



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL
TERRITORY**

**STANDING COMMITTEE ON ECONOMY AND GENDER
AND ECONOMIC EQUALITY**

(Reference: [Inquiry into ACT Budget 2021-22](#))

Members:

**MS L CASTLEY (Chair)
MS S ORR (Deputy Chair)
MR J DAVIS**

TRANSCRIPT OF EVIDENCE

CANBERRA

FRIDAY, 22 OCTOBER 2021

**Secretary to the committee:
Dr D Monk (Ph: 620 50129)**

By authority of the Legislative Assembly for the Australian Capital Territory

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

APPEARANCES

Chief Minister, Treasury and Economic Development Directorate	54
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Amended 20 May 2013

The committee met at 12.30 pm.

Appearances:

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

Chief Minister, Treasury and Economic Development Directorate

Miners, Mr Stephen, Acting Under Treasurer, Treasury

Bain, Mr Glenn, Executive Group Manager, Procurement ACT

Purser, Mr Dave, Executive Branch Manager, Goods and Services Procurement Branch, Procurement ACT

Tanton, Mr Graham, Executive Group Manager, Shared Services and Property

Wickman, Ms Dani, Executive Branch Manager and Director, Territory Records Office

Saddler, Mr Scott, Executive Branch Manager, National Arboretum Canberra and Stromlo Forest Park, Economic Development

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

Salisbury, Ms Kim, Acting MAI Commissioner, MAI Commission/Acting LTCS Commissioner, LTCS Commission

Clark, Ms Nicola, Acting Executive Branch Manager, Insurance Branch, MAI Commission/LTCS Commission

Shields, Ms Penny, General Manager, ACT Insurance Authority

Elkins, Mr Matthew, Executive Branch Manager, Venues Canberra, Economic Development

THE CHAIR: Welcome to the third public hearing of the Standing Committee on Economy and Gender and Economic Equality for the inquiry into the ACT budget for 2021-22. The proceedings today will examine the expenditure proposals and revenue estimates for the Chief Minister, Treasury and Economic Directorate.

On behalf of the committee, I would like to acknowledge the traditional custodians of the land 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 today are being recorded and transcribed by Hansard and they will be published. We also know that we are being broadcast and livestreamed. When taking a question on notice, please clearly articulate that so that it makes it easy for the committee staff. In the first session, we welcome Minister Steel, the Special Minister of State, and officials from the Chief Minister, Treasury and Economic Development Directorate. I remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the privilege statement. Can you confirm for the record that you understand the privilege implications as you speak? Since we have quite a lot of people on the call at the moment, that would be the best approach.

Today, we are not inviting opening statements, so we will go straight to questions.

I will kick off with one: output 7.2, Auditor-General's report No 7 of 2021 on ACT government procurement. The recent Auditor-General's report into procurement exemptions found that 770 ACT government procurements valued at 395 million did not go to open tender over the past three years. This means that approximately 130 million of taxpayer dollars is being spent without going to tender—around 20 per cent. It is concerning because it makes me wonder how many small Canberra businesses are being locked out of government spending. Minister, are you able to tell me the top 20 vendors, by value of their total receipts, from these procurements?

Mr Steel: We can certainly take that on notice, but I will hand over to Stephen Miners and Procurement ACT to talk through the circumstances where a government directorate may decide not to go out for an open market tender process.

Mr Miners: I acknowledge the privilege statement. There are a number of reasons why an agency might not need to go through a full tender process, and there are two in particular. One is where there are a limited number of people you can actually go to in the market. It may be there is only one person who provides a particular type of service, in which case there is no point going through a full tender process trying to seek alternatives when there is really only one company that can provide that service. The second one is really around where time does not permit. There are some times when you need to move very quickly, in which case we may use a shortened form of procurement to get something in place to allow that procurement to take place in a very short period. They are the two key reasons.

The use of a single select does not necessarily preclude small business. In fact, in a lot of cases they will be ones where a small business can provide those services very quickly or you may need something that it is very easy for it to do. The use of that mechanism does not have a size related to it. I am just going to ask Glenn Bain, who heads up Procurement, whether there are any further details that he can provide.

Mr Bain: I acknowledge the privilege statement. Essentially, what Mr Miners has just set out is exactly the case. It is a matter for the director-general of a territory entity to decide whether, on balance, there is better value for money in going through a direct or limited process and granting an exemption accordingly rather than going through a full and open process.

There are a couple of reasons, as was set out. A limited number of suppliers is often a very straightforward and simple reason for doing a select tender—particularly a single select tender—where there may be only one supplier that can actually provide it, so there is no benefit in the territory going out on a broader search for suppliers; where a standardisation of a product has already been established, for example through an open tender process in the past; or where the time in which a particular procurement activity must be completed would militate against a full process. They are all genuine reasons that might be considered by a director-general in granting an exemption.

A secondary objective of the procurement is to achieve an appreciable social or community benefit. There is scope there where, again, taking the value for money assessment as the primary objective of any procurement, it may be a decision taken by the director-general that, on balance, it is better off with a limited or a single select approach.

Many come along where we are buying off a standing agreement or a common-use agreement that has been set up by someone other than the ACT—for example, the Digital Transformation Agency panels and those sorts of things. They are off a panel that has already been established by another jurisdiction but, according to our legal framework, they still require such an exemption from the director-general.

Mr Steel: I think the assertion that you made, Ms Castley, about there not being local businesses and local jobs that would benefit from an exemption is actually wrong. It could, in fact, be the other way round. That goes to Glenn's point around the wider community benefit, but also the settings that have been put in place for procurement, particularly for some of the stimulus programs that were run last year during the pandemic in order to get large numbers of particularly small projects out into the market so that we could stimulate employment, particularly amongst some of our smaller businesses and construction firms so they could start that work as soon as possible and keep people employed at a time when we really needed that employment. We saw that through the screwdriver-ready program, for example, and a whole range of other stimulus projects that have been undertaken and, indeed, continue to be undertaken by the ACT government. It has actually been something that we have pursued in order to get work out into the market quickly, particularly with infrastructure.

THE CHAIR: You mentioned that a shortened time frame often causes you to just go to the people that you have already got on the books. How often does that happen? You said that sometimes there is only one business that can offer the service. How often do you monitor that? The Chief Minister says that we have the fastest-growing businesses in Australia with new ABNs. How does the directorate monitor new businesses coming in that are possibly able to also put their finger in the pie for an opportunity to work with government?

Mr Miners: As a director-general, you are responsible for signing off on that; so it is up to the directors-general to make sure that that is the case. There are various things in that. In some cases, it is very obvious. Personally, when I am signing off on these things, I would seek advice from the directorate. They would provide advice as to whether there was anyone else in the market and, where I was concerned about that, I would go back for due diligence or say, "No, we're going to go and test the market and see whether anyone else has come in." You can do that at any point. Where we have panel arrangements, they are refreshed from time to time. Sometimes that is just by refreshing the list of people on the panel and sometimes it is by renewing the whole framework and going out again. There is a regular process for updating those as well. Glenn, did you want to talk about the panel update in particular?

Mr Bain: The panel, or standing arrangements, are updated. The program for updating is established when we first establish a panel. That is on a regular basis. There are from time to time new entrants, as I think you have identified in your question, to the sector. Certainly, as soon as Procurement ACT becomes aware of that, we make a move as to whether they should be included on the next round of panel inclusions or invited to tender. As those relevant procurements come across our vision, we bring those new entrants to the attention of the respective directorates.

While we are the procurement expertise, we are not necessarily the subject matter experts in all that is procured across the territory. That largely sits with the directorates. The understanding of who is out there in the market and who would be able to provide those sorts of supplies or goods is very much a responsibility and in the standard knowledge base of the officers in the directorates themselves. That is why, as Mr Miners was saying, in signing off on an exemption, a director-general has to be satisfied that that due diligence has been undertaken.

MS ORR: What policies and procedures do you have in place around procurement to support local businesses to access the government's procurement opportunities?

Mr Steel: The ACT government is committed to making sure that we have competitive local businesses and that they are given the opportunity to participate in government procurement contracts. That is why, since 2017, we have applied the Canberra region local industry participation policy to government procurements. Under that policy, the ACT government's agencies have to consider local capability and economic benefits for the Canberra region when determining the best available procurement outcome.

Businesses responding to procurement valued from \$200,000 to \$5 million are required to complete an economic contribution test as part of the procurement process. For those procurements, a default five per cent weighting is also applied to the assessment criteria used during the process in order to ensure local suppliers are given appropriate consideration. That may be increased up to 10 per cent, depending on the circumstances. For procurements worth \$5 million and above, respondents are required to submit a local industry participation plan. Successful bidders are also required to report on their plan outcomes as part of the contract terms to ensure that they then go on to deliver their commitments to benefit the ACT economy and community.

The policy framework is really intended to ensure that, when we go out to the market, we are actively looking for local firms who can deliver what we need. Of course, there are some skills and capabilities which we cannot simply get here at the moment, particularly in some of the more specialist corners of the construction market, in some of the larger scale projects in particular and in some of the leading-edge digital fields. If we have a large tier 1 firm that is a head contractor from interstate working on a project, for example, it will still need to demonstrate that local industry participation through, potentially, its subcontractors and so forth. Light rail stage 1 is a good example of that. Obviously, a multinational group of firms is leading that piece of work, but a significant number of local firms and apprentices are employed on that project to deliver a fantastic infrastructure outcome for the ACT.

We have a big infrastructure pipeline of \$5 billion that we put forward in this budget. There are some big projects and some small projects. This is really setting out an opportunity for local businesses to be involved, through our local participation policy, and employing local people and apprentices on our projects. It is quite exciting that we have been able to give the market this amount of certainty about our pipeline ahead.

MS ORR: This policy applies to all procurements that are done that we have spoken

about? It is not just those large projects that you have made reference to? It would also be the small—

Mr Steel: Yes; upwards of \$200,000. Having said that, typically, with those procurements under 200,000, you would imagine that there would still be quite a number of local businesses that are often employed to deliver those smaller types of services to government. I will hand over to Glenn to say a bit more about the LIPP in particular.

Mr Bain: The local industry participation policy is certainly one of the key elements of our commitment to local economic stimulus, if you like. I have to be careful around there because there are free trade agreements in place to which the ACT is a party that say that over a certain value of procurement we cannot really pay any attention to where the supplying entity is based. So what we look for, as the minister set out, is what economic contribution they make to the territory. That is the framing of the local industry participation policy.

Having said that, and just to expand a little on that framework question, the broader procurement framework, as you would be very much aware, Ms Orr, has been enhanced in terms of the promulgation of the charter of procurement values, and a specific value around business development and innovation has been included in that charter of values. When a territory entity is trying to weigh up a value-for-money outcome for their procurement, it is quite legitimate to identify business development and innovation value. Indeed anecdotally, it would appear, that somewhere north of 70 per cent of procurements reported since January have identified the business development and innovation value as one of the ones that they are actually concentrating on in their procurement activity. That goes, as the minister was saying, not just to your major construction work but right throughout your procurement activity at all values for goods and services as well. So the ecosystem, if you like, of that policy framework is very much enabling territory entities to look at what is the best bang for the buck for the territory dollar in terms of return to the territory through economic activity.

