payroll systems will generate efficiencies. The extent of those efficiencies will be determined through the process that we need to run

on the new position that we have taken, through the budget. Certainly, in the original HRIMS program savings were identified through efficiencies in the system, and it is our intention to also look for efficiencies with the new system. With the old system it was intended that there be efficiencies and savings, and with the new system that we are now looking at, with an upgrade of CHRIS21, we expect there to be efficiencies as well. The extent of those has not been determined at this point in time, I do not believe.

THE CHAIR: I note Ms Konti also advised in last year's estimates that "throughout the COVID period we had noticed that the HRIMS program was moving very slowly". Ernst & Young were contracted as the program implementation partners during the first attempt to deliver HRIMS. When did you make the decision to transition away from Ernst & Young as the implementation partner, who I believe had a contract of \$23 million or a smidge over?

Mr Steel: Do you want to take that one, Ms Konti?

Ms Konti: In September 2021 we made the decision to pause the program while we considered options around how we might look to deliver. It was at that time that, by mutual agreement with Ernst & Young, we made the decision that Ernst & Young would transition out of the program. They had left the program by December 2021.

THE CHAIR: What extent of that contract had been fulfilled up until that point? It is a \$23 million contract. What extent of it had been fulfilled?

Ms Konti: Ernst & Young were contracted to design, in consultation with directorates, and then build the SuccessFactors system.

THE CHAIR: Who was the next entity or consultant responsible for implementing that program, or was it just progressed internally? What happened after the exit of Ernst & Young?

Ms Konti: At the program pause we brought on Deloitte to do an independent audit of what had gone on with the program so that we could learn the lessons of the program and seek to apply them to the next phase. Subsequent to that, we sought government agreement, through our budget process, to undertake a new phase of work to consider options: how we could get an accurate understanding of the extent of change that had been delivered; the time and cost to complete; if we were to complete as originally scoped for the HRIMS program; the extent of built system re-use; as well as any other options that we might need to consider in order to deliver the benefits that were prescribed.

THE CHAIR: Thank you. That is sufficient for me.

MR CAIN: Minister, you were quoted as saying that "upgrades to the existing HR and payroll systems were not properly scoped at the beginning". Noting that you picked up this ministerial responsibility in November 2020, I believe, who was the responsible minister prior to your oversight?

Mr Steel: Three ministers had been responsible for the program prior to me,

I understand.

MR CAIN: And who were they?

Mr Steel: Suzanne Orr, Rachel Stephen-Smith and Andrew Barr. The information would be available in the Administrative Arrangements, which you could find on the Legislation Register.

MR CAIN: Was Mr Barr, as Chief Minister, the lead minister with oversight of this project?

Mr Steel: I believe he was, in the early stages of the project development.

MR CAIN: I think Mr Parton asked this question: who actually made the decision to pull the plug on this project? Was it cabinet?

Mr Steel: The government made this decision; correct.

MR CAIN: Did that come out of cabinet, then?

Mr Steel: Through the budget process.

MR CAIN: Who is accepting responsibility for this—the three ministers you have named? When did this go wrong? When did you first realise how much money was going to be lost? When did you realise that it was \$76 million? What was the real tipping point, where you said, “This can’t proceed”? I think you have touched on it. Can you be very specific about that?

Mr Steel: From very early on, when I took over in November 2020 and the project did not meet its first milestone, we looked at what the issues were. The responsibility for the project was moved to Ms Konti and we looked at whether we could reset the program. At that point, with further analysis, it became clear that we needed to pause the program to look into it further about what had happened.

A number of reviews, which were both technical and non-technical, were undertaken, including by Deloitte and subsequently by Geoff Leeper. The Leeper review looked more broadly at what had happened with the governance issues with the program but also identified early on—and with some analysis by Digital, Data and Technology Solutions—that there was the option of upgrading the existing CHRIS21 and HR21 systems which had probably been discounted.

Importantly, the situation had changed from 2019 around what options were available to the government to provide better HR and payroll systems that were more efficient and delivered a greater range of options. At that point it became clear that we needed to look at a different option, rather than continuing with the existing program, which by then had been costed and found to be around \$142 million, additional to what had already been spent on the program, to continue with SAP SuccessFactors. So we made the difficult decision to not progress with that solution but to progress a different solution which had been identified: to upgrade the existing systems, at far less cost to taxpayers.

MR CAIN: Just remind us: how is that \$76 million recorded as an item, as a loss? How are you recording that loss in the budget papers?

Mr Steel: I might hand over to Stuart Hocking on that one.

Mr Hocking: The \$76 million is a mix of both capital and operating expenditures. Over various years since the inception of the program you would see expense elements in the budget that reflect the expense component, which is about \$34.4 million of the \$76 million. You would also see capital expenditure over various years, which is about \$41.4 million, so that would affect different parts of our operating statement.

MR CAIN: So they are shown as expenses—stating the obvious—realising that there was no product or service produced as a result of that massive expense?

Mr Steel: I do not think that is quite true. As we discussed earlier, we have got some deliverables from the project, which I might hand over to Ms Konti to talk to.

MR CAIN: You have got some what; sorry? I did not hear that last bit.

Mr Steel: There are some deliverables for the project which have been provided.

MR CAIN: What value are those deliverables?

Ms Konti: We have not valued those. We delivered the learning management system for all directorates, which allowed them to move off their own contracts, which were at end of life, in April of last year.

MR CAIN: Can you explain what you just said? What does that mean?

Ms Konti: The learning management system was part of the scope of HRIMS, and that was delivered.

MR CAIN: Is that a system to learn how to use HRIMS, which obviously does not exist?

Ms Konti: No. It is a system that captures and houses all of the e-learning or online courses for all directorates for all parts of their workforce.

MR CAIN: What was the expenditure to produce that?

Ms Konti: I would have to take that on notice.

Mr Whybrow: For the learning management system the total amount capitalised occurred in 2021-22, at \$1.923 million. That has then depreciated over time.

MR CAIN: Okay. We will probably be coming back to this.

MR BRADDOCK: The Auditor-General gave evidence earlier in these hearings, and

in other reports, that it appears that Procurement ACT has all the guidelines that are appropriate. However, the issue is that they have not been followed, for whatever reason, and reasons for deviating from the guidelines have been undocumented. I am interested in what we are doing to ensure that procurement is properly documented and in accordance with the procurement guidelines.

Mr Steel: Thank you. I will hand over to Sanaz Mirzabegian in a second. The government has been undertaking a procurement reform program. We are now one year into a multi-year program to almost redesign the support that is provided by Procurement ACT to government agencies to help them in procurement activities. I will hand over to Sanaz to talk about that, specifically responding to the Auditor-General.

Ms Mirzabegian: Thank you. Capability is certainly a key element of the procurement reform program. We are currently working on our core training pathways, which ensure that each officer who is involved in procurement receives role-specific training for their role in that procurement. We have different roles in procurement, ranging from the delegate who makes the decision, to the chair of the evaluation panel, to people who support and provide administration around that procurement and people who participate as specialist advisers in relation to that procurement. We are working to prepare and develop those.

In addition to that, we currently have a range of procurement e-learning modules, which are available to any staff across the ACT public service at any time that they need them. These include our overview of the procurement framework, which was released on 13 May 2021; the ACT government probity in procurement module; the Aboriginal and Torres Strait Islander procurement policy module; our charter of procurement values e-learning module; our procurement delegations e-learning module, which is specifically for the delegates; and the value for money procurement module.

We also provide, on an as-requested basis, face-to-face training—what we call masterclasses—to any directorate that perceives a need in their particular directorate or agency for procurement training, and we work with those directorates and agencies to create bespoke or customised training in that regard. We have delivered masterclasses for officers. All of this goes towards enhancing that capability across the service.

MR BRADDOCK: Amongst all of that, does it include the responsibility for an officer to document the procurement, particularly where they are deviating from guidelines or procedures?

Ms Mirzabegian: In terms of the responsibility to document a procurement, we do have the probity in procurement guideline, and one of the principles in that document is adequate and sound recording and documentation of a procurement process, including decision-making. Decision-making is particularly highlighted. That document is publicly available, and when an officer undertakes a procurement they need to have regard to that document and apply it. We do have probity plan templates as well, and other resources that any officer undertaking procurement can refer to, and we do provide that advice. As officers across the territory are undertaking their

procurement, they can phone us or they can email us and ask us to guide them through that.

MR BRADDOCK: Has anyone been held to account for failing to document procurement decisions?

Ms Mirzabegian: That is not Procurement ACT's role. I think it would be a delegate's role to be accountable for the procurement decision-making.

Mr Steel: Procurement ACT is currently developing an ICT solution to provide more transparency around procurement so that we can discover what has happened in relation to a particular procurement.

Ms Mirzabegian: I should add that, although it is not the current state, we are working towards the development of a procurement solution which will track decision-making in the life of that particular procurement. That is not our current state, so it will be a system solution in that regard. At the moment it is a manual process of ensuring that the relevant record-keeping is maintained.

MR BRADDOCK: When is that capability likely to become a reality?

Ms Mirzabegian: We are developing that case. It would need to be conducted through a procurement, as you would appreciate, so we would have to go through the relevant process to secure funding to implement that. We would have to go out to market; understand our scope of work. We have done a lot of work there, but it is not complete yet.

MR CAIN: Minister, given your track record with procurement, have accountants provided you with any advice to make provisions for write-downs and the value of impairment—in other words, dollars lost? If so, can you table that advice?

Mr Steel: It sounds like a very general question. Do you have a specific question, Mr Cain?

MR CAIN: Out of the \$1.5 billion, approximately, spent on procurement, how much can be attributed to a lack of expertise, a lack of practice, unawareness or, in some cases, naivety with respect to procurement? In other words, how much of that \$1.5 billion was actually overspend because of these flaws pointed out by the Auditor-General?

Mr Steel: Sorry; which particular issues are you pointing to, Mr Cain?

MR CAIN: What the Auditor-General has pointed out.

Mr Steel: In which report?

MR CAIN: In his recently issued report on the Procurement Board. The report details poor conduct of procurement and inadequate assessments of value for money. Have you had an estimate made of how much money has been lost through such poor procurement practices?

Mr Hocking: I am not sure that we would have such an estimate. Certainly, there are procurements which have ended up being more expensive than was originally thought, but a lot of that would be due to market conditions, rather than any failure in the procurement process. I am not aware of any estimates of particular failures in the procurement process that we could quantify.

MR CAIN: We have the \$76 million failure with the HRIMS project. That is an obvious one to calculate. It is your own figure. Are you intending to get any advice at all on how much money has been wasted through these poor procurement practices, given that value for money is a key indicium of the whole exercise of procurement?

Mr Steel: Yes, value for money is a key component of the procurement process, Mr Cain, and what we will continue to do is to manage a process of continuous improvement across the ACT government through the procurement reform program, which is quite a significant change in the way that Procurement ACT provides support to agencies.

The development of an accreditation framework which will provide ratings for different agencies. A tiered services support model to support them accordingly, based on their rating, is going to mean that we will see more support given to high risk procurement proposals provided by agencies which do not have as much capability or expertise. We hope that that model will result in better procurement outcomes overall. I will hand over to Sanaz Mirzabegian to provide some more detail on that, which links in quite well with the Auditor-General's recommendations that he has provided in his most recent report on the government Procurement Board.

Ms Mirzabegian: Thank you, Minister. To elaborate, the accreditation program that we are rolling out under the procurement reform program will see us provide a level of accreditation to each territory entity—that is, an entity that is subject to the Government Procurement Act—in relation to their maturity to undertake their own procurement. The sorts of things that we would be looking at would be in relation to the practices that they currently have in place, the structures that they currently have in place, the documentation that they have in place, as well as their staff capability.

Once that assessment is made, the support that Procurement ACT will provide to them would be aligned and complement the capability that each agency has. For example, for a smaller agency or an agency who may not have the relevant infrastructure to support their own procurement, we would be more involved and support them to deliver sound procurement outcomes.

Agencies who are more capable, more advanced, more mature and have better capability will still have access to some of the tiers of our service, including what we call the enabled service, which is access to resources and training, as well as a help desk that will be available for them to contact at any time in relation to their ad hoc questions. We are also recruiting for some probity advisers. These are in-house probity advisers to be available to any staff member undertaking procurement who may wish to avail themselves of that advice. They would be either ad hoc or appointed to particular projects.

MR CAIN: Just two quick ones. Minister, can you provide the total money spent on procurement in the ACT for 2022-23? For the record, do you think that ACT procured services are procured at the best value for money?

Mr Steel: I do not know whether someone has that data.

Ms Mirzabegian: We are currently verifying our data for the end of the financial year, because it relies on payments and so forth. We will take that on notice and we will be able to provide that to you.

MR CAIN: My final question is to you, Minister. Do you think ACT procured services are procured at the best value for money?

Mr Steel: That is certainly what is required through the procurement process, and through the procurement reform program we are going to enhance the support provided to ACT government agencies to achieve that goal.

MR PETERSSON: Minister, the Motor Accident Injuries Scheme has been in place for a few years now. I was hoping the committee could get an update on how the scheme is progressing.

Mr Steel: I will hand over to the MAI team .

Ms Clark: The scheme has been operating now for just over three years. Over 1,294 applications have been received by the scheme, with a 97 per cent acceptance rate. One of the most important outcomes we have seen is the reduction in premiums. We know that the cost of personal injury insurance has long been a concern for Canberrans and the ACT government. When we first began reforming the scheme in 2013 the premium set by the private sector insurers had been as high as \$600 or \$644, in 2020 dollars, for the average passenger vehicle. Premiums have progressively fallen, particularly from 2015, as the Suncorp brand started revising premiums after their first two years in the ACT CTP scheme.

Then, in 2017, the CTP citizens jury process was announced. As part of this, the government set some parameters, including that the scheme must remain compulsory and community rated and that premiums cannot increase. At the time of the CTP citizens jury, the average passenger vehicle premium was \$556. There was a significant reduction, around \$25 or five per cent, in the average passenger vehicle premium between 18 November 2019 and 23 December 2019, with premiums falling below the \$500 mark, to an average of \$491. This was directly due to the MAI Scheme.

Because of the new scheme design, all insurers further reduced their premiums on the introduction of the MAI Scheme, with the average premium for passenger vehicles falling by \$17 on 1 February 2020, compared to the average CTP premium the previous day. As such, from 1 February 2019 to 1 February 2020 premiums fell by an average of \$60 for passenger vehicles, with an average passenger vehicle premium of \$458 on commencement. By August 2020 the lowest passenger vehicle premium was \$476.20, from GIO.

