



**LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

SELECT COMMITTEE ON ESTIMATES 2023-2024

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

Members:

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

TRANSCRIPT OF EVIDENCE

CANBERRA

MONDAY, 24 JULY 2023

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

By authority of the Legislative Assembly for the Australian Capital Territory

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

APPEARANCES

Chief Minister, Treasury and Economic Development Directorate	598, 618, 663, 680
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Amended 20 May 2013

The committee met at 9.01 am.

Appearances:

Cheyne, Ms Tara, Assistant Minister for Economic Development, Minister for the Arts, Minister for Business and Better Regulation, Minister for Human Rights and Minister for Multicultural Affairs

Cultural Facilities Corporation
Ramsay, Mr Gordon, Chief Executive Officer

Chief Minister, Treasury and Economic Development Directorate
Fulton, Ms Caroline, Executive Branch Manager, ArtsACT, Economic Development

Community Services Directorate
Akhter, Ms Sanzida, Executive Branch Manager, Women, Youth and Multicultural Affairs

THE CHAIR: Good morning and welcome to this public hearing of the Select Committee on Estimates 2023-24. The committee wishes to acknowledge the traditional custodians of the land that we are meeting on, the Ngunnawal people, and the committee wishes to acknowledge and respect their continuing culture and the contribution that 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 this event.

The proceedings are being broadcast live to an audience of thousands! The proceedings are being transcribed and will be published on the Assembly website. If you are taking a question on notice, be quite emphatic about that, saying the words: "I will take that as a question taken on notice." Then we can all be on the same page.

In this first session, we will hear from Ms Tara Cheyne MLA, Minister for the Arts and Minister for Multicultural Affairs, and officials. I remind witnesses of the protections and obligations afforded by parliamentary privilege and draw attention to the privilege statement. We are going to do this universally, on the voices. Can you confirm for the record that you understand the privilege implications of the statement and that you agree to it? Excellent. That is good. As we are not inviting opening statements, we will proceed to questions. I will go straight to the minister, regarding the Canberra Theatre Centre. According to the budget papers, you have moved the goal posts again for the completion of the Canberra Theatre Centre Redevelopment project. Why does this project keep getting delayed?

Ms Cheyne: Thank you, Chair. I would not argue that the theatre has been delayed or keeps being delayed. In last year's budget, we committed more than \$25 million for the design work. That takes us to the point of being able to prepare a business case for next year. We are hopeful that construction will also be able to get started soon after agreement to the business case. Of course, there are challenges with construction time lines everywhere, but we would still be intending for the theatre to be completed within this decade. What we have committed to is that parts of the theatre will remain

open. The theatre will be completed in a staged way.

THE CHAIR: In November last year, you said that construction would start in 2024. Is that still your belief or intention?

Ms Cheyne: That is what I literally just said.

THE CHAIR: Well, you did not give a date, did you? You just said that—

Ms Cheyne: I said “next year”.

THE CHAIR: On a more specific question, can you tell me approximately how many car spaces are planned for the development and where they will be located?

Ms Cheyne: Those are subject to future decisions.

THE CHAIR: You have nothing that you can give us in that regard at all?

Ms Cheyne: Not at this stage, Chair.

THE CHAIR: Alright. What consideration has been given to a government-funded theatre company taking up residence in the completed theatre complex?

Ms Cheyne: I will hand over to the Cultural Facilities Corporation to guide us through that.

Mr Ramsay: Thank you, Minister, and thank you, Chair. At the moment, there are significant considerations that are being undertaken in relation to the future of the Canberra Theatre Centre. Obviously, the work that is primarily taking place at the moment is in relation to the design and the construction. As part of that, at the moment, we are working not only under the minister’s Statement of Ambition for the arts but also under the new strategic plan for the organisation, which the CFC board endorsed in February this year. Part of that is thinking through what it means to be fostering and growing the arts themselves in Canberra. The exact model by which that would take place is still being thought through.

There is consideration as to whether it would be appropriate for there to be a theatre company or a co-production model and whether it would be working in collaboration across different organisations. I will hand to the director of the Canberra Theatre Centre in just a moment. One of the things that, for example, has taken place most recently has been the extremely successful co-production model that led to the production of *Julia* here. We were very fortunate to have the world premiere of *Julia* hosted here in the Canberra Theatre Centre. One of the things that we are looking at is to see what the best way is to have this as a venue that can host touring companies and work across the arts organisations in Canberra and, in fact, the arts organisations across Australia.

THE CHAIR: In short, Mr Ramsay, there is some consideration given to a government-funded theatre company, as well as other options.

Mr Ramsay: Correct. There is consideration taking place as to what is the best way to foster the arts, whether it is a theatre company, whether it is a co-production version or whether it is done in a way where we can collaborate. We did some work most recently with a number of the leading arts organisations across Australia to see what it is that they would be looking for from a truly world-class premier venue here and what it is that we may be able to establish—more than just having people coming to use the venue but actually being able to foster something that is uniquely Canberra, uniquely contributing to the value of the arts, and contributing to what we believe will be something of national significance.

THE CHAIR: That is a sufficient answer for me. Are there any supplementaries on that? No. Ms Clay, with a substantive.

MS CLAY: Thank you, Chair. Minister, we have *Remuneration principles and practices for artists and arts workers*, which is good to see—fair pay for fair work. Can you tell me what the reporting requirements are and how it is being monitored in practice?

Ms Cheyne: Sure. I will hand over to Ms Fulton to talk you through that.

Ms Fulton: Thank you. The document that you refer to sets out the principles for modelling good practice for the engagement and remuneration of artists and art workers. They are a standard for the sector and for government to implement, recognising the diversity of the sector and its often limited resources in terms of reporting. We are not seeking to implement a reporting regime for our funded artists and arts organisations. However, published data from other sources, such as ABS, as well as ongoing engagement with the sector, will be used to gauge progress against the fair remuneration of artists and art workers. Also, we will work closely with the establishment of Creative Workplaces, within Creative Australia, on monitoring progression against best workplace practices.

MS CLAY: The remuneration principles are a guideline for the ACT sector?

Ms Fulton: Yes.

MS CLAY: You are not monitoring directly under those; you are using other sources of information, like ABS data, to see if that affects artists' pay?

Ms Fulton: Yes.

MS CLAY: Have you been monitoring that? How long have these been in place? And what have you learned from monitoring other sources so far?

Ms Fulton: The remuneration principles have been in place since July last year. As part of what we are seeing through applications, we are noting that they are being referred to. We are yet to see arts organisations acquittals for this year. They will come in next year and we will start to see that sort of work over the course of the next few years.

MS CLAY: Have you had a round of data from ABS or from any of the arts industry

organisations about actual pay for artists yet?

Ms Fulton: Only in terms of benchmarking and various research in terms of what we are seeing. But, no—

MS CLAY: You have a benchmark?

Ms Fulton: Only in terms of what we have seen in research from various sources, but not specifically for the ACT.

MS CLAY: Do you have an ACT benchmark? This time next year, if I ask you the same question, you could say it has improved by three per cent or so?

Ms Fulton: No. That is not the purpose of the remuneration principles. They are setting principles so that, when people are negotiating their contracts or their personal pay, they will recognise the things they have to look for, and our organisations will also know the things that they need to consider when employing artists and arts workers.

MS CLAY: I have seen, from various arts organisations, that they do it in a non-systematic way, because they are not resourced to do it. But, for instance, MEAA for musicians and the ASA for writers have reported on actual earnings of artists. You are not using any kind of data of actual earnings of artists to see if these remunerations and principles affect them—

Ms Fulton: Not at this point, Ms Clay.

MS CLAY: Why not? I am interested. I would have thought fair pay policy is only as good as it leads to actual fair pay for the people receiving it. Would it not be useful to have a benchmark?

Ms Fulton: This is a principles guideline. We refer to award rates as part of that principles document. We have that on our website. We promote that as part of our guidelines. That is our expectation when people employ artists and art workers where there are awards. Of course, there are a lot of different pay scales across the sector, so it varies across each individual sector. At this point, as things come through to us in terms of applications for support, we are looking at where they sit.

MS CLAY: So, if a grant application comes in with living allowances or pay for the artist, are you then looking at the remuneration principles or the industry award to see if it matches that?

Ms Fulton: If it applies—yes.

MS CLAY: Interesting. I have had some feedback on the living allowance component in the grants, which I think is part of this conversation.

Ms Fulton: Yes.

MS CLAY: I have been told that living allowance is not defined.

Ms Fulton: No.

MS CLAY: If you are filling in a grant and you are asking for a living allowance as an artist, you do not know what a living allowance is. Also, apparently the grant application does not refer to pay scales in industry awards.

Ms Fulton: No; that is correct. It depends on each individual project, in terms of what the artist is seeking. If an application is seeking to employ artists as part of the actual application, then we expect that they would put through how they are determining the pay scales—if they are referring to award rates or whether it is in terms of an agreement with the artist. And there are generally letters of support that come through for that. In terms of a living allowance, we allow applicants to put forward what suits them and their circumstances, and it is assessed on that basis.

MS CLAY: So you can reject an application for not providing enough detail on living allowance, but we do not provide any information about what a living allowance should look like?

Ms Fulton: We ask that applicants provide a rationale in terms of how they have come to their budget.

MS CLAY: Okay. From this conversation, my greatest concern is that remuneration principles are great; but if we do not have any kind of benchmark of what artists are earning now and if we are not doing anything systematic—not necessarily the artists but the ABS and the other data sources to see if the remuneration principles are affecting that—then I cannot really see the point. You do not have a real accountability indicator to measure if that is having an impact.

Ms Fulton: As I stated, this is a principles document. It is not something that we are measuring. Over the course of the arts policy, we have indicated that it is an area for data collection and it is something that we want to focus on, going forward.

Ms Cheyne: That is right. It is a specific action within our arts creativity and cultural policy, in terms of data. We know that this is actually a challenge for all governments across Australia. I think we were among the first to have released these remuneration principles and guidelines. When we spoke about it at the cultural ministers meeting in October last year, there was great interest expressed from other ministers in receiving that and starting to apply that. We have also talked about the challenges of data collection and the point that you are making about setting some benchmarks and having a better understanding. It would be very useful for all state and territory ministers. It is a goal of the commonwealth, as well as us, but it is in the early stages of thinking.

MS CLAY: Okay. I understand that we do not have a baseline, so we are not really reporting on data, but are you publicly reporting against the remuneration principles—what is happening and what we are learning? Is there any kind of public reporting against those?

Ms Cheyne: What we are looking at doing towards the end of this year is reporting

against our action plan, what has been implemented so far and what the effect of that has been. I am scrolling through and I do not have it in front of me, but that is what that would be reported against in the first instance. As our thinking matures about data collection, there are potentially other ways that we could be doing that.

MS CLAY: Thank you.

THE CHAIR: Thank you, Ms Clay. There are no supplementaries on that. Mr Pettersson.

MR PETTERSSON: Thank you. The National Multicultural Festival was held once again, earlier this year. Could the committee get an update on how you think that went, particularly if you have identified anything that could be done better in the future?

Ms Cheyne: Thank you, Mr Pettersson. I would say, unequivocally, that the National Multicultural Festival was the best ever, and our data supports that. It generated a total economic benefit of just over \$20.8 million for the ACT economy, which was a significant increase from the 2020 figure of \$12.2 million. We also generated a large number of visitor nights—over 40,000—with the average visitor staying 2.2 nights. It was not just that hard economic data but also how people felt.

Market research indicates that 92 per cent of visitors to the event were satisfied or very satisfied, and there was a 10 per cent increase in visitors, giving the 2023 festival a five out of five excellent rating. We are very pleased with the results. In terms of learnings, perhaps what was best received about the festival was the extended event site. It was big, but people still felt that they could move around. You could see crowds but you did not feel crowded. I think that was the experience for most.

We were very deliberate about the orientation of stalls. Previously, stalls were at the perimeters and facing in. That meant that, when there were long lines, people were effectively bumping into each other. It was quite difficult to walk through, given that crowded feel, so there was some very deliberate thinking about changing the direction and having stalls that backed onto each other so people lining up were not bumping into another line.

We had more communities participating than ever before and more showcases. Generally, there are around 10 or 12 and this year we had 30. Having new communities represented as well was something that was very powerful. Anecdotally, I understand that there were some women who used the festival for the first time to earn money. In terms of self-determination and things like that, it was quite powerful in its effects.

We are working through our traffic management plan. There are challenges as we expand the footprint into Glebe Park. Also, our city is changing. You just have to step outside to see that there are changes with light rail. We know that, in the future, there is going to be a development application in Garema Place and the theatre redevelopment will come in future years as well, so the movement of traffic for businesses and residents is very important for us, and that work has already started, I am pleased to say.

Some other feedback that we had was about signage for people wanting to choose which stall to visit or which stalls to buy from. People wanted to see the prices of things and what was available more clearly before they got right to the front. That was certainly some feedback that we heard. We also heard that some wayfinding would have been appreciated. This is something that is tricky, I would say. The festival team does a remarkable job, because we have stalls that can be there for one day, two days or three days, depending on their circumstances. That means that, each day, there is generally quite a different offering across the festival. Being able to communicate who is where and when is something that we are looking at, hopefully with an upgraded website.

MR PETTERSSON: Wonderful. There is an injection of funding for two years of \$3.3 million. Why two years, and what is it for?

Ms Cheyne: Effectively, it supports the expanded event site for the next two years. It also helps with sustainability and public safety measures, additional staff and operational resources, an upgrading of the digital platform—that is, the website—and investment in accessibility. Previously, the grants program for the festival was \$90,000 a year. For this 25th anniversary festival, we doubled it to \$180,000, and from next year it will \$200,000. We are keeping it at that level. It has also allowed us to maintain the stall fees. The stall fees have not increased since 2018. We recognise that this is absolutely a community-led festival and we want it to be as accessible as possible to as many community groups as possible. Of course, there are some commercial stallholders as well, but that allows continued participation.

It is for two years because, as I mentioned, the city is changing. We have a fair idea of what it will look like and feel like over the next two years, but that gives us an opportunity to effectively look again at the footprint—where we might need to go or expand and what the costs associated with that might be. My expectation is that this is the benchmark for the festival from here on.

MR PETTERSSON: That is great. There are more people living in the city than ever before. How do the noise complaints track?

Ms Cheyne: We have some data on that. We are carefully considering the planning for the 2024 event. We are working with the Environmental Protection Authority to ensure compliance and responsible noise management. Professional production contractors are utilised and they are experienced in delivering amplified sound for events and festivals. I am pleased to say that, in 2023, the festival always operated within the decibel sound limit managed by those industry contractors. The EPA also had advice that the festival could operate up to 60 decibels on Friday and Saturday night until midnight, and everything ceased at 11 pm.

There were 12 noise complaints received over the festival weekend in 2023. On Thursday, before the festival started—I believe this was during some sound checks—there were six noise complaints between 10.20 pm and midnight. That is a key learning for us, going forward. On Friday, there were five noise complaints from 1 pm until midnight, and on Saturday there was one noise complaint at 11.20 am. We are working quite closely with residents of the apartment complexes, both in the city and in neighbouring Glebe Park, and those conversations are ongoing. I understand that

the team recently met with some members of the executive committees of those body corporates. Rather than noise, access is probably one of the key considerations for those communities.

MR PETTERSSON: That is great. Thank you.

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

MR CAIN: Thank you, Chair. Minister, I have heard from multiple stallholders that the revenue generated from participating barely covered the rates that the government charges. What is the rate currently planned for stallholders for both commercial and community groups?

Ms Cheyne: As I said, Mr Cain, stallholder fees have not increased since 2018. They have remained the same.

MR CAIN: No—I am asking: what is the actual rate?

Ms Cheyne: They are online, Mr Cain, at multiculturalfestival.com.au. It is an extensive table because it depends on the day or number of days that a group is planning to be there, and it depends on the type of group. Perhaps I can send that to you for you to peruse.

MR CAIN: You will take that on notice?

Ms Cheyne: You can google it right now, Mr Cain.

MR CAIN: No. Minister, you are here as a witness, so you either answer a question or you take it on notice.

Ms Cheyne: Mr Cain, it is publicly available information. I do not need to take it on notice. You can access it.

MR CAIN: Chair?

THE CHAIR: Mr Cain, in this regard I am going to side with the minister, in that it is possible for us to look it up online. There is a fair bit of detail in it. Do you have more questions?

MR CAIN: Noted. I do. What are the criteria to determine these rates?

Ms Cheyne: What are the criteria to determine the rates?

MR CAIN: Yes. How are the figures actually arrived at?

Ms Cheyne: The fees have been maintained since 2018, Mr Cain. Really, the government—

MR CAIN: In that case, how were the 2018 figures arrived at?

Ms Cheyne: I will look to the team.

Ms Akhter: Thank you for the question, Mr Cain. For the 2018 festival, how the rate was set was something that we actually have to look into, because that was quite a while ago.

I want to provide another piece of information. As the minister mentioned, we have maintained the stall fees at the 2018 rate, but the cost for a one-day small three-by-three community food stall remains at the same price as at 2014.

We are very mindful of the cost-of-living pressure that has been happening over the past few years. To support the community so that it remains community-led and the community are able to participate, we have maintained the rate. But 2018 was a long while ago. So we will have to look into how the rate was set at that time.

Ms Cheyne: We will take that on notice, Mr Cain.

Ms Akhter: However, going forward, when we set a new rate in the future, if the government chooses to do that, we will definitely be able to provide you with a proper answer as to how we have arrived at that rate in the future.

MR CAIN: Thank you. Minister, will any of the increased funding for the next two years—I think \$3.3 million was stated—be used for rate relief for stallholders to encourage greater activity?

Ms Cheyne: Yes, Mr Cain. A part of the \$3.3 million allows us to keep the fees at the 2018 level.

MR CAIN: Right. Noting my earlier comment that some stallholders were struggling to cover even that rate, is it intended to use any of that money to provide rate relief—not just to maintain it at 2018 but to provide a discount rate for at least some stallholders?

Ms Cheyne: I would argue, Mr Cain, that maintaining it at the 2018 level is rate relief.

MR CAIN: So there is no rate relief in that figure that you have just indicated?

Ms Cheyne: The fees are maintained at the 2018 level, which I would argue is rate relief.

MR CAIN: I understand that, but that is not the same as saying you will provide rate relief out of that amount of money.

Ms Cheyne: I will take that as a comment.

THE CHAIR: A number of community leaders have spoken to me about the fact that they believe—and I am sure you have had many of the same conversations—that this festival should always be held in Civic. It has been described as the spiritual home.

You have again made comments here, as you have in other places, regarding the

changing nature of things in the city. I just want to know if it is possible to confirm that Civic will always remain the home of this festival.

Ms Cheyne: Civic will remain the home of the festival for the next two years, definitely.

THE CHAIR: Yes.

Ms Cheyne: But we have to review the festival's footprint every year, and we have been doing that every year. There have always been slight changes. I know you have attended over many years, and the exact footprint of the festival has changed. There will be some major changes to Civic Square and to Garema Place. So we will be working through, in years to come, exactly what that footprint is.

But I absolutely hear you, Mr Parton—just like I have heard our community leaders—that Civic is the natural home for the multicultural festival. I will admit that I was nervous about how expanding into Glebe Park would be received. It was received extraordinarily well. Of course, we were in only a portion of Glebe Park; so there might be some opportunities for us there, as well as we consider what the footprint is in the future.

The city does have numerous benefits—not least being able to interact with business, which I think we were able to do this year better than ever before, particularly given the orientation of the stalls, but also due to sound. Just simply how the city is and where we can put the stages means that there is less sound bleed.

At the Canberra Day celebrations that we had in 2022, which did have a very big multicultural flavour to it, we had multiple sound stages there but there was some sound bleed at Commonwealth Park. That is all part of the considerations.

One of the great attractions of being in the city is being able to have multiple stages. This year we did have more stages than ever before. That allows us to support as many groups as possible.

THE CHAIR: But, Minister, in short, you are guaranteeing that the multicultural festival will remain in Civic for at least the next two years. But are you telling me that there has been genuine consideration from government to moving to a completely different geographic location?

Ms Cheyne: Those are hypotheticals at this stage, Mr Parton.

THE CHAIR: Well, it is not a hypothetical. I am asking you if there was consideration given to the festival moving to a completely different geographic location.

Ms Cheyne: Not at this stage.

THE CHAIR: All right.

MR CAIN: I have one more supp in this space, Chair. Minister, as you will be aware,

most forward estimates run for four years. Why does this run for only two years?

Ms Cheyne: I have already answered that.

MR CAIN: What was that answer? Sorry; forgive me for missing it.

Ms Cheyne: Because the city is changing and the footprint may require more funding in the future, depending on exactly what that looks like. So two years is appropriate for what we understand to be the changes in the city from here on. Then, just like we always do, we will review what we need to do.

MR CAIN: In what way are you anticipating the city footprint changing?

Ms Cheyne: I have already answered that, Mr Cain—like 10 minutes ago.

MR CAIN: Just entertain us again, please. Forgive me for not picking that up.

Ms Cheyne: Is this a good use of time, Chair?

THE CHAIR: Mr Cain, I think you can refer to the *Hansard* in terms of the response to Mr Pettersson.

MR CAIN: Many things related to the funding for the City Renewal Authority go to four years. Why has this not gone for four years?

Ms Cheyne: I have answered that.

MR CAIN: I do not think you have.

THE CHAIR: Mr Cain, have you got a substantive?

MR CAIN: I do have a substantive. Minister, under the Parliamentary and Governing Agreement, commitment 15.2, regarding cultural facilities, says: “Construct a large new multicultural events venue at EPIC for cultural performance and available for hire for large private functions such as weddings.”

Under commitment 18.3, regarding multicultural affairs, the commitment was: “Constructing a large indoor venue at EPIC for cultural performances and large events such as weddings.”

This was a major announcement leading up to the 2020 ACT election. Why has the government not fulfilled this commitment as we approach the 2024 election?

Ms Cheyne: Mr Cain, this is a question for the Chief Minister.

MR CAIN: You are Minister for Multicultural Affairs. Surely you have an interest in its fulfilment.

Ms Cheyne: I can speak to it, Mr Cain, but you are the asking the minister that is not responsible. The Chief Minister is responsible for this and you should know that by

now because we have talking about this for three years.

MR CAIN: Excuse me, I—

THE CHAIR: Minister, you have indicated you can speak to it.

Ms Cheyne: I can in a limited way, Mr Parton.

THE CHAIR: Okay; thank you.

Ms Cheyne: But this is for the Chief Minister. Under the AAs, I understand that is how we are operating these hearings.

THE CHAIR: If you can answer it with any ministerial capacity, please feel free.

Ms Cheyne: I can tell you what I know to the extent of my knowledge. You would see in this budget that the government will be refurbishing the Fitzroy Pavilion at Exhibition Park, which will be providing additional facilities for large-scale community events. The final design will be considered once further engagement with the market has been undertaken.