MS ORR: Can you just run us through what the charter of values is? I believe that is quite a new policy that only came in last year. What is it, how does it interact with the procurement process and further support local business and other aspects?

Mr Bain: The key principle in the Government Procurement Act is the pursuit of value for money. A very common misconception amongst purchasing officers, as opposed to procurement officers, is that value for money means getting something for the lowest price. One of the biggest aids that we now have in our procurement arsenal is the statement—and it is given effect through ministerial direction—that, in taking account of the true value to be obtained through a procurement process, there are six particular values that the government wants to prioritise: our Aboriginal and Torres Strait Islander people's economic participation; business development and innovation; diversity, equality and inclusion; environmental responsibility; fair and safe conditions for workers; and transparent and ethical engagement. That is actually putting a positive duty on procurement officers to go out and seek value against one or more of those identified values in their procurement activity.

MS ORR: Where the local area participation ones have thresholds for financial means, and that will provide a level of participation for local opportunities, is it fair to say then that, in the areas that that does not apply to, the procurement values will still sit there and provide opportunities for locals in those other areas that are not necessarily captured by the—

Mr Bain: Yes.

THE CHAIR: My question is in relation to the local industry participation policy, and I am talking about mum and dad businesses. Do you think it is easy for them to engage with government? I am imagining a small business that is new to the panel process in terms of complying with everything. Do you think it is a nice, simple process for someone who is an owner-operator to be able to get themselves into working with government?

Mr Bain: We engage regularly with our Economic Development partners to try to reduce the barriers to engaging with the territory. That can be as simple as, for example, our latest versions of documents that we approach the market through—requests for tender and requests for quotes—where we have tried, wherever possible, to not ask the same question three or four times but simply ask it once and then use it three or four times in whatever evaluation we try to make.

We have, particularly for the Aboriginal Torres Strait Islander enterprises community, some specific training and introduction services to help them through and to help them understand just what it takes to meet those requirements and to fill out the forms, essentially. It is a really good point in that anyone first engaging with a public sector procurement activity is probably going to stand back and say, “Wow, there’s a lot more to this than I thought; it’s not what I had to do when I went and sold to Coles or Woolworths,” or something like that. We are trying to reduce those barriers through the documentation itself, through a greater level of engagement, through industry associations and through as much outward-facing guidance as we can possibly provide.

MR CAIN: Minister, do you know what the median value of the 770 procurements was and how many procurements were repeat purchases from the same provider?

Mr Steel: I will take that very specific question on notice.

MR CAIN: Minister, do you not think it is more appropriate for you to sign off on a decision not to go to open tender?

Mr Steel: No. That is up to the delegate making the decision. I am not directly involved in that. All of these projects and procurements are undertaken by the relevant government directorates, not me as the SMOs.

MS CLAY: I note the transparent and ethical engagement criteria, and I also draw your attention to the parliamentary and governing agreement, which has a requirement that we identify and respond to modern-day slavery. How are we doing that in all of our ACT government procurements to make sure that we are not inadvertently supporting modern-day slavery in those procurements?

Mr Steel: It is a really good question. This goes to the position that the ACT government has. We want to make sure that, through our procurement process, we are not engaging with suppliers who are unethical. That is why the statement of procurement values was so important in setting out our values around procurement.

Now that it is in place, we can take further steps in particular areas, like modern-day slavery. We are looking with interest at what New South Wales has done in their legislation and what we can do here to make sure that the suppliers that we engage are not supporting those unethical practices in their business, and that there is a level of reporting and information that gives us certainty that they are not engaging in that through their various supply chains.

This is a piece of work that we will continue to develop now that we have the statement of procurement values in place. We will be able to undertake some further work there over the coming years. That was a commitment that we have made as well over this term. It is something that Procurement ACT has as part of their work plan.

MS ORR: On modern-day slavery, you said you were looking to New South Wales. This question is probably to Mr Bain; Minister, feel free to answer it, too. In looking at the New South Wales example, what are the opportunities and limitations that you see there for the ACT?

Mr Bain: The New South Wales proposed legislation response has something that we can take from it and learn from; there is no doubt about that. But I think we can actually do better. I say that because we already have a framework which can be put in place at a policy level without any particular legislative reform being needed.

There are other examples in operation around the world. The New South Wales one is one that I present sometimes, when I am talking in OECD for a, as a good subnational response. As I said, there are other examples and there is more that we can do as this space develops generally.

It is not just the territory or Australia that are trying to work through how we can address modern-day slavery issues through our procurement processes. The New South Wales one is the most recent and probably the closest, not just physically but policy-wise, to where we might like to go. I would not like to lock us into a model that simply copies that.

MS ORR: Watch this space, then.

Mr Miners: Yes. Modern-day slavery is a very complex space. It is very important and very complex. Our thinking about the best ways to implement that from a practical sense and implement the government's policy is evolving. We will continue to look at all options as to how we can best deliver on that commitment from government to do that. But it will evolve. What we are doing now will be different from what we are doing in a couple of years time, because it will get better and better, and we will try and go along with that and focus on making sure that we are getting better and better at it.

There are still lots of gaps in everything that is out there around modern slavery, and there is still a lot of work needed to narrow those gaps. We are committed to making sure that we deliver on it.

MS ORR: Minister, what is the ACT government doing to upgrade and refit community facilities?

Mr Steel: We have been undertaking a range of measures, particularly over the last two years and in the most recent budget, to upgrade and modernise some of the community facilities in the property group portfolio in particular. New heating, ventilation and cooling systems have been a key feature. That is important in order to transition some of our ageing community properties from gas systems, for example, to new electric heating and cooling systems, so that we can meet our commitments to reduce the impact of these properties in terms of our emissions profile in government.

There is a very substantial measure in the budget to do this type of work, together with a whole range of other upgrades, in one of our heritage-listed assets, Callam Offices, which provides accommodation to both agencies like Major Projects Canberra and community organisations. I am pleased to get that investment in the budget to be able to make sure that that building continues to be suitable for accommodation with our community partners, while also making sure that we are meeting our climate commitments.

I will hand over to the team, including Graham Tanton, to talk through some of the initiatives. We are continuing every year to put around \$1 million into upgrades, in addition to the measure that I have just outlined.

Mr Miners: While we are waiting for Graham to come online, this is an ongoing program. We are constantly looking at what improvements can be done to community facilities. We are also in contact with tenants and users of those facilities to make sure that we are delivering the changes and the updates that are most appropriate. If Graham has now come online, he can run through some more of the details.

Mr Tanton: I acknowledge the privilege statement. The minister has provided a very good summary of the work that we are doing. The ACT Property Group works with our community partners under the Better Infrastructure Fund to map out that investment process.

There has been quite a lot of fit-out and work done across the community building sector, including in the Southside Community Centre, the Tuggeranong Community Centre and Mount Rogers. That looks at roof repairs, and works with those organisations to understand what their needs are, what issues they are having and how we can improve the amenities.

That comes back, as the minister mentioned, to looking at how we upgrade some of those facilities from, say, older hot-water units, which is a big one. We have quite a lot of gas hot-water units; it is about replacing those with electric units—supporting the lower emissions targets as well. The minister also mentioned the \$10 million fund to replace the HVAC system at Callam Offices, which is another big user of gas.

MS ORR: How many community facilities does the ACT Property Group currently manage, and what is the occupancy mix of those?

Mr Tanton: With respect to occupancy, unused space in those facilities at the moment is extremely low. It is around 1.8 per cent across the portfolio at the moment. I believe that is the figure. It is an extremely low figure across the portfolio. There are roughly 84 or 83 community properties, with 216 tenants. It is quite a large portfolio; it is about managing those different stakeholders. We work very closely with them to keep reviewing the facilities that we provide and what new facilities or upgrades need to be done within those sites.

MS ORR: Mr Tanton, when you say it is quite low, is that in unused available space?

Mr Tanton: That is correct. There is quite high demand for community spaces.

MS ORR: How is the ACT government growing its community facilities portfolio in response to the needs of the city and the growth of the city?

Mr Steel: Multiple ministers and directorates are involved in making sure that we grow the amount of community facilities that we have across the territory. Chief Minister's is probably the best place to talk about a couple of those, at the hearing on Monday, I believe. The EPSDD is involved in doing that as well.

In terms of what Property Group is doing, one of the key measures in the budget was to provide funding for the fit-out and ongoing rental costs of a new community facility that will be operating over the next five years in Molonglo. This will be located at Coombs, the community health centre, which will also be the site that was announced today for the new walk-in health centre, which will be above it. This will provide a space for the community to meet. The space is of quite a significant size. It will cater for the majority of activities that have been identified by the Molonglo Community Forum as being important for the community. That is in addition to the other four community centres that are being built, planned or under construction at the moment, including the new Denman Prospect community centre, which will open in about March next year.

This will provide a good solution ahead of the work that we also intend to do through Libraries ACT on a co-design process for a new library community centre, which will be located in the Molonglo commercial centre. It has certainly been well received by the community.

In the budget as well—it is something that other ministers may wish to talk to—work on the Gungahlin Community Centre has been flagged. There is work on a new multicultural large-scale events facility located at EPIC, which the Chief Minister can talk to next week, if people have questions about that. There is also ongoing work on the co-design process for libraries.

Quite a lot of work is happening to look at how we can provide for new spaces around the territory. We also need to continue to invest in the existing spaces that we have. We have certainly heard from ACTCOSS that they are very keen to see the government look more closely at our existing property portfolio and make sure that

we are continuing to invest in the renewal of our community facilities.

MR DAVIS: With respect to community facilities managed by the ACT Property Group, I have been approached by a few different community groups who are currently renting facilities at a peppercorn rent. They have put it to me that facilities have the capacity on the landholding to accommodate many other community groups, but the building that they occupy simply is not enough, even for their demands.

Has any auditing been done, not just of facilities but of the capacity of the landholding that the facilities currently sit on, which ACT Property Group manage? More broadly, how does that work, if it is being conducted, connect with the \$5 billion infrastructure plan?

Mr Steel: A variety of different properties are managed by ACT Property Group. Those can be old school sites that were decommissioned in the early 90s, right through to a whole range of other facilities that have been part of other government departments that have found their way into the portfolio. There is a long list of people that want to use those facilities. I appreciate that people are looking at the opportunities around those.

We need to be careful that we are not only meeting community needs, in terms of the community groups that want to occupy those services, but also those of the communities around these facilities. Those old school sites are particularly sensitive. We also need to make sure that, as our city grows, we maintain sites for things that we have not considered yet. We may not need a school in a particular area, because of demographics over the next 20 years, but it may be needed in the future for a new school 60 years down the track, depending on where we are with demographics and the growth of the city.

I think that has been proven in some of the areas in north Woden—in my electorate in particular—where the demographics have changed, and there are more people coming back into the area. New families are emerging. That is why there has been some funding in the budget to look at expansion and modernisation of Garran Primary School, for example, in the Education Directorate portfolio.

We need to make sure that we are meeting those needs. That is part of making sure that we are appropriately managing this and consulting closely with community, as well as being mindful of demographic changes.