Premiums reduced further in the course of 2022-23. From 1 July 2022 to 30 June 2023 the average private passenger vehicle premium fell by \$27.28, equating to a 6.3 per cent decrease. This reflects the competition between insurers. As of tomorrow, 1 August 2023, passenger vehicle premiums provided by GIO and NRMA will be \$398.30. Further, from 22 August 2023 GIO will have the lowest passenger vehicle premium of \$396.20.

Since the MAI Scheme's commencement on 1 February 2020 there has been an 11.6 per cent reduction in MAI passenger vehicle premiums. On any measure, I think you can say that the government has met its commitment that premiums would not increase as a result of the new scheme. I further note that over the period 2017-23 the average private passenger vehicle premium has fallen by over \$185 or 31.3 per cent.

MR PETTERSSON: That is very helpful; thank you. When the scheme was first introduced, there was a lot of conjecture about internal and external reviews. Could you talk to the number of reviews there are?

Ms Clark: One of the changes that we made under the MAI scheme was to introduce the structure for internal and external reviews. To date we have had a total of 103 internal reviews conducted by the insurers. Of those, 31 have gone to external review by ACAT. Between them, there were 29 actual external reviews and two where ACAT could make a decision in relation to dependant benefits that are available.

MR PETTERSSON: How many total claims have there been?

Ms Clark: 1,294 applications have been received to date.

MR CAIN: Minister, in response to question on notice 1049 in February this year, you advised that “the gross amount collected by the four ACT MAI insurers in the 2021-22 financial year was \$145.9 million”, yet only “10.7 million was paid out to injured people”. Minister, why is so much revenue being generated from this scheme for insurers, while those who are injured are distributed such a comparably small portion of benefits?

Mr Steel: I think that reflects the early stage in which the scheme is operating. I will hand over to the MAI Commissioner.

Ms Clark: Mr Cain, the premiums are set and assessed based on the best information that is available to the insurers at that point in time. This includes estimates of the number of injured people applying to the scheme for assistance due to a motor vehicle accident during the premium period—and that is roughly between 1 February and 31 January each year—their level of injury and their estimated associated costs.

The estimates used by insurers who are assessing premiums are continually being updated and refined to take into consideration the latest scheme experience. As I said in my earlier answer, this has also been reflected in the changes and reductions in premiums that have taken effect over the last three years. As a result those reductions have actually reduced the risk of the actual insurer returns ultimately being higher than estimated. As each insurer has adjusted their estimates, this has also been driven by market competition.

While you might think that the amount collected by the insurers is on the higher side versus the amount that has been paid out to date—I can advise that \$33,823,000 has been paid by insurers—we have seen an increase of a million dollars each quarter, as there has been in the previous two quarters. Those payments have been made by the insurers, and we would expect to continue to see those premiums being paid out in terms of benefits to Canberrans.

MR CAIN: Is the commission flagged for digitisation or the option to apply for benefits digitally through Access Canberra in the future? Are there plans for digital delivery of payments?

Mr Steel: Just to clarify, Mr Cain, do you mean making applications online?

MR CAIN: Yes. What is the digital program moving ahead for MAI?

Ms Clark: At this time we have not explored a digital application process. That is obviously something we could develop over time. There are two systems that are being used by other jurisdictions. One is through CTP Assist in New South Wales and the other is through an electronic lodgement system that the Queensland Motor Accident Insurance Commission use. Given that there is some IT work that would have to be undertaken between us and the insurers to undertake something like that, it would be a long-term project.

MR CAIN: There are no plans to implement a digitisation of the processes; is that correct?

Ms Clark: Not at this point in time.

MR CAIN: As you would be aware, through the dangerous driving inquiry in particular, there were many firsthand reports of families of victims finding the processes very cumbersome in dealing with processing of their claims. It would seem to be to their benefit, and to those finding themselves in similar situations, to get some digital options as quickly as possible. I realise that is a comment.

Mr Steel: We will respond to it, if you like.

THE CHAIR: If you want to respond, you can, Minister; it is up to you.

Mr Steel: The government will be responding formally to the dangerous driving inquiry and the recommendations. I am not sure that digitisation was the only way to respond to that particular recommendation. I think there were some broader things. Indeed we expect the scheme to be reviewed soon, which will enable those people to have their say, as part of the process. We can respond to those particular issues around how we can streamline the process.

The intention of this scheme was to provide people with support much earlier, once an accident had occurred, than the previous CTP scheme, without the need to go through costly and drawn-out court processes. I think that the scheme is achieving that, but there are always things that can be improved and bedded down in the way that support

is provided at the early stage. That is what we will be looking at, as part of that review.

MS CLAY: Ms Clark, did I hear you say that there have been two ACAT reviews of the 1,294 MAI decisions; is that right?

Ms Clark: There were 1,294 applications that have been received.

MS CLAY: Did I hear you say that only two of those have resulted in an ACAT decision?

Ms Clark: Those two decisions relate to dependant benefit claims. Under the scheme the decision to make a payment for dependant benefit is actually not given to the insurer; it is given to ACAT. There have been 29 external reviews that have been undertaken by the ACAT in relation to matters. Those have been in relation to treatment and care benefits or income replacement.

MS CLAY: 29 reviews in ACAT?

Ms Clark: 29 external reviews, yes.

MS CLAY: Of those 29 reviews, how many of those resulted in a different decision than was originally made?

Ms Clark: In the outcomes for treatment and care, three decisions were affirmed and seven decisions were set aside. On income replacement, we know that the decision has actually been changed; it was sent back to the insurer to redo their calculation. There were nine decisions relating to liability; but, in those circumstances, the decision was also set aside. There have been no other review types to date.

MS CLAY: The only criticism I have heard of MAI, but I have heard it repeatedly, is that the benefits paid are not high enough to cover lost income for people, depending on their individual circumstances. Do you think that that is borne out in the internal reviews or do you feel that the scheme is providing the appropriate lost income payouts?

Ms Clark: To date there is only one matter before ACAT that we understand relates to whether or not that benefit has been high enough. The settings in the MAI scheme were intended to provide some level of support for income replacement; so it is not a full replacement of somebody's income. The government is currently working on its terms of reference and a discussion paper for the three-year review. We will certainly welcome feedback through that process.

MR BRADDOCK: I have a question about the community's ability to hire ACT government spaces. I would like to know why there is not a single portal, website or app that could potentially be used to see availability, book and pay for it. I understand that the Education Directorate is trialling such an application for use in the Education Directorate. We are one ACT government and we are one community; surely, there should be a space for us to do this.

Mr Steel: I will hand over to the team to provide some further information about

booking systems.

Mr Elkins: Venues Canberra, through our portfolios of venues, as well as through property group portfolios of venues, have a coordinated booking regime. There is not a central portal for application, and there are quite high volumes of requirement across venues, whether that be Exhibition Park or the various property group venues. There is a high level of engagement required to make sure that those bookings can be taken, that we can balance out use and make sure access is available. That point of contact is a person, and that is through the Venues Canberra office. We make sure that the suite of venues—not just the one venue—is made available. That point of contact is a point of contact to ensure that the assets and the wide suite of assets can be managed and made available.

MR BRADDOCK: Can you appreciate how frustrating that is for a community event organiser who might have to access or contact several schools plus Venues Canberra to find a suitable location? Is there any drive to have a consolidated function in this space?

Mr Elkins: Not currently through Venues Canberra. The school assets would also have their own requirements, needs and usage of those assets.

MR CAIN: Minister, you have covered some of this, but I have some questions on the failed HRIMS project. In December last year, you executed a contract with Deloitte costing \$214,000, supplemented with an additional \$88,000, bringing it to \$302,000, for a business case for future ACT government ICT systems. I am not sure whether we have asked this: are you able to table this document for this committee?

Mr Steel: I can take that on notice. Ms Konti, do you want to provide some more context regarding that contract?

Ms Konti: We will take on notice whether we can table the business case. The work that Deloitte did in their initial review of the HRIMS program resulted in a report that provided us with advice about the kinds of things that we would need to look to improve when embarking on the next phase of this work. That also helped us; it delivered the starting point of the business case that was actually considered in this 2023-24 budget that led to the decision to pivot to upgrading the existing systems.

MR CAIN: The \$214,000 contract was executed on 17 December 2021, with a completion date of 18 February. It was supplemented, as I mentioned, with an additional \$88,000, bringing it to \$302,000. Why did a contract spanning only two months require a cost variation of 41 per cent?

Ms Konti: I will have to take that on notice, Mr Cain.

MR CAIN: Thank you. Two of the recommendations that we seem to be aware of involve investing \$17.1 million in the existing systems. You mentioned a bit earlier a \$142 million investment in continuing the HRIMS project. Would that \$142 million effectively start the project from scratch? How much of the \$76 million spent would go to the benefit of furthering the project?

Mr Steel: No, it would not have started the project from scratch.

MR CAIN: Start it from scratch?

Mr Steel: No, it would not have.

MR CAIN: It would not have? Okay.

Mr Steel: No. Ms Konti can provide some further detail.

Ms Konti: Part of the work that we did in phase 1 that led to informing the business case included a deep dive into the extent of the built system that was able to be reused, should the government make a decision to continue with the HRIMS program. There was a detailed summation of each particular module in the SAP SuccessFactors system and the extent to which that would be able to be reused, should the government choose to pick that up.

MR CAIN: Were there any other options considered, such as a slightly improved new system as opposed to the full \$142 million extra?

Ms Konti: Yes. Earlier versions of that business case considered continuing only with the payroll component of HRIMS, rather than the recruitment, onboarding and other parts which were in the original scope.

MR CAIN: How much would have been required if you went in that direction?

Ms Konti: From memory, it was still over \$100 million to finalise for payroll.

MR CAIN: On page 116 of the 2023-24 budget outlook, you have not allocated beyond 2023-24 for the costing of HR upgrades. Will these upgrades cost more than the budgeted \$17.1 million or are you confident that that is all they will cost?

Mr Steel: No, there is further design work that needs to happen to determine what the cost will be. I will hand over to Bettina Konti.

Ms Konti: The \$17.1 million that has been allocated for this 12 months will allow us to formally close the HRIMS project. It will allow us to initiate the program to upgrade the existing HR and Chris21 systems. It will allow us to undertake the design of the whole-of-government time and attendance system. It would then go back for further budget consideration around whether or not we would then go to market to find a provider to implement the whole-of-government time and attendance system. That would be a decision for subsequent budget years.

MR CAIN: What part of that \$17.1 million is spent on each of those activities? You mentioned that you would need some of it to close the HRIMS system, another amount to upgrade, and another amount to design a new one. What is the breakdown across those three?

Ms Konti: It would be less than a million dollars to close the HRIMS program. Around \$1.2 million is our estimate for the design of the whole-of-government time

and attendance system. The remaining elements would then be to procure an implementation partner to help us to design and deliver the HRIMS upgrades. There would need to be payment to the provider of the current Chris and HR21 systems to support those upgrades. We have also allocated funding to enable an independent technical assurance of the design before we make a decision through a formal stage gate to proceed with the upgrade of the Chris and HR21 systems.

MR CAIN: It is about \$15 million on the actual upgrades?

Ms Konti: In total, yes.

MR CAIN: Why do you need a million dollars to close down a project?

Ms Konti: There is an agreement with SAP that we need to renegotiate. Currently, that agreement talks about the whole licensing and support for an entire system. It needs to be reduced to just the learning management system. We need to transition and reconcile the budget, all of the papers, documents and knowledge transfer to the team that will continue to operate the learning management system. The actual decommissioning of the current system that is sitting in a cloud-based environment needs to no longer be there.

THE CHAIR: Minister, I want to discuss a number of issues that are floating around for Canberra Racing Club. I could go to a dozen, but I will go to just two. With the status of territory planning for the racecourse precinct, obviously, I am aware of the fact that a number of aspects of this fall outside your portfolio responsibility, but much of it falls within it. Additionally, there is the workplace insurance issue that is facing Canberra Racing Club.

In light of the Calvary takeover, what can the Canberra Racing Club expect from the final inner north and city district strategy plan when the draft one had an option to develop all of Thoroughbred Park?

Mr Steel: I do not think that the relationship with Calvary is relevant at all to this matter, Mr Parton. I will not speak outside my portfolio. I do not make a habit of that. Those questions can be asked of the minister for planning and EPSDD in relation to the status of planning. The district strategies are being finalised, and the new Territory Plan as well. Those are matters which will need to be finalised. We can certainly talk to some of the discussions that have already been underway in relation to some of the insurance issues.

THE CHAIR: I will go specifically to that insurance question shortly. Given that you are the minister with carriage of racing policy, and you have the race club under your umbrella, surely, the race club is liaising with you, as their direct minister, in regard to these planning issues. Will the final plan remove the option to develop all of Thoroughbred Park?

Mr Steel: Certainly, that is what is being put forward through the discussions. But they are in draft stage at the moment and will be finalised. I will not pre-empt the release of those. Certainly, we are aware of the master plan and what they want to achieve on site, and we have been talking to them. We have, of course, arrangements

through the MOU that have been established to set up a joint consultative committee. Daniel Ng can talk about that.

Mr Ng: Picking up on the last point that the minister mentioned, yes, my directorate is responsible for chairing and the secretariat for the Joint Racing Industry and Government Committee, which provides a forum for the discussion and agreement as to the implementation of the memorandum of understanding under which funding is provided to the racing clubs.

In relation to the workers compensation issue, the club has raised with the minister and my directorate concerns about how, in the national marketplace of insurance products, there is certainly a challenge for them in relation to the cost of premiums for their trainers. We have been discussing that for some time. Structurally, that is a matter which is specifically outlined in the memorandum of understanding as an issue on which we will work together with the racing club. It was part of the agreed work plan for the Joint Racing Industry and Government Committee to take forward. It is a piece of work that we know we need to do and we are having continuing discussions with the club about that.

THE CHAIR: Thanks for that response. Minister, will ongoing support for racing be a part of the ALP's election platform next year?

Mr Steel: I think you know the answer to that, Mr Parton, which is that I am not hypothesizing on what may or may not be announced in the election campaign next year. It is certainly not necessarily something that we can announce now. It will be something that we can talk about next year.

THE CHAIR: I understand that, but you can also understand that there is some disquiet in the racing industry. A long-term Labor heavyweight who spent a long time in this building communicated with me on this on the weekend. His quote was: "For racing in the ACT, it is two choices under the current coalition—execution by the Greens or slow starvation by Labor." How would you respond to that?

Mr Steel: I do not agree with that comment or view. We have signed an MOU which runs over a five-year period, so we will be working with the racing industry during that period on the issues that have been raised as part of that MOU, which I think are considerable. We have to work through them to make sure that they have a sustainable sector going forward. We do see a future for racing in the ACT and we want to work closely with the racing industry.

One of the issues that was flagged in the MOU was in relation to the development of their current site and the opportunities that that may present, particularly in consolidating harness racing with the rest of the racing industry on a site with new facilities. There is a significant opportunity for that. We said that we will discuss it with them under the MOU arrangements, and that is what we are working on at the moment, which would provide them with greater certainty about their future.