As you know, EPIC is Canberra's pre-eminent large-format event space and festival hub, able to host major events, including large-scale concerts and community activities with a fit-for-purpose precinct. EPIC is ideally located on the main routes in and out of Canberra to Sydney and Melbourne, which is important for event organisers.

The proposed redevelopment of EPIC will begin with the refurbishment of Fitzroy Pavilion. A refurbished Fitzroy Pavilion will provide upgraded catering facilities and amenities and be suitable for hosting larger-scale community and multicultural events. Design is now underway and construction is expected to be completed within the next 12 months.

MR CAIN: Minister, as I have said, this was a major announcement leading up to the last election that is obviously not going to be fulfilled. How do you feel, as Minister for Multicultural Affairs, about the government not committing to complete a promise leading up to the last election?

Ms Cheyne: It is going to be fulfilled, Mr Cain. Construction will be completed in 12 months.

MR CAIN: As a dedicated multicultural centre? That does not appear to be the case.

Ms Cheyne: Mr Cain, as I said, a refurbished Fitzroy Pavilion will provide upgraded catering facilities and amenities and be suitable for hosting larger-scale community and multicultural events, as is the commitment in the Parliamentary and Governing Agreement.

MR CAIN: Will the multicultural community be offered discounted rates or will they be asked to pay commercial rates?

Ms Cheyne: I cannot speak to that, Mr Cain.

MR CAIN: What correspondence has there been between your office and the Chief Minister's office regarding this broken promise?

Ms Cheyne: I reject the question. It is not a broken promise.

MR CAIN: It is a broken promise. It was a promise for a multicultural centre. That is the way it was badged. You know that, Minister. It was a multicultural promise.

Ms Cheyne: No; that is the way your party badged it, Mr Cain.

MR CAIN: Commitment 18.3, under multicultural affairs, of the Parliamentary and Governing Agreement, says: "Constructing a large indoor venue at EPIC for cultural performances and large events such as weddings," and it was called a "promised multicultural centre". Do not tell me that has not been broken as a promise because it has.

Ms Cheyne: I reject that point, Mr Cain. It has not been broken as a promise. Design is underway.

MR CAIN: Why should the community believe any promise made by this government or even by your office, regarding our multicultural community, when this is a clear broken promise?

Ms Cheyne: It is not a broken promise, Mr Cain. We look forward to the completion of the centre within 12 months.

MR BRADDOCK: Welcoming Cities Standard 2.15 calls on governments to support initiatives that empower individuals to prevent and respond effectively to racism and discrimination. I am interested to know what is included in the budget to support achievement of that particular substantive line item.

Ms Cheyne: Thank you, Mr Braddock. You would recall that earlier this year we passed our Multiculturalism Act. The Multiculturalism Act is a powerful act. It establishes reporting obligations for ACT government agencies, including to report against the principles within the act, to embed inclusive policies and practices and provide accountability to the community. I see that as one of the major vehicles of change that we have for our government so far.

All directorates across the ACT government have work underway to comply with those obligations at the moment, including the ability to anonymously report experienced or witnessed racism, to allow employees to feel safe when doing so; developing a cultural integrity framework in consultation with employees and key stakeholders to inform cultural maturity of middle management and senior leaders, as well as to development contemporary and tailored cultural awareness training; reviewing existing diversity and inclusion strategies; and reviewing existing processes to monitor, report and document instances of racial harassment or discrimination.

Staff across the ACT government also have access to a range of training programs to support staff in diversity awareness, conscious and unconscious bias, and anti-racism. Staff training opportunities include both ACT government-wide training courses and directorate-specific training modules. My understanding is that training would be included in each agency's funding envelope.

The workforce is also supported through the education and promotion of cultural and immersive events throughout the year, including international days, festivals, inclusion networks, yarning groups, spiritual celebrations and acknowledgements.

Of course, the Human Rights Commission is also funded ongoing, and we encourage all Canberrans to report racism if and when it does occur. We are working to make those processes more accessible, including by phone, email or a simple website form. The Human Rights Commission—I recall, I just do not have it in front of me—as part of our response to the inquiry into racial vilification, will be updating its website to make it easier to report.

MR BRADDOCK: Thank you.

THE CHAIR: I am going to continue, Minister, regarding the Kingston Arts Precinct place brief, which is publicly available and open for consultation. Are you able to outline for me what the 12 months of consultation entail and what will follow the consultation period?

Ms Cheyne: On the place brief?

THE CHAIR: The Kingston Arts Precinct place brief is publicly available and open for consultation, is my understanding. Have I got that wrong?

Ms Cheyne: I will just hand to Ms Fulton.

Ms Fulton: It is largely a final place brief but it does allow for further community input on the place brief. The place brief is managed by the Suburban Land Agency. I will bring that up and will come back to that question. But I understand that it was up and was allowing further feedback to come. So it was a bit of an interim document, but it is the final, I believe.

THE CHAIR: It being the final, what will actually follow that consultation period? Is this the last piece of the consultation on this?

Ms Cheyne: So where to from here? There is the place brief and there is also the Arts, Cultural and Creative Plan. They have been finalised and published. The recommendations from Arts, Cultural and Creative Plan are aspirational. But, as recommended by the plan, there will be an arts and culture advisory panel established. That will guide the future selection and commissioning of artworks.

The design project team was brought on some months ago now, through the procurement that the Suburban Land Agency organises and manages. That design project team has developed three concept designs that respond to those two documents, the place brief and the Arts, Cultural and Creative Plan. One concept of

those designs will be chosen after stakeholder consultation and then the design will be developed further from there. Construction is anticipated to commence in the 2024-25 financial year.

THE CHAIR: Okay; that is good. I want to just drill down into that document. “Readily accessible public car parking that is designed to minimise pedestrian, cycling and vehicle conflict,” is listed as highly desirable in development outcomes. Minister, can you talk me through what that actually means?

Ms Cheyne: I think that question is probably best directed to the Suburban Land Agency, Mr Parton.

THE CHAIR: Maybe this is SLA on notice, but I am just going to ask: how many car parks are there currently on the Kingston section 49 block and how many do you estimate there will be once the arts precinct is completed? Is anyone here able to answer that?

Ms Cheyne: There is no-one from the Suburban Land Agency here, Mr Parton.

THE CHAIR: All right.

MS CLAY: Can I have a supplement on that?

THE CHAIR: Yes.

MS CLAY: Thank you, Chair. Minister, I recently had a briefing from the Suburban Land Agency on the Kingston Arts Precinct, and I had a bunch of questions that they could not answer because they said they were in your portfolio. So I would like to put those to you now.

Ms Cheyne: Sure.

MS CLAY: Beginning with management, with arts organisations having peppercorn rent, I asked them if that meant that the arts organisations would be able to offer free, or very, very cheap studio and artist space to practising artists. Will that happen?

Ms Cheyne: Ms Fulton might have this to hand.

MS CLAY: Ms Fulton is nodding.

Ms Fulton: I can answer that. When the precinct is developed, artsACT will be the manager of the precinct for the first five years. The arts organisations will be on a peppercorn rate, as you correctly said.

How the organisations charge fees, in terms of using space, will be determined by the arts organisations. But the intent—and it is in their, kind of, remit—is to make that affordable and cost effective not only to the artists using the space but also for the sustainability of those organisations.

MS CLAY: Sure.

Ms Cheyne: Ms Clay, I do now have this in front of me. The founding organisations will have access to 10 residential apartments for visiting artists to support their residency programs. That is in addition to accommodation provided for the Canberra Glassworks at the chapel and Megalo Print Studio at Cargills Cottage. There will also be a gallery, theatrette, artist studios, workshop space and meeting rooms in the precinct that will be managed, as Ms Fulton noted, by the head licensee and available for use by other organisations or individual artists.

MS CLAY: Excellent. So, for the first five years, it is managed by government—and we know how that will go. After that, will it pass onto commercial and will we then lose this peppercorn rate? I would like to know what artsACT's long-term program funding is for the Kingston Arts Precinct to make sure that, in five and 10 years, we have a really vibrant art scene there, not mere tourism and merch. I would also like to know what we are doing to make sure that when it gets handed over to a commercial operator that it does not simply go to a commercial tourism sort of venue?

Ms Fulton: The intent is that it would go to a not-for-profit type of organisation that manages all of our arts facilities. artsACT will work through the development of that arrangement.

Coming back to your point about the long-term funding for the precinct, artsACT has been provided an operational budget of just over \$1 million a year, indexed at 2.5 per cent until 2041-42 for the operation of the precinct, which includes staffing, as well as operations and programming costs. That would be transferred probably to the organisation that will be managing the precinct.

MS CLAY: I wonder if you might take on notice of that \$1 million what the breakdown would be of administration, building fees and artists fees.

Ms Fulton: Certainly.

MS CLAY: Thank you.

MR CAIN: Minister, I note that the Ngunnawal people were consulted and referenced throughout the place brief. Did you or the government consult with the Ngambri people at all? If not, why not?

Ms Cheyne: I think that is a question for the Suburban Land Agency, Mr Cain?

MR CAIN: Are you aware of any such discussions with the Ngambri people?

Ms Cheyne: I do not have the answer, Mr Cain. The Suburban Land Agency managed that process. I understand that Aboriginal people and families who have connections to the ACT would have been consulted.

Ms Fulton: The Suburban Land Agency engaged Curijo as a sub-consultant to lead the First Nations engagement. The detail of who they spoke to would have to be a matter for Suburban Land Agency, but I understand that they took an inclusive approach and would have consulted broadly with First Nations people residing in the

ACT.

Ms Cheyne: They will be able to confirm that for you.

MS CLAY: I want to have a quick chat about this and then I will lodge it on notice—but I just want to make sure that I lodge something sensible on notice, which is always better to scope up. The Statement of Ambition gave really clear, transparent funding guidance. What I found, when I came to the budget papers, is that the Statement of Ambition has 2024 funding in there but I could not match up the amounts.

If I sent in a question on notice, or if you took it today, would you be able to go through the Statement of Ambition and match up the 24 funding line items with what is actually in the budget?

Ms Cheyne: Potentially, Ms Clay, but we might even be able to skip you having to do that. On the website—and it was only published towards the end of June and you may not have seen it—we do have an update of the arts, culture and creative funding at a glance. All of the funding that goes from artsACT to arts organisations, to arts activities, funding to arts facilities and our public art commitments are all in one place, and that was updated just a month ago. So, if you are looking to be sensible, I would perhaps look at that first.

MS CLAY: We might look at that and then lodge. So do not take anything on notice.

Ms Cheyne: Yes, perhaps if you have got questions from there—

MS CLAY: When we have done our analysis previously—and I know we have different ways of looking at numbers, and that is fine. The way I look at numbers, we are spending about 60 per cent of our arts budget on the buildings, on the facilities, and about 40 per cent on programs and artists. Is that a similar sort of funding split at the moment?

Ms Cheyne: As you noted, Ms Clay, I think we approach this philosophically quite differently in that, yes, we do have some major, major funding commitments, including Kingston and the Canberra Theatre, as well as upgrades at Tuggeranong and at Gorman House, together with the BIF funding. I think in this year's budget we have funding for a new kiln at Watson. All of that, I believe, actually assists artists and arts organisations. So I probably would not characterise the funding split as you do.

MS CLAY: I might just drill down into a couple of examples of issues that concern me. For Gorman House we have got capital budgeted for \$4 million for 2023-24 and \$7.4 million for 2024-25, on page 67. Is that enough for them to maintain their heritage-listed facility? They are doing some pretty urgent upgrades over there, and I have heard mixed views on whether that is actually enough money to get it up to the point where it is barely habitable.

Ms Cheyne: The funding envelope that we are talking about is the commitment from the commonwealth government and to the election commitment from us. The total is just shy of \$12 million. Ms Fulton can talk you through what the process has been with Gorman.

Ms Fulton: The ACT government funding commitment for the Gorman Arts Centre refurbishment is \$7.9 million. The funding that you referred to is that profiled over the years. The Australian government committed a further \$5 million to the project, taking the total budget to \$12.9 million.

MS CLAY: Is that sufficient to make that building habitable and usable?

Ms Fulton: That is certainly the intent. We are in detailed design at the moment, and we will undertake costings and then we will be able to determine what works can be done within the context of the budget.

MS CLAY: We have a line in the Belconnen Arts Centre budget on page 63 for Belconnen Arts Centre: more and better jobs. There is a zero dollar figure next to that line item. The Belconnen Arts Centre, the facility, is great. It is new and it is beautiful. So it is sort of at the opposite end of Gorman House, which is this ageing heritage building that needs a huge amount of work to get it up to spec.

I know they recently had to cut jobs because they did not get the funding that they needed. Can you talk me through the “more and better jobs” for Belconnen Arts Centre of zero dollars?

Ms Cheyne: What page are you on, sorry, Ms Clay?

MS CLAY: Page 63 was the one I was looking on.

Ms Fulton: I might have to take that on notice. That would have been in relation to the remaining works for the stage 2 development at Belconnen. There was some reprofiling of those funds to address remaining works and defects.

Ms Cheyne: Yes, that is right. Sorry, I do have that.

MS CLAY: Okay. So is that capital funding?

Ms Fulton: That was capital, yes.

MS CLAY: It is the “more and better jobs” that is giving me the question.

Ms Cheyne: “More and better jobs” was a kind of catch-all that was used for previous budget papers, and it probably would have been associated, Ms Clay—I think the thinking was the jobs that were associated with the construction of the centre. But that \$562,000 is for remaining minor works and the rectification of project defects.

I would note that Belconnen Arts Centre has the most program funding of any of our organisations in the ACT.

MS CLAY: I suppose the concern is—and I will state the concern and then ask the question—that we have a reasonably good budget for buildings and art facilities. I understand that we need facilities, but I think a lot of us consider those to be more capital city infrastructure rather than arts funding. I am concerned that we have this

long-term tendency of building large facilities but not having enough money to run the arts and programs across the board—and I am looking at Gorman House with this legacy of maintenance and Belconnen Arts, the Kingston Arts Precinct and the Canberra Theatre. We do this a lot.

When you are sitting down and working out your long-term strategy for the next 20 years of arts funding, how do you know that you will have enough funding for the programs and artworks to enliven these assets?

Ms Cheyne: There was an extensive application process last year for our organisation funding, which you will recall, where we were able to increase the pool available in that by 10 per cent, which was significant. Most organisations, as you have seen, received an increase—some well above 10 per cent—to their operation. So we asked them to respond within that overall envelope. So we take advice and artsACT assesses that and we go from there.

MS CLAY: Thank you.

MR PETTERSSON: I was hoping that the committee could get an update on the work that Belco Arts is doing in Gungahlin?

Ms Cheyne: Yes, certainly. The Belconnen Arts Centre has an outreach program in Gungahlin, as you have seen. That has been, I think, very well received, particularly with the Celebrate Gungahlin Festival, which I understand you have attended several times, Mr Pettersson. I might ask Ms Fulton if she might be able to flesh out some of the further work, or we could it take on notice.

Ms Fulton: I would probably have to take that on notice in terms of getting an update and what activity is actually occurring this year for Gungahlin. I do not have that at hand.

MR PETTERSSON: Sure. Thank you.

MR CAIN: Minister, in *Budget outlook 2023-24*, page 126, there is an allocation of \$430,000 to support the multicultural community. The note indicates that that is for increased refugee, asylum seeker and humanitarian funding and also to assist the Red Cross. How was that amount calculated, and why is there no allocation for those causes in the forward years?

Ms Cheyne: Thank you, Mr Cain. The split of that funding is a \$180,000 increase to the refugee, asylum seeker and humanitarian funding to support asylum seekers with an ACT Services access card and their families with essential living costs. Year on year, that funding has traditionally been \$15,000. We have been providing a further supplement of \$180,000 to that.

I will answer your final question in a moment. We are also providing additional funding of \$250,000 for the Red Cross for the Family Settlement Assistance Grants Program for individuals and families who are arriving in Canberra after fleeing global crisis. This is \$5,000 that is provided as a grant to these families to secure long-term housing, facilitate education and enhance social and economic participation.

Both of these measures—the supplement as well as the \$250,000—were intended to be short-term measures, following the fall of Kabul. But we have noted that the need is not reducing, and that this very much sits within the housing space. This takes us for another 12 months while we use this time to work with our community partners and the Coordinator-General for Housing about a longer-term solution.

MR CAIN: Thank you, Chair.

THE CHAIR: Excellent. We are done for the first hour today. I do not know if anything was actually taken on notice.

Ms Cheyne: There was—the fees from 2018.

THE CHAIR: If you have taken anything on notice, could you please provide answers to the committee secretary within five working days of the receipt of the uncorrected proof transcript. That would be welcome. Thank you.

Short suspension.

Appearances:

Cheyne, Ms Tara, Assistant Minister for Economic Development, Minister for the Arts, Minister for Business and Better Regulation, Minister for Human Rights and Minister for Multicultural Affairs

Chief Minister, Treasury and Economic Development Directorate

Arthy, Ms Kareena Deputy Director General, Economic Development

Pryce, Mr David, Deputy Director-General, Access Canberra; Registrar-General; Acting Commissioner for Fair Trading

McKinnon, Ms Margaret, Chief Operating Officer, Access Canberra

Lhuede, Mr Nick, Executive Branch Manager, Construction, Utilities and Environment Protection Branch; Construction Occupations Registrar; Architects Registrar

Cubin, Ms Derise, Commissioner for Fair Trading and Executive Branch Manager, Licensing and Registrations Branch, Access Canberra

Springett, Ms Emily, Executive Branch Manager, Service Delivery and Engagement, Access Canberra

Rynehart, Mr Josh, Executive Branch Manager, Fair Trading and Compliance, Access Canberra

Vaile, Dr Jodie, Executive Branch Manager, Strategy and Planning, Access Canberra

Wild-River, Dr Su, Senior Director, Construction, Utilities and Environment Protection, Access Canberra; Environment Protection Authority; Delegate for Lakes; Clinical Waste Controller

Chesworth, Ms Fiona, Executive Branch Manager, Better Regulation Taskforce – Policy and Cabinet Division

THE CHAIR: In this second session for today we continue with Minister Cheyne, this time in her capacity as Minister for Business and Better Regulation, and officials. I thank them all for joining us. The proceedings are being broadcast live. The proceedings today are also being transcribed and will be published on the Assembly website. If you take a question on notice, please be emphatic about saying, “I will take that on notice.” I also remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the privilege statement. We can do this universally in the room, together. Could you confirm for the record that you understand the implications of the privilege statement and that you agree to it. Excellent. Thank you. We are not inviting opening statements, so we will now proceed to questions. Minister, I want to talk about the Canberra Business Chamber’s media release after the budget. It was not a pretty media release for government to read because they suggested that the budget “fell short in providing meaningful support to small businesses that need help”. They went on to say that the government overlooked all practical suggestions and largely ignored the 14 recommendations in their pre-budget submission. It was quite a damning release, Minister. Why did you overlook these suggestions from the Business Chamber?

Ms Cheyne: Thank you, Mr Parton. I found the media release bemusing. By the Canberra Business Chamber’s own admission, their budget submission had numerous suggestions and recommendations, which were certainly welcome. They noted, as did

we, that they did not have financial or budgetary implications. It would stand, then, that some of their suggestions—indeed, most of them, as they pointed out—would not be reflected in the budget but are being undertaken in other ways. Mr Parton, we have gone through their submission in detail. If it would please you or the committee, I am happy to talk about each of their suggestions and how the government is responding to them.

THE CHAIR: I do not want this question to take up a massive chunk of time. If it is possible for you to work through some of the prime recommendations, I think that would be helpful.

Ms Cheyne: Sure. How about I try and do it as quickly as possible?

THE CHAIR: Yes.

Ms Cheyne: The first one was about investing in critical infrastructure and providing business cases for these projects by the end of the calendar year, with a commitment to shovels in the ground. As you know, we had \$2.2 million allocated in the midyear review to fund feasibility work on the indoor entertainment pavilion, the Convention Centre and a new or significantly enhanced stadium. That work is underway. We have now released the entertainment, arts and sports infrastructure plan update, which has mapped those infrastructure priorities.

They suggested establishing a national innovation and technology precinct. As you know, we have approved the UNSW Canberra city campus master plan for a new \$1 billion campus to be built on Constitution Avenue. It will become a hub of innovation, with a defence and security innovation precinct.

There was a suggestion to fund the development of a business wellbeing index. We will be doing, as I have stated in this forum before, a business sentiment survey. Funnily enough, that will be developed in collaboration with the Business Chamber, as they are aware, because they submitted a proposal on that to us and we are working through that with them. We are also funding a research partnership with the ANU to better understand the drivers of wellbeing outcomes more broadly.

They called for a clear, long-term plan for a return to a balanced ACT budget. I think that speaks for itself, in that there is a surplus in the forward years for our budget.

In addressing skills and workforce shortages, we are currently negotiating the national skills agreement. That comes off the back of record investments in JobTrainer and fee-free TAFE.

The chamber called for us to address the lack of housing affordability in Canberra that limits staff attraction and retention. Indeed, Mr Parton, delivering more affordable homes and housing options is a major focus of our budget, and you are aware of the \$345 million investment in the budget.

There was a call to develop a long-term workforce plan and skills strategy for the ACT. We are developing industry action plans for priority industries to address workforce and skills gaps. We have heard from leading business and industry groups

that their priorities are to address housing skills and the promotion of Canberra. Just in last week's newsletter that we released to business, we released a Canberra toolkit, helping them to attract more people to Canberra, to the jobs in Canberra.

On reducing regulatory burden to make it easier to start, run and grow a business, we have expanded the delivery of our Better Regulation Agenda. We have a comprehensive program of industry engagement coming up to inform the night-time economy review for developing that business sentiment survey. We have done some business mapping and are beginning to measure regulatory burden in additional sectors. We are developing a model for government to business secondment. In addition to that, we will have a small business strategy that will be released imminently.

"Develop a new model for engagement with business, industry groups and SMEs" was another one. We have recently formed the Business and Economic Development Inter-Directory Committee, as well as a consultative forum. The chamber is represented on that consultative forum.

"Build a better understanding of the business community" is another suggestion. Again, we are finalising that small business strategy, and it will speak to the government's commitment to a better understanding of business. The strategy is built on the many consultations and engagements that we have had. Of course, the Better Regulation Agenda contains the recommendations of business and industry that the task force is currently working through.

THE CHAIR: Ms Cheyne, I am going to pull you up there because I know there is some interest from other members of the committee on this line—

Ms Cheyne: I only had four to go.

MS CASTLEY: I do have some supplementaries. I appreciate you going through each of those, Minister. I know there are a couple to go. I am sure you have an answer for those as well. It is the fourth budget in a row where the Business Chamber have criticised your business budget. I am just wondering why you continue to ignore the peak bodies, especially the more practical solutions that they are coming up with. Do you agree that their assessment is the case?

Ms Cheyne: Ms Castley, what in anything I just said gave you the impression that the Business Chamber or any peak body is being ignored?

MS CASTLEY: It is the fourth time in a row that the chamber have criticised your budget. What is your response to that?

Ms Cheyne: I have just responded to that.

MS CASTLEY: Thanks.