We are looking at what we can do across the portfolio to make sure that we are utilising the spaces as much as possible. Rentals are part of that mix. We have to make sure that the rental arrangements do not create perverse disincentives for the use of space. One of the things about community rental is the contribution that is made by a community group to the maintenance of a facility. It also sends a price signal around the use of space. A group may be on a peppercorn rental. There are many, and Graham can talk a little bit about some of the historic arrangements. That does not necessarily promote the good utilisation of community spaces because there is no incentive to consolidate your activities into a smaller space.

We need to make sure that the rental arrangements are right, going forward, and that

we can properly maintain the quality of the properties, whilst making sure that there are opportunities for more organisations to better utilise the properties that we have. That is something that we have to continually look at.

MR DAVIS: I appreciate that school sites would be a separate kettle of fish; as you rightly point out, we have to plan for population changes, and we may need those schools again. I am talking about ACT Property Group properties that are, to use round figures, 100-square-metre dwellings on 1,000-square-metre-plus land allotments. The community group utilising one of them has said to me, “We could find efficiencies in our services and provide better outcomes for community if we were to be provided with a newer facility and one that could co-locate some other community organisations, ones that are in demand for facilities.”

Has any work been done to reflect on under-utilised landholdings specifically, and specifically whether ACT Property Group has identified any of those landholdings that could form part of that \$5 billion infrastructure spend? Essentially, some of these properties, particularly in my electorate, are ones where, I put it to you, the government may be better off bulldozing it and building something fit for purpose. I wonder how much of that specific work has been done.

Mr Steel: We are starting to do that work, looking at our holdings. Sometimes some of the facilities are not fit for purpose at all, so they are divested. We are not contemplating doing that at this point in time with the current portfolio, mainly because of the huge demand for these facilities.

A current proposal has been made to me from a community tenant wanting to buy Maitland House, in Hackett. That is not something that we as a government were proposing; it has come from one of the tenants in that Property Group property who wants to purchase and utilise it. That is something that we will have to give due consideration to. There has obviously been a lot of community concern from many of the organisations within that facility about its future.

These are complex issues that need to be worked through for each site on a place-by-place basis. I am certainly open to any community groups coming forward to suggest innovative ways that we could accommodate both themselves in more modern, fit-for-purpose properties and potentially a greater, wider range of organisations in relation to our existing portfolio.

There has been quite a significant investment in that infrastructure plan in renewing our existing properties, and particularly investing in new properties that will come into the Property Group portfolio, particularly in some of our growing areas, where a community need has been identified amongst our multicultural communities. We will continue to work on what can be done in relation to our existing portfolio as well.

MS ORR: Minister, can you step us through the direct sale application process for proponents wishing to buy an ACT government property?

Mr Steel: This is a process that is in the Planning and Development Act for unleased land. The one I referred to at Maitland House is, I understand, leased land. Effectively, it is an unsolicited bid to purchase the site. We will have to consider what the impact

is on the community before a decision is made. Unleased land eventually goes through to the minister for planning for a decision. In this case, I understand that this one may come to me for a decision. We will need to give proper consideration to the proposal. No doubt CMTEDD will brief me on that in coming weeks and months.

MR CAIN: Minister, are you able to share the infrastructure plan?

Mr Steel: It was published just before the election, Mr Cain. It is a \$14 billion infrastructure plan. It has a lot about community facilities.

MR CAIN: That is still the current version of that plan?

Mr Steel: Indeed, yes. We put a big down payment on it in this budget.

MR DAVIS: I want to ask about territory records and, in particular, the big process of digitising them. I understand Housing ACT has approximately 80,000 paper records. What support has been provided to Housing ACT and, I am also interested, across the government more broadly to assist in the digitisation of records?

Ms Wickman: I acknowledge the privilege statement. The way that the Territory Records Office is configured means that we do not take custody of government agency records. That responsibility remains with the agency. Any responsibility to undertake large-scale digitisation would rest with them.

CSD received some funding for digitisation of client case files in a budget bid a couple of years ago. You would have to speak to them about how that project progressed and what the outcomes were. Certainly, we can provide support and advice to agencies that want to go down a digitisation path, but it is not something that we undertake ourselves.

MR CAIN: Minister, my question relates to ACT government panels. I would like to talk about the panels in relation to question on notice No 140, which was delivered in April this year. You made it clear in that response that you do not know how often ACT government panels are extended or which providers are directly appointed, because management sits with each directorate. You are not able to get that information easily. Has anything changed since that time, Minister?

Mr Steel: I will hand over to Glenn Bain to provide some further information there. If there is a particular directorate or a particular panel that you have a concern about, I certainly encourage you to raise that with the relevant directorate.

MR CAIN: Minister, it is more about your oversight of the procurement panel operations in Canberra.

Mr Steel: We had that discussion earlier in estimates today, Mr Cain, about the responsibilities of each directorate—the director-general and the delegate, in making decisions about procurement.

MR CAIN: I am keen to hear from your directors-general; thank you.

THE CHAIR: Is anyone prepared to answer now, or is this being taken on notice?

Mr Miners: I will need to check with Mr Bain whether there is anything more we can add in terms of additional information we can provide. As the minister said, the responsibility for signing off on any procurement and any panel that is directly related is the director-general; that is where the responsibility lies. If I am signing off on any of those things, I am taking responsibility for them. It does not mean that we do not get advice. Procurement ACT has a role in making sure that people are aware of their responsibilities and how to go about that. I have just received advice from Mr Bain that there is nothing more we can add in terms of that overview, in terms of putting that all together for you. It does sit with directorates.

MR CAIN: Minister, I would encourage you to reconsider that approach.

Mr Steel: I am not sure what concern you are trying to get at, Peter. You can elaborate on that outside estimates, if you want.

MR CAIN: I would be pleased to.

MS CLAY: Minister, we have used direct procurement really effectively in our climate strategy by purchasing electric vehicles, changing over our fleet and upgrading our buildings. Do we have any systematic approach to do that for recycled content? Are we setting minimum recycled content amounts in stationery, equipment, and all of the items that we buy, and have we thought about doing that in a systematic way?

Mr Steel: We have made a really important step forward in relation to how we assess, particularly, environmental sustainability values in procurement when we delivered the statement of procurement values under the previous minister, Ms Orr; I need to acknowledge that. This needs to be considered as part of procurement, and we intend to do further work in this area.

With the work that is being done under the national waste strategy, the ACT government, other states and territories, and the commonwealth, are currently working on a national piece around the use of recycled content. A significant research report was released last year into this. Currently, in relation to roads, the Australia Road Research Board is also undertaking a project to make sure that we are developing consistent national standards that can be used about recycled content in our roads.

As part of various different projects, we have been making sure that we procure, particularly with some of the transport projects that we have, the use of recycled material. It achieves a great outcome from a value-for-money perspective, as well as for the environment. A great example of that was the jointly funded initiative with the commonwealth to undertake road pavement rehabilitation on Northbourne Avenue, where a significant amount of recycled material was used, including recycling the asphalt that was on the existing road. That resulted in a much lower cost outcome for the project, which was really fantastic.

The other piece of work that we have been doing is trying to establish markets for the recycled material that we have coming out of the materials recovery facility in the

ACT, at Hume, particularly through the use of glass fines. Crushed bottles and glass that cannot go on to be remanufactured into other bottles is used at the facility. You can see big piles of it at Mugga Lane, if you go there. With this material, we have been able to work with Icon Water to allow them to take that material and use it in pipe-bedding in sewerage projects around the territory. That material can be used in road projects as well. That glass fine material can be used as an additive to the asphalt process.

There are a whole range of things that we need to do. Plastic is another one—including more plastic materials within our roads. Part of the work that the ARRB is doing is making sure that that is safe to do. We have been trialling the use of some soft plastics in our road base. That material has been used as part of the binder in the road pavement that has been laid down in the ACT. It has been successful thus far. There are a whole range of other materials that can be used in those types of infrastructure projects. Once we have established those standards that are being done nationally, we will be utilising them a lot more in the big infrastructure projects that we have set out in the budget.

MS CLAY: I look forward to seeing those national standards. Will they set percentage targets of recycled diversion material? Will they be looking at things like closed loop processes? For instance, with asphalt, it is better that it be re-used as asphalt than taking glass fines from some other process and using it in road bases.

Mr Steel: They are looking at a whole range of different things—the environmental impacts of using these things, and whether there are any run-off problems that might cause a greater problem for the environment. They are taking the approach of the circular economy principles that have been established under the national waste policy. We are trying to re-use materials as much as we can, to make sure that we extend the life of these materials for the environment.

It is also important from a climate point of view because these materials tend to have a lower climate and emissions impact from a scope 3 perspective than virgin materials. We also need to look at the incentives that are in place at the moment to use virgin materials in a lot of these projects. That is something in which the commonwealth could definitely play a greater role, in terms of the import of virgin materials into the country and looking at how they can place restrictions on that to incentivise local companies to use recycled materials.

DR PATERSON: Minister, I have a couple of questions in relation to Stromlo Forest Park. The long-term master plan has been in place to guide the strategic objectives, planning and funding for the area. Can you outline how the 2021-22 budget funding for the sealing of the car park at Stromlo Forest Park aligns with the master plan?

Mr Steel: The master plan has been around for some time now. It has been consulted on with the community quite extensively, and we are now at the stage of getting on with many of the different projects within the plan, piece by piece. One of those pieces is sealing some of the car parks; that was identified in the plan as being important. It is also important from a safety point of view. For those who have been down there, the current dirt car parks, which are very well used, particularly when there are cycling events, are rutted. From a safety point of view, we need to address

those issues. We also need to make sure that we have the availability of parking down there. Formalising the car park will enable us to get the most out of the parking spaces that are available, which will support even more people using this fantastic facility.

I will hand over to Scott Saddler to provide some further information about the discussions that he has been having with the user groups around this project and getting on with other elements of the master plan.

Mr Saddler: I am aware of the privilege statement. There are about nine or 10 user groups at Stromlo Forest Park. We have been in extensive conversations with those user groups over the last 12 months since the National Arboretum has taken over Stromlo Forest Park. At the last meeting that we had about the car park, all of the user groups were in favour of asphaltting that car park. As the minister said earlier, there are some workplace health and safety issues. Without the line-marked car park, cars are parking willy-nilly, all over the place, and along the actual road. The asphaltting of the car park will enable a lot more cars to be able to park there, and a lot more safely.

THE CHAIR: With the announcement of the car park there has been a lot of commentary around pay parking and whether or not that will happen. What consultation can the community expect around pay parking, if that were to be explored?

Mr Saddler: We are trying to adopt the same model as for the National Arboretum. The National Arboretum has had pay parking for over eight years. We have included a lot of beautification projects with that extra revenue, which the car park has enabled us to do. You can see now through the National Arboretum the beautiful gardens and so forth. A lot of that has come from the paid car parking. That supplementary money enables us to do that.

We are looking at the same model for Stromlo Forest Park. I have spoken extensively to the user groups, who are all on board. That money will go back into Stromlo Forest Park, not only for the tracks and trails but for the running tracks, the equestrian and all of the user groups. We will be able to put money into those projects over a number of years. This enables us to do a lot of projects. We will sit down with the user groups and we will prioritise those projects over a number of years. The money from the car park will enable us to turn Stromlo Forest Park back into a world-class facility.