THE CHAIR: We have done all of this before; I do not think we will do it again.

MS CLAY: Minister, can you confirm the next funding amount under the MOU? Is it

\$8.085 million?

Mr Ng: Yes, that is the estimated funding. Over the outyears there will be a variable consumer price index indexation rate which is applied to it. For this year, it is reflected on page 9 of the budget outlook, and it will be reconfirmed each year by Treasury when they set those whole-of-government figures.

MS CLAY: That is why I am checking, because it was an estimate and it fluctuates. For the next funding period is it \$8.085 million?

Mr Ng: Yes, that is right, for 2023-24, and further estimates are based on expected indexation rates.

MS CLAY: Minister, in 2021-22 the budget put over \$15 million into installing new heating, new ventilation and a new cooling system in Callam Offices and building upgrades to improve energy efficiency and effectively maintain that heritage-listed asset. Can you tell me how much of that money was spent, what the outcomes have been so far, and perhaps why ACT government has now decided not to use that building any longer?

Mr Steel: Yes. We can certainly provide the exact amount on notice, noting that I do not think we have representatives of property group here, for obvious reasons, this week.

MS CLAY: Yes, sure.

Mr Steel: I think we noted in annual reports last year that we were still contemplating the future of Callam Offices. A level of work had been done to look at what would be required to bring it up to certain standards. The trigger had been the investment which was in the previous budget, as you noted, to upgrade the HVAC systems. That would have required us to spend, I think, circa \$80 million on further improvements to Callam. That was a very significant expense, so the government is now considering what the future of Callam Offices is. It is a heritage-listed building, so it will remain in some form, we expect, and we are still considering what those options are for the building.

In the interim, because of the issues that Callam is experiencing with HVAC, as well as some other issues with its ageing infrastructure, including lift infrastructure, we are moving the tenants out. Major Projects Canberra is moving into the city, into the Allara and Nara buildings; maybe it is Allara. We will come back to you on that.

MS CLAY: Sure, yes.

Mr Steel: They are moving into the city area within our existing office footprint. We are also working on the decanting of the other tenants, including Woden Community Service, by looking at what options there might be for their cohort within the Woden precinct, noting that we are still in the planning stages for a new Woden community centre. We are looking at the opportunities for them to have all of their staff in the new community centre when it is built, but we will need to find them an alternative solution in the interim. The other tenant is the BSSS, I believe. We have been working

on what we need to do there as well.

That will enable us to have a look at the solutions. We have not announced at this point in time what the future of Callam is, but we are developing what those options are and undertaking some analysis. But it is not fit for purpose as high-grade accommodation for a range of different tenants. There is the option of spending a very considerable amount of money on upgrading the building just to meet basic standards like fire standards, plus investing even more to get it up to an even better specification, or doing something different. We are looking at what those other options are, regarding what Callam could potentially be used for, and what the range of uses might lend themselves to.

MS CLAY: Obviously, I am not asking for decisions that have not been taken. I would not do so. If it is going to cost \$80 million to fix to a basic standard, it strikes me that it might be quite difficult to find tenants who want to occupy that site. Is that the process that you are running through?

Mr Steel: The analysis that we are doing at the moment is: what would be economically viable to see a future use of Callam? I do not want to see it sitting there as a monument to brutalist architecture, empty for the rest of time. We will look at the options and see what is possible.

MS CLAY: Yes, it is a tricky one. It is okay if you need to take this on notice: can you tell me what was spent of that original \$15 million? How much was spent on the upgrades before you decided to change course and stop doing that?

Mr Steel: Sure, yes.

MR PETTERSSON: Circling back to something that was touched on in the skills session, the government is developing a women in construction procurement policy. Could we get some more detail on where that project is up to?

Mr Steel: I will hand over to the team from Procurement ACT.

Ms Mirzabegian: In accordance with the ACT Women's Plan first action plan, which was initially for 2017-19, and the second action plan, which is dated 2020-22, Procurement ACT is working with our colleagues to progress the development of a women in construction procurement policy. You may recall that the second action plan included procurement-related commitments, including establishment of procurement strategies and prioritising contractors who implement gender equity strategies, setting some targets for the proportion of women employed in the construction industry, and giving greater weighting to organisations tendering for contracts.

You might also be aware of further work that has occurred across the territory, including the SPARK project, which was a training program providing specialist practical skills to women and girls. With the Strathnairn primary school and early childhood education centre, which my colleagues in Major Projects Canberra advise is going well, the successful tenderer was a 100 per cent female-led organisation. There is also the Understanding Building and Construction Program, where we are trying, as

a government, to educate girls in years 7 to 10 in learning about pathways and possible careers in the construction industry.

Following that consultation, including with the Office for Women, the Understanding Building and Construction Pilot Program and a workshop at the women in construction implementation conference in 2020, Procurement ACT developed a policy discussion paper which was released on the Your Say webpage for public consultation on 31 March this year. Input and suggestions have been rich. We could receive feedback either through a survey response or face to face, and we utilised both of those options, and a variety of stakeholders responded to that.

I should confirm that the report is to be released soon; it has not been released yet. Our early consultations indicate that some further work needs to be done there. There is some concern from industry and other bodies, including the CFMEU, in relation to ensuring that, whatever policy parameters are put in place, they are able to be implemented appropriately, and that the market is mature enough to be able to respond to those policies.

We are hoping, as a result of that very rich feedback, to work further to develop a policy that can be implemented, that makes sense to the market and our industries, and makes sense to our procurement officers who are implementing that. We are looking forward to working with our various stakeholders to implement that later this year.

MR PETTERSSON: That is great. When are you hoping to have a policy finalised?

Ms Mirzabegian: I would say it would be sometime later this year, because we have received the feedback from industry and various stakeholders, so now it is about ensuring that we have our different markers and targets that we want to put in place, in order to move forward with that. It is possible that we may have some form of iterative rollout, rather than a set target that commences on a particular date, to allow the industry to get ready to have those women in the workplaces. It would be unfortunate if we set targets that the industry cannot meet.

MR CAIN: Minister, I make reference to QoN 1146, which I submitted in May; I got a response at the end of June. You provided a list of suppliers used to deliver the HRIMS program. Why was Yarrabee Consulting, the supplier used to conduct the review, not included in that list?

Mr Steel: I will hand over to Ms Konti.

Ms Konti: Yarrabee Consulting was not included in the list because the list provided everything that was over \$100,000 in expenditure.

MR CAIN: I do not believe I asked for contracts that were only over a certain number.

Ms Konti: I beg your pardon?

MR CAIN: I have not asked for that. Are you able to provide an updated list of suppliers for the HRIMS program?

Ms Konti: Yes.

MR CAIN: In addition, the actual dollar value for each of those contracts?

Ms Konti: Yes, I can.

MR CAIN: Thank you. I note as well that you advised, in answer to QoN 1157, that it took 23 hours and 45 minutes at a cost of \$2,289 to the ACT taxpayer. Minister, why would you take nearly a day to come up with a list of contractors on this one project?

Mr Steel: I will hand that one over to CMTEDD to answer. They were collating the information.

Ms Konti: I will have to take that on notice, Mr Cain. Is it okay if I correct what I said last time? The QoN talked about suppliers involved in the delivery of the HRIMS program, so I think we provided you with a list of the suppliers involved in the delivery, rather than necessarily those that might have been involved in the review, which was Yarrabee Consulting. Nevertheless I will take on notice the supply of all contractors that may have been involved in the HRIMS program.

MR CAIN: I am not sure about what you said, because the Deloitte contract of 17 December 2021 was—

Ms Konti: Was also on the list; I beg your pardon.

MR CAIN: If you could update that, and perhaps be generous in your interpretation of being connected with the HRIMS program; if you feel that you need to slip in an explanatory note or two, obviously, you can do that.

As we have established, Deloitte provided a review of the program in February 2022, before it was abandoned. The review surveyed members of the program's steering committee, established by Digital, Data and Technology Solutions, finding that—and these are quoted figures—only 70 per cent of the members understood the objectives of the program; 50 per cent clearly understood the benefits; and, astonishingly, as few as 40 per cent understood their role in the governance of the program. Minister, please provide this committee with the detail of the steering committee, from its inception, and why its members did not understand their role.

Mr Steel: I can pass over to Bettina Konti to talk about the role of the steering committee, but I think the review—particularly the Geoff Leeper review—went into quite a bit of detail around the governance issues and the problems that were faced with the HRIMS program in not establishing the future state of the program which, therefore, made it challenging for many members who were involved to be able to understand where the program was heading.

That is certainly a learning from the review that we will look forward to addressing in any future ICT projects and, indeed, in the upgrade to the existing Chris21 and HR21 systems. The gateway that Ms Konti spoke to before will be in place to make sure there is assurance around the establishment of the future state of the project, so that

everyone understands where the project is heading, and a level of design has occurred, before we embark on the implementation phase of the project.

We hope to avoid the same issue that we had with HRIMS, where some of that design work was being done concurrently, when it should have been done at the very beginning of the project. We understood that everyone understood the future state of the project before we then embarked on the implementation.

Ms Konti: The governance arrangements for the HRIMS program were originally established after the 2019 budget funding decision. The program then established a governance arrangement that included a steering committee, the highest level steering committee, supported by a program board and a design council. Membership of the steering committee included the then Under Treasurer, as the chair, and me, as the deputy chair. The terms of reference and the roles and responsibilities of members were discussed and agreed with the membership as the first item of business for the program. With the program board and the design council, I understand similar activities occurred, and those were the governance arrangements that applied to the HRIMS program.

In November 2020, the program came under my leadership because Shared Services ICT moved to work under me. We kept those governance arrangements until such time as we felt that they were no longer serving our needs as best they could. Sometime through 2021, we changed those arrangements, moved the program board members, together with the steering committee members, and created a broader HRIMS steering committee, as well as a subcommittee that was specifically there to make material decisions on the design of the HRIMS program in an effort to move it forward.

The review from Deloitte did determine that one of the things that we needed to learn was making sure that this was not just treated as an ICT program, and that it was treated as a people, process and technology program, and that the benefits and the benefits realisation of the program needed to be established and then monitored and tracked through the life cycle of the program design and delivery.

MR CAIN: Minister, was this lack of understanding amongst directorate representatives who were appointed to be responsible for designing this system the primary reason for the program's failure?

Mr Steel: There are a range of different reasons for the challenges of the program. Amongst those, COVID-19 cannot be discounted. The ability of agencies who were involved in the program to be able to provide their input, attend meetings and be able to make decisions was significantly impacted as a result of their focus being on supporting the community in their various different roles.

It should be kept in mind that the people involved from each of these agencies in the program were those involved in the HR departments within those agencies. Those were the areas that were experiencing significant pressure as a result of the pandemic in various different ways, and especially the Health Directorate, as well as others. With the Education Directorate, you will remember what they were experiencing during the pandemic.

That was certainly one of the major issues. Of course, there were governance problems experienced that have been well ventilated in the reviews. All of those are lessons learnt that will be used to inform the planning, particularly around governance of future projects.

MR CAIN: The report also found that, from quarter 4 2019 to quarter 4 2020, less than half of representatives from Education and Community Services attended the program steering committee meetings, while JACS and CMTEDD representatives only attended most. You talked about COVID being a factor; surely, it was obvious that this non-attendance would contribute to some degree of failure, in this case total failure, of a very expensive project. Surely, someone was watching all of this happening and deciding to rectify things or create a new direction. Who was really in charge, Minister?

Mr Steel: Attempts were made during the process to re-engage with agencies to make sure that they were participating in the program. Ultimately, COVID was affecting the delivery of the program. That is why, when I came in as the minister in November 2020, we immediately looked at those issues. We then looked to reset, pause the program and undertook the reviews to find out what had happened with the program. That has resulted in the review that you are referring to, and finding out what had gone wrong and what options and solutions there are to progress with the upgrade of systems. We have now changed our approach in that regard.

MR CAIN: Was it you or the minister responsible before your tenure started? Who was responsible for overseeing this steering committee effectively performing its functions and ultimately being one of the significant reasons for wasting \$76 million? Who was in charge, Minister?

Mr Steel: I have taken responsibility as the minister. When things started to go wrong, we took the steps to look into what happened and came up with a solution, and that is where we are today with the budget that we have announced: moving forward with a different approach. The program was significantly challenged and, ultimately, we made a decision not to spend more good money after bad, not to spend another \$142 million progressing with a project that had many issues, and to go with an option with a more refined scope—one that has learnt the lessons of the previous program and one that will be a lower risk and lower cost to taxpayers.

THE CHAIR: Do you have a final question on this line, Mr Cain?

MR CAIN: Obviously, we have no reason to believe that you have actually learnt any lessons at all. Secondly, ministers, Chief Ministers and even premiers have resigned from their office for losing less money than you have, Minister. Why are you still in your position?

Mr Steel: Because, since I have taken over, I have taken responsibility and got on with finding out what was going wrong with the program and implemented the solutions that will deliver us an improved HR and payroll capability. That is what we have done in the budget. We are not going to spend another \$142 million on a program that was not achieving the outcomes that had been planned. We acknowledge

that things had gone wrong, but we have looked at what has happened in the program, we have found that there is a better solution and we are pursuing that solution at less risk and cost to taxpayers.

MR CAIN: You took over from November 2020—that is over 2½ years of your failed leadership. Your solution is to say, “We have learnt a few things and we are not going to spend \$142 million.” If you truly took responsibility for this failed project, you would resign from your position.

Mr Steel: I reject the premise of your comment.

MR PETTERSSON: The Auditor-General and Standing Committee on Public Accounts, through their inquiry into Shared Services, made some recommendations about the cost of a payslip across the ACT government. I was wondering if anyone could provide me figures of how much it costs to provide a payslip?

MR CAIN: How is that a supplementary on HRIMS?

MR PETTERSSON: That is part of what HRIMS is meant to have.

Mr Steel: We might take that one on notice, Mr Pettersson. The reason is that the team is not here for the reasons which have been discussed.

THE CHAIR: Thank you, Mr Pettersson. We move on to Ms Clay.

MS CLAY: Thank you, Chair. Minister, we have a statutory time frame to upload contracts onto the Contracts Register. Am I right on that?

Mr Steel: I think there is some guidance.

Ms Mirzabegian: Correct.

MS CLAY: Great. What is the statutory time frame?

Ms Mirzabegian: It is 21 days from the date of execution of the contract.

MS CLAY: Excellent. In our office, we have been looking for the electric bus contract. I think that was executed quite some time ago. When do you think that one would be uploaded?