MR COCKS: Just on the same line, you have just run through a fairly lengthy list against the Business Chamber's proposals. As I was listening to that, it seemed to me that many of the things you have suggested do not precisely align with what the

chamber has actually asked for and the concerns that underpin the chamber's proposals. Do you think that perhaps there is a disconnect? You said you were bemused by that press release. Is there a disconnect between what you think is needed and what business thinks is needed?

Ms Cheyne: I would not say that, Mr Cocks, at all. I would say that we have a very good relationship with the Canberra Business Chamber, with the AHA, with Canberra Women in Business. The consultative forum, while it is in its infancy, has been working very well, particularly as we have been co-designing the small business strategy. I would expect that, when that small business strategy is released, it will reflect what we have underway in partnership with our peak bodies. Regarding some of the suggestions that they have called for, it may not be exactly how they have suggested it, but it certainly draws on those principles that we have heard.

MR COCKS: Okay.

THE CHAIR: Can I just say, Minister, that, irrespective of your assessment of the government's ability to respond to the recommendations, very clearly, on the basis of the Canberra Business Chamber media release, the business community see it completely differently. Perhaps it does indicate a disconnect between government and business, in that the Business Chamber do not seem to have the confidence that what you have announced will be delivered or that it is what they asked for.

Ms Cheyne: I cannot speak for the Business Chamber, Mr Parton.

THE CHAIR: Well, they have spoken very clearly.

MS CASTLEY: But you can respond to them.

Ms Cheyne: I would say, Mr Parton, that it may not be packaged within the budget exactly how they were looking to see it. Perhaps that is something, in feedback, that we can take on board regarding how it is represented in the future in our budget papers. In capturing everything that we are doing—

THE CHAIR: In that same release, Minister, they said:

Many businesses are currently facing pressing challenges such as soaring costs, waning consumer confidence, workforce shortages and persistent supply chain pressures.

The release seems to suggest that all of this has been missed completely by government. You are bemused by their release. As far as you are concerned, it is business as usual.

Ms Cheyne: That is not what I have said at all, Mr Parton. It is not business as usual. These are difficult times for businesses. Recovery has been lumpy for some industries. We have workforce challenges, like everywhere in Australia. We note that interest rates have had an impact, as have supply chain issues due to the war in Ukraine and other issues. We have been listening to business. That is reflected in other priorities of government. We will consider how we are reflecting that in future budgets so that it is

easier for the Business Chamber and others to understand the full scope of work that we have underway to support the business community.

THE CHAIR: Thank you, Minister.

MS CLAY: Minister, I would like to have a chat about public liability insurance. I understand that it is not government's responsibility, but it has a pretty big impact on many of our businesses and community groups. We always hear from community groups that they are having troubling meeting PL when they want to hire public unleased land. I have seen an uptick in that complaint that community groups are finding it hard to find PL, therefore they cannot hire unleased land. Have you encountered that same problem?

Ms Cheyne: I have not had that feedback from community groups, Ms Clay. I will ask Ms Cubin.

MS CLAY: It is whether community groups are having more trouble than usual accessing public liability insurance that would allow them to—

Ms Cubin: Ms Clay, thank you for your question. We have not had that feedback either from community groups. However, we are happy to give broader consideration to that, if it comes to us. From our perspective, we are providing public unleased land permits mostly to businesses. From our perspective, they do not seem to have a problem at this point with acquiring the indemnity insurance.

MS CLAY: Has government, in the last couple of years, asked community groups whether they are having trouble finding public liability insurance and whether that is a barrier to them staging community events and providing services?

Ms Cubin: That is a question that I am unable to answer. I do not know if any of my other colleagues can provide a response to that.

MS CLAY: Alternatively, maybe take on notice whether, in the last couple of years, there has been any information-gathering exercise the government has run to ask.

Ms Cheyne: I am not sure that we are the right area. That is probably with Minister Steel, the public unleased land.

MS CLAY: Okay. The other PL question that I have is that quite of a lot of bars and entertainment venues are really struggling. There are a lot of factors that are making that particular line of work difficult at the moment. Public liability is one of them. Boardwalk in Belconnen recently fell over due to public liability. Have you heard problems from the bars and nightlife section about public liability?

Ms Cheyne: Yes, Ms Clay, we have. I certainly am very sorry to see Boardwalk shut. I was there on their opening night and I was there on their very last day as well, which was very sad. I give a shout-out to Peter and Celia, who really did provide a great contribution to the Belconnen community and nightlife.

We do have the business strategy that is soon to be released. This is not an ACT-only

issue; it is something that all jurisdictions are facing. I raised this in the small business ministers' meeting with Minister Collins, and we do have an action within our own strategy. With the commonwealth and other jurisdictions, we will be exploring the challenges facing business of access to affordable and appropriate insurance.

It is not easy. There is not a clear solution. If there was, I think governments everywhere would have done something about this. It is a challenge that we all recognise and have certainly discussed and shared, as ministers across Australia. It is an action for us to work through in this coming financial year.

MS CLAY: I am reassured to hear that it is in the upcoming strategy and slightly nervous to hear that it will be nationally coordinated. That always takes a really long time.

Ms Cheyne: I did not say it would be nationally coordinated. I said that I had raised it with the minister, who effectively took it on notice to come back to us at a future time, because this is such a far-reaching issue that touches all levels.

MS CLAY: And when will we see that small business strategy?

Ms Cheyne: Imminently.

MS CLAY: Great. That is excellent. The increase in PL that a lot of businesses in general, but these smaller venues in particular, are facing does not look as if it is claims based or risk based, based on the industry. It looks, from the outside, as if it is based on claims happening elsewhere, in other businesses. Have you done that analysis?

Ms Arthy: We have not done that specific analysis. We have been working with the Australian Hotels Association, who brought the matter to our attention. We do not have access to that sort of data to be able to get to that level of analysis. The minister, as she mentioned, has raised it with small business ministers and the commonwealth. I understand the commonwealth has been talking to the peak body, the Insurance Council. We have also been encouraging the Australian Hotels Association to talk directly to the Insurance Council so that they can better understand what the drivers are for the public liability insurance increases in the industry and how they can mitigate the risks.

The other element of this that we do not have—and this would need to come from the Insurance Council—is advice about what hotels and bars could actually do to mitigate the risks that the insurance industry perceive there to be. We have asked the Hotels Association to take it up through their channels and have those discussions. I believe that at the national level those discussions are also happening.

MS CLAY: Will those sorts of practical suggestions be covered in the small business strategy that we are likely to see shortly?

Ms Arthy: As the minister said, this is not something the ACT can solve. This is a national problem. We do not have that information at the moment. In the small business strategy we are talking about how we work with the industry to get to

answers as quickly as we can, but a lot of the levers for this we do not hold.

MS CLAY: Okay. Thank you.

MR PETTERSSON: I note your very recent announcement about bookable appointments with Access Canberra. I am wondering if you can tell the committee what the purpose of bookable appointments is.

Ms Cheyne: Yes. Thank you, Mr Pettersson. In October last year bookable appointments were introduced at the Dickson service centre. This was the first time that we had undertaken this model at our Access Canberra service centres. As you know, it is usually “arrive and wait”. I also acknowledge that wait times are very low at the moment. They are under 10 minutes.

What has this been about? It is about helping people with a time that best suits them, and especially that suits people who might need some additional support or where there might be some additional complexity in their request. Feedback from the team has been that this has been the case, in terms of people who have been taking up these bookable appointments. We have had 18 appointments a day, which has translated to 90 a week at Dickson. It was really a trial, but the model has proved extraordinarily successful, with almost all appointments entirely filled each week. Booking for some of these more complex transactions has also assisted with wait times across all centres. There is an online step-by-step guide on how to book, and you get a reminder by email or SMS 24 hours beforehand.

As you rightly pointed out, today we have expanded this to our service centres, with 21 appointments each day at Belconnen, Gungahlin, Tuggeranong and Woden. Dickson will increase from 18 to 42 bookable appointments. Dickson will remain appointment-only to assist customers with some particular needs. That is due to Dickson’s layout and location. We are also considering how Dickson could be enhanced with some additional accessibility. The benefits that we have seen for customers and for Access Canberra are that there are guaranteed service times, better customer flow management, reduced waiting times and improved customer satisfaction. It also helps Access Canberra to better understand and target some specific areas where there might be some more complexity. I will see if Ms Springett has anything further to add.

Ms Springett: Thank you, Minister. I am pleased to advise that in the 30 minutes that we opened up bookings across all our service centres, we had 18 filled. We have already fulfilled several, including at Woden service centre. The demand is there from the community. It provides an additional way that the community can interact with us and gives them back time. By knowing what time they can attend a service centre, they will be prioritised and get the additional support they need.

As the minister said, it has been pleasing to see that many who are taking up bookable appointments are those in the community that require some extra assistance. We are seeing some older Canberrans, we are seeing those that might have English as a second language and we are seeing transactions such as deceased estates. It is about being able to provide that additional support at a time that best suits customers.

As the minister also noted, our wait times have significantly stabilised. In the last financial year we were down to seven minutes, on average, across our service centres. Indeed, right now across our service centres the longest wait time is about 10 minutes. So it is another way that we can support customers through a different service model.

MR PETTERSSON: Those wait times are very impressive. How do they compare to pre-COVID times?

Ms Cheyne: A great question, Mr Pettersson. As Ms Springett noted—and she can flesh this out further—both the service centre and contact centre have stabilised. At the contact centre I think the wait time last month was one minute, 50 seconds. We have been looking to provide some further support to customers who call, to improve their experience, including more information on the busiest times to call the contact centre so that they can make an informed decision about calling when there might be shorter wait times.

In COVID times we saw some significant increases to some of our wait times, but that encouraged some further innovation, including in our service centres, such as having mobile queueing. In practice, people would scan the QR code and that would effectively give them a place in the line. They were able to go and sit in the sun or do their shopping, and then they would get an alert when the time was coming to go back to the service centre. We are very pleased with how much the wait times have stabilised at this stage, and we have seen some very good feedback over the last month in particular.

MR PETTERSSON: Wonderful. Thank you.

MR COCKS: I am interested in the reduction in wait times and whether any of that is attributable to pushing more services to being online predominantly or online only.

Ms Springett: It is difficult to determine exactly what the drivers may be. What I can say is that, across our service centres last year, we serviced close to 290,000 customers. We undertook over 400,000 transactions. So there is still strong demand across our service centres. We also saw a significant reduction in wait times, as touched on. Part of that is driven by innovation in how we are supporting the community, including when they arrive, to streamline their service time. That includes additional concierges, which have been funded through the previous budget. When a customer arrives they really support their journey through a service centre. They understand why the customer is there, do they have all the documentation required, are there any particular needs, do we need translation services—anything else to make the journey as streamlined as possible.

We are still seeing strong demand for digital services and of course continue to look at improvements on that avenue. But, regardless of what service channel you choose in Access Canberra, be it phone, service centre or digital, we are looking to make the experience as seamless as possible and to provide the community with options based on their needs and preference.

MR COCKS: On the issue of having an Access Canberra office that is by appointment only, I have heard concerns from different constituents about that model.

Can you rule out expanding appointment-only to other offices? Are people still going to be able to turn up to an Access Canberra shopfront?

Ms Cheyne: Yes, certainly, Mr Cocks. Belconnen, Gungahlin, Woden and Tuggeranong still support a model of being able to turn up when it suits you. We just have been able to expand the bookable appointment model to them as well.

Mr Pryce: Do you want me to add to that?

Ms Cheyne: Sure.

Mr Pryce: Mr Cocks, let me reassure you: we are definitely not moving to a bookable appointment system across all our service centres. It is just with Dickson, given the particular layout, its location and its accessibility. It is a smaller service centre. It provides a better environment for some of the special needs, like lower autistic. It is a more controlled environment where we can provide a better location for some of our transactions. That is why it suits bookable appointments as the model. It also services some other elements of Access Canberra, like land titles. Again, bookable appointments work very well in the domain.

All our other service centres, as the minister said, will remain where people can just walk up and get the support they need. One of our philosophies is “Access for all”—trying to provide those channels that suit whatever the individual’s particular needs are. Bookable appointments support those who have special needs or some other request. Giving us that information pre-attendance provides a couple of things. It enables us to create the environment to best suit them—that is, to have interpreters or other support people around them, or to have a low auditory environment when they arrive. We trialled quiet hours during COVID, as an example. It also means that we can have the right people with the right information when they attend so that the transaction is facilitated.

In our service centres I see that we will always have a walk-in option, where people can just walk in and get some assistance. We will always provide our digital and telephone services so that people can do their transactions anywhere, at any time, basically, with that support. There are some transactions that will always require attendance at a service centre. For example, if there is a proof of identity element, they may need to come in. So we are definitely not moving away from that model.

THE CHAIR: Thank you, Mr Pryce. Mr Cocks, if you have further questions on that, I am happy to break and return to you in 13 minutes time.

MR COCKS: That would be great; thank you.

THE CHAIR: We are going to break here. Thanks, Minister and officials. We will return in 13 minutes or so.

Hearing suspended from 10.32 to 10.46 am.

THE CHAIR: Welcome back to the public hearings of estimates 2023-24. In this session we will continue with Minister Cheyne, as Minister for Business and Better

Regulation, and resume questions. As agreed prior to the break, what we are going to do is continue with Mr Cocks, who was pursuing a line of supplementary questioning on Access Canberra outcomes.

MR COCKS: Thank you. Mr Pryce, you were talking about the Dickson office and you touched on its role in land titles. I have heard from some constituents that they have turned up to that office not being aware that it was by appointment only, having filled out a form online, printed it and brought it in. Can you tell me: what is the handling strategy for someone who turns up to that office without an appointment?

Mr Pryce: I will say a few words and then throw to Ms Springett. Basically, we do not turn people away. We always try to assist any customer, however they first interact with us. The feedback that I have is that when people turn up, whether it is for land titles or other things, our staff have assisted them, as well helped to educate them about the other channels so that next time they find an easier way of doing it. I might let Ms Springett speak in more detail.

Ms Springett: That is correct. We do not turn people away, where we can facilitate the transaction at that point in time. If they arrive and they do not have the necessary paperwork we might support them in facilitating a booking at a later time or to attend another service centre. I am often at our service centres and see this regularly, where people arrive and, where we can, we definitely support them with their transaction.

MR COCKS: Given that there is signage there that says, “By appointment only,” and I believe there is a security guard at the door, usually, is there any way that we can more proactively make sure that people have the information they need about that, rather than ending up at that office? You will support them, which I think is great. However, it is not a comfortable situation to show up somewhere where the signage is not making you welcome.

Ms Springett: We are always happy to look at areas where we can improve our communication. What I must say, though, is that it is only a very small number of people that we are talking about here who turn up without an appointment. It has been like this for some time now, and we did extensive media at the time. Our website is very clear about Dickson being an appointment-only model. We are talking very small numbers that turn up on a daily basis. I am talking fewer than five. Where we can facilitate, we do. We can continue to look at communication, but it is not a widespread issue that we need to address at this point.

MR COCKS: I have received, I am very happy to say, some really positive feedback about many of the staff at Access Canberra. It indicates that Access Canberra staff are working really hard to deliver those face-to-face services. I want to put on record my gratitude for that. I have no doubt that it can be thankless at times. At the same time, I hear that staff can be let down by other parts of the system, and I would like to dig into that a bit.

Figure 4 on page 12 of budget statements B suggests that it shows the ease of dealing with Access Canberra. The notes to the table indicate that the data is collected from an annual survey of businesses that have had dealings with Access Canberra, but it does not seem to state what it is actually measuring. What is the survey question that that

chart relates to and what does the proportion show? Is it showing the proportion of respondents that rate the ease of interacting better than abysmal? Is it okay for an ACT government entity? Or is it the proportion rating—for example, the best they have ever experienced? What is it that that chart actually shows?

Ms Cheyne: Thank you, Mr Cocks. I will hand over to Ms McKinnon in the first instance. You rightly noted that Access Canberra is both a customer-facing agency and a regulator, so you could anticipate that sometimes there might be outcomes with Access Canberra that people are not particularly pleased with. The ease of working with and dealing with Access Canberra, rather than the volume of transactions or things like that, makes a lot more sense. We have gone through a major review of our accountability indicators in this past year, largely reflecting that Access Canberra was formed in 2014 but there has not been a refresh of those indicators in that time. Ms McKinnon will be able to talk you through what some of that thinking has been and also the survey and the richness of that data.

MR COCKS: Thank you.

Ms McKinnon: Thank you, Minister. As the minister said, Access Canberra was formed in 2014-15 from a number of government agencies and the accountability indicators have not been reviewed or changed since that time. We undertook an exercise last year to review our accountability indicators and how transparent they were. Of course, the data sources we have to support accountability indicators have also matured in those eight years or so.

In terms of your original question about what is now discontinued—the percentage of customers satisfied with Access Canberra—it was determined by customers responding to an annual customer survey that they were either very satisfied or satisfied. Between 550 and 600 clients were surveyed. It sounds a bit counterintuitive, but we have discontinued that accountability indicator about customers being satisfied with Access Canberra, as we were not gaining significant insights. There is a high correlation between satisfaction and ease of interaction.

We are also discontinuing the percentage of Canberra community satisfied with the ease of interaction with Access Canberra. What we have replaced it with is a new indicator: percentage of the community who find it easy to interact with Access Canberra person to person. We will measure with separate surveys individual and business responses, so we will be able to report against that. We also have a new indicator. We had indicators about digital services, and that was 90 per cent. There is an incremental gain there and it was not actually telling us how they found it; it was just a blunt number on the number of services. We have now got a new indicator, which is the percentage of the community who find it easy to interact with Access Canberra online. Again, we will measure individuals and business separately and report against that separately.

MR COCKS: Thank you. I am very glad you have gone to the new indicators, because that is where I wanted to go next. Each of those indicators that you have mentioned seems to have a lower target than the outgoing indicator. Firstly, why is it that the target has reduced, along with the change of indicator? It sort of looks like giving up on doing better.

Ms McKinnon: Thank you for the question. With the new indicator about finding it easy to interact with Access Canberra person to person, our target in 2023-24 is 90 per cent, which is still a significantly high target—noting that we are going to measure satisfied and very satisfied. We have set that with business clients as well: 90 per cent. In terms of easy to interact online, the targets are 85 per cent. I could ask Dr Vaile to talk about that. Partly, the rationale is that people remember a face-to-face service or a contact centre service with a person and have a different view of the quality of that and the ease of interaction than simply going online and filling in a form and clicking the button. We still think they are quite robust targets. While they have, in some cases, reduced from the original targets, they will still be a stretch for us to meet.

MR COCKS: When you look at that table it looks like, over time, performance has been pretty stubbornly static. There has been some movement, but the target was increased in 2017-18; is that right? This looks like moving back somewhat. Given the real benefits that can come from customer-focused digitisation, why is the target for online ease of access so much lower than the current indicator?

Ms McKinnon: The current indicator, I understand, is the services that are available online. It is a blunt measure. It is saying, of all the forms, how many people interact fundamentally with the Access Canberra website.

Ms Cheyne: That is right. It is not the ease of interacting online; it is the volume of transactions that we have available online. They are not like-for-like indicators.

MR COCKS: Okay, so that table does not apply to online services at all?

Ms McKinnon: There will be a new indicator, which is the ease of interacting with Access Canberra online, separated by both business and individuals. That replaces how many services are online. As Mr Pryce said, there are some services that cannot be online because of proof of identity issues, so we had reached the natural limits, in some sense, of that indicator.

MR COCKS: That is all right. It sounds like what you are saying is that figure 4, which I referred to originally, does not apply to online services at all; is that correct?

Ms Cheyne: Which figure, sorry, Mr Cocks?

MR COCKS: Figure 4 on page 12.

Ms McKinnon: I am just trying to find it.

MR COCKS: That is the figure that I was referring to originally.

Mr Pryce: My understanding, Mr Cocks, is that it was an accumulation of both online and in person. We are trying to get better granularity through the new indicators.

MR COCKS: Yes, and that is great.

Mr Pryce: With the other changes, as you pointed out, we have not met the target, so

we were trying to provide a more realistic target that we could achieve, although we always aspire to exceed it, of course.

MR COCKS: Yes, and I am all in favour of stretch targets, so that is good to hear. Have you undertaken any research or investigation into how to improve ease of interactions and what needs to change for Access Canberra to reach those stretch targets?

Ms McKinnon: We do a partner survey and there is some detailed analysis in that survey. It asks people, “What would lift your experience?” I am paraphrasing. The issues that would lift people’s experience is the wait times, which, as we have indicated, are fairly good, and knowledgeable staff. They are the two that really make a difference to people rather than hours of availability or anything else.

MR COCKS: Is that something that is showing current deficiencies or is it just that that is what drives stronger responses?

Ms McKinnon: That is what drives stronger responses. We have had a fair number of new staff in both the contact centre and the service centre over the past year. If you think about the breadth of possible questions they can get in either of those forums, it takes us about three months to train the staff up to be confident in answering calls or serving clients by themselves.

Mr Pryce: As one example, Mr Cocks, one of the key bits of feedback is around our online services, being better able to navigate through that information, as well as to understand the information on what is required. That is why we are hoping to launch our new website very soon, in coming months, which will go specifically to that feedback and help to address those online interactions.

Ms Springett: Can I add that our latest customer satisfaction survey is on our website, the 2023 Micromex survey, and we have seen improvement in both ease of dealings and satisfaction. As noted, the key driver across all channels is that the transaction can be done in one visit. A lot of our area of focus is on ensuring that it is seamless. You come in, or it does not matter if you are on the phone; you get what you need. If you come into a service centre, you get what you need. If you are looking online, you can do the transaction that you are after.

In service centres, wait times is a big one. On our contact centre, it is knowledgeability, as noted. We are spending a lot of time looking at staffing, upskilling, our internal knowledge bases and improvement to the website. When you are looking at digital services, the key driver is information—easy to find, as Mr Pryce said. There is a lot of work and analysis on the way to see how we can continue to improve our services for the community.

MR COCKS: Can I ask about something that came up in your response, Mr Pryce? With the work on the website, does that include making sure that the website no longer has out-of-date information and forms? That has been a significant concern that I have heard.

Mr Pryce: The answer is yes.

THE CHAIR: I know Ms Castley has something she wants to add, but I was also concerned with the dropping of some of these targets that Mr Pryce has clearly indicated—and it is abundantly clear from the data that you were not reaching them. Minister, you have a number of skills that you bring to the role, and one of them is creating a believable narrative that suggests that you are succeeding, even if you are failing.

Given that officials have indicated that, with these original indicators, we stubbornly were not achieving targets, and now we have just removed them, it is really difficult to get away from the fact that we have just reduced targets; if we cannot meet them, we will just go with mediocrity if we cannot achieve excellence.

Ms Cheyne: Mr Parton, you might refrain from personal reflections, unless you would like me to offer someone new. I would note that Ms McKinnon has expressed in some detail the rationale behind some of these changes, particularly the online one, as I noted. This is not “it looks like” because it says “online” in it. It is not like for like, because this was about volume of information.