Mr Steel: The government has not yet made a decision about implementing the pay parking. We have funded the sealing of the car park in the budget. Once Scott has formalised the outcomes of that process that he has been undertaking, in consulting with user groups, that will inform government decision-making in relation to any addition of pay parking.

I understand that some concerns have been raised in the Molonglo community about people then parking within the suburbs of Molonglo. That will no doubt be part of the decision-making there, as well as what other things we can put in place, whether it is no-parking areas or greater enforcement in the area surrounding Stromlo Forest Park so that it does not have any impact on the surrounding residents.

MS CLAY: Some of the concern about this project is probably the lack of

consultation with individual users and the reliance on peak groups. I understand why government does that; it does make a lot of sense. But we have an accountability indicator that is based on events at Stromlo; we do not seem to have any accountability indicator that looks at users. We have several thousand users going out there each weekend. If there is one small event during the week, that gets logged. If there are 4,000 or 5,000 mountain bikers on the weekend, that does not get picked up in government reporting at all.

I am not sure that I have seen any methods by government, or any real attempt, to engage with individual visitors, as opposed to the peak bodies. Can we get that accountability indicator changed so that we are measuring users and customer satisfaction, and do some direct engagement as well?

Mr Steel: That is probably a question for your committee. If you want to make a recommendation to that effect, you can, and we can consider it. The master plan itself underwent very significant consultation, and the formalisation of the car park and roads within Stromlo Forest Park were identified in that master plan.

We are now getting on with the work of delivering the projects in the master plan to make sure that we have a fantastic facility for the future. It is the same with the National Arboretum and the projects that have been identified there in that master plan. As we undertake those projects, absolutely, consultation will be important. But we have the money for the resealing, and we are yet to make a decision in relation to whether we apply pay parking there. It is certainly an option that is being explored, based on what we have seen work over at the National Arboretum.

MS CLAY: We have an accountability indicator for the arboretum that measures users and user satisfaction. Does the directorate, and do you, Minister, find that to be a useful indicator now? If it is, that is probably a good basis on which this committee could decide whether they want the same indicator at Stromlo.

Mr Steel: Again I will leave it to the committee to make what recommendations you would like about accountability indicators, which are often the subject of recommendations from estimates committees. I will ask Scott to talk a little bit about how they track the number of users that go to Stromlo. That might give you a sense of whether the data is there that can support that type of indicator.

Mr Saddler: We do have a manager on site who currently counts the cars on a regular basis. We have a duty manager on the weekend who works at the National Arboretum who also goes over and counts the cars. We were averaging about 900 cars a week at Stromlo Forest Park. That is the only indicator that we currently have. With the 2.4 people per car—the average Australian stat—we work out the numbers based on the cars.

THE CHAIR: Minister, I want to ask about the FOI review by Deloitte. They reviewed the administration of the FOI Act from 2016 and found that, among other shortcomings, the processing of FOIs was manual and time consuming, the charging mechanism was ineffective and there were inconsistencies in reporting across the ACT public service. The report recommended introducing technology to reduce manual processing and replacing the open-access portal with an enterprise capability.

What actions have you taken to date to address the findings of the review and the recommendations?

Mr Steel: One thing that we have done is the budget measure to support directorates with resourcing, to help manage the significant number of FOI requests that have been lodged, to make sure that we can provide those in a timely way for those that are requesting the information. Often that is personal information. That information may be quite extensive. Obviously, an assessment would be needed that looks at whether it can be released and whether certain things cannot be released for privacy reasons, consistent with the FOI Act provisions, as well as other pieces of legislation like the Children and Young People Act 2008.

There has been a significant step forward in the budget in terms of making sure that we have the resourcing that is necessary. Bettina Konti might be able to comment in relation to what is happening in the digital space that you have specifically referred to.

Ms Konti: I have read and understood the privilege statement. We have a whole-of-government capability in an ACT data analytic centre. That data analytic centre operates, among other things, the whole-of-government data lake and the open data platform. There is a team of nine staff who, among other things, also talks to directorates and encourages them to put more and more data out onto open data. When we have more data out on the open data platform, one of the benefits is that there will be less of a need to undertake the current freedom of information manual processes, because we will be putting data out that people can discover themselves.

MR CAIN: Regarding the digital strategy, we noticed that Service NSW has a digital working with vulnerable people card and drivers licence. Can you explain why we are not keeping up, not just in the FOI space but in these other areas, with implementation of digital efficiencies? That is a question for the minister.

Mr Steel: I was about to answer the question. In the budget you would have seen the measure about moving more services online. We are continuing to work on bringing a whole range of services online. Bettina can talk to some of those things, and the ones that we have specifically prioritised.

COVID has changed a lot about what we are doing. Digital services have been incredibly important during the pandemic, as people have not been able to go out and access a government shopfront, for example. Access to government services online has been an important thing, and we have seen that with MyDHR, in particular, with people booking vaccination appointments using that portal, which was part of our broader program of moving ACT government services online.

We have a particular set of priorities that we are working to at the moment. The rego ACT system is in need of an overhaul. We are doing some things that the New South Wales government is not doing. For example, we will be implementing a new ticketing system for Transport Canberra that has an account-based model that goes far beyond the capability that they currently offer through Opal. We are also delivering the “birth of a child” pilot, to streamline the process of birth registration, linking in with Services Australia. That is an ACT government initiative, which we are piloting on behalf of the country, and talking to officials from around the country to give them

an insight into what we are doing, which is very innovative.

I will hand over to Bettina to provide some further detail about what the priorities are under the program and the budget measure that we have funded to move more government services online.

MR CAIN: I am particularly interested in e-invoicing as well as e-conveyancing.

Mr Steel: In relation to e-invoicing—I can address that one now, with Graham Tanton—there is a commonwealth government piece of work that is being led by the ATO in relation to e-invoicing for government departments. Of course, we are very interested in what the rollout looks like in those agencies. That is only in its very nascent form at the moment. During the pandemic we have streamlined the invoicing to pay 94 per cent of invoices within 14 days, to make sure that businesses are getting paid in a very timely way by the ACT government. Do you want to add anything on that, Graham?

Mr Tanton: Minister, you have covered it extremely well. As you mentioned, the ATO is leading this piece of work, which is still running its course and being implemented more broadly. We obviously have a keen eye looking at that. As you mentioned, over the COVID lockdown we looked to reduce payments from 30 days to 14 days for a payment period. We are making 94 per cent of those payments within 14 days on receipt of a correctly rendered invoice.

Mr Steel: Bettina, can you talk to the moving digital services online piece?

Ms Konti: The digitising government services budget measure has embedded within it an investment of around \$8.4 million in this financial year to deliver three programs. One of those is automatic mutual recognition of licensing, which is effectively a commonwealth initiative. If I am a person of a certain occupation in New South Wales and I want to come and work in the ACT, I will not have to reapply, re-register and pay additional moneys for the ability to work in the ACT. That is my understanding of the intent of that program.

We are also delivering what we think are two quite foundational programs this year. The first is what we are calling whole-of-government concessions. With respect to the idea behind this, if I am a person in the ACT and I am entitled to a concession of some sort, I should only have to prove my eligibility for that once and be able to apply that to all concessions that those eligibility criteria relate to. In this financial year we are building the central capability to enable that. Future considerations will be how we connect up the other government systems and services to be able to consume that central capability.

The other is change of circumstances. If I am a citizen of the ACT, which I am, and my circumstances change—for example, I move house—I am able to provide that information to government once and have that information shared with every government system that needs to know where I live, through my consent. We think that these foundational capabilities represent a true burden reduction for the people of the ACT and should deliver much better access to and use of government services.

MR CAIN: Is there a current project on digitising drivers licences?

Mr Steel: It is something that we will look at in the future. We are obviously keen to see what the impact has been from New South Wales implementing this at the moment. What has made things challenging over the last year is the commonwealth government proposing work programs around the automatic mutual recognition scheme that we have had to build into our work plan and prioritise before we go on and do projects like that.

Also, the COVID-19 response has seen the digital and data team that Bettina leads undertake a very significant amount of work to support ACT government to basically go online across all directorates. We have seen hundreds of support requests being put through by ACT government staff who have needed to support their working from home arrangements with IT solutions. I want to thank all of the staff that have been involved in that. That has certainly been a big focus. You would understand that that continues to be the case, as we continue to see a lot of people working from home.

MR CAIN: I certainly appreciate the—

Mr Steel: And the digital work that has been happening to establish the Check In CBR platform and so forth—

MR CAIN: Of course.

Mr Steel: which has been rolled out to the other states and territories.

MR CAIN: Minister, I hope that these other initiatives are high in your priorities.

Mr Steel: They are not in the immediate priorities, but they are certainly medium-term priorities that we are looking at beyond the pandemic.

THE CHAIR: I have a supplementary to my original question about the Deloitte FOI review. Minister, will you be releasing the report in full?

Mr Steel: I will take that on notice.

MS ORR: Minister, the ACT government has been encouraging private landlords to provide rent relief to their commercial and residential tenants during the COVID-19 health emergency. What has the government been doing to support its own tenants?

Mr Steel: We have been acting as a model landlord. Of course we have had the commercial guidelines that have been applying right across the economy but we have made sure that, when we are dealing with our own tenants, they are supported, particularly those who have seen impacts. We have supported around 230 of our tenants through the rent relief initiative throughout 2020-21. And that has been provided to community tenants as well as commercial tenants and one residential tenant.

We have particularly seen that impact last year, but most recently we have now gone out again for the September to December quarter to provide further rent relief during

this particular lockdown period. The requirement to get that was to demonstrate an impact on revenue, which was a 15 per cent downturn for not-for-profit organisations and then a 30 per cent downturn for commercial. I will hand over to Graham to talk a little further about that.

Mr Tanton: Following on from the minister's comments, to date, for the current lockdown period and the extension of the program for rent waivers for ACT tenants from September to December 2021, we have currently had 54 applications approved, with another 14 applications currently being considered and waiting for some more information.

We have got a total of \$1.2 million that has been provided in rent waivers at the moment for those approved organisations who have proved eligibility. At the moment, with the applications which are also waiting to have additional information, we are looking at around \$1.4 million. That is to date. We still are receiving applications across the board from ACT Property Group tenants across the territory as well. That program was extended. If you take into account the figures that the minister mentioned for April 2020-2021, and the existing period, 287 applications have been approved.

It has supported those tenants, especially those not-for-profits and those community organisations who have had a loss of revenue during that period and have found it difficult to pay their ways and do their other functions.

MS ORR: The minister mentioned supporting not-for-profits. What criteria has been applied to support them, especially considering a lot of those groups will be doing a lot of additional work to support Canberrans at this time?

Mr Tanton: Not-for-profits had a reduced eligibility criteria where they needed to show that they had a 15 per cent turndown of revenue from 1 August as part of that lockdown. That is different to the rest of the community or the commercial tenancies, which was 30 per cent. They would need to be able to show examples they had had a loss of revenue during that period. For those not-for-profits, the eligibility criteria was less than the commercial or the community tenants.

MS ORR: You mentioned the number but can I just check how many people have already taken advantage of the rent relief initiative. Was it two hundred and something?

Mr Tanton: There have been 287 applications from 2,020 across the board—2,020 applications have been received—and that is from 245 unique organisations. A number may be running multiple sites and have multiple facilities where they run their programs from—over 245 unique organisations from the beginning of the pandemic when we set the program up in April 2020.