Ms Mirzabegian: I would have to take that on notice. I might just explain the process by which those contracts are uploaded. The relevant area that undertakes the procurement, following the execution of the contract, provides the contract, including its text. You would appreciate that the text of the contract is also published, minus any redactions or confidential texts, as we call them. They would provide them to Procurement ACT and then Procurement ACT publishes them.

MS CLAY: Excellent. Do you measure at all how many times contracts are not uploaded? You can appreciate, from a member of the public’s point of view or from an agency’s point of view, if it is not there you do not necessarily know that it is not

there; it is just not there. Is there any monitoring or accountability indicator to check that we are, in fact, meeting that 21-day period?

Ms Mirzabegian: The thing that we monitor in Procurement ACT is when we are publishing them, once somebody has provided them to us from the relevant directorates. We do not usually try and find out where the contracts are in each directorate and say, “We think you entered into a contract 21 days ago. Where is your contract?” We do not do that proactively. When Procurement ACT is supporting a particular procurement, as part of our service we do publish a contract.

MS CLAY: And, if you are given a contract by the relevant area after the 21-day period to upload, what do you do? Do you—

Ms Mirzabegian: We would still publish it.

MS CLAY: Do you go back to the directorate and explain to them that they have missed a statutory deadline?

Ms Mirzabegian: We have monthly meetings with directorates where we raise various issues, including their responsiveness in terms of meeting the legislation.

MS CLAY: Is it that my office has happened to notice one contract that is late or is this a more systemic issue and contracts are regularly late?

Ms Mirzabegian: Contracts are late from time to time and that is something that we are looking at under the reform program, in terms of uplifting the capability of the contract managers. I could not tell you whether it is systemic. Each contract is looked after by a particular public servant. We are hoping, through our educative programs, that the public servants will remember the legislative guidelines. We have publications that go out every other month. We have an e-newsletter called *Procurement Matters*, where we remind staff members to upload their contracts. We have a community of practice where we put notices, but, as I said, we do not chase up individual contract managers across the service.

MS CLAY: You mentioned that, in the review, you were looking at whether contracts are uploaded in a timely manner. Is that something that is being looked at?

Ms Mirzabegian: Not as such. The offloading of contracts in a timely manner is an ongoing issue for us and is something that we pursue all the time. Under the reform program, we are uplifting the capability of contract managers to ensure that they meet the legislative requirements.

MS CLAY: I probably do not need any further questions on this, but I leave this hearing still not sure, having noticed one contract that was late, whether it is unusual or there is a systemic issue, and it does not sound as though there is any process in place to tell whether it is a systemic issue and whether they are followed up routinely. Is that an accurate summary?

Ms Mirzabegian: I was saying that, where we notice that a particular territory entity—we are looking at territory entity by territory entity, directorate by directorate,

agency by agency—has some late contracts or contracts that are not provided to us in a timely manner, we do follow that up with them and we discuss that with them. Unfortunately, these things do occur after the fact. If someone has provided it to us late, we are already late. The intention is to ensure that it is improved going forward.

MS CLAY: I am slightly concerned that, if somebody does not give you the contract to upload and there is no process to check, the contract may never appear on the register. Is there any system or process to ensure that a contract that has been executed will one day appear on the register if the agency does not submit it?

Ms Mirzabegian: It is the responsibility of each agency to comply with the legislative requirements.

MS CLAY: Sure. Thank you.

MR CAIN: The \$1.2 million was mentioned earlier about the designing of an equivalent HRIMS, whatever it is going to be called. Why are we spending money on designing something that was apparently designed back in 2017, which obviously was required for the whole project to get moving? Why are we designing it again?

Mr Steel: It is a different system. The HRIMS system—

MR CAIN: I need to understand that—

Mr Steel: utilised SAP SuccessFactors. That is not the platform that—

MR CAIN: Could you speak up, Minister? It is hard to hear you sometimes.

Mr Steel: The SAP SuccessFactors platform was the platform that HRIMS was going to be built on. It was designed accordingly as early as 2017, as you mentioned. The pivoted position of upgrading to HR21 and CHRIS21 is upgrading CHRIS21 and HR21. It is not using SAP SuccessFactors for the HR and payroll components of the new system, so a new design process will be required. I can hand over to Bettina Konti to—

MR CAIN: So it will not be a SAP based design. Is that correct?

Ms Konti: That is correct. I think the best way to understand this is that systems these days are official products and they assume processes are conducted in a certain way by the business areas. The systems and the people who use the systems and the processes that they use are brought together into a solution. The current version of CHRIS and HR21 that is operating in the ACT government now is a number of versions behind. The task is to understand what is different between the current version and the new versions of CHRIS and HR21 and how that plays back into the processes that the directorates use in order to understand the quantum of the change.

The current version of the CHRIS and HR21 systems are connected to and integrated with 14 or 15 other systems. That connection, or those integrations, need to be analysed and understood to make sure that, once we upgrade CHRIS and HR21, those integrations will continue to work or whether, in fact, any change needs to be made to

them in order to make sure that they can work with the new versions of CHRIS and HR21. It is different to SAP, because the integrations would have been different in SAP.

MR CAIN: It seems to be true to say that, of the \$17.1 allocated for this, it will cost less than a million dollars to close HRIMS, and then the rest of it is to upgrade and design current systems?

Ms Konti: To upgrade and design the upgrade to CHRIS and HR21, as well as to design the whole-of-government time and attendance system that needs to feed time and hours worked into the CHRIS and HR21 systems.

MR CAIN: These are systems that were at end of life in 2017, apparently. This is remarkable. Thank you, Chair.

Mr Steel: I have some further information in relation to a contract and the Contracts Register. Ms Clay mentioned one particular contract in relation to, I think, 90 electric buses. I understand that the contract was executed on 25 May and published on 25 July. We can provide some further information about that.

MS CLAY: Thank you.

THE CHAIR: We are going to break.

Hearing suspended from 2.16 to 2.30 pm.

THE CHAIR: Welcome back to this public hearing for estimates 2023-24. In this session, we will continue speaking to the Special Minister of State and officials. Mr Steel?

Mr Steel: We had not quite finished answering the question from Mr Cain about what had changed since 2017 in relation to HR21 and CHRIS21. We were going to provide a bit of extra information in a very short period, if we could—

THE CHAIR: Excellent. That is good.

Mr Steel: One of the things that the new budget measure to upgrade the existing CHRIS21 and HR21 systems will do is decommission the rator systems that has been in place. Those are significant customisations which have added significant complexity to HR and payroll systems. The functionality currently available through rators will be replaced by native functionality from CHRIS21 HR21. I will hand over to Bettina Konti to talk a little bit about the state in 2017, when the decision was being made around the option to go ahead with HRIMS as opposed to upgrading the existing systems.

Ms Konti: Thank you, Minister. Rators are functions that are homegrown or customised pieces of software that are appended to the HR and CHRIS21 systems. The 2017 version of the system is the same version that we have now, but there were 16 rator systems that were sitting—

MR CAIN: Sorry—did you say “rater systems”?

Ms Konti: R-A-T-O-R-S—that is how they are referred to.

MR CAIN: What is that?

Ms Konti: They are bits of software that perform a function that was added by the Shared Services payroll team and was not available in the versions of the CHRIS and HR21 systems that existed then. For example, there is a rator to create the payslips. That is one example. There were 16 in 2017. The Shared Services payroll team have worked to reduce reliance on rators. One of the reasons that it was not considered possible to upgrade the CHRIS and HR21 systems in 2017 was that the number and complexity of the rators was considered too great and too complex to make a consideration of an upgrade. Now there are about six rators that are appended to the HR and CHRIS21 systems. The analysis that we have done suggests that the current versions of CHRIS and HR21 available from the vendor actually incorporate the functions that those rators perform. We need to confirm, through the design phase, that all the rators are able to be decommissioned. If we need to keep some of them, for whatever reason, we will need to make sure that can occur and that the function can still continue under the upgraded system.

Mr Steel: In effect, the decision that was made in 2017 was based on the technology that was available then, the versions that were available then in the frontier software CHRIS and HR21 systems. Now we move forward in time where we have made a decision, based on new technology and newly available updates of those systems which provide that added functionality.

THE CHAIR: Thank you, Minister. In the progression of questions, my belief is that we are up to you for a substantive, Mr Pettersson.

MR PETTERSSON: I am hoping the committee can get an update on how the Aboriginal and Torres Strait Islander Procurement Policy is going?

Mr Steel: I will hand over to the team at Procurement ACT.

Ms Mirzabegian: Thank you. The Aboriginal and Torres Strait Islander Procurement Policy continues to be implemented across government in order to realise our commitments to the economic development of Aboriginal and Torres Strait Islander people. Our consultation with the Aboriginal and Torres Strait Islander enterprises that we conduct regularly tells us that engaging an Aboriginal and Torres Strait Islander enterprise delivers more than just money through the government. Those enterprises report to us that they use that money to employ more Aboriginal and Torres Strait Islander staff and to support their communities in the Canberra region.

Procurement ACT maintains a list of Canberra region Aboriginal and Torres Strait Islander enterprises. That list supplements the other lists that we have on bona fide enterprises. It really assists the public servants undertaking a procurement to be able to refer a particular procurement or request for quotation to an Aboriginal and Torres Strait Islander enterprise.

We are continuing our work in relation to enhancing the ability of Aboriginal and Torres Strait Islander enterprises to contract with the government. We have held sessions where those enterprises have been able to present to government buyers—that is, people in the territory who are seeking to buy goods or services, whatever they are. Some of the enterprises are very small and may not have had previous experience in presenting to government buyers in order to better understand what we are seeking. We run sessions for the Aboriginal and Torres Strait Islander enterprises to assist them to better understand how we tender, our tender documentation, some of the tips that they need in order to provide a good tender, and so forth. All the work continues and will not end. We are pleased to see that we are getting that engagement and will continue to do so.

MR PETTERSSON: Wonderful. How are we going at reaching the target addressable spend?

Ms Mirzabegian: We have not finalised the figures for this year. The target spend for last financial year was two per cent. That is gathered from the amount of expenditure on unique Aboriginal and Torres Strait Islander enterprises. Subcontractors may also be counted. At the moment, we are going through a due diligence process at the end of the financial year to ensure that we are collecting that data very finely. You would appreciate that, for most of the data, our invoices show amounts of money paid to a provider, to a supplier, not to a subcontractor. People in various financial areas across the territory are working at the moment to gather that data and provide that for us. We are hoping to have that in the next month or so.

MR PETTERSSON: Okay. Thank you. When is the policy next up for review?

Ms Mirzabegian: The policy is currently up for review. We are doing that holistically as part of the broader reform program that tries to ensure that our policy settings are remaining relevant going forward and are responding to community needs.

MR PETTERSSON: Thank you.

THE CHAIR: Thank you, Mr Pettersson. Mr Cain.

MR CAIN: Thank you, Chair. Minister, I have some questions about the Government Procurement Board, in particular the Auditor-General's report from just a couple of weeks ago. You would be aware of this report: *Activities of the Government Procurement board—No. 5/2023*. Minister, you appoint members of the board. I note that one member of the board was from Major Projects Canberra, since 2018, which the ACT Auditor-General found problematic, “given the number of capital works project proposals being presented to the board in which Major Projects Canberra has participated or supported”. I would suggest he is wondering whether such an appointee could have objectivity and be free from conflict of interest.

I note that there were nine members of the board at the time of the ACT Auditor-General's report and there are only eight publicly listed. I checked that this morning. Who was the most recently departed member of the board and when did that occur?

Ms Mirzabegian: The last departed member of the board was a member from Major

Projects Canberra. They resigned from the public service to join other pursuits. We are currently in the process of finalising the recruitment.

Mr Steel: The government will be responding formally to the recommendations of the Auditor-General's report into the activities of the Government Procurement Board. We will be considering the range of recommendations. There are a number of open-ended policy questions that we will need to consider. There is a range of different pathways to meet those recommendations, so it will require a considerable level of policy thinking. It is a very considered report. It does raise questions around the role of Major Projects Canberra, which has evolved, obviously, as a relatively new entity in providing advice on procurement relating to capital procurement proposals. There is a need to have expertise on the Government Procurement Board in relation to capital projects, so we will need to consider how that continues to be provided. If it is not a member of Major Projects who sits on the board to provide that expertise, where we would get that expertise from and—

MR CAIN: You would certainly get it from the private sector. I have a particular question about Mr Hall. When did he actually leave the board?

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

MR CAIN: Thank you. Was his membership to the board renewed in 2021? I guess that is a yes. Is that automatically done or is that through a—

Mr Steel: There would be a process around that, I believe. We can confirm that on notice.

Mr Mirzabegian: Mr Cain, were you asking about how he was engaged?

MR CAIN: How he was renewed in 2021.

Mr Mirzabegian: There is a process for that.

MR CAIN: The minister said he will take that on notice. Minister, do you have open recruitment processes for these appointments or were members selected from a merit list of a previous process?

Mr Steel: For the renewals, there would be a more streamlined process, but I can open it to Sanaz to provide some comment.

Ms Mirzabegian: I can advise that the current renewal process was an open merit process, so we did not use any existing merit lists.

MR CAIN: Minister, is it your belief that both the deputy chair and chair can objectively scrutinise procurement proposals of the public service given that they are public employees themselves?

Ms Steel: That is a matter that has been raised by the Auditor-General. They made a specific recommendation about consideration of that and whether it should be a non-government chair or deputy chair. We will consider that formally in our response. The

range of issues that we will need to consider include that procurement is a core function of government.

MR CAIN: When do you expect to respond to the Auditor-General?

Mr Steel: Within the statutory time frame. We will need to consider the fact that procurement is a function of government and that there is a level of expertise within the ACT public service that government members bring to the Procurement Board. They understand government policy and processes and what we are trying to achieve, but we also know that the Auditor-General has raised the issue around conflict of interest, so that is something that we will need to think about as well. A balance could be struck. Of course, there are independent members of the board already. Ms Konti is here in various guises, but I will ask her, as the chair of the Procurement Board, to provide some information about how those conflicts are managed.

Ms Konti: Thank you, Minister. In my capacity as the chair of the Government Procurement Board, the function of the Government Procurement Board is to provide advice on procurements. The way that we do that is through those weekly meetings where proponents—we call them proponents—come to the Government Procurement Board to discuss their procurement plans and how they propose to go to market to get the best outcome.

All members of the Government Procurement Board, together, represent a skills base across construction, health, ICT, and a range of industries. There are times when I, the deputy chair and other government members might be delegates for particular procurement processes. At the beginning of every meeting, I ask whether there are any declarations of interest. We have not had a circumstance, since I have been chair, where there has been a direct conflict and a person who is on the board is, perhaps, a non-government member who might actually be bidding for some of the work that is going out in the procurement. Where people are the delegates or are somehow or other involved in the procurement process, we make that declaration and then we do not perform the function of the Government Procurement Board member in that meeting. The members remain in the meeting and they listen to the discussion, but they do not provide any advice.