Yes, we have been at 90 per cent information online. Being able to move more information online when we are already at such a high amount is difficult. I would not describe any of the targets that we have as mediocre or involving mediocrity. If 85 per cent—certainly, in most universities that is a high distinction—is a low target or a mediocre target, I find that very surprising, Mr Parton.

Again, I would underline Ms Springett’s comments and the feedback that we have already had this year in that satisfaction survey. We are building on a previous year of results. They have improved, and the ease of dealing with Access Canberra is what we are looking for here. It is not about crafting a particular narrative. It is our commitment as a government to make it easier, simpler and better for the public and for business to deal with Access Canberra.

The fact that we have very high results across all of those indicators—including digital services, which is at 90 per cent, with information being clearly presented, and we are reflecting on the feedback as we look to update our website—does not mean we are shying away from that, and I am not crafting a narrative. I really reject that personal attack on me.

THE CHAIR: Thank you, Minister. Ms Castley?

MS CASTLEY: Minister, last year at annual reports we chatted about the survey, and you said that the results were taken from a one-month-only period. Is that ongoing with all of the surveys that we do—from one month of data?

Ms McKinnon: I will ask Dr Vaile to answer regarding the methodology proposed for the new accountability case. As I said, we will be surveying business separately to individuals.

Dr Vaile: The original methodology for the survey was actually a mixed methodology, so it brought together two separate surveys, one of which was on business clients,

which was conducted in a different manner and across a much broader period of time, whereas the customer satisfaction survey on individuals was conducted at a point in time across a month-long period.

We will be standardising that methodology to ensure that we are getting a point in time—a month-long—focus. We are asking people about their most recent experience with Access Canberra, so it does not necessarily mean that it will be, “Did you interact with Access Canberra yesterday?” It will be across a period of time, and people have been very forthcoming in the answers to that.

MS CASTLEY: The previous survey, when it was talking about business specifically, was over a period of time longer than a month, and now we are reducing that to a month?

Dr Vaile: Yes. It would still be interactions within the last month, but it was on a regular basis that we were actually calling businesses and having an in-person interview with them in regard to their experience.

Ms McKinnon: It was also preselected, for want of a better expression. If you were a business that had an electrical inspection, you were on our list, and we would ring you and ask. This will be 600 businesses selected at random, as I understand it, and they will be asked about their last interaction as a business with Access Canberra, as opposed to, “You were one of our recent clients.”

Dr Vaile: In general, it is a much more rigorous methodology that we are moving to.

MS CASTLEY: Will you, as part of this new indicator, measure the satisfaction with the Canberra Business Advice and Support Service specifically? Will that be part of it?

Dr Vaile: I believe it is ease of interacting with Access Canberra. If that was raised, it would certainly be noted in the results, but if it was not raised directly then I do not believe that we are asking a specific question on it at this point.

MS CASTLEY: Just to confirm, is it every business that you—

Dr Vaile: No, it will now be a random selection—

MS CASTLEY: It is a random selection.

Dr Vaile: of businesses.

MS CASTLEY: As part of this, is there any measure on satisfaction with the Better Regulation Taskforce?

Dr Vaile: No, I do not believe so.

Ms Cheyne: On CBASS, Ms Castley, as you know, we have extended that for another two years. During this last financial year, CBASS provided advice and guidance to more than 260 Canberra region businesses. We have made some enhancements to

service delivery for that program, following a review of it in November last year, including referral access to consultants who offer specific advice and support, which I note was another one of the recommendations from the Business Chamber's submission.

We have also instituted improvements to reporting, as well as the implementation of a client satisfaction survey. With the tender for the new arrangements for CBASS, that service agreement was executed about two weeks ago to Lighthouse Business Innovation Centre. We will probably have a bit more that we can say in annual report hearings.

MS CASTLEY: I know you say that it is more rigorous, but I am confused by only surveying business over one month—how that is helpful. Wouldn't it be prudent to do it over a longer period of time?

Dr Vaile: The survey period is a month, but they are asked about their last interaction with Access Canberra, so that could be a month ago or three months ago—at whatever period of time their last interaction was with us.

Mr Pryce: We get feedback on every interaction, whether it is around inspectors going out or our business support teams. When people come into the service centres, Ms Castley, with the pedestals, they can provide immediate feedback as they walk out of the service centre. We have a number of sources of feedback, and we act on all of those.

MS CASTLEY: Minister, can you tell me how much revenue the ACT government received from ACT businesses for things like commercial rates, payroll tax and fines over the last year?

Ms Cheyne: That would be the ACT Revenue Office, under the Treasurer, Ms Castley.

MS CASTLEY: In the budget outlook, the payroll tax is \$740 million, approximately, and the expenditure on business is \$17 million in budget paper B, for business and innovation. The money that is returned to business on payroll tax alone is around two per cent. Do you believe that that is enough reinvestment back into business?

Ms Cheyne: I am not sure that I am following your question, Ms Castley.

MS CASTLEY: \$740 million is the—

Ms Cheyne: Can you give us some page numbers where you are drawing random figures from?

MS CASTLEY: Sure. It is the budget outlook at page 233.

Ms Cheyne: In the budget outlook?

MS CASTLEY: Yes; then budget paper B, page 24. My question is: \$740 million is the payroll tax that comes in, yet in budget paper B it says that the estimated outcome

for business and innovation is around \$17 million.

Ms Cheyne: You are talking about the funding that is provided—

MS CASTLEY: Back into business.

Ms Cheyne: to the team?

MS CASTLEY: I am wondering—

Ms Cheyne: Business and innovation is a team in the economic development directorate. Is that the figure that you are drawing from?

MS CASTLEY: Yes. There is a \$740 million bucket of money, yet \$17 million goes to that team. Is that a good ratio?

Ms Cheyne: This is a strange line of questioning, Ms Castley; I am struggling to answer it. Payroll tax goes into consolidated revenue, and there are decisions that we make every year through the budget process, including about resourcing, and including resourcing teams. I believe that the business and innovation team within the economic development directorate are well resourced for the range of undertakings that they have.

MS CASTLEY: You are happy with the financial investment, as the business minister—that you have enough money to support business in the ACT?

Ms Cheyne: That is not what you were asking. You were asking about a particular line item—

MS CASTLEY: I am going to a new tangent now, given what you have just said to me.

Ms Cheyne: Okay. Forgive me if I am struggling to follow. What is your question now?

MS CASTLEY: Do you believe, as the business minister, that you have enough money to support business in the ACT?

Ms Cheyne: Yes, I think we have enormous support that we have provided to business, and we have done that over a long period of time. Notably, the biggest investment that we provided to businesses was with the small business grants during COVID. That was a huge undertaking by government, including by the business and innovation team. We do have a number of initiatives in this budget, and we do have well-resourced teams across business and innovation, across Access Canberra and across the Better Regulation Taskforce, who interact with business, support business and respond to them.

MS CASTLEY: Yet the stats show that the ACT has the highest insolvency rate for business, and there was an article today that said we are second in the running for how our economy is going. Do you still say that you are adequately investing in business

in the ACT?

Ms Cheyne: Yes, Ms Castley. I would point you to the broader picture of investment in the ACT, including the fact that, to March 2023, we had over 34,000 businesses. We had a 3.58 per cent increase on the March 2022 figure of businesses in the ACT, the highest business growth rate in the country, and almost two per cent higher than the national business growth rate across the same period.

Our economy has grown by 20 per cent since 2016. Employment growth has been of a similar order. There are more businesses in the ACT than we have ever had before. The business exit rate in the ACT is consistent with the national exit rate—

MS CASTLEY: We have the highest insolvency rate, though.

Ms Cheyne: and there are 267,000 jobs in Canberra, which exceeds our target from the 2020 election of 250,000 jobs. We have more job vacancies in the ACT at the moment than we have unemployed people. I think that the economy is performing well, and it is great to see that we have new businesses in the ACT.

I would particularly like to give a big shout-out to the Access Canberra business support team, who have been directly helping new businesses to start up. Of course, better regulation agenda is very big and our small business strategy will do more to help businesses start, run and grow in the ACT.

MS CASTLEY: But we have the biggest insolvency rate in the country, and the Business Chamber say that you are not investing enough in business, for four budgets in a row.

Ms Cheyne: Ms Castley, we have been through this.

MS CASTLEY: Yet you are still satisfied?

Ms Cheyne: Yes.

MS CASTLEY: You put on the record that you are satisfied that you are doing enough for business?

Ms Cheyne: Yes.

MR COCKS: I want to go back to part of that original question, which was fundamentally about Access Canberra as the front face of that revenue collection—

Ms Cheyne: Sorry, which original question? Yours?

MR COCKS: Ms Castley's original question, which was fundamentally about Access Canberra. Access Canberra is the front face of the majority of Canberrans' interactions with the government and Canberra businesses' interactions with the government, and where they pay a lot of fees, fines and charges. Very clearly, we are in a very different economic circumstance than we have been in previously, with significant inflation and cost increases, nationally and locally. Has Access Canberra

seen an increase in the number of late or delinquent payments?

Ms Cheyne: From businesses?

MR COCKS: From businesses, predominantly, but I am also interested in individuals. If we can start with businesses, that would be useful.

Mr Pryce: I am not sure that I can answer that question.

Ms Cubin: I am happy to respond to some of your questions.

Ms Cheyne: It is a very broad question, Mr Cocks.

Ms Cubin: Yes, it is broad.

Ms Cheyne: It touches on multiple points. We might break it down in terms of perhaps some business fees or licence fees, and the response that we have seen—

MR COCKS: That would be wonderful.

Ms Cheyne: in paying that on time.

Ms Cubin: I can talk around occupational licences and fees. Overall, we have seen occasionally that some businesses are late with their payments, but we will work with businesses to remind them when their fees might be due. Also, there have been benefits provided through government initiatives by abolishing hawker fees and reducing outdoor dining fees by 50 per cent. That in itself has been positive towards assisting businesses more broadly.

There are a broad number of occupational licencing fees that we administer at various times of the year, depending on the licence type, so it is hard to identify one particular industry where we would say that there are issues within that particular industry.

MR COCKS: Perhaps I can take it back a step. For fines, do you monitor the frequency with which fines are paid late for businesses or individuals?

Ms Cubin: That is probably a question that I will hand to my colleague Mr Rynehart.

Mr Rynehart: Mr Cocks, there are very few fines issued to businesses by Access Canberra. I think the answer is no. I do not think I could say there is monitoring, because there are very few enforcement outcomes. They are much more commonly issued through the courts or through ACAT. We as an organisation do not generally have the power to issue a penalty ourselves.

In relation to payment of fees on time, it would be difficult to indicate whether payments are late because fees tend to attach to a licence, so it is more likely that a person or a business does not renew or apply for a licence. You cannot do it, effectively, without paying the fee, so it would be difficult for us to try to work out whether there are late payments as such. It is more about the application for the remit.

MR COCKS: The other half of the question—again, in the current economic circumstances, with higher cost of living, inflation and so forth—is about the staff at Access Canberra, and whether they are facing any more antisocial behaviour as people are under increased pressures. What services are available to staff who are impacted by negative behaviours?

Ms Cheyne: You might have seen that the ACT government as a whole currently has a campaign about occupational violence. What you are touching on is right; Access Canberra, like other frontline agencies, from time to time does face these issues. I acknowledge your praise before, and I would certainly echo that. The excellent team there can be subject to some poor behaviour from the community.

Part of the response to that is this campaign to remind people about what appropriate behaviour is and looks like. Everyone is doing their very best and is doing a job. Mr Pryce will be able to talk about the supports that are offered in the workplace more generally.

MR COCKS: If you can go to what the trends look like as well, that would be great.

Mr Pryce: Thanks, Mr Cocks, for the question. It is a really important point. Unfortunately, from time to time our staff, as the front door to government, do experience occupational violence or disrespectful behaviours from our clients. We provide a range of training and supports; de-escalation and conflict management to our staff to deal with that in the first instance. Sometimes it is still unavoidable, unfortunately, because of the services we provide.

About 18 months ago we launched an occupational violence action strategy. I am very proud of the work that we have done in supporting our people, as well as upholding the public service value of respect, and making sure that our clients, customers, understand that it is a two-way street here. We will be professional and provide them with respect, but we ask that they do the same for us.

It is across a few domains that we see it from time to time. We did see an increase especially through COVID for various reasons—just general frustrations of the community during that period. That was one of the drivers for our strategy, which, as I said before, I am very proud of because I think Access Canberra is leading the public service on this, and other directorates are looking at the work that we are doing. I will throw to Emily Springett in a moment, Mr Cocks, because she has been the executive who led our action strategy.

You went to support. We do provide strong support to our people because sometimes some of the interactions on the front line have involved very serious forms of violence and assault, but the majority is actually disrespectful behaviour. If you are a call taker and you are abused racially—slurs and other things are put to you—that accumulates, if you are hearing that constantly.

We have strong EAP—employee assistance program—supports and other peer support programs to support our people. We provide time out. We do a range of things, and we actually survey our staff on this. We have seen an increase where our staff are saying they feel well supported in this domain, noting that we cannot not provide a

service to our citizens; we must provide a service.

In some of the more extreme cases, Mr Cocks, we have actually gone to the courts and sought workplace protection orders and put in other controls around clients so that they can still interact with us, but it is in a much more controlled way. We define how they interact. Ms Springett might want to add a bit more. As I said, she has been the executive that has led this work over the last 18 months.

THE CHAIR: Has that sufficiently answered your question?

MR COCKS: The main thing I want to know is: is there an increase—that trend information? On the supports? That is great.

Ms Springett: As Mr Pryce said, we definitely saw a significant increase during COVID of about 115 per cent in terms of our OV incidents. Since we have implemented a range of measures, pleasingly, we are seeing that number coming down. What we do look at in particular, though—because as soon as you go out and start educating staff on reporting incidents, necessarily, you will see an increase, because there is greater awareness of what is an OV incident, and in reporting. We have put in many measures to make it easy for our staff to report, such as QR codes in work vehicles, and ensuring that they have the information at their fingertips to make a report.

What we particularly look at is lost time after an incident. We put a lot of effort and a lot of focus into how we support our staff and how we empower them to respond when an incident occurs. It might be as simple as feeling empowered to hang up the phone if a conversation becomes disrespectful on the other end of the line, asking customers to leave a service centre, or distracting yourself if you are an infield parking officer and you do have an interaction.

In terms of lost time incidence, we have seen a decrease. As a good example, in 2021 we had 148 incidents where there was no time lost, so an incident was reported. In 2022 we are at 128, and that number has gone down further as well. We do look at measures such as that, in addition to the number of incidents that occur.

Looking at some of my immediate areas, in the last financial year there were 31 OV incidents for our parking officers and traffic camera compliance team; we had 21 in service centres; and we also had a number across our contact centre. One incident is too many, and we work to ensure our staff know that OV is not part of the job, and empower and equip them in how to get support and how to manage an incident when it does occur.

THE CHAIR: My question is in regard to food safety licensing and regulation. New food businesses in ACT, of course, are required to submit a food business new registration application. For many of the small and micro food businesses that are emerging—and there are a few of them, as you have alluded to, across a number of sectors, and this is one of them—there seems to be a risk of individuals embarking on their first business venture who may not even be aware that there are regulatory requirements, and certainly are not across them. How do people considering starting new enterprises find out that this registration is required? Is Access Canberra

undertaking any proactive education or promotion activities to improve awareness for prospective business owners?

Ms Cheyne: Certainly, Mr Parton. The starting point I would draw your attention to is that we do have an Access Canberra event coordination and business assist team—I call them the business support team, I suppose—and they have expanded on the event coordination function that they had been traditionally providing. It helps businesses looking to start or grow to navigate approvals, licences and forms. It is designed to be that face for Access Canberra for new or existing businesses to obtain advice on appropriate approvals in a coordinated and timely way, and it works across the licensing and regulatory areas of Access Canberra.

THE CHAIR: What is the thing that sparks your people talking to them?

Ms Cheyne: Them contacting us. It is hard to know about a business that you do not know about, so there is a direct phone line as well as a direct email for businesses to link in and engage. There is also a business support inquiry form on the website, which I am happy to provide to the committee. From 1 May there has been an appointment option for businesses to engage.

THE CHAIR: Does Access Canberra actively investigate if food businesses do have appropriate registration? Is that something that goes on in terms of the enforcement space?

Ms Cheyne: Yes.

Mr Rynehart: With regard to food licensing specifically, compliance and enforcement is carried out through the Health Protection Service. However, with the more general questions, our business assist team engages with the business at the relevant point for them, so as early as we possibly can, and we will discuss with them what it is that they are proposing to set up as a business. Through that discussion, we will work with them to identify the particular approvals that are required and reach into the various elements of the service to make sure that those approvals are done.

As a quick example, the difference between a mobile food business setting up on a trailer and a fixed food business in a building is that there is the food licence, obviously, but there is also potentially registering of the trailer. There are potentially other public unleased land permits for the mobile one. The fixed one might have planning or development requirements, as well as others. Our team is designed in a way so that the business does not need to understand the complexity and the differentiation, so we get them as early as we can.

THE CHAIR: Mr Rynehart and/or the minister, to close that one off, you have talked about the bricks and mortar, and you have talked about trailers. I want to go to the third one, because there has recently been an increase in people selling processed and cooked foods online through communities like Facebook Marketplace and others. Sometimes it is difficult; where is the line, in terms of what is a food business? How are these pop-up online businesses regulated, if at all?

Mr Rynehart: That specific question may be better for the Health Protection Service,

about the enforcement element of it. At the point that a business is selling food, they do need a licence. I might need to take that detail on notice and come back, about that specific element.

THE CHAIR: If you could, that would be worthwhile. Obviously, we can deflect to Health, but surely it is an Access Canberra enforcement issue. I am trying to get a handle on—

Ms Cheyne: Health protection does the enforcement for food.

THE CHAIR: Okay.

Ms Cheyne: They work as a team; we are not passing it over to Health. Health does the enforcement.

THE CHAIR: If you have taken it on notice, Mr Rynehart, that is good. Let us keep things moving.

Ms Cheyne: Mr Parton, could I quickly add something, in terms of being helpful to businesses and trying to provide as much information as possible? We have talked about the Access Canberra website. We also have the business hub website to support businesses. We are using the information through that business support team to try and identify trends, where we are getting asked for consistent bits of information, so that we can tailor the information that we provide online, if that suits someone. We would certainly recommend touching base with that team to get that personal support and make sure that all of those boxes are checked.

MS CLAY: Minister, Canberrans get pretty shirty when private businesses take over public land. I want to have a chat about a particular incident where Access Canberra was responsible for controlled activity order enforcement.

Ms Cheyne: Ms Clay, this is a planning matter. However, we do have the relevant official here, so we will entertain it.

MS CLAY: We did check with the DLO as to whether we could ask it now and we were told that we could.

Ms Cheyne: You can.

MS CLAY: Would you like to answer it now or would you like to send it to a different section?

Ms Cheyne: I cannot because I am not the responsible minister. I think Mr Lhuede is ready to be helpful.

MS CLAY: I will ask the question. The Lyneham Community Association have an ongoing campaign because Brindabella Christian College have built a car park on public land and that car park does not have development approval. I have been out there. It is causing a lot of problems. It is actually causing such higher traffic and traffic crossover on the public footpath that local schoolchildren cannot walk to the

public school. It is causing real strife in the community.

Lyneham Community Association did the right thing. They lodged a controlled activity order. Access Canberra took five months to send a show-cause notice to Brindabella Christian College, and there is a six-month window for Access Canberra to take action under the controlled activity orders. I understand that Access Canberra ran out of time. They ran to the end of their six months before they managed to get their legal advice and results from the show-cause notice. They then had to write to the Lyneham Community Association and say that the matter was deemed to be refused under the act because they had run out of time.

I want to know what went wrong there, if Access Canberra was not able to take steps under a controlled activity order.

Mr Lhuede: Thank you for the question. For the purposes of answering this question, I am a delegate of the planning and land authority; that is what this question sits under. I will seek to answer it.

The matter of Brindabella Christian College and the car park has been long ongoing. Most people would be aware of that. I believe it was last year that there was a complaint made, which Access Canberra investigated. It was a controlled activity complaint, and it was in relation to that car park. At that point in time we made a decision, based on that complaint—we fully investigated it—and determined that it was not a controlled activity order, and we elected not to issue any direction for orders in relation to that matter.

Subsequently, that decision was appealed to ACAT, and that appeal was then withdrawn. Following on from that part of the process—I am just trying to capture the last 12 to 18 months of this matter—what was made by the applicant, the Lyneham Community Association, was a third-party application for a controlled activity order. We can issue a controlled activity order based on a complaint that comes to us, and which we investigate; we also may do one on a third-party application.

When that is provided to us, we must issue show cause. We are not constrained by a time frame at that point when it is provided to us. It was a very lengthy application. I believe it was in the order of 200 pages of information that the team had to work through. We did communicate with the applicant that it would take us time to review that matter and go through the additional paperwork before serving on the respondent, in this case Brindabella Christian College, a show-cause notice.

When we serve that show-cause notice, that is when the clock starts ticking under the Planning and Development Act. It requires them to make a response within a particular time frame and us to make a decision in a particular time frame. Part of the delay in actually providing that show cause, that right of reply, to the respondent was to gain a better understanding around the complexity of the issue and also noting that we had already made a decision prior to it on that matter.

We did serve the show cause. They responded. I am pretty sure that it is 28 days to respond. After that, we have 10 days to make the order. I will take that on notice, if you need me to follow it up.

We did receive it. It continued to be quite a complex matter. I determined to not make a decision on the application made because we were still seeking legal advice on that matter. At that point—I think it was 21 June—I deemed not to make a decision. That automatically was a refusal of that controlled activity order. That in itself was an appellable decision. We did advise the Community Association that that could be appealed. That appeal period closed last Friday. I am not aware that it has been appealed. I have not heard from ACAT. It may have at this point, and it may not have come through to us.

We are still seeking legal advice on the matter. We have sought external counsel. It is quite a complex legal matter around the issue of whether it is a controlled activity, and whether it needed development approval and land use under the Territory Plan.

MS CLAY: Is the matter still under consideration by government—

Mr Lhuede: By us—yes.

MS CLAY: Excellent. Okay. You have answered my question. Great. It is still under consideration. I hear what you are saying—that it was complicated. Also, Canberra is moving into a more complex phase in land use and planning. Does Access Canberra actually have the resources that it needs to respond to controlled activity orders under the new system?

Mr Pryce: I might answer that, Minister. We obviously brief government each year through the budget process about the resourcing requirements. At the moment, we have the resources needed to do what we need to do. We work very closely with the Environment, Planning and Sustainable Development Directorate, and, as Mr Lhuede said, we are a delegate in relation to the Planning and Land Authority. We work closely. Combined resources are applied to these types of activities. If we see an increase in demand on Access Canberra, then I speak with the minister and see whether further resourcing is provided.

MS CLAY: Did you get new FTEs as a result of the new system?