MS ORR: That is quite a significant number of your tenants then. Is that fair to say?

Mr Tanton: Absolutely. We think, as we move forward now through November into December, further applications will be received as part of this program.

MS ORR: You can apply for the rent relief until December this year?

Mr Tanton: That is correct.

MR DAVIS: Perhaps this should have been a supplementary earlier but it probably bears repeating and digging into it a bit deeper. We were talking about our procurement practices and avoiding instances of supporting modern-day slavery. I want to talk specifically about the procurement of uniforms. We know that the international textiles and clothing industry is regularly regarded as having very high levels of questionable labour practices. How specifically is the ACT government ensuring that the uniforms that we procure right across the public service are coming from ethical suppliers, especially when they may be coming from overseas?

Mr Steel: Firstly I think we were talking about the statement of procurement values. Ethical procurement is at the heart of our procurement process, and that does need to be considered in procurements that are undertaken across a whole variety of different things, including, I am sure, uniforms as well. But we have committed to do further work in relation to modern slavery and how that can be further identified for ACT government directorates when they are looking at procuring items which, through the supply chain, might have a link to modern-day slavery.

We need to do further policy work in this area, but it can be considered now in relation to procurements that are happening right now for a whole range of different things, based on the statement of procurement values. Glenn might want to provide some further information on that.

Mr Bain: I do appreciate the question. It was touched on earlier but I suppose I did not take the opportunity to expand on what we are doing in that space at the moment. That is happening at a couple of levels. At the policy level, through my role as the Chair of the Australasian Procurement and Construction Council, I am a member of the OECD Leading Practitioners Working Party for Public Sector Procurement.

One of the pilot programs that I have been invited to participate in in that forum is exactly around that public procurement in the clothing, textile and footwear areas. That is why I mentioned earlier that it is not just an Australian jurisdiction problem; it is a national and international problem. The pilot program has looked at this. We have met. In fact, I am a little blurry-eyed today because our latest meeting did not finish till 2 o'clock this morning. But we are, I think, about two months away from providing to the OECD a report on that pilot program that goes through the various elements at the procurement stage of where we can actually intercede as buyers, particularly as public sector buyers, to reduce the exposure to modern slavery practices certainly in that third/fourth tier element of the supply chain and commodity production.

At a policy level, we are moving quite quickly in that sense. I am hopeful that I can bring something for consideration by the minister soon after we deliver that report to the OECD. But in the meantime we have actually been taking some of that under the auspices of the ministerial direction to which the minister just referred where we are actually able to build into some of our procurement activities some of these principles.

I would like to ask Dave Purser, the Executive Branch Manager, Goods and Services Procurement, to just talk us through the latest exercise that we have just undertaken whereby we went out on a whole-of-government arrangement for uniform supplies. That picked up on some of the due diligence elements and building in some of the reporting elements that have come out of that work through the OECD program. If you do not mind, Minister, Dave Purser was a lot closer to that than I was and he is more likely to get the facts right than I am.

Mr Steel: Thank you.

Mr Purser: I do acknowledge the privilege statement. To answer the question, there was a specific collaborative procurement that was run for uniforms on behalf of a number of directorates towards the end of last year. It went to market and there was an assessment this year. We did include specific criteria within that tender asking respondents to describe how they were considering modern slavery in their supply chains, what evidence they could provide to demonstrate a level of diligence, accepting that it is, of course, a very complex task.

In terms of the responses we did receive, we were very pleased with the level of detail that we got back in those responses, and it certainly was a significant element in the assessment of the preferred tenderers. We have two tenderers that have been successful at this stage and have been signed up to that arrangement, and we have a third that we are continuing to negotiate with.

We do appreciate it is an ongoing task to continue to review those supply chains, but there was a significant amount of documentation and assurance that came back through that process. As I said, we are very pleased with the level of diligence that was in there but we need to continue to monitor and pursue that as we manage that arrangement.

Mr Bain: Just to add to that, I think it is important that we keep in mind that it is not just public sector procurement that needs to mature in this space. There is a whole range. Unless and until we put in place our own audit practices and that sort of thing where we can actually go and make sure that the conditions under which these items are produced and the commodities that go into them are actually sourced, we are going to be heavily reliant on third-party accreditation schemes and third-party audits for those purposes. Internationally, that is where the real driver is moving at the moment—recognising that none of us is really in a position to go and inspect every factory or every mine site across the world. Yes, we can certainly put the policy frameworks in place that encourage us to test our suppliers' due diligence but I think that, equally, we really do have to work on maturing that accreditation certification sector as well.

MR CAIN: I am really interested in the governance model. Given that each directorate is responsible for its own procurement and panel, it would seem, what is the governance model to ensure that the guidelines are being met across the board, and how is that implemented in practice?

Mr Steel: Are you referring to statement of procurement values and the associated instrument?

MR CAIN: Yes.

Mr Steel: I think this is something that the practitioners in this area across directorates have a regular conversation about, and I will hand over to Glenn to talk a bit about how they work together.

Mr Tanton: That is very much the case. As you have identified, Mr Cain, the ultimate responsibility for procurement outcomes sits with the directorates. Nonetheless, we have the overarching framework responsibility and, while we do not act as the policemen in that sense, we provide all the guidance, advice and gentle nudging that we possibly can to get the right outcomes there in accordance with the priority values.

One of the key elements of the charter of procurement values was actually a reporting function, and we have started to receive some reporting on which particular values have been identified by directorates for their individual procurements. As that matures, we will soon build up an understanding of how successful they have been.

At a day-to-day level we also have established a procurement community of practice, and that is the road, if you like. We speak with over 200 procurement officers across the territory at all levels, and we have got some streamlining of policy and practice through that as well.

THE CHAIR: Thank you to everybody who has been in this session: Minister Steel and all the officials from the Chief Minister, Treasury and Economic Development Directorate. We are going to pause for a short time. For those witnesses not returning after the break, if you have taken questions on notice please provide those answers to the committee secretary within five working days. We will now adjourn this session.

Hearing suspended from 2 to 2.17 pm.

THE CHAIR: Welcome back to the economy and gender and economic equality committee's public hearings into the ACT 2021-22 budget. We will continue to examine the expenditure proposals and revenue estimates for the Chief Minister, Treasury and Economic Development Directorate. We are continuing to speak with Minister Steel, Special Minister of State. We also have officials from the Chief Minister, Treasury and Economic Development Directorate in attendance.

For the benefit of the new people who have joined us this afternoon, I will remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the statement. Before you speak, can you confirm that you understand the privilege implications of the statement.

MR CAIN: I am interested in the oversight of the different directorates regarding their procurement processes, their adherence to guidelines and how any, I guess, breaches are addressed.

Mr Bain: In responding more fully to that question and the direction that it was leading, I suppose it is important that we understand the legislative basis of our

procurement framework, and that is that we have the ACT Government Procurement Act under which there are regulations that set out thresholds to be met and at what point things go to open tender and what exemptions might be provided along those lines. But it also has a really important provision whereby a minister can give direction to territory entities covered by the act in order to make sure that government priorities and directions are undertaken. The responsibility for meeting and complying with those directions sits squarely with the directors-general. That is the legislative framework. In fact, we refer to it in the legislation as the “Chief Executive of the relevant territory entity”. But in practice it is the directors-general and heads of agencies.

With particular reference to the charter of values, which is where we were, I think you were very interested to see that there is a framework there—and my words, not yours—but the ability and the encouragement to engage different elements of value for money. The guidelines that sit beneath that direction are publicly available. I am perfectly happy to provide the committee with a link to that document off our website. From memory, there are about six pages of guidance on how to comply with the direction. Rather than go through that, which I think is a rather painful exercise to read through six pages of infographics and information, I will cut to the chase on it.

There is a reporting obligation made by the direction. On the reporting on which procurement values have been identified for particular procurement activities by directorates, we collect now, since January—as part of the information we collect when they provide the notifiable contract, which is usually the final part of the procurement activity in that sense—that data. It is not publicly available but we do have a capacity to build and we are building a dashboard at the moment to be able to report that back to directors-general as an assurance process, if you like, as part of us providing as much support to the directorate in meeting their obligations as possible.

Further to that, when the directions first came out there was a huge exercise in awareness and training. We ran well over 200 ACT public servants through face-to-face training sessions on the application of the direction, and it has now become part of our e-learning suite and our normal training regime. The awareness and the understanding of obligations, and just how empowering this direction is for procurement officers to explore new and innovative ways to get value out of their procurement activities, is well and truly entrenched in our standard practice now.

MS CLAY: Some of the standards in our procurement legislation and regulations are a bit firmer than others and we have got some fairly fixed thresholds. How often in the last 12 months did somebody breach those thresholds and standards, and what was the outcome?

Mr Bain: I can honestly say that I am not aware of any breaches of the regulations—largely because most of the material that we see sitting above that \$200,000 threshold, which is the main threshold at which a lot of these elements kick in, is actually handled by one of our people. They are actually involved with the procurement process. We run a very close eye over the process and procedures to ensure compliance.

In terms of the lower level material, we have provided an ICT support system to

enable directorate officers to deal with this on their own—if you like, a self-service for those low-risk, low-value procurements. It pretty much steps them through the process in a questionnaire style and builds effectively on the documents that they need to take out to market. Again I am not aware of any non-compliance in that space.

MR CAIN: Minister, I have a question regarding the Motor Accident Injuries Commission and the taxi CTPI premiums. Arguably, we have an anti-competitive CTPI premium arrangement for taxis that seems to be continuing. The ACT has the highest CTPI premiums for taxis in the country. When I asked about it earlier this year you said that the next review was in 2023. This is an industry that has been hit particularly hard not just by COVID but by changes in the marketplace. Minister, what are you doing about this inconsistent treatment?

Mr Steel: Importantly, the first thing that we have done is undertake ground-up reform of what was the CTP system, which reduced the motor accident injuries insurance scheme. What that has seen is a 15 per cent reduction in premiums since it was introduced in February 2020 for private vehicles. But it also has seen a reduction in premiums for taxis as well over time. In fact, I believe it is even more substantial than 15 per cent. I will hand over to the MAI commission to provide a bit further detail to that in a second.

What we know is that the risk is higher when it comes to the taxi industry and that risk is then finding its way into higher premiums. Part of the work that we are looking at doing in further investigating this is how we can actually work with the taxi industry to provide some practical ways that they might be able to reduce that level of risk. Obviously with the number of hours and the numbers of cars that they have on the road at many times, sometimes the same car driven by multiple drivers, there is a higher risk to the community, and clearly that is being priced into the premiums here in the ACT.

That is something that is the case right around the country but particularly here in the ACT, even though premiums have reduced over time with the introduction of the new scheme. The Acting MAI Commissioner can provide some further detail about that.

MR CAIN: And perhaps information on how other states treat this area which, in some cases, seems a much more fairer outcome than what it is in the ACT?

Mr Salisbury: I acknowledge the privilege statement. I think what the minister has covered is correct in relation to taxis. Their relativities are higher than other vehicles. This reflects the fact that they travel more kilometres, they are on the road for longer and, as a consequence, they have more accidents, and those accidents are more costly as well. And that is reflected in the premium.