MR CAIN: Minister, are you able to table all correspondence related to the appointment processes that you or previous ministers undertook for public employee members of this board?

Mr Steel: I will take that on notice.

Ms Mirzabegian: Mr Cain, I might be able to answer your question in relation to the date on which Mr Bear resigned. It was on 6 June 2023.

MR CAIN: Minister, I now have some questions about the panel of training providers. I make reference to QON 1115 and the response on the panel of training providers. I note this panel was established in 2018 for a three-year period, with a two year extension option taken in 2020. What due diligence was done on the decision to extend the panel? How was that decision reached?

Mr Steel: Unless anyone wants to provide some advice, we might take that one on notice.

Mr Mirzabegian: I think we will take that on notice. The training provider panel is concluding. I will take that on notice.

MR CAIN: That would include, if you do not mind, the correspondence or the report that was the basis for reaching the decision to extend the panel.

Mr Steel: I might hand over to Ms Mirzabegian to provide some information on the work that we are doing in relation to the Procurement Panel's policy.

MR CAIN: I have some particular questions that may not require—

Mr Steel: It relates to how the panels may be extended or refreshed.

MR CAIN: If you have taken that on notice, I am happy with that at this stage.

Mr Steel: I do not think we need to take that one on notice. We can provide the information now, if you like.

Mr Mirzabegian: Mr Cain, are you asking about the panel of training providers or the Professional and Consulting Services Panel?

Mr Steel: You were asking about the procurement.

MR CAIN: The extension.

Mr Steel: This is about the development of the new ACT government procurement policy on panel arrangements.

MR CAIN: I did not ask about that; I asked about why the extension was granted and any material relevant to that.

Mr Steel: It relates to how the panels are being refreshed. It is the policy behind it.

MR CAIN: Chair, I am ready for more particular questions than that.

THE CHAIR: Could I get to where we are up to?

MR CAIN: I have some more particular questions rather than hearing about the government's policy on procurement boards.

THE CHAIR: It is probably pertinent for us to get to Mr Cain's specific question so that we can understand where we are heading.

MR CAIN: I note the panel expired on 30 June this year. Has a new panel been formed?

Mr Steel: I will take that question on notice.

MR CAIN: Was there a provision in the contract to extend it further or did you have to start afresh?

Mr Steel: Again, we will take that on notice.

MR CAIN: Okay. Can you provide a copy of the panel contract and also the due diligence report recommending the decision? I think you have already agreed to take those on notice.

Mr Steel: Yes. Thank you.

MR CAIN: Why was this option not taken in 2018? And what proportion of panels across CMTEDD are now open panels?

Mr Steel: We can take that question on notice.

MR CAIN: I am coming to a close, Chair. Did you conduct an assessment for potential new providers in the space who might deliver higher quality or a better range of services.

Mr Steel: We will take that on notice.

MR CAIN: Perhaps you could provide a copy of that assessment. Thank you. We have a lot of questions on notice, so I will leave it there, Chair.

THE CHAIR: We have. Thank you, Mr Cain. We continue to move with a substantive from Ms Clay.

MS CLAY: Thank you, Chair. Minister, I do not know that you will have the right officials in this session, but I want to ask some questions about the Stromlo flow trail. Is that a topic we can talk about?

Mr Steel: It is technically an EPSDD project, but it cuts across. It starts at Stromlo Forest Park, so there may be something that we can answer, depending on the nature of the question.

MS CLAY: I will start with that, then. That is great. I have heard some concerns about the new flow trail and how we are making sure that is built in a manner that services the needs of mountain bikers but it also protects the environment. Who is coordinating that work in government to make sure that a balance is struck?

Mr Steel: EPSDD.

MS CLAY: Excellent. I might, then, ask some other questions. There was quite a lot of work done at Stromlo in terms of the funding model for the car park, and the coordination of email and feedback from the mountain-biking community. How are we going with that consultation and bringing together work with the mountain-biking community? Is that progressing well?

Mr Steel: That is one I can address. A range of agencies are involved in biking activities, so to speak, across government. There is the Stromlo Forest Park user group. There is a committee of users which includes CORC, which is the peak body for the mountain-biking community, that are involved in that. We have made sure that, as we consult on the Tracks and Trails Masterplan for Stromlo, we go much more broadly and consult with them about what they would like to see in terms of new or improved or upgraded trails. That process is underway. The revenue we have been able to bring in from the naming rights for what is now called University of Canberra Stromlo Forest Park will enable us to reinvest revenue back into the tracks and trails, in addition to revenue from the future car park, which has not yet been built, and any other revenue opportunities that might be explored as well, including any potential future investment from government.

We are doing that work now to establish a plan for Stromlo that is supported broadly across the community, but, on each individual project, including those that are outside the scope of Stromlo Forest Park, there will need to be separate engagement. I am sure that, as part of other projects, there will be engagement processes as well. I do not know whether you want to talk to that one, Daniel Bailey.

Mr Bailey: Yes. As the minister said, we are doing the Tracks and Trails Masterplan now. We have engaged World Trail to do that work. They are well underway with the stakeholder consultation and have met with the user groups. To capture that broader community that you mentioned, we posted a YourSay as well recently, which was very well responded to. They are collaborating that feedback as well.

MS CLAY: Does the Tracks and Trails Masterplan include some long-term funding for maintenance, which was always one of the ongoing concerns?

Mr Steel: It is certainly the intention to use the funding sources that we have to deliver the plan—to get the plan in place first so that we can have something that is agreed to broadly by the community before we then use funding to initiate the plan. We are always looking at opportunities to bring in more revenue to the park in a reasonable way, and the car park has been one thing. The naming rights is another that is going to bring in a source of recurrent revenue that we can apply to the plan. There have also been calls for more funding to be given from government, so that would have to be considered.

Once we have actually developed the plan, we will get a better understanding of the costs required to implement some of the actions. What we know is that, because the plan covers the western side of Stromlo, which is an area that the ANU has typically had a lease arrangement over, there are a large number of informal trails in that area. Part of this is about formalising those, making them safe and designating them as actual trails and part of the plan. Maintenance is a critical part. You cannot just build new trails; you need to maintain the existing ones. The weather conditions that we have had resulted in quite a bit of erosion on the hill, and that needs to be factored in as well. There is going to be a lot of work to do to implement any plan. I do not think it will be done all at once, so we will have to look at the staging options that might be implemented to achieve the long-term ambitions of the community.

MS CLAY: Great. Is there any progress on commercial accommodation at Stromlo?

Mr Steel: I will hand over to Daniel Bailey for that one.

Mr Bailey: Not at this stage. We held a market sounding three or four years ago, just to go to market to see if there was any interest at the time. There was one response that we got back through that process, but, no, we have not progressed that work any further at this point.

MS CLAY: I am pleased to hear there was a YourSay page. You said the uptake was quite high. Do you have the numbers at hand of how many people participated in that?

Mr Steel: No. I will have to take that on notice.

MS CLAY: Great. One of the ongoing concerns was how difficult it was for people to talk about Stromlo, because it is spread across portfolios. I believe a decision was made that all correspondence would funnel back to the centralised Stromlo email address. Is that happening? Is that working now?

Mr Steel: We can confirm on notice, if you would like, unless Mr Bailey wants to speak to that.

Mr Bailey: Yes; that is correct. It is through the National Arboretum and Stromlo Forest Park branch. We also keep the website very well up to date. We are always making sure that it has the most current information. For instance, for the car park works that we are doing, there is a link showing all the temporary car parks that we are going to have. We show it through that.

MS CLAY: That is great. Regarding the questions that used to be sent to Parks and Conservation, Sports and Rec and all over the place, do you think people have found the Stromlo Arboretum email address? Are the questions all going to the same place?

Mr Bailey: I think so. We have held a number of sessions with the users, but, like I said, it is really hard to capture the more casual user. Not everyone is part of a biking group. That is a challenge as well. We think so. The team has worked really hard and had a number of information nights and things like that to try to get them back there, so we feel fairly confident that most people who want to contact us can and they know the channel to do that.

MS CLAY: Thank you.

MR PETTERSSON: The Arboretum recently celebrated its 10th birthday. How did we go about celebrating such a momentous anniversary? And how are we supporting the Arboretum in this budget?

Mr Steel: There has been a range of events celebrating the 10th anniversary. It is hard to believe it has been just 10 years, because it seems like it has been there forever, although it would be nice if the trees grew a little bit faster than they are at the moment—maybe as fast as the birches, which seem to be rocketing up. It is a time to reflect on all the volunteer effort that has gone into making such a fantastic venue to visit. There was a special 10th anniversary celebration dinner held at the Arboretum,

at the fantastic, architecturally designed and award-winning visitor centre, which was well-attended by hundreds of people from across the community: non-government organisations and businesses, many of which were part of the inception. John Stanhope was recognised for his vision in establishing the Arboretum.

The Friends of the National Arboretum also played a prominent role in the event. They have been integral to many of the volunteer activities but also fundraising for many of the gardens, and there is the work that they do in moving people around on their shuttle bus, and so forth. There was also a bit of discussion about the future of the Arboretum and how we could continue to make sure that we achieve the aspirations of this place in the future. I will hand over to Daniel to talk further about the activities that are happening.

Mr Bailey: The 10th anniversary dinner was a really good night, with the fact that there were a number of stories from people who were involved in the inception and the startup of the Arboretum. It has had over six million people visit it in that 10-year period. I do not think anyone, even in the planning days, envisioned those large numbers. We are just about to hit the one million visitors to the Arboretum per annum.

We have a number of projects as part of the masterplan for the Arboretum. We will progressively work our way through those over the next bit of time. The immediate one which we have funding for this year is the second road access. That will be really important for the Arboretum. It will allow larger events and things like that. One of the challenging parts is the major ingress and egress that you get from a big concert or something like that. Have held a couple of concerts and large event days. That is in the immediate future—to look at the design of that road and where the best place to bring that second access road into the Arboretum would be. That is a project coming on.

MR PETTERSSON: In terms of the second road, do we have a preference for which major road we would like to connect to?

Mr Steel: There is still some future planning and environmental work that needs to occur to determine that. Agencies across government have been working together—Venues ACT with EPSDD, and also the Suburban Land Agency, because the Suburban Land Agency is in the process of planning for the future Molonglo stage 3 development which will reach along the western side of the Arboretum and potentially provide access points in the future. We are trying to align as much as possible with that planning so that there is not necessarily a duplication, noting that, if we going to connect two roads, it needs to be taken into account in terms of transport planning, traffic planning, and so forth.

The northern end of the Arboretum is potentially environmentally sensitive, so there has been quite a bit of environmental work already undertaken to work out where those sensitive areas are and how they can be factored into the planning of the new road access. It is intended that this would provide access out eventually—whether directly or through another road—onto the Bindubi Street intersection on William Hovell Drive or near to the Bindubi Street intersection, potentially through the new arterial road that is being built from John Gorton Drive through to Bindubi Street in the future. That work is underway, but an exact decision has not yet been determined

at this stage about the road alignment. That work will continue over the coming months.

MR PETTERSSON: Thank you.

MR CAIN: I have a supp on that. Minister, as we would understand, the former Chief Minister whose vision was responsible for the Arboretum was Jon Stanhope. Was Mr Stanhope invited to the anniversary dinner?

Mr Steel: He was there, yes, and he played a prominent role. There was a celebratory video that had been done, interviewing prominent members or founders of the Arboretum, and he certainly featured in that around some of the, let us just say, lack of support from certain elements of the community towards the project during its inception phase. There were some interesting reflections in that video. I think that is available on the website for people to view.

MR CAIN: Was the former Chief Minister responsible for the Arboretum invited to give a speech?

Mr Steel: I do not think so. I do not think he delivered a speech at the event, but he did through the video, effectively, so he had a very prominent role in that sense.

MR CAIN: I am reliably informed that a senior public servant gave a speech for almost 30 minutes. It would seem strange, would it not, Minister, that the inspiration for that facility was not invited to—

Mr Steel: He was definitely honoured appropriately by all, including me. I spoke as well. I think you are referring to the director of the National Arboretum. Absolutely, he played a role in the proceedings, as he should.

MR CAIN: You say Mr Stanhope was honoured. Perhaps he was a bit dishonoured as well by not being given an opportunity to say a few words directly.

Mr Steel: No; I do not think so.

MR CAIN: You may think that. Those are all my supps, Chair.

Mr Steel: Mr Bailey has some further—

THE CHAIR: Mr Bailey.

Mr Bailey: I understand he was asked. I think it was a personal preference that he did not speak on the night.

MR CAIN: Sorry—was it his personal preference not to speak or that of others?

Mr Bailey: My understanding is that he was asked, but it was his preference not to make a speech.

MR CAIN: That is your understanding or that is a certain statement on your part?

Mr Bailey: Yes; that is what I have been advised.

THE CHAIR: Mr Cain, it is with you for a substantive question.

MR CAIN: Thank you. Minister, I want to talk about the value of union contracts and also subcontractor arrangements with the union as the head contractor. Since the 2016 election, can you tell this committee how many ACT government contracts or subcontractor arrangements under \$25,000 have gone to unions or to entities owned or controlled by unions?

Mr Steel: We would have to take that question on notice.

MR CAIN: Okay. On light rail stage 1 and stage 2A, have any contracts or subcontracts been awarded to unions or to entities owned or controlled by unions?

Mr Steel: We would have to take that on notice.

MR CAIN: Sorry—my reference to \$25,000 was to contracts above \$25,000. I might have said “under” for some reason.

Mr Steel: Okay.

MR CAIN: Above \$25,000. You are taking all that on notice. There is no-one here who can answer anything to do with those arrangements?

Mr Steel: I do not think that, on the spot, that is reasonable. It is very specific.

Ms Mirzabegian: No—we would have to check our records. We do not hold those records at the tip of our fingers.

Mr Steel: Those are contracts that would be held by other agencies, so we would have to work with them to get the answer.

MR CAIN: Thank you. Given the very strong criticism by the Auditor-General of procurement management, do you have extra measures in place to ensure value for money from union-affiliated contracts?

Mr Steel: The same procurement rules would apply. Is it a hypothetical question that you are asking or is there—

MR CAIN: No. Are there additional procedures to do with value for money and quality assurance of contracts with unions or affiliated union bodies?

Mr Steel: The same procurement rules would apply to everyone. I am not sure of the specific procurement you are talking about.

MR CAIN: Any involving a registered union.

Mr Steel: In the past?

MR CAIN: From 2016.

Mr Steel: We will have to take that on notice. It probably depends on the nature of the procurement.

MR CAIN: Thank you, Chair.

THE CHAIR: Mr Cain, I am flicking back to you for my substantive.