Mr Lhuede: Over probably the last three budget cycles, we have had a significant increase in the number of inspectors and investigators within our response teams. Previously, we briefed the Assembly on teams such as the Rapid Regulatory Response Team, RRRT, as well as investigators and others. It is important to note that the team investigates both planning and building related complaints. They work around the same functions. We had a bit over 900 planning related complaints last year that the team responded to, as did the building team. We have had an increase in resources, in effect, to address planning related matters.

MS CLAY: Are you able to take on notice for me the number of FTEs of inspectors and investigators in planning and building inspection over, perhaps, the last three years?

Mr Lhuede: Yes. I will take that on notice.

MS CLAY: Thank you.

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

MR PETTERSSON: Thank you. What is the role of Access Canberra in the regulation of retirement villages?

Ms Cheyne: Mr Rynehart.

Mr Rynehart: Thank you, Mr Pettersson. Regarding retirement villages, there are a number of roles that we have. Our general consumer protection function includes retirement villages. Residents of retirement villages are consumers. We also have a more specific function relating to the retirement villages themselves. As I mentioned late last week, we undertook a program with the retirement villages' operators, late last year or early this year, where we reminded them of their obligations under the legislation. We also met with residents to provide them some more general information around both their rights and responsibilities, but there was also more general information.

MR PETTERSSON: Access Canberra is a very large organisation. How many staff are there? What is the headcount of people involved in the regulation of retirement villages?

Mr Rynehart: It is unfortunately a bit of a difficult question to answer in the sense that our retirement villages activity works with our more general activity. It can be that, for our engagement team, part of our engagement function is to go out and work with retirement villages, as it is with all other business types et cetera. Our approach on regulatory compliance and enforcement is data and risk based, so, if there were a need to undertake compliance or enforcement activity, that would be work with our more general compliance team.

MR PETTERSSON: So it is not a specialised team; it is part of a general team?

Mr Rynehart: It is part of the general compliance team.

Mr Pryce: Just on that, Mr Pettersson, our model is such that we can surge based on risk and harm and prioritisation of things. Rather than it being a solo exercise, or there might be a team of just two and that is all they can deliver, our model is such that we can move resources to meet harm and risk.

MR PETTERSSON: As the regulator, what data or information do you collect or hold on retirement villages?

Mr Rynehart: Under the Land Titles Act, retirement villages are registered. We also receive complaints. In the last financial year, we received two inquiries about retirement villages. One was a request for *The retirement villages handbook*, which we updated this year. We handed it out as part of our engagement program. One complaint was outside of our jurisdiction. Largely, the information that we hold is coming down from information and complaints, and we are not getting very many.

MR PETTERSSON: It was raised in hearings last week that there is no register of retirement villages in the ACT. Is that a deliberate decision?

Mr Rynehart: I believe that retirement villages are registered under the Land Titles Act. The actual lease identifies the retirement village. There is no licensing or registration of a retirement village itself. A public register would be incorporated in any legislation where retirement villages were registered under that legislation.

MR PETTERSSON: Access Canberra conducts inspection programs of retirement villages. Do you know how many were conducted last financial year?

Mr Rynehart: My answer to that would be that we focused more on engagement last year and working with, basically, the operators and the residents rather than having a specific inspection program. I would need to come back to you on whether we—

Ms Cheyne: Mr Pettersson, I have some information, and Josh can correct me on notice if this is wrong. There was an engagement program undertaken in November last year which focused on engaging with the village operators to remind them of their obligations and to provide guidance on capital maintenance and capital replacement. In that time, 20 operators that run 39 retirement villages were engaged and educated on the legislative changes to the Retirement Villages Act. There were some questions that village operators had that were taken on notice and were able to be referred to relevant areas within Access Canberra and the ACT government. Some of those concerns related to motorists speeding and illegal parking, and the team liaised with line areas and enforcement was mobilised in the area. There were also more than 1,200 copies of *The little black book of scams* distributed to village operators, as well as copies of the Optus data breach fact sheet. As you would recall, that was around the time of that occurring.

MR PETTERSSON: Are the information sessions that you deliver simultaneous with the inspection program? Is that, in essence, the same thing?

Mr Rynehart: It would depend. It comes down to what you classify as being an inspection itself. Largely, engagement is part of our approach to regulatory outcomes. We have a model of Engage, Educate, Enforce, which has been a consistent approach for Access Canberra since formation. Engagement, in this case, was going out physically, meeting with people and talking to them. Part of an engagement program might generate some intelligence or information that we might be able to use at a future date. You could classify inspections as being part of the engagement—we are there and we are looking at things while we are there—but engagement is more about talking to people. A more formalised inspection program would be something that we can work into a forward program. We are moving more to an organised and a planned program approach to the inspections.

MR PETTERSSON: In this engagement, do you engage with all retirement villages?

Mr Rynehart: In that program, we spoke to 20 operators across 39 retirement villages. My understanding is that we did reach out to the industry in the ACT.

MR PETTERSSON: That is a 50 per cent hit rate?

Mr Rynehart: Sorry—we engaged with 20 operators who operate 39 sites in the ACT.

MR PETTERSSON: That is great. Earlier, it was mentioned that there is a range of new accountability indicators for Access Canberra. Do any of those apply to retirement villages?

Mr Rynehart: They all do in some way. The residents of retirement villages are customers of Access Canberra. One of the new accountability indicators is for the statutory officeholders to have a statement of expectation, so regulation of retirement villages would fall into that accountability indicator. It would come under the statement of expectation.

MR PETTERSSON: Is it the residents of retirement villages or is it the operators that would be captured by those accountability indicators?

Mr Rynehart: It would be both. Residents, as consumers or customers of Access Canberra, would be picked up in the customer service accountability indicators. Operators would be picked up in the regulatory accountability indicator.

MR PETTERSSON: Thank you.

MS CLAY: I think I heard you say that there is a centralised list or register of retirement villages under the Land Titles Act. Is that what I heard?

Mr Rynehart: I believe so.

MS CLAY: Excellent. Can you please confirm that for us and send through the link? It is different to what we heard earlier in the week. On community day, we heard from the ACT Retirement Villages Residents Association and they had quite a lot of engagement with Access Canberra in trying to get the centralised list, and they were told by Access Canberra that there was not one.

Mr Rynehart: I could clarify. Within the land titles register, retirement villages are a particular type of lease. I am not attempting to say there is a separate central register that we can provide. I know that, at the moment, the team are working through it, and, similar to the conversation we had on Friday, we will come back with that list. It is within the land titles register. Sorry.

MS CLAY: That is great, if there is something on notice. You have also said there are 20 operators operating 39 retirement villages that you have had contact with. Will we see a list that tells us whether that is 39 retirement villages of 39 or 80 or 100? Will we have a whole picture of how many retirement villages there are?

Mr Rynehart: Yes. As we come back, we will identify the information held by the Land Titles Office and match that up with the 20 at the 39 sites that we engaged with.

MS CLAY: Thank you.

MR COCKS: I would like to come to the Better Regulation Taskforce and

specifically the measure expanding the taskforce. Just to make sure we are on the same page to start with, if I understand correctly, the taskforce was established through the 2021 budget, with three years of funding ending in 2022-23. Please correct me if I am wrong, but that seems to have been largely redirected from the existing Regulatory Reform Team. That amount seems to have been later rephrased, with \$188,000 moving between financial years in last year's budget, with the work of the taskforce funded at a rate of nearly \$1 million per year. This year, the funding looks like it has been increased by around 30 per cent. So, with the taskforce report having been published over a year ago, what will the increase in funding under this measure be used for? And why was this not budgeted during the last budget, immediately following the release of the report and the agenda?

Ms Cheyne: Thank you, Mr Cocks. You would see that the agenda is a program of a few years of work, with some elements of that, as we have worked through what we need to complete that, now being reflected in this budget. The funding envelope this year is for four FTEs, and that continues to be reprioritised from within CMTEDD, the broader directorate, to the Better Regulation Taskforce, and that is the offset that you see in *Budget outlook*. There has also been additional funding of \$296,000 over two years for an additional official who is being provided to support projects coming forward under the commonwealth regulatory reform agenda and to support the delivery of the night-time economy review.

Also included in that budget funding envelope is funding for the procurement of specialist capabilities, including a comprehensive program of industry engagement to inform the night-time economy review, which will start next month, as well as the development of a business sentiment survey, which I have touched on a few times today, additional business mapping and measurements of regulatory burden in additional sectors, and development of a model for a government-to-business secondment program.

MR COCKS: The first thing you mentioned was specialist capabilities around industry engagement. Is that under contract already?

Ms Chesworth: Yes. We have entered into a contract for the provision of the engagement plan and delivery of that plan for the night-time economy.

MR COCKS: That is specifically related to the night-time economy?

Ms Chesworth: It is—yes.

MR COCKS: At a broader level, the report sets out a two-year work plan, and in that document it says that options for future work will be brought to the government late this year. Why, at this stage, are we extending the taskforce for a year longer than the work program?

Ms Cheyne: Because this is to complete the current agenda. That takes us through to 2025-26, and then some future or further options that we have identified will then be worked through to determine if the government wants to continue with the taskforce or if the work is otherwise embedded in other parts of ACT government.

MR COCKS: We are one year into a two-year work plan, and this pushes out to an extra year after that two-year period? That is what I am trying to understand.

Ms Cheyne: Sorry—can you say that again?

MR COCKS: We are currently one year into a two-year work program and this budget includes an additional year after that two-year work program—

THE CHAIR: Which would make it three.

MR COCKS: which, to me, would make three. What is the thinking behind adding an extra year of work? Are we behind in this?

Ms Cheyne: No. They are not behind, and I can talk you through what has been achieved.

MR COCKS: It is not clear why we are extending it now, when we have a two-year agenda and, supposedly, recommendations would be coming to government later this year.

Ms Cheyne: Late this financial year—yes.

MR COCKS: In the report, it says in late 2023, so it sounds like—

Ms Cheyne: For future work—sure. Yes. We will look at that, Mr Cocks. I will see if that needs updating.

MR COCKS: Thank you. Like many in this budget, the measure includes offsets. You have gone to where that is sourced from. Initially, it looked like the Regulatory Reform Team is where some of those offsets are. In the 2020-21 budget, the Regulatory Reform Team was where funding was sourced from. Does that team still exist?

Ms Cheyne: My understanding is that is not where that funding was from. I am not sure where you are bringing that from. That is—

MR COCKS: That was from the budget papers. I am happy to be corrected.

Ms Cheyne: Sure.

Ms Chesworth: May I answer that one? The Regulatory Reform Team was the previous iteration of the Better Regulation Taskforce, but the jobs—

Ms Cheyne: We also have a Rapid Regulatory Response Team in Access Canberra, so excuse me.

Ms Chesworth: At the time that the government announced the Jobs and Economic Recovery Plan, it specifically refocused the resources from that team to the Better Regulation Taskforce.

MR COCKS: That team became the taskforce.

Ms Chesworth: Yes.

MR COCKS: Is there an intention, then, for this team to be an ongoing entity as a taskforce? The reason I ask is that usually a taskforce is set up for a specific purpose for a specific length of time. Does this team have an end date or are we likely to see recurring iterations?

Ms Cheyne: That is a future decision for the government, as we were discussing before. The budget funding takes us to a particular point in time, and that is where there will be a future decision for government, as I said: is this work being more broadly embedded; does it better sit with other teams?

MR COCKS: Is there an evaluation plan for the taskforce's work program so that government is informed on that front, as to whether it should continue and how successful or not successful it has been?

Ms Cheyne: I think that would form part of the business sentiment survey so we could see some of the changes that we have been implementing and how they are being received by business.

MR COCKS: Sorry—it was not clear in your answer. Is there an evaluation plan or just the survey?

Ms Cheyne: The survey would give us some data, as part of broader work in government, on what the changes that the taskforce implemented achieved. That would be one measure. In terms of broader evaluation, I do not believe so, but I am happy to be corrected.

Ms Blount: As we come to the end of the funding, as government does with all initiatives, there is consideration of what it has achieved and that would then inform the future of the program or the cessation of the program.

MR COCKS: I am a long-time advocate for evidence based policy, and part of that philosophy is that you know what you are going to assess success on in advance. I am keen to know if there is something in place in that respect now or will it be just what the survey says?

Ms Blount: I think the survey will contribute to it. There is a really clear program of work that the taskforce is working on and stepping through. I can go through some of the things that we have achieved and some of the things that are outstanding—

MR COCKS: No—that is all right.

Ms Blount: That will help us evaluate.

Ms Cheyne: We are also developing options to measure regulatory burden and to benchmark that. That is a body of work that is being undertaken in partnership with the ANU. It is a pilot project. It is pretty innovative, but it would be data informed, so

it would go to what you are speaking to.

MR COCKS: That is good. I am happy to come to that in some later questions as well.

THE CHAIR: Ms Castley, I think you have a supp on this which you might squeeze in.

MS CASTLEY: It might be something we cover later with Mr Cocks, but I am concerned we will run out of time. I am wondering what ACT regulatory burdens the BRT has simplified in the last 12 months?

Ms Blount: We have some examples. I am just—

Ms Cheyne: I am sure I can talk you through some of that work program, Ms Castley. The major body of work has of course been around automatic mutual recognition and occupational mobility. We have also been working with Procurement ACT to better support businesses to be able to supply to government. We have reviewed the local industry participation policy about whether it is achieving its objective. We have begun developing options about how statutory declarations and deeds are executed. We have undertaken a review and large consultation with the community about model rules for incorporated associations, and we are on track to introduce updated model rules, including an updated guide for incorporated associations.

We are beginning to remove references to outdated payment methods from legislation. We have amended the guidelines regarding ACT refresher training courses for the responsible service of alcohol. We have undertaken a review into the employment agents licensing framework, the findings of which are now being considered by government. And we are doing a major body of work relating to the night-time economy. There is a second stream of work under stream 2 in the agenda, which is about business experience and regulated practice, which I am happy to talk about at 1 pm.

THE CHAIR: We will pull that up and, when we get back to you, Ms Castley, it is probably for a substantive rather than a continuation of that. Thanks, everyone. We will draw this session to a close. Thank you, Minister, and officials. We will be speaking to you further after the lunch break.

Hearing suspended from 12.01 pm to 1.00 pm.

THE CHAIR: Welcome back to the public hearings of estimates 2023-24. We will continue with session 3, with Minister Cheyne as Minister for Business and Better Regulation.

MS CASTLEY: Minister, light rail stage 1 was before my time. So I would just like to confirm my understanding is correct that businesses in Gungahlin—that sort of stretch—that were impacted by the construction did not get any compensation in Gungahlin.

Ms Cheyne: I do not believe so, Ms Castley, but these are not questions for me.

MS CASTLEY: No, but from a business perspective I would just like your understanding. I am hearing that stage 2 is having a massive impact foot-traffic-wise with regard to the businesses in town now. I am wondering what you are hearing. Would you agree that there has been an impact on business? Would some kind of a payment to these businesses impacted be something that you would lobby for?

Ms Cheyne: No, Ms Castley. Minister Steel, the appropriate minister, has already released a business support package or procedures for exactly this purpose, which I was consulted on, and which I believe is sufficient. I have had no representations to my office about businesses impacted by light rail.

MS CASTLEY: So there is a financial support package? Is that what you were consulted on?

Ms Cheyne: No, that is not what I said. I do not have it in front of me, Ms Castley. I am not the responsible minister. Direct your questions to Mr Steel.

MS CASTLEY: But, as you are the Minister for Business, I thought you might have a little more understanding or concern—

Ms Cheyne: I do not have it in front of me because I am not the responsible minister.

MS CASTLEY: It is good to see the priorities of business!

MR COCKS: The Better Regulation report talks about the way that, from a business perspective, regulation consists of all interactions with government. Would that include interactions around, say, the impact of a tram or, for example, in my electorate, the impact of government removing access to car parking and those sorts of things?

Ms Cheyne: No. If I may say, with your indulgence, Chair, it is the Business Partnership Policy, Ms Castley. It is available online. You can google it.

MR COCKS: So in this report, it sounds like regulation is all the interactions with government and the sum total of those—but not looking at those things that are not convenient.

MR PETTERSSON: Chair, can I just ask: how on earth is this a supplementary?

THE CHAIR: Because it is relating to—

MR PETTERSSON: Business payments?

THE CHAIR: Yes, because what it is doing is it is comparing the package that was given to businesses in the downturn created by COVID to the downturn created by construction for this major project.

Ms Cheyne: You must have the questions in front of you to draw that bow.

THE CHAIR: I do not think it is difficult to arrive at that conclusion.

Ms Cheyne: Sure; okay.

MR PETTERSSON: I am a bit concerned about supplementaries running forever.

THE CHAIR: And I share that concern, but I think that this supplementary is related to the original question fairly and squarely.

MR PETTERSSON: The last question was does the government consider the influence of parking.

MR COCKS: To be clear, the question is about whether there is a segment of interactions with business which are hived off from the idea of regulation as described in this.

Ms Cheyne: Mr Cocks, the Better Regulation agenda reflects directly what we heard from the entire cross-section of businesses across the ACT and responds to that, and that is what we have prioritised.

THE CHAIR: I am going to return to the night-time economy. One of the work plan actions on page 9 of the Better Regulation—

Ms Cheyne: Mr Parton, we can do night-time economy here, if you wish. It is within my Assistant Minister for Economic Development portfolio, which is tomorrow where we have a 45 minute session dedicated to that. So, yes, the night-time economy and that work sits with the BRT. They are here now and they will be back here tomorrow as well. I am in your hands if you want to use these questions today or if there are other things you want to cover, because we can cover it tomorrow.

THE CHAIR: I will get to the question and then we will—

Ms Cheyne: I am in your hands.

THE CHAIR: One of the workplan actions on page 9 of the Better Regulation Taskforce report is developing a night-time and entertainment economy regulatory quality framework approach. I understand that this sector was singled out because of the even greater impact that the government's pandemic response had on this sector. Minister, you have highlighted this work as a key priority for this year.

We know that the night-time and entertainment economy makes a significant contribution to our economy and the city's culture and liveability—and you and I would both agree on that. We also know that the long-standing disproportionate regulatory burden and conflicting interests continue to make it difficult for entertainment venues to survive and thrive.

It is around 15 years since this Assembly called for a range of actions to support the night-time economy. Since then we have seen a succession of announcements, strategies and plans with no real tangible improvement, according to many of the businesses that I speak with. What makes this commitment different from everything that has been said and published by the government previously?

Ms Cheyne: Thanks Mr Parton. I think one of the challenges has been that the night-time economy touches multiple areas of government. We did identify that there was an opportunity for a minister to take the lead on night-time economy policy as a whole. In the updated administrative arrangements from January this year, it is me, with the Better Regulation Taskforce.

EPSTD under Minister Gentleman is still working through the planning reforms for the entertainment precinct in the city. But the night-time economy is of course broader than the city.

As to what makes this different, I would point to the significant amount of action that we have taken so far. We are currently consulting on our vision for a night-time economy, which I released almost two months ago. It is available on the website. We have drafted principles that will guide our reform, which we are also consulting on just to make sure that we have got those right.

I will not go into them in detail but there are six that I can give you the high levels. which are: take an inclusive approach to night life beyond liquor; nurture the arts; supporting the night-time workforce; more possibilities for small business; and rethink governance. They are available on the website if you would like to have a look.

As we discussed earlier, there is a specialist capability that is being procured for a consultation. That is about to start. We are also looking within government at the moment at some of those regulatory and legislative settings that we have got that we are testing with bodies like the Liquor Advisory Board.

I take your point, but I am confident that we have a lot of action underway and action that we are looking forward to delivering in partnership with the community.

THE CHAIR: Minister, I am respectfully going back to the original point in that this place has been talking about reform and action in the night-time economy space since well before you and I came into it. So I would just ask: do you understand the frustration from those who are still remaining in that industry from that time?

You have outlined a pretty good body of work that is going on. But, when you are just 15 years later arriving at what the government vision is in that space, can you understand the frustration from those involved—that there just seems to have been a lot of talk and not much action?

Ms Cheyne: Certainly, Mr Parton. That is really front of mind for me in that, in this period, we do not just want this to be a talkfest that goes nowhere. We have been very clear to the team that this needs to result in genuine action and change that makes it better for everyone, essentially.

We have had some really good engagement with industry so far—something that people have been looking for—and I really thank them for their willingness to be involved in this body of work. We are designing this communication so that we have some particular recommendations and actions that we can take that will result in tangible change for businesses and for people's overall experience with the

night-time economy.

MR COCKS: Any regulatory changes, even well-intentioned ones, have the potential of unintended consequences and negative impacts. That is exacerbated if businesses are not directly involved in this process. What do you have in place to make sure active co-design with businesses, not just peaks but businesses themselves, happens with this sector.

Ms Cheyne: Thank you, Mr Cocks. Ms Chesworth is leading this work and she can talk you through it.

Ms Chesworth: I might just quickly run through our proposal at this stage for the comms and engagement in relation to night-time economy. That will explain the process that our specialist capabilities have recommended in this instance given the breadth of subject matter that we are trying to cover and engage on.

We have engaged Communications Link and we are just about to start the consultation process through an expression of interest for a stakeholder panel arrangement involving businesses from core and non-core sectors as well as some peaks as well—and I will go through that in a minute.

The objectives of the engagement are to test areas for regulatory reform related to liquor and noise with business and stakeholder groups, test regulatory changes to support the city centre entertainment precinct, consider impacts of proposed regulatory reforms on public safety and urban management and identify opportunities to learn from national and international best practice to support business and identify better governance arrangements that involve business.

The plan is that we will put out an expression of interest for a business and stakeholder panel that will meet at least three times to provide advice. This will comprise a membership of around 30. We will also convene two community representative workshops that will consider the regulatory impacts from the stakeholder panel but particularly in terms of safety and urban management.

MR COCKS: Thank you.

MS CLAY: Minister, I would love to have a bit of a chat about the EPA and enforcement. Last year we had a Commissioner for Sustainability and the Environment, recommendation number 10 in the Healthy Waterways report, suggesting that the EPA needed to be sufficiently empowered and resourced to undertake compliance monitoring and enforcement of all environmental conditions and activities, including around erosion and sediment control and that they needed to be able to monitor the effectiveness and compliance of water pollution. The Commissioner for Sustainability and the Environment was concerned that the EPA was not appropriately tooled up to do their job of enforcement in that area.

A new system has come into play since then. We have got the developers presenting control plans to the EPA on site regulation. Is this new system, in part, in response to that recommendation? Is this how you are implementing that?

Ms Cheyne: Dr Wild-River would love to respond to this.

Dr Wild-River: Thank you, Minister. Ms Clay, that was not a direct response to the commissioner's report. It is not in my area to understand exactly what that connection was. But I can assure you that what we have done in the EPA is to respond in a really proactive and positive way to the commissioner's *State of the lakes and waterways in the ACT* report last year, where she pointed out that there was a connection between poor waterway quality and development in some cases.

The Assembly will recall that last year the government provided additional funding for the EPA to have some new technical officers to increase our ability to do proactive work in this space. Taking account of the commissioner's reports, we focused a fair bit of that attention on this problem of the potential that developments could impact on waterways, and we undertook additional enforcement activities partly as a result of that.