On the fact that there are more accidents, research suggests that that goes to fatigue and distraction of drivers. I think there is a higher prevalence of rear-end accidents from taxis, as opposed to other types of vehicles. That higher premium does provide an incentive for the industry to work at reducing the premiums, and there is a role for the regulator there to work with the industry to see how those premiums can be reduced. There are certainly examples in other jurisdictions where the regulator has worked with the industry and has brought down the premium levels.

There are some policy issues in this space as well, and this goes to the way that other jurisdictions have dealt with taxi industry and have dealt with the higher premiums for taxis. One of the policy options is to smear the higher premiums across other road users. I think the example in Queensland suggests that is what the Queensland regulator and government have done in this space. This is, I guess, an issue for consideration at some point and it is really an issue for government. Minister, I do not know if you want to comment on that further.

Mr Steel: Yes. Currently that is the case for vulnerable road users such as motorcyclists and their premiums are obviously spread across the premiums of other road users who are not motorcycle riders. I think the regular road user pays \$16 to effectively cross-subsidise the insurance of motorcycle riders.

I guess a similar approach could be taken in relation to taxis. But what that would mean is that regular motorists would have to pay extra on their insurance premiums. That is something that we are not actively considering at this point in time. But what we are doing is having conversations with the various elements of the taxi industry about what are some practical ways that they could actually help reduce the level of risk that they present on our roads so that when the insurers look at price-filing their premium, they can look at reducing that premium commensurate with the lower risk level.

MR CAIN: Minister, are you able to share the modelling that shows that taxis have more accidents than ride-share and regular passenger vehicles?

Mr Steel: I think that is reflected in the premiums of the insurers. That is, I would imagine, commercially sensitive information. The Acting MAI Commissioner might be able to talk a little about what sort of information they use.

THE CHAIR: We hear a lot from the taxi drivers, and it is a struggle for them. Is there any way that you would consider doing a review before 2023?

Mr Steel: We just completely, from the ground up, changed the entire insurance scheme for motor accident injuries. So as part of that scheme, there is, of course, review built in, which we will be undertaking. We are actually not that far into the scheme, so we are just getting a sense of the impact of the scheme. It is now over a year and a half, and we have got some really good outcomes thus far.

But we are still very closely monitoring it. We do need a little period of time to understand where things are at with the number of applications that are made through the system and how premiums have reduced over time. They are reducing at this point in time, which is fantastic. So the objectives are being achieved, and many people are being supported in a more timely way with the care that they need, which is fantastic, rather than spending money on lawyers' fees. So we are going to continue to monitor that and undertake a review within the timeframe.

We are working with the taxi industry at the moment on what are the practical things that could help them, noting that they have been in quite a difficult situation over the past two years during the pandemic, with a lot of work drying up: what is it that we

can look at to help them reduce the level of risk that they present on our roads?

THE CHAIR: Ms Orr, I believe you had a supplementary question.

MS ORR: Minister, now that the Motor Accident Insurance scheme has been in place for just over 18 months. How is the scheme going in terms of providing support to Canberrans after an accident? For example, how long is it taking for people to access their first payment for treatment and care or income replacement?

Mr Steel: We have seen, since the scheme was introduced in February, more people getting access to timely treatment and care. Under the old scheme, people had to go to court and argue for months and years to get a payout just to fund their treatment and cover lost income, with limited support in the meantime. Under the MAI scheme, people are getting access to the treatment and care, and payments for lost income, much more quickly. In terms of the first year and a half of the new scheme, the median time between the lodgement of a complete application and the first payment by insurers has been just 13 days for treatment and care expenses and 29 days for income replacement payments. So it is a relatively short period of time.

Importantly, almost a quarter of the applicants who received these benefits were either at fault for their accident or fault has not yet been determined. Those cases which are blameless were not covered under the previous CTP scheme. So if you hit a kangaroo or you were involved in a single car accident, you were not necessarily going to be paid out any benefit. This really does show the benefits of the MAI scheme in providing that no-fault support, because it means that everyone who pays for an insurance policy—so, every motorist on our roads—is able to access some sort of support.

And under the old scheme, they would have been left with nothing at all, even in cases of genuine accidents like hitting an animal or on an icy road where no one was to blame. So it is looking very good at the moment, and the acting MAI commissioner can provide some further data about what we are seeing thus far with the applications that have been made to date.

MS ORR: Yes, that would be great, because I was going to ask what share of claimants are receiving support under the scheme that would not have previously been eligible for support.

Mr Steel: Yes.

THE CHAIR: Mr Cain, I think you have a supplementary question. I just have a quick one.

Mr Steel: I do not think we finished the answer. The acting commissioner can provide some further—

Mr Salisbury: I think there was a question about how many applications there have been and how many of those applications have been accepted. Under the new scheme there have been 541 applications, and 95 per cent of those have been accepted.

MS ORR: I was also interested to know what share of those receiving support under the new scheme would not necessarily have got the support, or been eligible, previously?

Mr Salisbury: I think the minister may have covered that. Around a quarter of the applicants would not have received coverage under the previous scheme.

MS ORR: I have one more question. When the scheme was introduced, there was a fair bit of scepticism, I think, about whether insurers would do the right thing and pay out the claims properly. What are you seeing in the payment of claims and the processing of them, and how the whole scheme is working?

Mr Salisbury: Are you happy for me to answer that, Minister?

Mr Steel: Yes, thanks.

Mr Salisbury: I think that the fact that 95 per cent of applications are accepted is one factor. The other thing is that 90 per cent of the payouts of the scheme are going to care and income support. This is in contrast to the previous scheme where around 25 per cent of the payments went to legal costs and investigations. So I think that is an important metric in terms of considering the success of the new scheme.

MS ORR: I am not sure if we have covered this or not, so I will just ask it to make sure I have not missed it. How are the premiums tracking under the new scheme? Are we seeing savings on premiums being delivered?

Mr Salisbury: Sorry, the minister did cover that.

MS ORR: He did cover that? Sorry, we have jumped around a bit.

Mr Salisbury: Average premiums have fallen by around \$80, which represents a reduction of 15 per cent in premiums from the beginning of the new scheme.

MS ORR: Okay, great. That was all my questions, thank you, Chair.

MR CAIN: The MIA would approve premiums, so obviously there is some element, Minister, of the government controlling the price.

Mr Steel: The government has the ability to step in under the MAI Act. But the filings are made, and obviously considered, by the commissioner. The acting commissioner can provide a bit of information about how those filings are assessed.

Mr Salisbury: Those filings are provided to the commissioner and the commissioner gets actuarial advice on each of those in terms of whether the premiums are adequate to cover the long-term liabilities of the scheme. That process is done each time we get a filing in.

MR CAIN: And how often does the actuary you just mentioned have a different opinion from that lodged with you?

Ms Clark: I am Nicola Clark, the Acting Executive Branch Manager, Insurance Branch. I acknowledge the privilege statement. The actuary gives us advice, and the test that they must meet is whether it fully funds the scheme and is not excessive. As the acting commissioner advised, they look at every premium filing that we receive—that is both for a de novo filing and a partial filing—and they give us advice around those two tests which are specified in the act.

MR CAIN: And is that internal actuarial advice or is it sourced from outside government?

Ms Clark: It is a contractor.

MR CAIN: The same contractor every time?

Ms Clark: We changed contracts four and a half years ago from Cumpston Sarjeant to Finity. So Finity is our current scheme actuary.

MR CAIN: Do you mind saying why you changed?

Ms Clark: We went out to a competitive tender process and Finity was the successful tenderer.

MR CAIN: And how do you yourselves ascertain which actuarial advisor to engage?

Ms Clark: We work through the procurement process. We seek tenders from the various firms that provide these services; there are about six or so that do these services within Australia. And it is based on whether they meet the procurement requirements that we outline in our tender.

MR CAIN: Is priority given to local, Canberra based, actuarial advice?

Ms Clark: To my knowledge, there is no Canberra based actuarial service that provides the level of services required by the MAI scheme, the worker's compensation scheme and also services that are provided to ACTIA in relation to actuarial services.

THE CHAIR: Minister, I note that you made a claim for confidentiality regarding the modelling of the CPT premiums for taxis. Can I ask why you think the public interest has benefitted from the confidentiality?

Mr Steel: I will ask the acting commissioner to provide some further detail on that. What I said was that I would imagine that that type of modelling that would be done by an insurance company to establish the premium that they file would be commercial-in-confidence. That is not to say that the MAI Commission does not have some oversight over that in relation to the work that they do with actuarial expertise, but I will hand over to the acting commissioner to provide some further detail.

Mr Salisbury: We operate in a competitive market with competitive tensions. Each of the insurers files their premium amount based on their consideration of market share, pricing and the risk within their portfolio. They keep very close—and it is

commercial-in-confidence—the risk and the costs that they have. Nicola, did you want to add anything to that?

Ms Clark: As the commissioner says, it is information that they hold for themselves. In terms of the public information, you will see that in the premiums that are actually charged per vehicle class. However, when they do a filing, they are doing it effectively blind to what the other insurer might actually file on, and that is where the commercial nature of the information comes in.

MS CLAY: I have a supplementary question. I have heard some criticism that the impairment thresholds on the new MAI leave some victims behind, where they might have had benefits earlier—obviously with legal fees. I am wondering if you have been monitoring that closely and whether that will be one of the elements that gets reviewed when you come back to review this.

Mr Steel: I am sure it will be one of the key things that we are looking at, and obviously there were review mechanisms—both internal review and through ACAT—in relation to some of those decision points around whole-person impairment. I will hand over to the acting commissioner to provide some further detail on what we have seen thus far in relation to applications that have been made for five per cent WPI and the 10 per cent threshold.

Mr Salisbury: We did not quite catch the initial question, I am sorry. Could we just have that initial question?

MS CLAY: I am happy to restate it. I have heard some criticisms that the impairment thresholds are set too high and that they have left out some victims who are finding it difficult to meet those impairment thresholds. I am wondering if you have been monitoring that and how you intend to include that in the review when you look at MAI.

Ms Clark: The WPI threshold under the legislation is 10 per cent or greater. To date, we have had nine assessments where people have sought the quality-of-life benefit, and one person has received that benefit where they received it at five per cent. So when the quality-of-life benefit is paid, this is when that person is at five per cent or above, and the 10 per cent threshold applies, which allows them to go through to common law. So I am not quite sure, given those numbers, that there is a basis for any real concern; however, we are more than happy to look into any matters where people have raised that concern with you.

MS CLAY: I am happy to forward them through. And some of them have been reported publicly in the media. I am just wondering if you had done any qualitative assessment prior to MIA and now under MAI, specifically with reference to those impairment thresholds, and whether victims are in a different position?

Ms Clark: WPI assessment did not exist in the CTP scheme, so it would not actually be possible for us to do that qualitative assessment.

Mr Steel: The thing is the numbers at the moment of the people who are having that WPI assessment are so small. Over time, we will get a much better sense of how the

scheme is operating for that cohort of people who have had significant injury. That will no doubt be a feature of the review that is undertaken of the act.

THE CHAIR: I think we will move on to the next substantive question. I have you up next, Ms Clay.

MS CLAY: I would love to have a bit of a chat about the human resources information system. It looks like it is \$10 million over budget, and I just wanted to know what that project specifically is delivering and when it will be complete.