MR CAIN: Okay. I have some questions about the Professional and Consulting Services Panel, partly in reference to QON 1115. I note that there is a potential refresh of this panel in November this year. How is it determined if a refresh is required?

Mr Steel: We were asked not to give an answer about what our policy is in relation to panels, so maybe we can provide that answer now. Is that okay?

MR CAIN: It is a specific question, Minister.

Mr Steel: You want to know about that specific thing—

MR CAIN: Correct.

Mr Steel: but without reference to any broader policy?

MR CAIN: I would like an answer to my question. Thank you.

Ms Mirzabegian: I can answer in relation to that specific arrangement. The more technically correct term is “a review” of that panel. We would review the usage of that panel by different territory entities and the expenditure under that panel by different territory entities. It would include the performance of the providers as well, and we would make a decision as to whether the settings that we have currently in place meet the needs of the territory or whether we need to, for example, add to the panel because, for example, it may be that there is a particular need in a particular area.

We do that process in consultation with the different territory entities who use that panel. That panel is currently available to all our territory entities—that is, the directorates and the smaller agencies. We are commencing that process of consultation and, at the end of that, we will determine whether we would open up the panel to, for example, new providers, or whether there would be a segment of providers that we would approach, be they small or medium enterprises or any other mix that we think would be necessary to enrich that panel.

MR CAIN: How is work allocated across the panel? How do they reach those decisions?

Ms Mirzabegian: In terms of allocation, we do not allocate work in that sense. We issue requests for quotations to panel members, and panel members respond to that. There are, of course, different categories, subcategories under that professional and

consulting panel, and if you need a particular kind of service, you would generally approach the providers in that subcategory.

MR CAIN: You would just, basically, ask them for a quote, if they were the only ones able to provide that?

Ms Mirzabegian: Yes, because they have been assessed as meeting the requirements to provide that particular kind of service.

MR CAIN: Is there an effort to make sure that there is not a monopoly provider of a particular service on this panel?

Ms Mirzabegian: Certainly, we do have requirements to approach all those providers on that category, and, as I said, we do have several providers per category.

MR CAIN: Are you able to provide a breakdown of work provided by a company on this panel for the last three years and this year through to end of April?

Ms Mirzabegian: I would have to take that on notice, but, yes, we can.

MR CAIN: Thank you. Are you able to separate the payments where the work was on a single select basis—perhaps they were the only provider—versus a request for quotes more broadly?

Ms Mirzabegian: I would need to take that on notice.

MR CAIN: Can you also detail how you ensure value for money for ACT ratepayers in your spend on technical advisers?

Ms Mirzabegian: The spend on technical advisers, as a spend on any kind of other service, is dictated by our procurement framework, which requires us to pursue value for money in a particular procurement. That has a range of considerations from risk, ethics and probity, and the whole-of-life cost of that contract. Capability and capacity also come to mind when we are selecting. And I am giving you some general answers, because, of course, each procurement is different, but we do generally consider the capability and capacity of the supplier as well as the inherent risk or any other identified risks with that procurement process.

MR CAIN: I notice PricewaterhouseCoopers is on this panel. Given the recently publicised serious issues regarding this firm, what assurances have you sought from PwC that there are no such issues with their work with the ACT government?

Ms Mirzabegian: We have sought assurances from PwC that there are no individuals involved in the misuse of confidential commonwealth information associated with any of our current government contracts, and we have been given that assurance. Of course, reports of confidential information from the Australian government being released by PwC are extremely concerning for us. We are closely monitoring the developments in this space, and we will respond. We are working very closely with other jurisdictions on this matter.

The Australasian Procurement and Construction Council, which comprises all the various jurisdictions, as well as New Zealand and us, meets around every fortnight now—initially it was every week—to discuss any developments, how we have interacted with PwC and what response we are making to those. We have also alerted, of course, internally, the delegates and the various territory entities who may have contracts, as well as those who do not have contracts with PwC. It is a fast-evolving area, and we are responding to it as it evolves.

MR CAIN: Has PwC provided any advice to CMTEDD in the last three years that would be considered commercial in confidence?

Ms Mirzabegian: If I give an answer, that would be a generic answer. Because of the nature of the work, you would assume that they would have. I am not privy to the individual contracts.

MR CAIN: Is it the type of advice that the government would redact or not release under FOI?

Mr Steel: It is a very broad question. I think that is why we are struggling to provide you with an answer on the spot without further substantial inquiry.

MR CAIN: I am not sure whether there is a discussion happening here about that.

Ms Mirzabegian: No, it is just that I am not able to give you that answer without understanding which contract we are talking about. But, generally speaking, when professional services are provided, there are aspects of sensitivity with those, but I would not be able to tell you specifically in relation to a particular contract.

THE CHAIR: Mr Cain, we are going to wrap up that line of questioning here, but I would advise that if there is something specific that you are looking for that you have not uncovered there, you have got the option to present that question on notice.

MS CLAY: Minister, you are running the procurement reform project, and I had a little look in the budget to try to get a sense of how many FTEs you have and whether you have enough resources to run that project well. I confess, I saw some references on page 28 and 29, but I am actually not an expert in this area. Can you perhaps tell me how long that project is running for and what resources you have to run it with?

Mr Steel: Sure. We can provide some information about the resources. A lot of it has been using existing resources, and that has meant that other projects have had to be pushed back in time to allow for this project, which is a priority, to occur. Procurement ACT or the Treasury might be able to provide some further detail.

Ms Mirzabegian: Yes, I can provide further details. Thank you for that. As Minister Steel pointed out, the bulk of the reform program is undertaken with the existing staff within Procurement ACT. Under the reform program, a number of additional resources have been sought, where there is, perhaps, a function that was not provided before. For example, we do have probity advisers that Procurement ACT did not have before.

We do have some resources, as well, in relation to our ICT procurement piece—the solution that we are developing. We identified that on top of the work that we are doing—BAU—we would need some additional resources to further explore that and ensure the settings are right and the scope of that project is the correct scope. So we have got that.

And we also have, in addition, sought and been given resourcing for an additional two lawyers from the ACTGS to come and assist us in relation to contracting advice. That includes advice to develop contracts and to advise on the management of contracts.

MS CLAY: Thank you. With the probity advisers, how many of those did you get?

Ms Mirzabegian: At this stage, we have got two.

MS CLAY: Excellent. What level are they?

Ms Mirzabegian: SOG A and SOG B—so, senior officer grade A and senior officer grade B.

MS CLAY: Yes, it is quite senior.

Ms Mirzabegian: Our lawyers are GS 3, a principal solicitor, and GS 2, which is a senior solicitor.

MS CLAY: Great. That is quite senior staffing, actually, that you have got for probity advising.

Ms Mirzabegian: Correct.

MS CLAY: Yes, that is good to hear. On page 28 and 29, we have got some of the controlled recurrent payments dropping from last year to this year, and some of them are increasing. Overall, have you received the funding that you need to be able to deliver this project well? With the two probity advisers, the ICT resources and the two GS lawyers, is that a suitable amount of resourcing to deliver this project?

Ms Mirzabegian: I think it would be fair to say that we would need to watch that as it unfolds. Of course, the resources that we have sought are for what we thought would be a starting point. I would not presume to say that two probity advisers are sufficient for the entirety of the probity needs of the territory, but we have other means to obtain those services, including through the professional consulting panel. If the matter requires legal advice, of course, there is the referral to ACTGS and so forth. So this was really a starting point to ensure that our bases were covered.

MR CAIN: As part of the Procurement Reform Program, Minister, does it include increasing the rate of variability and competitiveness of panels, which I have touched on a bit earlier?

Mr Steel: I can give my answer now that I have been waiting for the entire session to give. Yes, it does. It includes a piece of work to develop and endorse procurement practice requirements for the established use and management of cooperative

arrangements and coordinated arrangements.

Procurement ACT conducted a scan of current panel arrangements established across ACT government. The reform program requires a development of panel management policy to ensure a consistent approach to the establishment and management of arrangements across government. To address that requirement of the program we have developed an endorsed procurement practice, an EPP, and that is within the remit of the Government Procurement Board under the Government Procurement Act.

The EPP will set out a range of different requirements in order to address identified buyer and supplier feedback. Those include: that arrangements are to be refreshed frequently to allow new entrants to market to join the panels; and more proactive management of panels, including a supplier feedback mechanism to be in place to encourage high performance and ensure that any concerns with suppliers are addressed early. There are a range of other benefits as well. We want to make sure that there is diversity on panels of suppliers and that we are providing better templates, as well, across government to allow streamlined application by suppliers and to be used by territory entities.

This piece of work was developed as part of the program as a result of the feedback from business and suppliers under the Better Regulation Taskforce, and we are expecting that new EPP will go live very soon. I will hand over to Procurement ACT to talk to that.

Ms Mirzabegian: That is correct. I do not have anything further to add. The minister provided lots of detail.

MR CAIN: And I just have a final—on this theme here. Suppliers who do not respond to tenders—do you get rid of them, or what do you do about that?

Ms Mirzabegian: Did you say “who don’t respond to tenders” under a panel?

MR CAIN: Yes, who do not respond.

Ms Mirzabegian: No, it may be that at a particular point in time there are a number of reasons a supplier would not respond to particular requests for quotation: they might have an existing conflict of interest, for example; they are already providing work in relation to something that we are asking them to help us with; they might have not sufficient capacity at that point in time, and so forth. So, whether or not a supplier responds to a tender is completely up to them. If we find that they are rejecting our tenders, in that sense, and not responding to them, we do have a chat with them and try and figure that out. But, generally speaking, it would be a very valid reason for them not to have responded.

MR CAIN: If they do have a conflict of interest with a particular contract, are they required to declare that?

Ms Mirzabegian: They would generally tell us that they are not tendering. Sorry—at that tendering stage or later on?

MR CAIN: But if they are not tendering because they have a conflict of some sort, ought not they disclose that?

Ms Mirzabegian: They do generally come back and say, “We are not tendering at this stage because we are already providing these other people services, so we can’t.”

MR CAIN: But are they required to declare conflicts of interest on anything that comes before the panel?

Ms Mirzabegian: They are required to declare conflicts of interest when we engage them, and if they have got an apparent conflict. If we were to ask them to declare any potential conflicts whenever they arise, it might be, without any referral to a particular piece of work that we have given them, a burden on businesses as well. So, we only ask for that conflict as at the point of engagement. But if you are sitting on a panel, you may have conflicts that come and go, and that is okay.

THE CHAIR: Thank you, Mr Cain.

MR CAIN: More to explore later. Thank you.

MR PETTERSSON: In recent times, the ACT government has experienced a couple of high-profile cybersecurity incidents. I was wondering what work is underway to make sure that the ACT government’s network is secure?

Mr Steel: Thank you. We are in an emerging threat environment in relation to cybersecurity incidents, where we are seeing larger numbers every year of these types of incidents occurring. And so, all governments have been working together through the DDMM, the Digital and Data Ministers Meeting, together with the commonwealth, to look at how we improve our cyber resilience, maturity and capability around cybersecurity—how we harden settings on key platforms, particularly around critical infrastructure, as a result of the critical infrastructure legislation that the commonwealth brought into federal parliament, which does apply to some pieces of infrastructure in the ACT, including health and transport.

Of course, we have recently experienced a number of cyber incidents, both at Legal Aid and through the Barracuda email gateway server as well. We have put in place, over a number of years now, measures within ACT government: setting up the ACT cybersecurity centre, which has enabled us to provide support in that response and recovery process from cybersecurity incidents. I will handover to Bettina Konti, to talk you through that.

Ms Konti: Yes, as the minister said, we have been given some additional resources to allow us to grow and, through that, be able to implement additional security controls across our landscape. We conduct regular assessments across four systems that are within the control of or that my area, Digital, Data and Technology Solutions, is responsible for. We also support directorates in the conduct of security assessments—further systems that they have—that they are responsible for.

We have recently created and implemented and communicated across ACT government a suite of cybersecurity awareness training materials and education

materials, including for senior leaders and ministers—top cyber tips around how to keep your own personal devices secure.

We have also had a best practice design and delivery guide endorsed by cabinet. I think it was July of 2021 or 2022; I am not quite sure. In that, it encourages the conduct of regular threat and risk assessments for major systems, either on an annual basis or at the point of major upgrade.

We also have a budget assessment subgroup that looks at every business case that has got an ICT component to it, and where there is a need, or where we identify a need for a particular business case to include the funding required for a risk assessment, we provide that advice.

MR PETTERSSON: The Barracuda incident was probably the most recent and high profile. Are investigations ongoing or have they been concluded?

Mr Steel: Harms assessment has now been completed, and the risk has been found to be low, and there is no evidence at all that any information has been removed from our systems. As a result, we are not asking Canberra citizens to take any specific action; however, we have partnered with IDCARE, which is an organisation that can support people through a phone call or other contact to provide them with support if they have any concerns, or if they want to talk about general cybersecurity issues, if they have experienced something. That will be free of charge for Canberrans to access.

I will hand over to Bettina Konti, to talk about the harms assessment work and the three-stage process that we have undertaken to look at that incident, when we became aware of it after 26 May.

Ms Konti: What we did when we became aware of the vulnerability was, obviously, immediately take the Barracuda email server arm offline and have it rebuilt. We put it back into service and have confirmed, ourselves, as well as through some independent cybersecurity specialists, that that vulnerability no longer exists. So that was the first very important thing we needed to do.

We then needed to conduct a harms assessment, which was focused on: what was the information that had been flowing through that email server? What are the systems that are connected to it? And, of those systems, what are the kinds of transactions and information that has been vulnerable for that period of time? That period of time has been confirmed to be 12 November 2022 through to 26 May this year, when we closed down and confirmed the vulnerability no longer exists.

There are three different kinds of information that has been captured by this process. The first is that there are a number of automatic email responses that are sent back to people in the community when they submit smart forms. ACT public servant pay slips were part of the information that was exposed for that period of time. And the third category was some scan-to-email functions from a range of multifunction devices that are configured in a certain way for some ACT government departments and agencies. Scan to email, basically, could be a range of different documents that have a whole lot of unstructured data: they could be letters; they could be communication responses to people in the community; they could be legal contracts, and those kinds of things

where people typically scan to PDF or scan to email. They are the three categories.

The harms assessment we then undertook. Once we understood the systems and the information we then went through and conducted a risk assessment in accordance with the Office of the Australian Information Commissioner's Notifiable Data Breach scheme. Then the result of that risk assessment confirmed for us the risk of harm to people in the ACT community. Based on what we knew about the incident—the fact that information may have been available but was not actually stolen or removed; that there was no entity that had claimed responsibility for the incident; and that we have not seen any information of that nature turn up on the dark web, and it has been a month or two, nearly, now—the risk of harm coming to people in the community from a result of this incident was low. Our advice is, therefore, that there is nothing that people in the community need to do.