To start with the enforcement changes that we made, we were able to streamline some of our systems and really focus on that. We had a new program to look at building environmental outreach and, through that program, we went out to a lot of the less regulated building activities.

When a building site is more than 0.3 of a hectare, it is required to have an erosion and sediment control plan as part of its approvals and as part of its environmental agreement that we regulate in the EPA. So we had an additional program where we also went out and did a whole lot of site inspections at businesses that were below that threshold.

To start with the enforcement actions, last year, in 2022-23, the EPA issued 51 infringement notices. That was up from 10 the previous year. Of those infringement notices, 27 were for developments of less than 0.3 of a hectare. So they were very much specifically targeting those small activities.

To come back to a previous question—that we have had not had any signal that those infringement notice amounts were unpaid or were causing particular problems for businesses to pay those—obviously, we never love seeing anybody have to suffer an infringement notice, but, when businesses have been visited and given advice and have failed to respond to that advice, it is important that they receive an infringement notice.

There were also a lot more infringement notices for things like pollution of waterways. We had six for those areas near developments needing to be kept clear and those sorts of things. If you would indulge me just a little bit more, I could tell you about the inspections that we undertook to—

MS CLAY: Thank you, I would like that. I will tell you where I am going. I would love to know how many inspections you conducted, how many infringement notices you issued, and what the actions were and, assuming those infringement notices were fines, how many fines were actually paid—so just to track through what happened with that.

Ms Cheyne: That is not generally what we would provide in annual report hearings.

MS CLAY: Is it not reasonable for me to ask you?

Dr Wild-River: I do have that in front of me. If it is appropriate to tell you now, then we could.

Ms Cheyne: It is unusual but go ahead.

Dr Wild-River: In 2021-22 the EPA conducted 891 inspections at building sites. In 2022-23 with the two new staff members that we were able to put on and focusing them in that area, we undertook 1,509 site inspections—up from that 891 the year before.

As part of those site inspections, the officers went on site and talked to the people running those developments about what they could do, and we issued a total of 1,403 pieces of advice about how people could improve their operations on those sites to reduce sediment impacts. So 531 times we advised people to remove a sediment source from a location where it could enter stormwater; 516 times we advised—

MS CLAY: I probably do not need that level of detail—1,403 advices is fine. And then what was the infringements?

Dr Wild-River: The numbers that I gave you before?

MS CLAY: Yes; 51 infringements.

Dr Wild-River: Yes, that is right. Most of those were for building sites.

MS CLAY: There has been a long-running concern that the EPA was spending a lot of its resources on complaints, triggered inspections and activities and did not have enough resources, frankly, to do more strategic work on higher environmental harms such as running inspections in an area like development and sediment run-off, which is a pretty high-value area for the ACT.

Do you think that those new FTEs that you got in 22-23 have successfully shifted the EPA into operating in a more strategic environmental protection framework, rather than a noise complaint triggered framework?

Dr Wild-River: We were very cognisant of the Assembly and the community's interest in the EPA focusing on those more significant areas of environmental risk. So that is where we focused those new resources.

I will note that noise complaints have continued to increase. The EPA is a key agency that responds to noise complaints. So we still do a lot of work in that space. But, as part of the funding that we received last year, there was also an amount provided for a senior staff member to develop a three-year plan of action for the EPA to look at how we can ensure that we are meeting community expectations for environmental protection in this modern era. So that work is still ongoing.

We have identified areas for work that go beyond the sediment and erosion control. We have identified six key areas for work where we aim to develop more of a business plan of action to really lift our game even further and meet community expectations for environment protection.

MS CLAY: How many new FTEs did you get for inspections in that last round of funding, in 2022-23?

Dr Wild-River: We got two new FTE in that round. The total staff of the EPA is 23. There are a couple of shared positions, so 23 people. Those two new people made it go from 21 to 23.

MS CLAY: Have you had any feedback from the Commissioner for Sustainability and the Environment, given that she has already flagged this area of concern and made recommendations? Have you spoken to her or sent her this information? Has she said, “Yes, you have now appropriately addressed this risk,” or “No, I cannot see this working on the ground and that is not what I am hearing”?

Dr Wild-River: We are in the process of doing that through the annual report process. She asked for that information and we have provided the information. So the dialogue has started but it has not concluded.

MS CLAY: Great. Under this system, if somebody does get an infringement notice, I understand the maximum infringement is \$81,000 for a business. Have I got that right?

Dr Wild-River: I do not know it off the top of my head, but I think that is quite high for an infringement notice. They are a strict liability offence. I think they are much lower than that.

MS CLAY: Okay. I am interested in knowing whether the level of infringements for a developer are significant enough to actually change their behaviour. Property development usually involves quite large sums of money. Even small-scale property development involves quite large sums of money.

I have just quoted to you the top infringement of \$81,000 and that would obviously, from your answer, be rarely imposed. How are you gauging whether those infringement notice fines are high enough to actually affect behaviour?

Dr Wild-River: They are such good questions.

Mr Pryce: And they are probably more for the Environment as a policy decision.

Ms Cheyne: Yes. Where the infringement notice fee is set is not within Access Canberra. I do see where you are going with this, Ms Clay. I guess what we would really point back to is the accountability framework that Access Canberra has—that prevention is better than needing to respond to poor behaviour. I think what the EPA has been really focused on in that pro-activity is engaging with businesses at an early stage to prevent those sorts of behaviours that you are talking about in the first place.

MS CLAY: I do hear what you are saying, but the Commissioner for Sustainability and the Environment explicitly recommended more resources for enforcement and compliance, and I think other people have taken a—

Ms Cheyne: So we do have those more resources for enforcement and compliance. There is that work in partnership with Minister Vassarotti about a strategic framework and a three-year action plan that will change how the EPA responds. But, because that is policy work, it is being done in partnership with us but being led by Minister Vassarotti.

MS CLAY: Sure. I hear that the environmental policy offsetting, that maximum fines and legislation, would fall under Minister Vassarotti. You would have a top fine, but you do not always impose the top fine. Whose discretion is it if you issue an infringement notice at all rather than an advice or something else and if you issue the top fine or a lower level of fine? Is that within EPA discretion?

Dr Wild-River: The policy is established in EPSDD and then the EPA follows the Access Canberra accountability framework in applying a risk-based approach to the regulation that we do. The first thing that we do is go out and engage. So, with the 1,500 site inspections leading to 51 infringement notices, you can see there is a very big difference there. Those 51 infringement notices will have followed engagement and advice provided and then the business would have not made the change that was required or else had a really particularly bad instance that the officers were confronted with when they first went there.

If that is not enough to make a change, we can ramp up the regulatory response. We might follow, as we have in the last year, with the environmental protection orders and then we can move onto prosecutions and a range of other regulatory responses, which can be geared up so that they match the proportionality of the crime or of the infringement that has been done and the impact on the environment.

MS CLAY: Thank you.

MR PETTERSSON: It has been over a year since we introduced EasyPark. How is the transition and what does the uptake look like?

Ms Cheyne: Thank you, Mr Pettersson. I will hand over to Ms Springett shortly, but, overall, we have been very pleased with how smooth it has gone. One of the most popular functions of EasyPark is that you are able to extend your parking from your phone. The most popular functionality is that you can end it earlier—so just paying for the time that you have parked there when you return to your car.

EasyPark is used in all states and territories as well as by the NCA. So its applicability is also widespread. But I will see if Ms Springett has some up-to-date information for you about take-up and community response.

Ms Springett: Thank you, Minister. Unlike the previous provider, being Parkmobile, EasyPark does operate a pay after system, which means that customers do not have to pay in advance for the time that they are parking. So they can adjust in real time.

Pleasingly, we are seeing that Canberrans are using that function and actually paying less for their parking. The average pay-by-phone transaction amount has decreased from \$5.95 in 2021-22 to \$4.54 in 2022-23. That shows that the community are only paying for the parking time that they use. We are also seeing the amount of payments increasing as well, from 14 per cent in 2021-22 to 21 per cent in 2022-23. The credit card and pay-by-phone transactions continue to be the payment choice for Canberrans, with cash only being at a small proportion.

We are also seeing that it is giving greater flexibility. It allows members of the community to extend or shorten just by turning a user-friendly dial. Indeed, many people have remarked to us that they have not had an infringement since they started using it, because you do get the pop-ups to advise that your parking will expire and are asked whether you would like to extend.

We continue to monitor and track, but it appears to have gone quite well and the community has adapted to this new provider very well since its introduction.

MR PETTERSSON: That is great. There is \$1.3 million in the budget to modernise our traffic and parking systems. What is that for?

Ms Cheyne: I can talk a little to that, Mr Pettersson. This is about supporting quality and integrity in procuring updated systems that support traffic and parking enforcement and provide greater value for money. So it is less about the parking system with EasyPark and more about things like cameras.

There are currently nine different enforcement and administration systems within Access Canberra that support the enforcement of safety on our roads. They are at a point where they need to be modernised to meet current best practice and ensure ongoing value for money. This funding in the budget helps Access Canberra understand the capabilities available within the market. As you can imagine, it has changed in the years since we last updated this. That is about supporting road safety enforcement activities prior to us procuring that new technology that meets the needs of the government now and also into the future.

MR PETTERSSON: Wonderful; thank you.

MR COCKS: I am not sure who on your team this will go to, but I am interested in regulatory complexity. It might be an issue for the taskforce or Access Canberra.

The complexity of regulation and dealing with regulation still seems to be a significant issue for those engaging with government in the ACT. There was, for example, over the weekend one very clearly frustrated comment in a *Canberra Times* article that said, “Keep passing your motions and let the industry try and deal with the shambles of dealing with eight different entities and codes that change or are interpreted differently bi-monthly.”

There are two important issues that that comment encapsulates, and I would like to take them one at a time, if I can. The first is that there are areas of regulation, like building and construction, where there are multiple agencies and interests involved that increases complexity, and often the burden of navigating conflicting interests

lands on those trying to work in the industry. Is this something that the taskforce or Access Canberra has heard? Does either group have any ideas on how to improve that situation?

Ms Cheyne: I absolutely understand that comment and that sentiment. One of the priority areas in our small business strategy that will be released soon, under which there are several actions, is a one-government approach to business.

We have heard that from the community, and that is why it is a priority area. We want to do what we can right across government to make sure that, where a business interacts with government, they are experiencing the most coordinated, seamless approach possible.

It is not always possible. But some of that work that Mr Rynhart was talking about before, in terms of when a business looks to start and making sure we put them in touch with all the right areas, is key to that.

So I am happy to officials from both, if you like, Mr Cocks, in terms of what approaches we are taking?

MR COCKS: Yes; whoever is most relevant, I guess. But I am looking for maybe where the main voice for business is in this space.

Ms Cheyne: What we are looking to do as a government is have that business focus right across government. I think that is a responsibility for all areas of government, because all areas of government do touch on business. It is something that we are looking to better coordinate, we do not want to just have that focus or that culture be within one agency.

MR COCKS: Maybe I can just go to the second issue, which is the problem of regulations seeming to be interpreted differently depending on who someone speaks with or which agency is providing the advice, or just evolving over time. Sometimes that advice can evolve very, very rapidly, and that lack of stability makes it very difficult when a business or an individual, at that point, is dealing with regulation.

From what I hear that inconsistent advice and interpretation seem to be worse here than in other places some businesses operate. Have you undertaken any analysis of the consistency of advice provided by government?

Ms Cheyne: I will turn to the task force here, Mr Cocks. It is difficult for us to comment. I appreciate how this is presented, and I am trying to be as helpful as possible, but, because it is a high level example, which could be anything, it is difficult for me to expand. But I might see if Ms Blount has something to add.

Ms Blount: I think the question sort of goes to the second strain of the agenda that the taskforce is working on. In particular, we are looking at the regulatory burden. A piece of work that we have just finished the pilot for is mapping business user experience. We have piloted an end-to-end business user experience for selected business types and, in particular, where they were impacted through COVID—so a range of eateries and alcohol zoned businesses and popups and things like that. What

we are looking for is a complete picture of the journey of business from the start until when they are well established, so that we can hear from them where is the best area to reform.

Findings of that mapping exercise have already been used. There is quite a lot of rich data there and there is work to be done, but we have already used some of that information to expand the business hub to include information that directly addresses some of the pain points that they have identified.

We have used that mapping to develop specific guidance on how to start a food business in the ACT, which goes I think to that earlier question. So there is a “Starting a food business” guide, which goes into detail—“If you are starting from scratch, these are the things you need to think about.”

It covers knowing your responsibilities. It covers building, development and construction before you get started; registrations and exemptions; licences that you might need; and laws and regulations. It also goes to alternative food businesses—for example, home food businesses and mobile food businesses—and how to get the right support for your business.

It is that second stream of work where we are sort of engaging to understand where those pain points are and really trying to target that work that I think will make a difference in the long term.

MR COCKS: Thank you. I will take the minister’s point about specific examples, and maybe this will be helpful. One example that I have heard directly is a food retail business owner who installed an 11-litre sink to comply with regulatory advice and who was then a year later told that that was too small and it would need to be replaced with a 14-litre minimum. It seems like a small thing to change but—because of the position of the sink, the space available and needing to put new plumbing in through a suspended concrete slab—the total cost for that seemingly small change was over \$14,000. That is a lot of money for a small business.

These things that seem small but they have a real impact.

Ms Cheyne: Yes, they do.

MR COCKS: How can a small business be expected to deal with that sort of impact? Is there anything that feeds back to improve the quality of that sort of regulation or that can help delay implementation? What can be done with those sorts of things?

Ms Cheyne: Delaying implementation, I think, is probably a second issue. I think you would note, though, with some of the major changes recently, we have delayed implementation, including some of our Discrimination Act reforms and portable long service leave, to help businesses prepare and get ready for that. The government will be supporting through that as they come closer.

In terms of that specific example, yes, absolutely, that is exactly what we are trying to avoid here: getting mixed advice or advice that changes. Perhaps, Mr Cocks, we could talk about that offline, so I can understand exactly what happened in this circumstance

and why the advice changed in such a short period.

MR COCKS: What I am really interested in at this point is: what is the feedback mechanism? In that sort of example, other than coming to their local member, how does that feed back into improving things in the future?

Ms Cheyne: This is what we have heard, and that is why we have that work in stream 2 in the Better Regulation agenda. It is about the government to business and regulator experience. That end-to-end user mapping has allowed us to work with businesses to understand where, at different points, things have not been as smooth or where the ease of dealing with whomever in government has not been as clear. We have been able to drill down into that data and start to make some changes. Part of that is making sure we have accurate information right across government as well.

MR COCKS: It sounds like the bulk of that work is to come in stream 2—the outcomes from that work?

Ms Cheyne: Yes, identified opportunities have certainly been shared and then the implementation of that work is the next step.

MR COCKS: Thank you.

MS CASTLEY: Minister, I am wondering if the Better Regulation Taskforce has done or is aware of any regulatory impact statement or cost-benefit analysis about what impact the extension of the portable long-service leave into the hairdressing, beauty and accommodation sectors will have on business.

Ms Cheyne: Thank you, Ms Castley. As you are aware, the purpose of portable long-service leave is to ensure that workers are not disadvantaged by the characteristics of work within their fields, including high mobility and insecure working arrangements, such as short-term contracts and part-time and casual workers.

A motion on the expansion of portable long-service leave, as you know, was proposed back in July 2020. Under the PAGA, we agreed to amend the portable long service scheme to ensure more workers have fair entitlements.

We know that small businesses are struggling to attract and retain workers, and the expansion of the portable long-service leave will make these industries and professions more attractive to prospective employees. It will also attract to the ACT workers who are already in these professions in jurisdictions without a portable long-service scheme.

As we were just flagging before, a two-year transition period is being provided as part of the legislation that was passed to allow affected businesses to get ready to be covered under the scheme. We will work with industry to ensure that there is a smooth transition.

It is a progressive approach to protecting the rights of our more mobile workers and also helping to future-proof industries that struggle to attract and retain staff, which is its own productivity issue.

MS CASTLEY: I understand the benefit to workers. We have got that. I am just wondering if the BRT has done any kind of cost-benefit analysis or investigation into what the actual cost will be to business in the ACT.

Ms Cheyne: The BRT was consulted.

Ms Chesworth: We have not undertaken any cost-benefit analysis in relation to that issue. The Better Regulation Taskforce role is to deliver this agenda, and that is our focus.

THE CHAIR: Given that it is 1.43 pm, is there is any committee member who wants to go with something brief.

MS CLAY: Yes. It could be a long conversation, but I will do it briefly. We have heard from Asthma Australia about woodfired heaters. They are calling—as is the Commissioner for Sustainability and the Environment—to phase out woodfired heaters. I put that issue to the Minister for Health and to Minister for the Environment about whether it is time to move towards a phase-out rather than an educative approach. Have you had any thoughts on that?

Ms Cheyne: Yes. Obviously, the EPA responds to complaints about wood heater smoke. There was the commissioner's report and the government is responding to that, and it is subject to cabinet consideration.

MS CLAY: So it is a wait-and-see approach at this stage?

Ms Cheyne: We are required to respond within some statutory time frames, which are becoming due.

THE CHAIR: On behalf of the committee, we want to thank Minister Cheyne and officials for their attendance today. If witnesses took any questions on notice, could you please provide answers to the committee secretary within five working days of receipt of the uncorrected proof transcript. Thank you.

Hearing Suspended from 1.44 pm to 2.05 pm.

Appearances:

Barr, Mr Andrew, Chief Minister, Treasurer, Minister for Climate Action, Minister for Economic Development and Minister for Tourism

Chief Minister, Treasury and Economic Development Directorate

Blount, Ms Wilhelmina, Acting Coordinator-General, Office for Climate Action and Better Regulation Taskforce, Policy and Cabinet Division

Lawton, Mr Kieran, Executive Branch Manager, Program Delivery, Policy and Cabinet Division

THE CHAIR: Welcome back. In the fifth session for today, we will hear from the Chief Minister, Mr Andrew Barr, in his capacity as Minister for Climate Action, and officials.

The proceedings are being broadcast live. The proceedings today are also being transcribed and will be published on the Assembly website. If you take a question on notice, please be emphatic about the fact that you are taking that question on notice.

I remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the privilege statement. We can do this universally by voice, from those in the room. Could you confirm for the record that you understand the implications of the privilege statement and that you agree to it? Excellent. We are not inviting opening statements, so we will proceed to questions.

I am going to the Sustainable Household Scheme, regarding the company Brighte and some reporting of that company in the public space. Can you confirm, Chief Minister, whether it is Brighte or the ACT government that owns the Sustainable Household Scheme debts?

Mr Lawton: It is the ACT government that owns the Sustainable Household Scheme debts. It is ACT government capital that is provided and Brighte are the loans provider, for a fee, and manage the loans on behalf of the ACT government.

THE CHAIR: Regarding the so-called doubtful debts, can someone talk me through the provision for doubtful debts that you made prior to the scheme commencing operation?

Mr Lawton: The ACT government owns the capital and owns the debts. Prior to the scheme commencing, we did our due diligence about other similar schemes run by governments around Australia, and also looked at the private market, and came up with a figure of about three to five per cent as a default value that we then took to ERC, when we built the business case for this. As it turns out, we have had very few defaults under the scheme. I can talk you through those figures.

THE CHAIR: Has that provision gone up since the scheme has been under operation?

Mr Lawton: We had a recent review and it has actually gone down. I am just

bringing up the figures now, but at the moment we are running well under one per cent of defaults. As I said we started with a figure based on that due diligence of three to five per cent. We are yet to have our first proper default, although we have a number of accounts that are running behind time. I will get those numbers for you before the end of this session.

THE CHAIR: Excellent. That is a good way for us to work. What obligations does Brighte have to pursue a doubtful debt?

Mr Lawton: They have a sequence of steps that they go through to pursue a doubtful debt. Basically, it is a weekly step-through for about eight weeks, which is first a contact if someone is running late; then it is escalated over the course of eight weeks. We are notified as this progresses. Basically, they follow a series of contacts with the customer and the level of the status of that loan changes over that time. We have not reached a default yet, but there are a number of accounts that are in that process.

THE CHAIR: Are you able to confirm whether Brighte was responsible for the credit checks or assessments of households?

Mr Lawton: Yes, I can confirm that.

THE CHAIR: Did Brighte require any proof of income from households, and do you know what proof of income they sought?

Mr Lawton: They do require a proof of ability to repay. This is under the Australian Credit Code, to which they are a signatory. This is all standard fare for loans providers, including banks. They will require evidence of income as well as evidence of other debts before making their assessment.

THE CHAIR: It was reported publicly that Brighte made a loss after tax of \$42.3 million in the financial year 2021-22. What is your contingency plan in the event of Brighte folding?

Mr Lawton: We have a contingency in place under the contracting arrangements where we can have another company step in to manage these loans. We are also working to secure that even further. We have a high standard of security if Brighte were to fold tomorrow. We are also underway with setting up an SBP, which will be managed by a third party. We will have a warm standby provider, and we are in this process at the moment. We have just undertaken a procurement to select a financial institution that can step in and manage these loans in the case of a Brighte insolvency.

THE CHAIR: Does that indicate a level of concern from government?

Mr Lawton: No, it does not. We did our due diligence when we selected Brighte. We had a financial assessment done, and we went ahead.

THE CHAIR: This is my final question on the matter. I think it goes back to you, Chief Minister. Given what we learnt about Brighte in the time since that agreement was struck, do you believe, Chief Minister, that your assessment and selection of the private lenders is up to scratch? What advice did you receive in setting up the

assessment framework?

Mr Barr: Mr Lawton has outlined the processes that the directorate went through. There was an approach to market and an assessment of capability. The procurement process was in accordance with the ACT government requirements.

THE CHAIR: You are extremely comfortable with that, and as comfortable—

Mr Barr: I have no role in selecting companies who succeed or otherwise in ACT government procurement. Ministers do not personally select companies. That would be inappropriate.

THE CHAIR: So you are as comfortable with that process now as you were 18 months ago?

Mr Barr: There is nothing that I have been advised of to suggest that that process was deficient in any way.

THE CHAIR: Thank you.

Mr Lawton: I can provide the arrears snapshot, if you like?

THE CHAIR: Yes, please.

Mr Lawton: 17,000 loans have been applied for. We currently have around 15,000 that are approved. That is the scale we are talking about. We have 34 accounts that are one to 15 days in arrears, as of today. That is often just a change of account or an administrative error. More importantly, for 16 to 30 days, we have one account that is in arrears. For 31 to 60 days, we have seven accounts. For 45 to 90 days, we have one account. For 91-plus days, we have one account. That is out of around 17,000.

Mr Barr: Just to conclude the line of questioning in relation to Brighte, I do observe that the Tasmanian Liberal government uses them for their Energy Saver Loan Scheme.

MS CLAY: You have 15,000 approved. Is that 15,000 approved accounts of which 34 are in arrears? Was it 34 of 15,000?