Mr Steel: This is an overhaul of the human management resource information system. It has a wide variety of different components, so it is not just about the payroll, necessarily; it is also about the learning system and a whole range of other components. You can imagine that across a government as diverse as ours, being both a local government and a state government, there are a lot of different directorates and agencies and different enterprise agreement conditions. The process of effectively collating those and putting them into a brand-new IT system is a significant task. It has been done at a time when we have been in a global pandemic as well, where people's priority has obviously been on delivering the health response. But this piece of work is an important one that has the potential, in the future, to reduce costs to government, particularly in the processing of payroll, and also reduce the amount of time spent by people who are using the system, through payroll and other resources that it will provide.

I will hand over to Bettina Konti, who can talk a little bit about the objectives of the program.

Ms Konti: The human resources information management system program is a very large program that is seeking to replace our current aged payroll, recruitment, onboarding system with a new contemporary system. Part of that program also signifies the need for us to align and harmonise our human resource practice and process across ACT government. This project is effectively going to be bringing together 19 enterprise agreements into one system. We do have one system to cover payroll today; having said that, though, that one system has been around for, I think, decades. Over time, local interpretations of enterprise agreements need to be understood, sorted through and decisions made about how that is actually going to come through and work in a single system and HR process.

So there are three releases in the program. The first has the payroll component in it, as well as the recruitment, onboarding and workplace administration functions. The second release is about learning management systems. There are multiple learning management systems across ACT government. We are proposing to bring that together into one in this system so that we can connect the staff that we have in directorates with the learning and development outcomes that they achieve over time. And the third element is a performance management element.

The main focus at the moment in the program is on that first release, which incorporates payroll. As the minister articulated, this is one of the programs that has been impacted by both of the lockdowns and the focus of many directorates turning from their business-as-usual and day-to-day activities, which included their

contribution to this program, to the COVID response and recovery. The other thing that is probably worthwhile saying is that in any program of this kind of size, scale and complexity, there are decisions that can be made along the way around quality, scope and cost of a program and when it might be delivered.

When we are talking about the pay packets of the staff in ACT government, it is something that we must get right. So we are in the testing phase of that first payroll release at the moment. That is the phase in which we need to ensure that the payroll is going to be correct. To the extent that it might take longer to get that assurance, it is one of those things that we just need to keep going on until we get it right. We have a current pay system that continues to pay staff in ACT government, and that will continue to be the case until we are confident that this new system will be able to do the payroll accurately.

MS CLAY: And when will the new system be complete?

Ms Konti: Within this financial year. This program was impacted in March last year when we first went into lockdown. It was impacted again with the COVID outbreak in the ACT just recently. So the people on the program team are right now doing a review, reset and reschedule of the program. That first release was intended to be delivered in November of this year. We know that we will not make that timeframe, so we are doing that reschedule now, but we intend that that reschedule will manage that first release within the financial year.

THE CHAIR: My substantive question is about output class 6. Minister, I note that the total cost of shared services output class 6 is \$282 million, about \$50 million more than the previous financial year. Has this increase been allocated primarily to the new output 6.2, digital data and technology solutions?

Mr Steel: I will hand over to Bettina Konti to explain what has changed.

Ms Konti: In November of last year, my office, the Office of the Chief Digital Officer and the ICT component of Shared Services merged to become a new organisation called Digital Data and Technology Solutions. Obviously, they are both about digital and data; one was very much focused on strategy, policy and advice to government, and the other was very much the operational centre of ICT services. The merger was done to ensure that the ACT is best positioned to leverage the rapid evolution in technology and data and to accelerate the achievement of whole-of-government approaches to technical priorities and investment, working with our directorates and their chief information officers.

The budget component that was the Office of the Chief Digital Officer has been moved across and forms part of this, now. In addition to that, the other thing that you are probably seeing here is the impact of COVID. This is an estimates committee that we are doing through a video conference, and that is technology that is supported by Digital Data and Technology Solutions, So the costs of going digital is something that is taken into account with those increases in funding to output 6.

MS ORR: There is a cost within the budget for a new cabinet room. I wanted to check what that will be supporting in the sense of secure communication requirements

for the new facility and particularly what benefits the ACT and the ACT government will get from those.

Mr Steel: There is additional funding in the budget for some family-friendly flexible workspaces on the mezzanine level of 220 London Circuit. This complements the other initiative in the budget around the flexible working hubs in some of the other areas of Canberra outside the major government office blocks in Dickson and the city. It is another way to give flexibility for families who may wish to come into work with their children, now that the lockdown is lifted, and do some work from the building in a space that can meet their needs, whether that is for breastfeeding or whether it is to allow their child to play in an enclosed area. So some extra funding has been provided through a budget measure there.

As part of the existing funding—not new funding; existing money that we have had for consolidating the government offices at Dickson and in Civic—we have been undertaking a piece of work to improve the availability of secure meeting spaces for the executive.

One of the reasons we are doing this is that during the pandemic, the ministers and the Chief Minister have been participating in national cabinet and national cabinet subcommittees, but we have not had facilities like the telepresence standard videoconferencing facilities that meet the cybersecurity requirements and the physical security requirements that are associated with those types of meeting spaces. We have been able to fund those new facilities through existing resources. Work will be undertaken on the mezzanine level of 220 London Circuit.

I will hand over to Graham Tanton and the team to talk about the requirements we need to meet in order to make sure we fit the commonwealth requirements for participating in these types of secure meetings.

Mr Tanton: As the minister mentioned, the cabinet room needs to be compliant as a zone 4 secure area under the commonwealth physical security standards. Those standards set out a level of secure build for a cabinet room hosting the commonwealth MCN, the ministerial network for those discussions at the cabinet level, and that the telepresence gets fed over.

The facility that we will look to build will enable cabinet to have those discussions at a broader level. It will allow that at the national cabinet level, but also allow the cabinet room to meet the ACT unclassified network requirements and be able to host one telepresence at the national level and also have discussions at down-class levels. There is going to be a body of work with that.

The physical security standards dictate what access control needs to be in that space, also looking at the sound attenuation of the facility and the build in regard to that, making sure that those discussions are held in a confidential manner up to the required security level, which is required under the commonwealth physical security requirements and data security.

I will not go too much into that. There are a number of commonwealth agencies that we are working with who will certify that facility. But as the minister mentioned,

following the pandemic and the ramp-up of the national cabinet rooms, it was something where there is an opportunity to put something in place to assist in those discussions.

MS ORR: So that funding is going towards the cabinet room, but it is also towards the flexible family-friendly working space.

Mr Steel: No; they are separate tranches of funding. The spaces are separate as well.

MS ORR: What is a flexible family-friendly working space? Can you step us through what that actually is?

Mr Steel: I will hand over to Graham to talk a bit about what the space will look like. It is under construction already.

Mr Tanton: As the minister points out, some MLAs will have seen the scaffolding going up around the mezzanine level through 20 London Circuit. The family-friendly area will allow staff members to bring children into a workspace for a short period of time, allow them to book meeting room space and allow them to have their family there.

Basically, it emerges from the flexible working arrangements that the minister mentioned earlier in the session. It will allow staff to have meetings and bring children in for a short time to allow them to meet their work obligations. The space will be user-friendly for children. It will provide areas for mothers to nurse as need be, but also allow people to be able to work in a friendly environment that articulates the pressures of being able to manage the family requirements versus the workplace requirements.

There will be a range of areas that are conducive to having families or children in the space. Children can have tactile areas where they can play whilst parents are working, so they can hold conversations. It will bring people across to have those discussions and work through what they need to do. Then people can work from home or use some of the other flexible working elements that are in place elsewhere that have been provided by the flexible working relationships and the ABW space.

Mr Miners: Can I add a couple of things in terms of some actual spaces that will be in there. There will be caring rooms in there, breastfeeding rooms, and the play spaces Mr Tanton has mentioned. There will be access to lounges, with some more casual spaces in there. There will be kitchens and change tables. There will be soft spots where the kids play so that they can fall without it being so damaging. There are no square corners, so it is a much safer place. There are double doors so that kids cannot disappear out of the doors. There will be appropriate toilet spaces. There will be a lot of those sorts of facilities.

MS ORR: How can ACT public servants and their families access the space?

Mr Miners: It will be available for them to use. Anyone working who needs to use those spaces will get access. We will need to look at it and make sure that it is available, that it is being used for the right purposes and that it is not being

oversubscribed, but those spaces will be freely available for anyone who needs to use them.

MS ORR: How does the delivery of this family-friendly working space fit into the ACT government's broader policy approach as an employer and your responsibilities as an employer?

Mr Tanton: The family-friendly space will support the ACT government's vision of being the most progressive jurisdiction for flexible working arrangements for people and for being an employer of choice. It provides opportunities for staff who may be required to bring children into the workplace for short periods to have those choices and be able to support that work-life balance.

In particular, in working through the COVID situation, people have been home-schooling and the like. It becomes problematic. This gives another flexible arrangement where people can come in for a short period and carry out their meetings or touch base with their teams.

We have not seen a lot of teams face to face, but it will provide a space where people can book rooms or come in on an ad hoc basis and bring their families in when they have those discussions—touch down, work through what they need to do, and then either work from home or go into one of the other sites or flexible workspaces. It just gives them another opportunity to use.

MS ORR: That sounds really promising for shorter term requirements, but is the ACT government doing some work to make sure that there is accessible early-birding available within the vicinity of the Civic office block?

Mr Steel: Yes. We have been doing some work to secure priority childcare places in some of the local long day care centres around Civic. It is utilising some of the existing early childhood services to make sure that people who need early childhood education and care for their children, particularly younger children from zero to five, will have access to some priority places in nearby centres. That is being finalised at the moment. Graham might want to comment on that.

Mr Tanton: I think the minister has touched on it, but that process is around identifying the work programs that will be done by WCAG within the Chief Minister's department, part of CMTEDD more broadly. They are working through that. It will also go to conjunctions with the hub and spoke design around the flexible working relationship that WCAG are implementing more broadly across the public sector.

Mr Steel: I guess that means that we will be looking outside Civic as well in terms of potential priority places for those that work outside the city area on a day-to-day basis.

MR DAVIS: Now for something completely different. I want to talk about lowering the voting age, Minister. I do not want to talk about it in the context of your position or the government's position—that is a conversation for the chamber—but it has been a conversation that has been percolating in the community for some time. I would like to know what work the government has done to consider the financial and policy

implications should the Assembly make a decision to lower the voting age to 16.

Mr Steel: This was the topic of the hearing on Monday. It does not fall into the EGEE remit.

MR DAVIS: I am too enthusiastic for my own good, obviously.

Mr Steel: Having said that, the committee have undertaken their inquiry and reported. What the government is doing at the moment is considering our formal response to the inquiry, which we will then table in the Assembly. We have to go through that process.

One of the recommendations was to not lower the voting age. We have to consider the reasons why that recommendation was made. I understand it was made on the basis that it should not be lowered if it is voluntary voting. We will need to consider what the implications might be if it is compulsory and what that means in terms of human rights issues if we are mandating voting for people below the age of 18. There is a variety of policy work that needs to occur as part of the ACT government's response, and that will be considered.