Probably also important to remember is that this is not an attack on the ACT government; it was an attack on the Barracuda system, and there were over 100 customers of Barracuda that had been captured by this particular zero-day vulnerability around the world.

MR PETTERSSON: Thank you.

THE CHAIR: Thank you Mr Pettersson and Ms Konti, and everyone who has contributed to this session. We are done.

If we have any witnesses leaving at this time who may have taken questions on notice, could you please provide answers to the committee secretary within five working days of receiving the uncorrected proof.

Thanks all and sundry. We are going to take a break and return for the final session of estimates 2023.

The committee suspended from 3.32 pm to 3.45 pm.

Appearances:

Inspector of Integrity Commission and ACT Ombudsman, Office of the Commonwealth Ombudsman

Anderson, Mr Iain, ACT Ombudsman and Inspector of ACT Integrity Commission

Fintan, Mr David, Senior Assistant Ombudsman

THE CHAIR: Welcome back to the public hearings of estimates 2023-24. It saddens me greatly to register that this is the final session of estimates hearings! In this session we will be speaking with the Inspector of the Integrity Commission and the ACT Ombudsman, Mr Iain Anderson. These proceedings are being broadcast live, transcribed and will be published on the Assembly website. If you are taking a question on notice, please be emphatic about it and say, "I will take that on notice." Can I remind Mr Anderson and Mr Fintan of the protections and obligations afforded by parliamentary privilege and draw your attention to the privilege statement. Could you both please confirm that you understand the privilege implications of the statement and that you agree to it?

Mr Anderson: I understand the implications and I agree to them.

Mr Fintan: I also understand and agree.

THE CHAIR: We are not inviting opening statements so we will proceed straight to questions. Mr Anderson, in the first year of your role, can I ask, what have been your main observations of the work of the Inspector of the Integrity Commissioner role or the Ombudsman role? It is almost like giving you an opening statement, really.

Mr Anderson: Yes, it is, is it not? But I will try and be brief. They are very interesting roles, oversight roles, with that question of how best to deploy yourself and the resources of the agency, given that the areas we oversight are so much bigger than us. So always that question of thinking about every complaint we get, every matter that comes to our attention, but deciding which are the things that we really need to go and do more intensively. That is I think the biggest challenge for an ombudsman or an inspector; scrutinising everything and then making discretionary decisions as to what to do in more detail and more depth.

THE CHAIR: From your perspective, what will the focus be for the new financial year?

Mr Anderson: As of today, we have just published a report on an own motion investigation. So we will be looking to do another own motion investigation in this financial year into another issue involving an ACT government agency. While complaints overall are going down—that has been an ongoing trend and that is something that is happening across Australian jurisdictions for ombudsmen—we are seeing in other areas, like reportable conduct and FOI, the workload is increasing. So we will be continuing to analyse the workload and thinking about what might be going on in different sectors and are there things we can be doing to educate agencies and to educate the community to help them in those particular areas where new issues might be emerging.

THE CHAIR: Mr Anderson, you have referred to a national trend of complaints from the public going down, why do you think that is?

Mr Anderson: I am not sure and my counterparts are not entirely sure either. It is probably not in all jurisdictions around Australia and New Zealand, but it is a common theme. It might be something to do with COVID. There was a surge of COVID related complaints and that displaced a lot of other complaints. It might be—and here is the hopeful part—that agencies are getting better at how they engage with the community.

THE CHAIR: Possible.

Mr Anderson: In the ACT context, for example, Access Canberra is an area that we do get a lot of complaints about. But it receives a lot of inquiries and the number of inquiries it gets is going up much faster than the number of complaints we get about it. So that does suggest that there is a learning going on there, and hopefully that they are getting better at how they communicate about their services.

THE CHAIR: Because ultimately it would be better if they did not need you, would it not?

Mr Anderson: Absolutely. The aim of every ombudsman should be to not be necessary because agencies are able to deal with complaints. You will always have complaints, but we say to people, go back to the agency first because they have the ability to in fact correct the thing that you are explaining and the thing that you are unhappy about. So there will always be complaints but if agencies are better at engaging with them and solving them then we will not be necessary.

THE CHAIR: Yes. The best football umpires are the ones that you did not notice.

Mr Anderson: And, as an ombudsman, we always try and do something in the way that will produce a systemic benefit as well. Every agency can potentially learn from one investigation that we do.

MR CAIN: Is there any particular focus for this financial year for you?

Mr Anderson: Nothing I can point to specifically as an individual topic.

MS CLAY: I would love to drill down a bit into some of the complaints information we heard about during this estimates, which was a surprise to me. I think you probably have jurisdiction. I have seen on your website practice notes about complaints about how child protection reports are handled. So we had a chat to CSD, who handle child protection. In their budget, they receive 18,000 reports about child protection issues each year. They only appraise 2,500 of those. So 15,500 initial calls about child protection concerns, they do not further appraise. When I had a chat to them, and you probably know more about this than I do, that does not mean they have not investigated it. It means that in the complaint that was first lodged, it was either too petty, out of field, vexatious or, if everything in that complaint were true, it would not raise any legal issues under the statute. That was a very surprising figure to me;

that 2,500 complaints need appraisal and 15,500 can be dismissed with absolutely no further appraisal. Is that a surprising figure to you?

Mr Anderson: It is surprising to me but it is not completely surprising. As an office for example, we receive a large number of complaints and inquiries. Then we investigate in detail a relatively small proportion of those complaints and inquiries that come to us. That is typically because matters are either mistaken, or they just need a better explanation of what the situation is, or they need to be referred to an agency that is in fact the right agency to look at that thing.

We often find we can resolve matters quite quickly through giving people a better explanation or by helping people understand the legislation and things like that. I am not talking about child protection, but for all the complaints that come to us, it is only a relatively small proportion that actually go to a detailed investigation. That detailed investigation could run for up to 12 or 18 months. Yet most matters do not require that level of detail.

As I said in my answer to the opening question, it is that question of how you best deploy yourself. So you need to ask: how serious is this matter and how far do I need to explore it before I can decide “Yes, I will need to go further into that,” or, alternatively, “No, actually the answer seems to be that what has happened seems to be understandable, acceptable, reasonable, in the circumstances.”

MS CLAY: If you were to get that initial call, you would obviously record the reason. If you do not appraise that further or investigate that further, you would record what the call was and the reason that you did not take it further?

Mr Anderson: Yes.

MS CLAY: Yes. I assume that would be an ordinary administrative decision-making process.

Mr Anderson: Yes. Well, I say that we do that. It is certainly what our guidance tells our staff to do and our systems are set up to enable people to record those decisions no matter how quickly and simply some of those decisions are being made.

MS CLAY: Do you get a lot of complaints about child protection decisions? I notice that you had on your website practice guides. So I assumed that this was an area that came up for you quite a bit.

Mr Anderson: I will see if Mr Fintan has any further detail on that. We do get a lot of matters which are reportable conduct matters. So complaints about perceived abuse of children, neglect of children, things like that, and it is an increasing trend. We are getting an increasing volume of complaints. Still, that is something like 200-odd in a year, not the 18,000 you are talking about there that I think CSD had.

We are seeing an increasing awareness on the part of the regulated entities in that scheme of their obligations to take seriously complaints about perceived abuse and ill-treatment of children, but it has been a learning process there as well. We did an audit recently of religious organisations in the ACT because we have a concern that

they seem to not have as good an understanding as they need of their obligations under the reportable conduct scheme.

It is an area where you want people to take each complaint very seriously and to look at them appropriately. There are safeguards in the reportable conduct area where entities have to first of all tell us they have received a complaint and give us their initial assessment of how they are going to deal with it so we can give them guidance if we think they have not done enough. Then they have to give us their report once they have actually done a proper consideration of the complaint. Then, once again, we can say, “No we are not satisfied, you need to do more in that situation.” So, in that area, in summary we do think there is a better understanding emerging of how to deal with those complaints but we are not seeing the sort of volume that you are talking about that CSD get.

MS CLAY: Where the entity has to explain to you what they have done, that is for the 200 complaints that you have received?

Mr Anderson: Yes.

MS CLAY: Yes. In the child protection area, if an officer receives a call that they choose not to appraise further, should they be telling that individual, “By the way you can appeal?” Is that an appealable decision to not appraise?

Mr Anderson: That is a good question.

MS CLAY: I am wondering, with that 15,500—that is a lot of decisions to be made—who is checking that those decisions are being made correctly and how?

Mr Anderson: I mean, as a general rule, people can always complain to us about the actions of an agency. We will look at those. So I would be surprised if it is—it is not really appealable, but they can complain about how their matter is being treated or the actions of the agency. I will see if Mr Fintan has anything to add to that.

Mr Fintan: No, I am not aware of any review power that we have. And just to be clear, the 200 that the Ombudsman has mentioned are notified to us under section 17G of the Ombudsman Act, and that is under the Reportable Conduct Scheme. I am not aware of the precise volume of complaints we get on child protection itself and the way in which CSD might be handling those other thousands of complaints. It is certainly not one of the larger areas of complaints we get, if any, but I do not have, in front of me, the figures.

MS CLAY: I am trying to get my head around how somebody would know that they could complain to the ombudsman, if they are not told by the agency who has dismissed their report, if that makes sense? Should they be told by the agency?

Mr Anderson: I think it would be a good idea. Hopefully agencies do make public on their websites and in other ways the fact that you can almost always complain about the actions of an agency to the ombudsman. We certainly have that information on our website as well.

MR PETTERSSON: Earlier today in these hearings, the Chair of the CIT board expressed concern about how long it takes the Integrity Commission to complete its reports. Have you spoken to the Integrity Commissioner about how long it takes to compile his reports?

Mr Anderson: No. I have not specifically about that. I did note with interest the Integrity Commissioner's evidence in estimates to this committee about how he is proceeding with particular matters.

MR PETTERSSON: Have you made any recommendations to the Integrity Commissioner about practices?

Mr Anderson: Not about the duration of investigations or the time in which investigations should be completed.

MR PETTERSSON: About other matters?

Mr Anderson: We have made recommendations to him about other matters.

Mr Fintan: Yes, we made three recommendations last year following a complaint investigation which related to, essentially the reasons given by the commission when dismissing a complaint.

MR CAIN: In June this year you lodged your submission to the three-year statute review of the Integrity Commission Act. What were the headline recommendations that you presented in that submission?

Mr Anderson: Nothing earth shattering. It is procedural matters for the most part. So things like the Integrity Commissioner has to give us seven days' notice before holding a public investigation. We think it would be more effective for us if we had 10 working days' notice. There are things like that. There was nothing, as I say, that was particularly too difficult. We did not have fundamental problems with the process and we have engaged with the reviewer as well following that submission. It is really just practical matters as to, under the scheme, how best does it work for the Integrity Commission and for us. Some of it was to say that if they get additional powers, for example, or functions, then we should get commensurate—or have consideration given to commensurate increases in resourcing, if it is going to lead to more work for us, and things like that.

MR CAIN: Do you have an opinion of whether the Integrity Commission is adequately resourced or has adequate powers to do its functions?

Mr Anderson: I will start with the latter, if I can, Mr Cain. Certainly I think they have the powers that they currently need. I note they have sought additional powers, and that is a matter being considered by both the ACT government and the commonwealth Attorney-General, in terms of additional powers for surveillance devices and things like that. In terms of the resourcing, I am not sure we are qualified to comment on that. As inspector, we look at how they carry out their functions and not at what more they could do if they had additional resourcing.

MR CAIN: The evidence this morning from Ms Lundy was about getting this CIT contract process speeded up because we have two fulltime CEOs at the moment on full pay; one on leave and one acting. Do you have any comment on the timeliness of the Integrity Commission's working through matters?

Mr Anderson: I think any time you do a significant investigation, you should aim to bring it to a head as quickly as you possibly can and then publish the report. That is particularly the case with a body like the Integrity Commission because individuals caught up in that need to know what the outcome is for them—is there any issue or is there not an issue? So I appreciate Ms Lundy's concerns and the challenge of having to pay for two CEOs for the period.

We will be having some discussions with the Integrity Commissioner about the duration of some of these matters and how long they think it might be before they can publish reports and finalise those. It was not quite clear from the Integrity Commissioner's evidence in estimates whether, for example, he was saying that he had three matters that were nearly completed, in terms of how close they were to being completed.

MR CAIN: I recall the evidence on CIT was an interim report pending, which was also stated in August last year at estimates, with public hearings apparently coming this month on the CIT investigation. Do you have a role as part of your oversight of the Integrity Commission to say, "You need to produce more things more quickly?"

Mr Anderson: If we thought there was something that we could usefully, constructively, comment on, in terms of how they were organising themselves and how they were operating to discharge their functions, then we could make comments about that, and particularly we would engage with the Integrity Commissioner. I have flagged already that we will be having some discussions with the Integrity Commissioner just about those matters that he has raised, in terms of the time—

MR CAIN: It is almost in your ombudsman role, you will be doing that as well, responding to say the chair of CIT board. It is almost like a complaint.

Mr Anderson: It is like that but we have been doing that as an inspector. I mean, I know well as the ombudsman, sometimes it is very hard to bring a matter to full resolution. You need to make decisions as to whether you will chase every rabbit down every burrow or not. It is a very serious jurisdiction that the Integrity Commissioner has.

MR PETTERSSON: If I recall the evidence from the Integrity Commissioner, he said that he had largely completed several historical investigations but was yet to finalise those because he was prioritising other investigations. Do you have a view, as someone responsible for conducting investigations, how you prioritise investigations?

Mr Anderson: I think it is important to finish things that you have decided were important enough to start. If you get to a point that you want to start pursuing other new investigations as well, that is difficult. I think particularly when people's reputations are involved—and also the community needs to know whether there was a concern there or not—you do need to finalise those matters. In my view, you might

actually prioritise finishing matters before you start new matters. That is my view. I am not the Integrity Commissioner.

MR CAIN: In your 2021-22 annual report—it is about surge teams now—you outlined procuring works for a surge team that was contracted to handle complaints. We spoke about this in November, during annual reports, last year. Has this arrangement continued?

Mr Anderson: No. We had a surge team to deal with a backlog of complaints. We resolved that backlog and that team was disbanded. We had particular staff on non-ongoing contracts and those contracts have finished.

MR CAIN: So were any of those contract staff taken on as FTEs?

Mr Anderson: Some of them were. We run recruitment rounds at which people can apply to become ongoing public servants.

MR CAIN: Okay. But not for the surge team type work? Is there any vestige of that at all continuing or are you just happy it did its job and it is over?