Mr Lawton: Yes, it is that—

MS CLAY: That is quite a reassuring number, if that is the—

Mr Lawton: At the moment we have 17,900 loan applications. I am looking for the number of approved loans.

MS CLAY: You used the word “accounts”. When you say 34 accounts, is that a number that is directly comparable to the 17,000?

Mr Lawton: Yes, it is directly comparable.

MS CLAY: That is great; thank you. Minister, I would like to have a chat about adaptation. We have just been through the hottest July on record. Last Sunday it was disturbingly pleasant. Are you the minister responsible for adaptation?

Mr Barr: There is a coordinating role that is played by the Office for Climate Action. There are multiple ministers who have responsibilities within each of their directorates. It is an interesting question inasmuch as a combination of Chief Minister, Treasurer and Minister for Climate Action would see me play a coordinating role, and I do chair the cabinet subcommittee on climate action. But I do not have oversight or responsibility for every single adaptation or mitigation program across government.

MS CLAY: No, obviously not—not for delivery, but for the coordination of it.

Mr Barr: In a policy sense, yes, as chair of that cabinet subcommittee.

MS CLAY: Excellent. There is some pretty good adaptation work in the Climate Change Strategy. When I hunted through the budget to look for our adaptation measures, I did not find much. I mostly found emissions reduction measures. Can you tell me the main elements of that adaptation work at the moment in the budget?

Mr Barr: In terms of new budget initiatives?

MS CLAY: New budget initiatives and also—

Mr Barr: Or within the allocation of individual directorates?

MS CLAY: Both, if you could. I found it difficult to find—

Mr Barr: It would probably be easier to take that on notice, unless Ms Blount has some information.

Ms Blount: Adaptation is something that we will weave through—like the Wellbeing Framework—all of our decision-making. There are climate action initiatives which we would not strictly classify as adaptation but which would have the effect of adaptation, like the Sustainable Household Scheme. I can, if you like, list the specific ones that we have identified for adaptation, which link back to the whole-of-government climate change risk assessment that was undertaken in 2021. I can run through the initiatives in the current budget and also the initiatives in the last budget which relate specifically to adaptation.

MS CLAY: Maybe briefly.

Ms Blount: Yes. There is \$2.06 million to develop a 10-year pathway to deliver world's best practice climate-ready environmentally sustainable buildings, supplementing the commonwealth government funding under the national Disaster Ready Fund to undertake flood studies for urban catchments across Woden, Weston Creek, Gungahlin and Belconnen districts, and to mitigate future flood risks; expanding the Healthy Waterways Program with \$5.4 million invested to develop catchment plans and pollution mitigation research, with consideration of climate change impacts on water availability; continued support for the Living Infrastructure

Plan initiatives and Urban Forest Act to mitigate urban heat, with \$1.227 million; continued investment in the Vulnerable Household Energy Support Scheme to buffer those most vulnerable from climate change, with \$1.77 million; investment of \$4.8 million in strengthening biosecurity in nature conservation programs to build resilience and manage the influence of climate-driven threats to species; investment of \$366,000 in research to improve the resilience and responsiveness of the health sector to climate change impacts in the ACT; and bolstering the preparedness of our emergency services, including building a joint ACT Fire & Rescue and ACT Ambulance Service station in Molonglo Valley and preparing for another one in Casey, and that is \$66.15 million in the budget.

That totals \$81 million, and there was another \$93 million last year. I could run through those, if you have time.

MS CLAY: It is probably not necessary. I will drill down to the next level. I asked a couple of adaptation questions during this estimates and received pretty mixed responses. I asked sports and rec about their adaptation for sportsgrounds facilities. On the day of the hearings—and I am sure you will need to check the transcript; I am not trying to verbal you—what I heard from sports and rec was that they were not particularly coordinated, and it seemed to be up to different volunteers at different facilities to try and think through their adaptation measures. They were not really quite sure.

Minister Berry, the following day in a different session, then directed me to the CBR Switched On, which I have since had a look at, that has a single paragraph about how sports facilities will need to be adapted. It certainly was not what I would consider to be a coordinated adaptation strategy that was being delivered for sports and rec.

I asked a similar question of schools in the education session. I got a slightly better answer. There were some tangible deliverables there of shade cloths, and we have seen those rolling out. There are some specific measures, but I did not get any sense of: “Yes, here is our adaptation plan. It is being coordinated like this. We understand that, in a changing climate, with flood events and massively different heat events, we know exactly what we are doing.” Can you tell me, in sports and rec facilities and schools facilities, do we have a really well-coordinated adaptation framework?

Mr Barr: I cannot give you detail on those because, as I say, I am not responsible in a ministerial sense for the asset management plans of every single agency. From the broad public policy perspective around prioritisation of government assets, there is a significant program in the budget. It is, as you have identified, principally focused at the moment on emission reduction, but there are obviously a range of whole-of-government initiatives going to the building standards for new builds across ACT government-owned property, and plant and equipment that reflect needing to be able to operate viably in a changing climate with more weather extremes. This is one area where I would say no, there is not a comprehensive—across every single asset that the territory owns—single climate mitigation or adaptation framework at this point.

Each individual directorate is certainly aware of high-level climate change issues, and is looking, as part of their new asset development and their repairs and maintenance

allocations, to not make the situation worse by way of their new spend. Because of the sheer diversity of asset types and classes across all areas of ACT government, state and municipal equivalent, it is not within the remit of this office and this team of about a dozen people to be doing strategic asset management planning for every single agency.

I understand the direction of the question. I do not think that the level of detail that you are seeking will be readily available to be coordinated or collected in time to provide a holistic, whole-of-government answer for this estimates hearing. Inevitably, as part of reporting in their annual reports and back to government, each individual directorate would need to take more into account, in terms of their asset management and strategic asset management planning, around climate change adaptation and mitigation issues.

MS CLAY: It is not a bad answer, but it sounds to me like there is a piece of work that needs to be done on retrofitting.

Mr Barr: There is. I am not suggesting that there is not, but there are only so many things that can be done at once, and there are urgent infrastructure priorities in other areas. I have no people to divert, who are sitting around idly not doing anything at the moment, to prepare strategic asset management plans for each directorate, so it must be devolved to each directorate to undertake that work as it relates to their own asset base.

MS CLAY: You do not have an intention in the future to have a coordinating role for adaptation? You will continue to—

Mr Barr: I think you are slightly misinterpreting. We will have a policy framework, but we will not have one individual or one team within the Office for Climate Action who will manage every single asset in the territory.

Asset management will remain at a directorate level. There is very clearly a direction from ACT government in relation to its strategic asset management, but it will vary, depending on the directorate and the asset type; and, effectively, their risk exposure to changing climate—some areas more so than others, for obvious reasons. Are you in a bushfire zone? Are you in a flood-prone zone? What sort of asset are you operating? That will vary significantly across ACT government, and there will be areas of much higher risk and lower risk. That is obvious. The policy work that the office will do will be to assist directorates in the development of further strategic asset management plans.

MS CLAY: I hear the complexity involved, and I genuinely understand that a coordinator would not be involved in individual asset management plans. That makes perfect sense to me. As a member of this committee, asking asset managers, “What are you doing?” and they are clearly not able to give me a particularly good answer, it looks like they need some help. Noting how difficult it is to do asset management, there is a really good role for somebody with climate adaptation expertise to assist them, rather than expecting every individual to try to invent it themselves.

Mr Barr: Sure. Again, you are asking for a policy framework, not an asset manager,

I presume.

MS CLAY: Yes, stronger and clearer policy guidance about how to manage the risk for assets; that is the question.

Mr Barr: Yes.

MS CLAY: It seems to me that there is a role there.

MR PETTERSSON: Could the committee get an update on changes in the Sustainable Household Scheme in this budget, and why?

Mr Lawton: The Sustainable Household Scheme has been very successful. It started about two years ago, and we have just had \$150 million settled in loans. For a relatively small jurisdiction, that is a great outcome. Canberrans are benefiting from moving from gas to electric, saving on their power bills and reducing their emissions. It has all been good.

The week before 1 July, changes were made. The government made a call to change the eligibility under the scheme, and that meant updating the date. At the moment we have unimproved value criteria for freestanding houses. We also have unimproved value criteria for unit-titled, multi-storey apartments. They were updated to reflect the current year. We were fully conscious that some of the more expensive properties would become excluded from the scheme.

At the same time we made changes to solar. Solar had a very strong uptake; 66 per cent or so of loans went to rooftop solar, so that is great. We now have 25 per cent of households with rooftop solar, generating their own power, but we needed to focus the scheme on those with the greatest need. We left solar available to households with an unimproved value of \$450,000, and we have made the other loan products available at the \$750,000 cap. The outcome is that it focuses the scheme on those that are most in need.

Solar is a no-brainer, really, for households. It gets paid off very quickly via the reduction in power bills. We remain supportive of the solar industry. We are still supporting it for those lower value properties, but we do feel that Canberrans can make that decision on their own now, and we are focusing on other parts of the scheme. I also note that we have not reduced the eligibility for apartments. We know we need to work harder there and support apartments in this transition, so 92 per cent of apartments remain eligible. It was about focusing.

MR PETTERSSON: That is great. Did you say that 25 per cent of households now have solar on their roof?

Mr Lawton: That is about right; between 24 and 26.

MR PETTERSSON: In terms of generation, what is that equivalent to?

Mr Lawton: At the moment under the Sustainable Household Scheme we have put on about 80 megawatts. Royalla Solar Farm is about 24 megawatts, so it is three times

the size of Royalla Solar Farm, to give you an idea. Canberra's peak demand is about 840 megawatts, so it is not as simple with solar that is intermittent, but it could power up to 10 per cent of Canberra. It is a significant contribution to our distributed energy network. The future grid will have a mixture of generation in households, batteries to be a shock absorber from the solar generator during the middle of the day and used in the evening, electric vehicles and so on. It is a great step forward.

THE CHAIR: I want to move on to the Big Canberra Battery. It is a pretty broad question, first up, and I am assuming this will go to the Chief Minister. Chief Minister, who exactly are Eku Energy and who are their backers?

Mr Barr: They are, as I understand it, the renewable energy offshoot of Macquarie Bank.

THE CHAIR: Given that the ACT government is dealing with a top end of town, big city investment banker here, and given this government's record with procurement, can I ask you, Chief Minister: do you feel that you got value for money on this deal for the ACT ratepayer at the negotiating table?

Mr Barr: Yes. The team went through a thorough process, inviting expressions of interest. A number of different models were put forward by proponents. Mr Lawton is probably in the best position to discuss the range of different procurement models that were available. In the end a revenue-sharing agreement, together with an availability payment and no requirement for a capital investment from the territory government, was the preferred model at the end of that process.

Mr Lawton: Would you like me to expand on that?

THE CHAIR: I would love an expansion, Mr Lawton. We have enjoyed your evidence thus far and I am sure this will be exceptional as well.

Mr Lawton: We began in April 2021 with a market-sounding process that was facilitated by the ANU. We got a sense of what was out there and what we should do to try to meet this part of the parliamentary and governing agreement for 250 megawatts of storage. We then went to an expression of interest. It was a two-stage procurement process that took about 18 months, and it was released in December 2021. We got over a dozen responses to that. It closed on 11 February 2022.

In April 2022 we took it to a second stage, where we invited the best of that initial response to the EOI—we put out for a request for proposal to that invited list. We then shortlisted to two and ran a competitive negotiation process in March and April this year, before we selected Eku to go ahead with this revenue-sharing agreement. It was a long process, but it was very thorough, and ultimately productive.

THE CHAIR: Mr Barr, notwithstanding the summary from Mr Lawton, given the well-publicised failures in procurement from ACT government in recent months in a number of areas, can you understand that members of the community would have some concerns, given the lack of experience of the ACT government in investment banking? How would you know if you got value for money here?

Mr Barr: They have undertaken an extensive, multistage process and heard directly from the market. If there was someone who had a better proposal, they did not submit it.

THE CHAIR: You are not of the belief that there will be some big headline news stories on this at some stage down the track?

Mr Barr: I think the procurement process and the outcomes demonstrated a pathway that many other jurisdictions may wish to pursue, given that the territory is about 10 years ahead of the rest of Australia in its journey on renewable energy generation, which started more than a decade ago; now, as we look forward over the next decade, the nation will have to undertake very significant investment in the storage of renewable energy to have dispatchable power to meet peak needs across the national energy market. This will be the first of many state and territory government-type projects. There are examples in the ACT as well of private projects seeking to achieve some or indeed similar outcomes.

The value of having large-scale, dispatchable battery storage is multifaceted, and the procurement sought to achieve a number of different outcomes for the territory—energy security, capacity to store renewable power and an arbitrage on the national electricity market, which, in the simplest terms, means that we generate very low-cost electricity through renewable sources and then we sell it back into the national energy market when it is needed and the prices are peaking.

The revenue-sharing arrangement and the operation of the battery in that context is perhaps best managed by the private sector and energy market specialists, rather than a public servant next-door on London Circuit, with the greatest respect to the different skillsets that are there.

We are operating in a national energy market, Mr Parton. If the concerns that you are expressing are around public-private partnerships, we have them as a result of the Carnell government in the ACT energy sector. We have a joint venture arrangement with AGL for energy retail, and a joint venture arrangement with China State Grid and Singapore Power, through Jemena, in our poles and wires—a decision of this Assembly under a previous government. Public-private partnership in the energy market is not new to the territory; it is something we have had for 25 years.

THE CHAIR: However, in this space, it is new, and you have just indicated in your answer that we are a bit of a market leader here in this space. Given that we are the first jurisdiction to go down this path in such a big way, I am taking it from your answer, too, that you are of the belief that other jurisdictions will view what we are doing. Do you think that other jurisdictions will learn from our mistakes in this?

Mr Barr: As was the case with the large-scale reverse auction process for procurement of fixed price renewable energy over the long term, other jurisdictions will copy our approach, because it is a good approach and it is delivering the outcomes that we sought.

MS CLAY: Minister, on 31 May in question time I asked about electric motorcycles. You said that they were eligible for a range of government supports in relation to the

Sustainable Household Scheme. We got rather excited in our office, so we lodged a question on notice to find out exactly which vehicles were in, and which were out. The answer we got back indicated that electric motorbikes are not in the Sustainable Household Scheme; nor are electric bikes, electric micromobility or electric scooters. What vehicles besides cars are eligible for the Sustainable Household Scheme?

Mr Barr: There is a subset that are, and it depends a little bit on the motor size, I understand.

Mr Lawton: Yes. As we have discussed before, Ms Clay, we are open to new suggestions. We have a process for assessing those. We look at each product, make sure that it reduces emissions, reduces energy costs and increases energy efficiency. The loan should be repaid through cost savings, and there should be a barrier there to broad consumer adoption of the new product—a capital barrier. Another lesser principle behind the scheme is where increased sales of the product would have economic benefits to the ACT, such as supporting job creation.

We have assessed electric street-registered motorcycles, and they have been assessed as being able to meet all those criteria, so we are in the process of supporting them under the scheme.

MS CLAY: That might be what has happened. At the time that we lodged the question on notice, they were not in the scheme, but they will be soon.

Mr Lawton: I cannot give you the exact date, but over the past three months we have undertaken that assessment. Now we are working with Brighte, because we have this onboarding process. We do have a cap on the value of a motorcycle. I think we set it at \$40,000. I am hoping to get a response from people, just to confirm that. We do have an upper cap. A Harley LiveWire might not be supported, but there are a number of street-registered electric vehicles.

The difference between them and e-bikes is that capital barrier. We feel that there are electric pushbikes that you can get for under the \$2,000 administrative burden cap that we have for the scheme. There are relatively free loans from bike shops that people can access. That is the difference there between the street-registered motorcycle and the e-bike.

MS CLAY: That is great. I am so pleased that I asked. That \$40,000 cap does not sound unreasonable. I have certainly seen \$16,000 and \$18,000 electric motorbikes on the market.

Mr Lawton: Yes.

MS CLAY: I will try to ask this in plain English; I am genuinely not trying to trip anybody up. I am genuinely just trying to find out. Can you tell me, in the current process, in the next few months or the next year, and regarding whichever ones you have assessed, which vehicles will be included in the Sustainable Household Scheme? You go through an assessment process; you have electric motorbikes that are not listed as of today but are about to be. Which vehicles will be in?

Mr Lawton: Can I just confirm that we have set that cap at \$40,000.

MS CLAY: Yes. For electric motorbikes?

Mr Lawton: For electric motorbikes.

MS CLAY: Yes; and electric cars are in. Are there any other vehicles that will be included?

Mr Lawton: We are not considering any at the moment, but we do respond to suggestions.

MS CLAY: Have electric cargo bikes been considered and rejected because they do not reduce emissions, they do not create jobs or they are too much of an administrative burden? Those are the cargo bikes that are—

Mr Lawton: Yes, I know—

MS CLAY: They might be more than \$2,000. They are usually in the \$6,000 to \$10,000 price range.

Mr Lawton: When we looked at e-bikes, we did not specifically look at electric cargo bikes. Maybe that is something we could put on the agenda for the future. I understand what you are saying. The reason we have not supported e-bikes is because we do not want to support expensive mountain bikes, for example, whenever you are looking for a commute. If you are trying to save emissions and not use your vehicle, there are bikes under that \$2,000 cap. I take the point that cargo bikes are somewhere in between. We could undertake having a look at those specifically.

MS CLAY: That would be great. Have you ever looked at e-scooters or do they fall under that \$2,000?

Mr Lawton: Under the threshold. When there are cheaper items of that type, we would not support it.

THE CHAIR: Mr Petterson and Mr Barr would be well aware that there are occasions when I speak in this chamber when I am a little facetious. I was not being facetious at all in regard to your evidence, Mr Lawton.

Mr Lawton: No, that is all right.

THE CHAIR: We think it was very succinct, to the point and very much answered the questions being asked.

Mr Barr: Thank you for clarifying that, Mr Parton. It is very kind of you.

THE CHAIR: Mr Petterson has the call.

MR PETTERSSON: Thank you. In regard to the Big Canberra Battery, could you please update the committee on progress against each of the three streams, particularly

the large-scale grid-connected batteries?

Mr Barr: Yes. We have already talked a little about stream 1, through Mr Parton's question. With the three streams, there are the large grid-connected batteries, stream 1. Stream 2 is behind-the-meter batteries at government sites—for example, child and family centres, depots, community hubs, ambulance stations et cetera. Stream 3 are the neighbourhood-scale batteries. Mr Lawton might be able to give a very succinct update on each.

Mr Lawton: Sure. Thank you, Minister. Stream 1 enables us to reach that part of the parliamentary and governing agreement relating to 250 megawatts. Our analysis is that it will be net present value positive over 15 years. Going back to your earlier question, Mr Parton, we had an independent analysis looking at electricity price modelling over 15 years. We think we have a good deal because even on a downside scenario the government makes money under that scenario. We are pretty confident that we are in a good place with stream 1.

Stream 2, as the minister said, is a number of behind-the-meter batteries at government sites. There are 11 of those. Two of those are relatively large. 255 Canberra Avenue has a 60 kilowatt, 100 kilowatt hour battery going in. Mount Stromlo High School has a 100 kilowatt, 252 kilowatt hour system going in. There are a bunch of smaller ones across the depots that are household times two, three or four.

As far as stream 3 goes, that is community-scale batteries. This is one where we have done some analysis and, under current settings, this is a scale of battery that is in between the two I have just described, that people imagine will be in a neighbourhood park to absorb rooftop solar and give it back in the evening. At the moment it has a bad scale. It has all of the costs of large-scale batteries, as far as operational costs of control and managing the land—all of those ongoing costs—but it does not have the economies of scale of the really large ones, like the 250 megawatt battery.

With our strategy, they may play a really important role in the future grid, but at the moment we do not think it is a good investment. But we are supporting what others are doing. We are partnering with Evo to put in, in the current round, between five and eight batteries. There is a grant round open with commonwealth funding that we are supportive of. We will also be the lead on a future round of batteries in Canberra suburbs, supported by the commonwealth, that will go through the Business Grants Hub. There will be another three there.

We are also supporting one at Jacka, for which there have been previous announcements; it has been going for a while. It is not that we do not believe in that scale; at the moment it is not a great investment for government when you have these other options.

MS CLAY: Minister, action 5.5 of the Climate Change Strategy is to ensure that the social cost of carbon and climate change adaptation outcomes are considered in all ACT government policies, budget decisions, capital works projects and procurements. How are we doing this? Are the emissions outcomes and the adaptation impacts being considered and were they considered in every budget decision this year?

Mr Barr: On infrastructure or every single—

MS CLAY: Given that we are saying it is for all policies, budget decisions, capital works projects and procurements, I think that is pretty broad. I reckon that covers everything the government might do, really.

Mr Barr: I mean there certainly is more focus on larger areas of emission. So more particularly in infrastructure. I am trying to think of an example. I am not sure that it was absolutely front and centre of a decision to commission an artwork on significant women. We did not run a full climate change analysis on—

MS CLAY: What did you run a full climate change analysis on? Which decisions?

Mr Barr: The sorts of decisions that would fall into that category of greater assessment of their impacts would be large scale infrastructure. So, for example, a decision to have an all-electric new Northside Hospital would be probably the single largest decision. Decisions on procurement of public transport, a new public transport fleet and decisions associated with light rail investment would be particular examples. The Sustainable Household Scheme would be another, and decisions there around injecting further capital. So there is obviously, again, a spectrum.

When that document was prepared, I do not think its intent was that every single decision in a budget would have a full assessment. That would mean we would never get a budget done each year and the cost of making each of those individual assessments against the thousands of decisions in a budget every year just renders that a meaningless task. But I think it is important to focus on those largest areas—the largest areas of emissions within the government's operations, new infrastructure projects and new policy proposals as they relate to areas of government activity that could have a significant impact one way or the other in relation to the territories emissions profile, and indeed our objectives, short-, medium-, and long-term, on emissions reduction, and then ultimately net zero by 2045.

MS CLAY: The way the strategy is phrased, it would apply to all decisions. I understand what you are saying about the risk management and concentrating resources, so I might—

Mr Barr: Yes. Well if it did, that was an error. I will correct it in the next strategy. because it is just absurd to think that every single decision—it just cannot work like that. Government would grind to a halt.

MS CLAY: I might focus the conversation a little bit, then. Is there a public list of which decisions did receive that kind of assessment?

Mr Barr: No, there would not be. Of course, those issues remain pertinent to each of the budget business cases that cabinet receives. So we do not publish business cases that we have not proceeded with. We do not publish business cases where we have made a decision to go with one of potentially many options contained within it. This is so it cannot be used as a fishing exercise in relation to what was and was not considered in a budget round. Cabinet must maintain that confidentiality in relation to annual budget decision-making.

MS CLAY: If you are not applying this social carbon cost and this climate assessment to every budget decision, which is what you have said, how do you decide which budget decisions? Who decides? Is it you who decides? Who is deciding which decisions get that?