I encourage you to talk to the Electoral Commission themselves if they come before one of the estimates committees, to talk about what the administrative arrangements might be if that type of recommendation was implemented—what that might mean for them and their relationship with the Australian Electoral Commission, which currently runs our roll.

MR DAVIS: Noting that this will be a topic of conversation for Monday, can I ask if you would be comfortable taking it on notice?

Mr Steel: It was last Monday. We have already discussed it. It might be one that you put on notice for that committee.

MR DAVIS: Perfect. I will do that. Thank you.

MR CAIN: I have a question regarding ACTIA, the ACT Insurance Authority. I reference budget statements B, pages 134 and 136. My question is to do with the KPIs on those pages. Your funding ratio outcome and target at KPI (c) are both 134 per cent, yet the note on page 136 says:

The Authority aims to maintain its capital position between 100-120 per cent ...

Hopefully, I understand all of that, but can you explain the difference? And when was the last time your funding ratio was in this range?

Mr Steel: I will hand over to ACTIA and Stephen Miners, but I understand this to be a very good outcome in terms of the investment returns during this period. We have seen the all ordinaries go up to around 8,000; I am sure that the investments in your superannuation fund, Mr Cain, have gone up pretty significantly over the last year, as have those of many people across the community. I think that is no different for the investments that ACTIA has been making. Of course, they will have to consider

whether that ratio, over a long period, is in check.

Mr Miners: I will get Penny to explain this in a bit more detail, but the minister is absolutely right. A large part of this is due to the strong returns that we have experienced over the last 12 months, which pushes up that ratio.

This is something that governments need to consider from time to time. This is not the first time it has gone over the top of what you would consider as the range. We would have a look at that and make sure it does remain at an appropriate point. ACTIA itself is there to balance and manage the risks and insure against risks the territory faces. It will look at its pricing mechanisms to ensure that it is doing that in a way that is cost-effective for agencies as well. When this happens, governments will have a review of whether it is a short-term blip or whether it is a longer term issue, and work out the best way to manage that, whether it is returns back to budget, whether we think it will sort itself out, or whether it is setting a premium. All those things will come into those considerations going forward.

I will hand over to Penny.

Ms Shields: I have read and acknowledge the privilege statement.

I thank you for your question, Mr Cain. It is, as the Under Treasurer has indicated, something that we are looking at on an ongoing basis. As the minister has indicated, in the current instance it is a very lucky return of investments that we have received over the past 12 months.

We do look at our future liabilities, and one thing we have noted in the current environment is that it is uncertain and that, in all likelihood, one would expect the investment portfolio to return to somewhat normal levels in the coming period. So while it is sitting higher than our target at present, it is sitting in the level where we will consider what we do—what actions we take now. As indicated, that may be discussing with the Under Treasurer and the minister a return of capital to Treasury. But we will monitor that on an ongoing basis and make that decision in a collaborative way in the future.

MR CAIN: Are you planning to maintain the current 100 to 120 per cent range?

Ms Shields: Minister, are you happy for me to respond to that one?

Mr Steel: Thank you, yes.

Ms Shields: Yes, Mr Cain. That is the intent—to remain at that 100 to 120 per cent range moving forward.

MR CAIN: Is there any reason why that would be modified as we have seen here a higher level of return?

Ms Shields: Again, Minister, are you happy for me to respond?

Mr Steel: Thank you.

Ms Shields: We have just reviewed our capital management plan for the coming 12 months, in the current financial year. The intent is for that to remain at the 100 to 120 per cent range. Any change to that would have to be made in consideration of the economic context in relation to ACTIA's other financial obligations.

We need to ensure that we are covering future liabilities in our claim support folio. We cannot see into the future. We cannot see what is coming in terms of large weather events, for example, or catastrophic events. It is a fine line of ensuring we can manage that moving forwards but not holding capital where we should not be. That will continue as a discussion with Treasury moving forward.

Mr Miners: Could I just add to that that ACTIA is a bit different from other commercial insurers in that if it reaches a point where it does need additional financing to maintain its asset base, the government can also make capital contributions to the fund. It is a matter of picking a rate that allows the fund to operate with the right degree of autonomy, but it is still part of government, and we consider the appropriate ratios for it to hold in terms of its assets in the light of the whole of government as well.

MR CAIN: Thank you. We will be keeping an eye on that.

MS CLAY: I am wondering what steps you are taking to encourage active transport for those who work in our government buildings and what sorts of standards and funding you have for things like end-of-trip facilities and programs to encourage that?

Mr Steel: I am happy to comment on that. As part of the development of new accommodation, particularly, we look at the sustainability rating for buildings. One way to achieve that is with end-of-trip facilities. That is what we are hoping to achieve at the new CIT building, in particular, with the extensive end-of-trip facilities that you would expect in a best practice sustainable building to encourage active travel—and connection to public transport.

Graham Tanton might be able to provide some further detail about what we have been able to achieve at 220 London Circuit and at the Dickson office block.

Mr Tanton: With regard to the end-of-trip facilities, we are looking at placing 240 volt outlets to facilitate e-bikes and also looking at buildings near light rail. At Dickson and the government office block, they are all near light rail.

As we go forward, the process will help facilitate that. It is also making sure that we have lockers, at a one to five ratio, in these new buildings. And if we look at the change room facilities and bike parking—not just for e-bikes, but for normal bike commuting as well—the facilities in the new buildings, including drying rooms, allow for and encourage people to take up those options. It is so that when people come into work, get changed and shower, there are drying rooms within those facilities. Also, all the new arrangements will have bike pumps and mechanical tools for people who need to do repairs on bicycles; there will be the ability for people to do that as well.

There is a range of facilities, but having the showering facilities, the bike rack

facilities and the e-bike plug-ins so that people can plug in their e-bikes and scooters—a lot of people are moving their scooters in—will allow that and assist in people changing their habits to take public transport or ride their bikes.

We are seeing more people commuting more than ever, and there is a fair bit of demand in those areas for those bike facilities and racking of e-bikes, scooters and pushbikes.

MS CLAY: That sounds great for the new buildings, and I hope that is being applied to every new building that we are doing, but I am wondering what you are doing for existing buildings. It is sometimes harder to retrofit, whether you are doing retrofits, whether you are setting up share programs or ways to encourage people to access nearby facilities, or whether you are putting in programs to support staff. What are we doing for older buildings that do not have those facilities?

Mr Tanton: With the consolidation work that has been done in the government office blocks and also the Finlay Crisp precinct, where the old Nara building is and the like, looking at the Nara facilities as well, there has been a large consolidation of the public sector into these facilities, and when they have been retrofitted, they have had the change rooms and bike facilities added.

That will be progressively rolled out as we go through and look at the building stock and how we can further utilise those facilities and consolidate into these new facilities so that we have the ability to focus on the government office block in those areas, looking at the Dickson hub as well.

It is also looking at activity-based working at the Belconnen hubs and at Gungahlin and the Winyu site. These things will roll out as we progress into the future.

Mr Steel: Health in Woden is another good example.

Mr Tanton: Bowes Place.

Mr Steel: I think the address is 4-8 Bowes Street. That was an old building—many decades old. That was completely refurbished as part of the most recent ACT government contract, and substantial end-of-trip facilities were added as part of that. Where there is an opportunity to see retrofitting and refurbishment of older office blocks, that is certainly part of the mix.

Flexible hubs are another way of attracting people to use active travel. It is likely that more people are comfortable taking a shorter trip within their region on a bike to a flexible working hub than going from Tuggeranong through to the city to work. It will be interesting to see the outcomes of those regional hubs in providing people with better opportunities to walk and cycle to work.

THE CHAIR: I would like to ask about output class 3.6, venues. What impact have lockdown and restrictions had on Venues Canberra and its revenue for this financial year?

Mr Steel: Quite a significant impact. Obviously, Venues Canberra has been unable to

host its normal calendar of events. I will hand over to Daniel Bailey to talk about what that impact has been.

EPIC, GIO Stadium and Manuka Oval have not hosted any major events in this financial year. That has resulted in quite a significant reduction in commercial revenue streams across ticketing, catering, signage, sponsorship, hospitality, corporate functions—you name it. That has been a big impact.

Having said that, we have taken the opportunity in the budget to invest in some upgrades at some of these venues to make sure that we can attract that sponsorship going forward and that we have modern facilities, particularly with new video replay boards, at Manuka Oval and GIO Stadium. When people return to these venues, that will, hopefully, make the experience much better and much more enjoyable.

Mr Elkins: I acknowledge the privilege statement.

The effect of the pandemic across Venues Canberra has been extensive. Over the last 18 or 24 months, we have been dealing with a challenging environment. But through that challenging environment, we have been able to approach different opportunities. Last year, we had opportunities to host an extensive range of cricket matches, which was a really exciting thing for the territory. And we have worked across the venues to make sure that we are working on proportionate improvements to the venues to be ready for the new season and new events as they come through. That includes video replay boards for the stadium and Manuka Oval, and improvements to toilet facilities at Manuka Oval.

THE CHAIR: What action are you taking to seek additional events to compensate for lockdown, possibly things that we have not had before?

Mr Elkins: We work really closely with the industry. As I mentioned, over last summer, we were able to secure an additional 15 cricket matches, I think it was. That is built on the relationship that we maintain with the industry and also our ability to proportionately develop and build the venues to be appropriate for those events.

We continue to work with the industry, and we continue to go to industry to make sure that we are in the best position to acquire events when they become available. It has been a really challenging market for the events and entertainment industry. The touring market has not happened for now nearly 24 months. There is a real hiatus not just in the ACT but across the whole world. But we are continuing to meet with and talk to event promoters. We are continuing to have good working relationships with the national sporting bodies and local sporting bodies to make sure that we are in the best position, when the industry does start to move forward, to develop and bring new content and to best leverage the content we have into the future.

MR CAIN: I have a question regarding actuarial services in ACTIA. I relate this to an earlier answer from the MAI Commission that they cannot source actuarial support from within Canberra but engage outside. My question about ACTIA is: do you have any staff who are qualified actuaries? And if not, where do you get such actuarial support?

Ms Shields: No, we do not have any internally qualified actuaries within the ACTIA team. Like the commission, we outsource our actuarial services through a competitive tender. We have a large firm providing our actuarial services currently.

MR CAIN: Are there any local actuarial services that you have engaged or would consider engaging?

Ms Shields: We have not engaged any that I am aware of, certainly not in my time with ACTIA. That is not to say that we would not consider that in the future if there were services available locally. But again, we would go through the tender process and make sure that we followed Procurement ACT's guidelines to make sure that we have the full suite of procurement requirements met. If that was met by a local actuarial service, we would obviously be open to that.

Mr Miners: As a general point, we would always consider a local firm that was able to deliver the services we were after. We would always consider them.

MR CAIN: Thank you. It is not an area I am familiar with, but I am surprised there is not that quality of actuarial support within Canberra. Perhaps that is something for the jobs minister to work on.

THE CHAIR: I have many more questions, but I will put them on notice.

On behalf of the committee, I thank Minister Steel and officials from the Chief Minister, Treasury and Economic Development Directorate for their attendance today. It has been a long session; thank you for sticking it out with us.

There have been some questions taken on notice. Would those who have taken questions on notice please provide answers to the committee secretary within five working days?

The committee adjourned at 3.28 pm.