Mr Anderson: We have different surges in different types of workloads from time to time and we try different ways of dealing with that. So at the moment we are in fact—we have what we are calling the tiger team. We have just redeployed 10 or 11 staff, who are very experienced complaint handlers, on to complaint work to deal with a particular number of matters there. It is a two-week exercise we are doing. It is not taking on additional staff. It is just saying, for those experienced complaint handlers, we think it is a higher priority for them to deal with a particular part of the backlog rather than doing their normal jobs for that two-week period. Then we will see what lessons we get from that in terms of whether that shows us that we need train our normal complaint handling staff in different ways or that we need to trial different methods of dealing with some of those complaints.

MR CAIN: I do not believe I asked this last time, even though it was relevant. To create the procuring works for this surge team, did you put out a tender for this or what was your procurement methodology?

Mr Anderson: The procurement methodology, I believe, was for the most part either taking people off our temporary employment register. That is something where people can come to us and say, “I would like to express interest in working for you on a temporary basis.” Alternatively it is going through labour hire firms. I think we published the details of the labour hire firms, I think, on the commonwealth procurement website.

THE CHAIR: Can I say, in regards to experienced complaint handlers, I want to take my hat off to them because I think most of them are saints. It is not work for everybody.

Mr Anderson: No.

THE CHAIR: But that is by the by. I am moving onto one component of your role as

ACT Ombudsman. This was explored during estimates last year, and it is following up on whether entities and agencies that you make recommendations to, both agree to those recommendations and follow up in instituting the reform. Last year you were in the process of reviewing the implementation of recommendations made in your previous reports published between July 2019 and 30 June 2021. Are you able to speak to the findings of the report at all? And perhaps summarise conclusions drawn?

Mr Anderson: Sure. I certainly can. In October 2022, we published our second biennial recommendations implementation monitoring report, *Did they do what they said they would?* There were three ACT government agencies we looked at in that process—the ACT Revenue Office, Corrective Services and ACT Policing—each of which had been the subject of a report of ours, an investigation of ours in 2020 or 2021. The ACT Revenue Office has implemented three of the recommendations we made and partially implemented six. So, of the nine recommendations, three have been fully implemented and six partially implemented. For ACT Corrective Services, we made 15 recommendations; eight have been implemented, seven partially implemented. And for ACT Policing, we made nine recommendations and those have all been partially implemented.

When we looked at those three agencies we were satisfied that they are taking very seriously the recommendations and the thrust of the recommendations and are actively engaged in seeking to make the changes we have recommended. Some of those changes we expected would take a period of time. The ACT Policing inquiry we did was into their administrative framework for engagement with Aboriginal and Torres Strait Islander communities in the ACT. We anticipated it would take ACT Policing some time to set up a proper framework there. They are moving towards fully implementing those recommendations but they are still not there yet. We did come away with the conclusion, as I said, that each of the agencies is taking very seriously the matters we have raised and is working actively to fully implement those.

MS CLAY: There has been a lot of discussion recently about an aged care ombudsman and a rental ombudsman. I do not know if you have given it any thought as to whether those agencies would be able to integrate with any of our existing ombudsmen, with your office or with some of our other existing regulators, or whether you think those would need to be standalone?

Mr Anderson: I have not given it a great deal of thought. I have noticed the debate with interest. I think there is always a challenge if a government is seeking to set up a new entity. Will it be big enough to be able to properly be a standalone entity or will it be spending a disproportionate amount of its resources on just keeping the lights on effectively? If you are a micro-agency it is pretty hard to do your job effectively. In that situation I would encourage governments to think about whether you can give that function to an existing agency with supplemented resources, or whether you can bolt in on in some way, so that effectively its corporate functions, its back of house, can be provided by someone else, rather than expecting it to be a fully functioning agency that has to do all of those things. If it is going to be large enough as a function though you might say yes that is going to be large enough. It will take some time for it to get running. It might make sense to set up one or more functions in a new entity if it is going to be big enough.

MS CLAY: It is probably difficult to tell at the outset how many complaints a new ombudsman is likely to take. It is probably an easier thing to tell once it has been running for three years, I would imagine.

Mr Anderson: Yes.

MS CLAY: The ACT actually has a lot of combined ombudsman and commissioner-type roles already, because we are quite small. Do you think we are striking a balance quite well on that, having noted that the new Integrity Commission took quite a long time to set up a new office. I have certainly seen first-hand this balance of setting up a new office versus combining a number of smaller roles.

Mr Anderson: I think the ACT seems to be striking the right balance. I think part of it goes into scoping well what they think the workload and challenges are going to be in a particular area. Both aged care and rental are areas where there are other bodies nationally that play roles. So, having a clear role for a new body is going to be important in the aged care space, for example. In the rental space one might anticipate that there could be a very high volume of complaints. And, again, it would be important to be very clear about what would be the role of the ombudsman or whoever is dealing with complaints about rental matters. Are you, in fact, taking things away from the real estate industry itself, or are you saying that it is only a particular type of rental complaints that can be considered? So, I think scoping and clarity on role would be very important for any new functions.

MS CLAY: Are there any jurisdictions, probably in particular smaller jurisdictions around Australia, that have gone through this process of setting up a retirement village ombudsman or a rental ombudsman and done it well that we should look to?

Mr Anderson: I think it is too early to say, Ms Clay.

MR PETTERSSON: Comparing the funding profiles for this budget and last year's budget, there is quite an increase in expenditure relating to the freedom of information scheme. What do you attribute that increased funding to?

Mr Anderson: In part it is because we are seeing an increase in workload. Then there was a bill passed by the Assembly, I think late last year, which we anticipate will increase our workload as well. We did say in our budget submission that we expected there would be workload increases in FOI and as a result we thought that extra resourcing would help us manage that additional workload.

MR PETTERSSON: What does that extra resourcing look like? That FTE, is that—

Mr Anderson: So, 2.75 FTE and we are thinking about both FOI and then our other ACT government functions as well. We have other functions, for example, we are part of the national preventative mechanism under OPCAT, the Optional Protocol to the Convention Against Torture with respect to the ACT. We have not had any funding for that in past. We said if we got some funding we could provide secretariat services to the other two members of the national preventative mechanism for the ACT. It was the commonwealth government funding that enabled the Inspector of Corrective Services I think it was, to employ someone for a year on a part-time basis, and that

funding has ceased. So, that is an example where that 2.75 FTE will also go to. It is not specifically identified to particular functions for the most part, but we think it will be one person, one FTE for FOI and then 1.75 for other ACT ombudsman and inspector functions.

MR CAIN: I note on page 32 of budget statement B the total funding for the Ombudsman comes to \$4.4 million which is a modest increase from \$3.9 million in 2022-23. How will this improve the output of your office? Did you receive the funding you requested this financial year?

Mr Anderson: We received the funding we requested. We believe the funding will, by providing an extra 2.75 FTE, help us deal in a timely manner with our workload, and it will also help us to make some IT system changes that will help us with some different types of ACT government work.

MR CAIN: With your many hats is funding \$290,000 as Inspector of the Integrity Commissioner sufficient? Is that money just part of what you spend your time on in that role?

Mr Anderson: What I spend my time on comes free to the ACT government; the Commonwealth Ombudsman as well. We do not actually charge the ACT government anything for my time or for my deputy's time. We charge in our budgetary bid for the time of Mr Fintan, who specifically looks after ACT matters as well as other things. But it does provide some 26.5 FTE for staff working on ACT government matters including ombudsman and inspector matters. That is what the ACT government gets with its \$4.4 million. The \$290,000—as always, we would do more if we had more resources, but we are seeking to ensure we are able to provide assurance that the Integrity Commission's functions are being properly carried out.

MR CAIN: Regarding FOIs, are you confident that the \$766,000 in 2023-24 will ensure that the remit of your office is met?

Mr Anderson: We will have to explore that as the financial year continues. We have seen that the number of reviews of FOI decisions requested from us has more than doubled. It has gone from 26 decisions to 55 matters where reviews have been requested. If that increase continues that will stretch us. But at the same time, we will do everything we can to deal with our workload within the existing budget and then come back in our future budget process if we need to.

MR CAIN: In hindsight was the money you got in 2022-23 adequate for your services?

Mr Anderson: Well, the particularly welcome thing about 2022-23 was that we received the full amount that we had asked for, whereas we had not in the financial year before that. Specifically, we received the oncosts we had asked for, and so that was very welcome. We fully used our budget from the ACT government. We can do more with more resourcing, but I believe that we—particularly with having just completed an own motion investigation today, or published the result of it—we actually finished it in June but we had to go through a procedural fairness process—I think products like that and also the work we have done in the reportable conduct

space is showing real benefits, real dividends.

MR CAIN: The year-to-year funding model: does that seem to suit you or you prefer it was done differently?

Mr Anderson: It works. It would be, I guess, nice to have some greater assurance as to what will happen in the out years. A multiyear model as the commonwealth has, I find reassuring because at least we know what you can bargain for and what you can expect to receive in future years. But we are making it work.

MR CAIN: Have you expressed your preference to the ACT government? If so, what has the response been?

Mr Anderson: No, we have not asked for any different model.

THE CHAIR: To give a bit of context to this question, I am referring to the Coaldrake review into the integrity of the Queensland public service. I will go straight to a quote: “The erosion of functions designed to hold the government to account can be a significant concern to the functioning of an integrity system.” I know, ultimately, we are sitting here in this room, and I am asking you to express an opinion, which you may not be comfortable with, but I am just going to ask. Transparency has become a significant issue for parliaments across Australia. Do you think the ACT government is being as transparent as it could be, or is there further work that needs to be done?

Mr Anderson: So, I do have a lot of different hats. I look at the ACT government and I think it is, in many ways, more transparent than a number of other Australian governments. It is more forward leaning in the freedom of information space, for example, being a proactive, pro-disclosure jurisdiction. At the same time, what we see is that every government and every administration needs to continue working on transparency. It is easy to legislate something. It is harder to ensure the culture is always pro-integrity, pro-transparency. I think that the ACT government does a lot of very good things but I think it would be imperative the ACT public service continues to focus on its own culture and ensures it is always behaving in a way that is pro-integrity and pro-transparency. I do not think anyone can ever afford to rest on their laurels in that regard.

THE CHAIR: Do you think that being a unicameral parliament requires more focus to ensure integrity remains an open consideration? And that, what Professor Coaldrake referred to, the erosion of functions designed to hold the government to account, that that does not occur? Do you think being a unicameral parliament requires more focus to ensure integrity remains an open consideration?

Mr Anderson: I do, yes. I think if you do not have a chamber of review, then that means that the one chamber needs to ensure that its processes are actually capable of holding government to account. Then there is also a role for integrity and other agencies as well, but I think it is harder being a unicameral parliament.

THE CHAIR: Along those lines, would it be your view that the committee system in a parliament like this one has to have a greater level of importance than some other committee systems in other parliaments, given that we do not have a house of review?

Mr Anderson: Not—

THE CHAIR: I do not want to put words in your mouth if that is not your view, or if you have not even considered that—

Mr Anderson: Well I think I will content myself by saying that committee systems need to be effective in any parliament. Otherwise, if they are not being effective, then there is not much point, and they are just going through the motions. And that will always be up to the individuals constituting particular committees at particular times.

MR CAIN: Do you think there are some lessons from the Coaldrake review in Queensland that the ACT government could perhaps take on board?

Mr Anderson: We are straying. I am a student of public administration generally, and that is what ombudsmen are. I will just say that I think it is imperative for all governments to look at reports and reviews like Coaldrake and ask, “What could that mean here?” and, “What are we doing here?” The temptation with that is to say: “That is Queensland. That is different.” When I do a report to an agency, with the own motion that we have just published today, I am actually going to be writing to the heads of each directorate to say, “I want you to read this and think about your own directorate with respect to the things I am pointing out for this one directorate,” in the same way I think that every parliament should look at a review like Coaldrake and every public service should and ask, “How do we know that is not happening here?”

MS CLAY: We have heard a lot this estimates about public housing and complaints about public housing. We have heard legal pressures from Legal Aid and community legal centres, who are spending a lot of their resources dealing with legal matters against ACT public housing. We have heard complaints about maintenance of public housing; we have heard concerns about eviction in the context of not enough public housing. I am interested to know if you get a high proportion of your ombudsman complaints about public housing or ACT public housing.

Mr Anderson: Housing ACT is the second most complained about agency in the period from 1 July 2022 to 31 March 2023. I do not have the full financial year figures in front of me, but Housing ACT was the second most complained about agency. Just over 20 per cent of complaints about ACT government agencies were about Housing ACT.

MS CLAY: I do not know if you are able to draw any generalisations from that, but is that because the decisions they make have a big impact on people and therefore they lead to complaints or is that because they are not doing their jobs well?

Mr Anderson: The own motion investigation that we published a report on today is about Housing ACT. It is about, in particular, how they handled the move from voluntary relocation to mandatory relocation, under their growth and renewal program. We made nine recommendations. We concluded their intentions were good, but their implementation really needed to be improved. They have information about people in public housing and they were not necessarily using that information to decide whether some people should in fact be exempted from mandatory relocation at the outset.

Instead they reached out to 337 different public housing tenants and said to all of them, “You are going to have to move.”

They have now set up a process where people can seek exemptions and there is an independent assessment process but that is something they could have done at the outset. Some of these people, it was pretty clear—you have a disabled person who is living in a house that has been altered for their own use, it is pretty clear that they are not going to have to move. So they could have, in fact, just exempted some people up front. They could have communicated better as well with all the different public housing tenants.

A lot of it has to do with the fact that they are dealing with people who are vulnerable. It makes a very big impact on people's lives if a decision is being made that they do not understand or that is being poorly communicated. But some of it is absolutely about how the agency does things.

MS CLAY: I regret, I have been in estimates, so I have not managed to read your report tabled today but I will go and look at it with interest.

Mr Anderson: Not tabled, just published.

MS CLAY: Just published. I did have contact with people caught up in the group program earlier in the piece. Certainly what we found at the start of that program is that there were not clear review processes—

Mr Anderson: Yes.

MS CLAY: And there were not clear processes for making and reviewing administrative decision-making. That is clearly what your report has just found.

Mr Anderson: Yes.

THE CHAIR: Well there you go. It is a sad moment for this committee. Thank you, for appearing.

Mr Anderson: Thank you.

THE CHAIR: We appreciate your time and we appreciate your responses. The committee's hearing for today is now adjourned. On behalf of the committee, I want to thank ministers, statutory officers, and officials, who have appeared throughout the day and indeed throughout the fortnight. If witnesses have taken any questions on notice today—did you take anything on notice?

Mr Anderson: We did not take anything on notice.

THE CHAIR: No, it is always a good plan. So, I will not go through that. Members who wish to lodge questions on notice, please get those to the committee support office committee secretary via the portal within five working days of the hearing.

The committee adjourned at 4.29 pm.