Mr Barr: There would be a threshold in relation to decisions that reach the expenditure review committee. Within each budget, new spend often is between one and two per cent of the territory's total budget. So new spending proposals would have an assessment based on their scale and their potential impact. That would be highlighted as part of the decision-making process. Some obviously do have impact; others would be negligible, if any. In going through a list of budget initiatives, there are some that would obviously require that assessment. But a reasonable person would determine that if the cost of undertaking an assessment was greater than the size of the initiative, then that would not represent good value for money. If you go through the budget papers, you will see that some initiatives would lend themselves to a greater degree of analysis of the type that you are proposing, whereas others, for example—he opens a page in the budget papers—there was not a climate change assessment on new service responses for raising the minimum age of criminal responsibility.

MS CLAY: Sure. So I might again focus the question. You did a really good job of highlighting a lot of the major projects that are clearly emissions reduction projects, like light rail. I am fairly satisfied that they would probably do quite well under this kind of assessment.

Mr Barr: Yes.

Ms Clay: There are quite a lot of other initiatives. I mean many of these are not even cabinet decisions. I am not asking you to tell me about cabinet decisions, but we have over half a billion dollars of roads, there has been talk of a new stadium, we have quite a lot of large capital works that are not climate focused capital works—

Mr Barr: Yes.

MS CLAY: —and they are not like a new hospital that is decided to be all electric. If you do not have any kind of assessment criteria—it sounds like there are not assessment criteria—you have not said everything that is more than one per cent of the budget or every capital works project over \$200,000. So if there are no criteria, who knows whether it needs to be assessed and how do other people know that it has been assessed and it has passed—

Mr Barr: The Major Projects Canberra infrastructure procurement framework has a number of different tiers and requirements and thresholds that are published. Perhaps rather than me endeavouring to remember every single assessment point and every single initiative, I will provide on notice as succinct an explanation as I can around those assessment criteria, as in what is in and what is out—

MS CLAY: That would be great. Yes, assessment criteria for the large budget decisions and what the trigger is. That would be fantastic.

Mr Barr: Yes.

MR PETTERSSON: In regard to the Sustainable Household Scheme, who and what households have been taking up the scheme?

Mr Barr: Okay, well your electorate, Mr Pettersson, I think is the third largest.

MR PETTERSSON: It is not the first, but it will do.

Mr Barr: The data that I have is that the residents of Tuggeranong, in total number at more than 3½ thousand households, have been the biggest users—

THE CHAIR: Fine people down south.

Mr Barr: Yes, indeed. Then the second largest of the city is Belconnen at just under 3,400. Then your patch, Gungahlin, at nearly 2,850. Then the combination of Woden, Weston Creek and Molonglo, 1,770. Then central Canberra at a little over 1,000, and then the balance of the rest of the ACT, 450-odd.

So perhaps in reference to the earlier answer in relation to the unapproved land value criteria—the deliberate design element of the scheme—it has been taken up overwhelmingly in suburban Canberra and by lower and middle income households, as reflected through the proxy of their wealth in relation to the value of their homes.

THE CHAIR: I am fascinated with those numbers. You pointed to the unimproved value scenario. Does the level of standalone dwellings in the electorates that are heading that list play a role here?

Mr Barr: I think it would, hence the focus, particularly this year, on take up in multi-unit dwellings. We have recently announced a partnership with the commonwealth where we are jointly funding a targeted initiative on multi-unit dwellings. I think the other factor perhaps to contemplate is who were the first movers 10 years ago. There was a lot of take-up in central Canberra very early on, particularly for solar. They certainly were the first movers across Canberra suburbs. So it comes as perhaps no surprise that they already had it. So the many households that already had it either did not apply because they already had it or were not eligible for the zero-interest loan scheme, because they were very wealthy. In contemplating the design of the scheme, one of the things that we were particularly focused on was ensuring access in suburban Canberra.

MS CLAY: My question might be a question to which the answer can be lodged on notice.

Mr Barr: Well I await the question and we will see what—

MS CLAY: We might have a chat and come up with an intelligent way to do that. Noting you are providing a list on notice of assessment criteria for major capital projects for how that climate assessment is conducted, there are other major government decisions. I am probably happy to say not the women's statue representations but there are other major—

Mr Barr: Or the banking contract, for example—

MS CLAY: Sure. But there are other major government decisions that do have a fairly massive impact on climate. The most obvious one I can think of is whether you build a new suburb or not. That is pretty big. It is not instantly a capital decision; it is a major decision and it would have a major impact on emissions going forward and adaptation. Do other decisions that are not capital works ever get a climate assessment under that social cost of carbon—

Mr Barr: Under social cost of carbon, possibly not. I am certainly aware that it is not a particularly useful tool. There are better ones around making assessments for particular government decisions. We have had an element of the R and M budget, or the Better Infrastructure Fund effectively, where agencies have not been able to acquit their allocations and there is transfer of money at the end of a fiscal year into a fund, effectively a social cost of carbon impost on government itself. I think the example you have used reflects assessments that would be made in the strategic planning. And yes, to a certain extent any human activity, whether it is new suburbs or urban infill, is going to have some impact on emissions—

MS CLAY: Certainly. But the point of doing an assessment is to work out the big things and the small things. So we know that a statue is smaller than a suburb, and that is why we do assessments. I appreciate that it is possible to eyeball which are the major decisions.

Mr Barr: Yes.

MS CLAY: So I am just asking you: do government major decisions that are not capital undergo that climate assessment?

Mr Barr: Well yes—

MS CLAY: Yes.

Mr Barr: A lot of that is common sense and is determined by those members who sit around the cabinet. It is not a decision taken by a computer that spits out this or that. We need to use our own judgement in relation to the nature of some of our decision-making. That is self-evident. I think the line of questioning you are looking for is a binary of something is above or below a threshold therefore it has a complex and expensive process undertaken or it does not.

MS CLAY: It is not actually—

Mr Barr: It is not that, no?

MS CLAY: No. I am trying to work out whether we are making decisions to do something major or to not do something major because we have genuinely sat down and thought about the climate change emissions and adaptation implications in that, or whether we are just expecting a group of human beings, who do not have any particular climate expertise, in the cabinet room to eyeball it based on a business case

that has not actually turned its attention to that question?

Mr Barr: Sure.

MS CLAY: That is actually the question I am trying to get to.

Mr Barr: Well, I think you have again presented a black and white scenario. The reality would sit somewhere in between. Some things have obvious implications. Others have almost none. Again, I am not sure it is useful for us to sort of muse back and forth—

MS CLAY: Sure, yes.

Mr Barr: at the moment. I think the specific information that you are after I will endeavour to provide you in a written form. But again, the system is not as absolute as I think you want it to be. I am judging by the tone of the questions and the direction of them. I am not sure it ever can be but that is obviously a political viewpoint and discussion that will be no doubt percolated over the coming decades and centuries.

THE CHAIR: On behalf of the committee, I want to thank Mr Barr and officials for their attendance in this session today. If witnesses have taken question on notice, which has occurred, if you could please provide answers to the committee secretary within five working days of receipt of the uncorrected proof transcript.

Short suspension.

Appearances:

Barr, Mr Andrew, Chief Minister, Treasurer, Minister for Climate Action, Minister for Economic Development and Minister for Tourism

Chief Minister, Treasury and Economic Development Directorate
Hocking PSM, Mr Stuart, Under Treasurer, Office of the Under Treasurer
Miners, Mr Stephen, Deputy Under Treasurer, ERI, Office of the Under Treasurer
McAuliffe, Mr Patrick, Executive Branch Manager, Investments and Borrowings

Major Projects Canberra

Doran, Ms Karen, Acting Chief Projects Officer, Office of the Chief Projects Officer

Little, Mr Martin, Deputy Chief Projects Officer, Office of the Deputy Chief Projects Officer

THE CHAIR: In this sixth session of these estimates hearings, we will hear again from Mr Barr, this time as Treasurer, and officials. The proceedings are being broadcast live. Proceedings today are also being transcribed and they will be published on the Assembly website. If you are taking a question on notice, if you could be quite emphatic about it and say the words, "I will take that on notice," we can be on the same page. Can I remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the privilege statement. We are going to do this universally on the voices in the room. Could you confirm, for the record, that you understand the privilege implications of the statement and that you understand it? Excellent.

THE CHAIR: We are not inviting opening statements, so we will now proceed to questions. Chief Minister, in regard to the ACT Labor Conference Resolution on the weekend, supporting a four-day working week with no loss of pay. Treasurer, were any of your directorates consulted on the formation of that proposal?

Mr Barr: There is a current Assembly inquiry into the matter. Directorates would not normally be consulted in relation to policy motions coming forward at a Labor Party conference. The issue itself is not a new one. It is already subject to an Assembly inquiry and there has been a government submission into that process. So, I guess, to the extent that the issue has been considered by directorates, it would be fair to say of the motion at a Labor Party conference, no.

THE CHAIR: No. Obviously there has been a fair bit of public discussion about it, particularly given the passing of that motion at the conference. Obviously at this stage it is not government policy, but it is very clearly the adopted policy of the party that you represent, and you are the Chief Minister of the territory. I am just trying to get a handle on whether, from your perspective, the ACT public service has the capacity to perform five days worth of work in four days?

Mr Barr: I do not think that is the proposal so I do not accept the characterisation in the way that you have put it.

THE CHAIR: All right. Well then, what might the percentage reduction in output be from the 20 per cent reduction in working hours? If we are not performing the same amount of work, surely there would be a reduction.

Mr Barr: Sure. I think the evidence from trials that have been undertaken both in the private sector and the public sector elsewhere in the world has been that there are productivity benefits. In fact, there is no net loss in output. That has not been tested in the ACT public sector at this point, so it would be difficult to draw any conclusions at this stage. Given we have an open Assembly inquiry into the matter, we will await the committee's findings and then there will be a government response in due course.

THE CHAIR: Are you able to say roughly how much additional tax revenue would be required to fund a four-day working week in the public sector?

Mr Barr: There is no proposal before government to have a four-day working week in the public sector. There is an Assembly committee inquiry looking at the matter. What has piqued your interest, Mr Parton, is that there is a resolution passed at the Labor Party's conference recommending a trial within the ACT public sector.

THE CHAIR: All right. You have obviously made some statements on this issue in recent weeks, some of them in the processes that you have referred to. It certainly appears that you are at odds with a number of your Labor Party colleagues. Do you endorse the resolution from the conference on the weekend or are you opposed to it?

Mr Barr: A "got you" question!

THE CHAIR: I am just asking you—

Mr Barr: Building up, you are just asking—

THE CHAIR: Well, you very clearly stated a position which is radically different than say, Ms Orr's or Mr Pettersson's—

MR PETTERSSON: I do not know what my position is.

Mr Barr: As I have indicated, the matter is being considered by an Assembly committee. That committee will make recommendations, I presume. The government would then consider them. There are a variety of issues that need to be considered, including—and I think I have made this reference in my appearance before the committee—that the idea it would be done in isolation within the ACT public sector, that there would be no other change across the rest of the economy, would be challenging.

Maybe I am falsely reading into your line of questioning, but these debates are not dissimilar to debates that were had about the 45 hour working week becoming 40, becoming $36\frac{3}{4}$, and in some industries the number of hours worked per week has reduced below that. So I do not think you should leap to the conclusions that you have.

THE CHAIR: I did not leap to any conclusions at all. I am just wondering if the private sector of the ACT would be happy to compensate workers in the public sector

for either additional pay for having to work a five-day week or for only working four, because the revenue has to come from somewhere.

Mr Barr: Your assumption implied in that question is that there is no possible productivity improvement at all.

THE CHAIR: No, not necessarily. But obviously if individual public servants—what I am reading from the conference is that if you are a frontline public servant and you have to work five days you are going to get a pay rise for doing so. That money has to come from somewhere. There are a helluva lot of frontline public servants who would have to work a five-day week, as would most of their colleagues in the private sector. Obviously, they are not covered by this but—

Mr Barr: Well I guess we have a range of operations that vary, some are seven days a week. I think it would be a complex set of enterprise bargaining arrangements if work were to be four days a week for some, and then that would change potential rostering arrangements over the balance of a seven day a week operation. In other areas it may be that service delivery is undertaken over four days. These would be questions that would need to be resolved in any potential trial or detailed implementation. There are many people, a proportion of the workforce, who do work four days a week and the tasks that might take others five days they can complete in four. That will vary across different areas of the ACT public sector just as I imagine it would in the private sector.

CHAIR: I wish you all the best of luck in dealing with this.

MR CAIN: Treasurer, perhaps in anticipation of the committee report, has Treasury done any modelling at all on the impact of going to a four-day working week?

Mr Barr: No, because no decision has been taken, and that would be pre-emptive, Mr Cain.

MR COCKS: I am also interested in this, and obviously this is a subject that has a lot of interest right now, following the announcement on the weekend. Do you plan to undertake modelling of what the impact would be on the ACT's competitive position were it to go it alone on something like this?

Mr Barr: The ACT cannot go it alone on something like this. We operate within a national industrial relations framework. If by the ACT you mean the ACT public sector, so employees of the territory government as opposed to the ACT economy, then the economic impact would be significantly limited to the ACT public sector, which, so I understand it, would represent less than 10 per cent the GSP of the territory. It would potentially have some flow through implications if the ACT public sector became an even more attractive place to work, so that you could see a flood of labour out of the private sector unless those sorts of working conditions were matched.

MR COCKS: So have you or will you undertake modelling of that comparative? What the workforce impact would be on the ACT public service versus the commonwealth public service?

Mr Barr: In most instances there is very little overlap because the major employment

areas in the ACT government—the commonwealth do not employ nurses, teachers, emergency services—

MR COCKS: Noting that certainly in this room there are plenty of people who have worked, not right now, but there are plenty of people that have worked with us—

Mr Barr: Sure, and in certain policy areas, for several thousand of our staff we could potentially become an even more attractive employer. That is a potential outcome.

MR COCKS: Have you or will you undertake analysis into the differential incentives between frontline work, for example, teachers, nurses, versus moving into those administrative roles where it is easier to work four days a week?

Mr Barr: Yes. You have certainly hit on a particular element—and I am not on the committee that is examining this, but I would certainly—

MR COCKS: Yes, so I am interested in whether Treasury is going to be looking at these things. Do you have any plan to look at those things?

Mr Barr: Do I have a plan to look at it? Well I would need to see—

MR COCKS: Over the next 12 months?

Mr Barr: I think I would need to see the recommendations of the Assembly committee. We would then give consideration to a government response. I do not want to foreshadow that government response without having seen the recommendations of the committee. Given everything we have on at the moment, I think it would be unlikely that we would be commissioning modelling in the next 12 months. I do not rule out commissioning further work in the future, but I suspect it is unlikely in the next 12 months.

MR COCKS: Okay. So it sounds like you are definitely not ruling out this as a future direction?

Mr Barr: We engage in flexible work practices, and our most recent enterprise bargaining round has further increased flexibility. So if you are looking for me to blanket rule out that we will have further flexibility in the ACT public sector, I will not give you that satisfaction.

MR COCKS: On the four-day work week concept, it sounds like you are not ruling that out.

Mr Barr: No, I am not. But equally, I am not committing to its application across the entirety of the ACT public sector tomorrow morning. Any change would be undertaken after a trial in a measured way, potentially over several decades. It is not something you are just going to click your fingers and suddenly change.

MR COCKS: It does have significant resonance with the issue of banning gas, which ahead of the last election you said, “We certainly could not abruptly snap our fingers and ban gas tomorrow.”

Mr Barr: No, and we have not—

MR COCKS: But it sounds like—

Mr Barr: And we have not—

MR COCKS: No, that is right. It is a—

Mr Barr: So we have a process over 23 years to phase it out—

MR COCKS: But it is a planned process.

Mr Barr: So yes, it is entirely possible that over the next several decades the nature of work will further evolve with the emergence of artificial intelligence and further productivity enhancing measures that could mean humans could enjoy a little bit more leisure time and have a greater work-life balance. That is possible. I do not rule that out.

MS CLAY: Treasurer, we have wellbeing indicators and we have a gender analysis tool. The Pegasus consultants were fairly scathing on how these were being effectively used and whether they were in fact shaping budget decisions. I am sure you have had a chance to have a look at the Pegasus report. We have the government response back. Do you imagine your officials in different agencies would be able to point to a few examples of decisions in which the wellbeing indicators and the gender analysis tools have genuinely changed budget decisions?

Mr Barr: Probably not changed; I would use a different word—informed them from the ground up. I would point to government policy in relation to recent enterprise bargaining outcomes, as an example. It is one of the largest areas of expenditure in the territory budget. A number of the wellbeing indicators and the gender lens were applied to the government's approach to its workplace bargaining. Given that labour—salaries, wages, superannuation entitlements and other—encompass more than 50 per cent of the territory budget, that is probably the single largest area where a wellbeing and a gender lens can be applied, given the nature of our workforce and the nature of the government's bargaining efforts and engagement over the last several months.

MS CLAY: And was that an example where the gender analysis tool was used—

Mr Barr: Yes, so we had—

MS CLAY: —and then shaped it, so it was specifically used—

Mr Barr: We had data available to us on the gender pay gap. We had data available to us in relation to the incomes of sections of our workforce relative to others and the cost-of-living challenges that they were facing. We were able to apply that data to inform our enterprise bargaining offers.

MS CLAY: Excellent. I genuinely do not want to get into a definitional argument

here; that is not my intention. So do you imagine that most of your directorates would be able to give a few examples of policy decisions or new programs that were changed or created as the result of the wellbeing indicators and gender—

Mr Barr: Yes. I would say “created as a result of” more so than “change”. If I understand what you imply by change—as in a proposal came in that was gender imbalanced and it was then radically changed—no, there were no proposals that came in to that effect. I think having the available data of both wellbeing indicators and the gender lens means that the new policy proposals from the start have that as a focus. They do not need to come into the budget process, get to ERC and then be radically changed.

MS CLAY: And the directorates are now doing this themselves, disaggregated in their own policy teams?

Mr Barr: Sorry, what do you mean by disaggregated?

MS CLAY: It is very difficult to apply a gender analysis tool, or wellbeing indicators, if you do not know what they are, and you have never been trained in them.

Mr Barr: Sure.

MS CLAY: So if it is meant to apply to new programs, what you are telling me is that people who are coming up with business cases and developing new programs are trained, and they are applying these tools.

Mr Barr: Yes. There is a very small group of people who write business cases. Of our 27,000 staff, I would say there would not be that many. There would be dozens, and then there would be probably a team of about—how many do the assessments for Treasury?

Mr Hocking: In Treasury, there is probably about 30 or 40.

Mr Barr: Yes.

MS CLAY: I used to write business cases in TAMS. There were business cases being written in every single unit within one tiny agency. Is it only a couple of dozen people writing business cases across all of ACT government?

Mr Barr: No; there are a couple of dozen who would assess them in Treasury—

MS CLAY: Right, yes.

Mr Barr: It is not as if there are thousands of people writing business cases. There would be, potentially, a couple of hundred across every area of ACT government. Contributing to a business case is one thing—providing a few lines or a bit of information from your line areas—but, ultimately, the person who is responsible would sit within the senior executive service, and the contact officer in most business cases is a relatively senior public servant. Correct me if I am misinterpreting your question, but we do not need to provide training in business case writing for 27,000

staff. We have a very small cohort of people who—

MS CLAY: What I want to know is, and I will be as simple and clear as I can: are the people who are writing business cases for new things trained in these tools, and are the people who are assessing the business cases trained in these tools?

Mr Barr: Yes.

MS CLAY: All of those people?

Mr Barr: Yes. There is a template for business cases, so you must provide information in relation to wellbeing indicators. There is both a financial and non-financial assessment. And the team—within Treasury?

Mr Hocking: Yes.

Mr Barr: That is a very small and focused team—

Mr Hocking: Yes.

MS CLAY: Yes, okay.

Mr Barr: Amongst the hardest working public servants in the territory.

MS CLAY: Okay, great.

Mr Barr: Yes.

MS CLAY: We have been following the iterative rollout of wellbeing indicators and gender impact analyses, and most of the commentators who are watching this remain pretty unsatisfied. It is still in early days; we are only a few years into both of those tools, but I would say Pegasus is the best one I can point to. We spoke to YWCA. We have had a lot of input that these tools are not really shaping budget decisions. Do you think that is a misperception? Do you think it is still in development? Or do you think we have arrived where we are going to get to, and this is as good as it is going to get?

Mr Barr: With the greatest of respect to those organisations, they are not involved in the budget process. They do not sit in the ERC. They do not provide any advice to government. They are not writing the business cases—Pegasus in particular. Organisations that provide an annual submission to the budget process at least have slightly, in relation to their own stakeholder interest.

But, no, I would reject the assertion that the government is not taking the wellbeing indicators and the wellbeing assessment process seriously in budget development. I do accept that this is not something that will simply be rolled out in one budget round. This is the fourth budget. My observation, having delivered 13 budgets now, is that the process is becoming more embedded as each budget round continues.

Wellbeing—I think people are expecting it will just be instant fixes to longstanding policy challenges. Much of the wellbeing focus is not about an announceable; it is

about a longer-term shift in outcomes. And you are not going to achieve that in a four-year cycle.

MS CLAY: From the point of view of somebody who is external, not in cabinet, not in the ERC, and does not see the business cases that go through and the ones that get knocked back, how can they assess if these tools are working out? Are we conducting an external review of how effective these are? How do we know—the people who are not already in cabinet—that they are actually having an impact, given that commentators are a bit nervous?

Mr Barr: That will be difficult, because no-one, other than those who are in the ERC process, will have access to every piece of information—

MS CLAY: Yes.

Mr Barr: So it will be entirely subjective, depending on one's opinion. It ultimately comes down, frankly, to whether the decision-makers believe in the process, or they do not. Again, I do not want to be unfair to the nature of the question, but you are almost assuming there is no human element in this, or that the decision-makers have no capacity, having put in place the framework themselves with a desire to do so, to endeavour to shape and improve it over time.

MS CLAY: I do not think it is unreasonable in a budget estimates session to ask how we are assessing the effectiveness of a policy.

Mr Barr: Sure, yes, and I am telling you that I do not believe it is something that can be objectively assessed to the extent that I think you are looking for. It is entirely subjective, in the views of those that you have presented; and I am saying that I am not sure on what basis they have reached those conclusions, because they have no insight into the process.

I am not claiming that it is absolutely perfect. In fact, I do not believe there will ever be a moment when we achieve perfection in anything, so we can always strive to do better. Is the budget process better now than it was four years ago, pre wellbeing indicators? Yes, it is. There are very few people who can give you a 13-year assessment of it. In fact, I can give you a 17-year assessment, because I have sat in on every budget for that entire time. You can choose to believe me or not, but I can tell you that it is a much better process now than it was 17 years ago. The sorts of issues that we are seeking to address through a wellbeing assessment—there is significant progress that has been made. Is it the end of the journey? No, it is not.

I will give some thought as to how we might be able to demonstrate to external observers—

MS CLAY: Perhaps a useful accountability indicator or a useful review mechanism would be good—

Mr Barr: Yes, sure.

MS CLAY: And I think we are at the end of our time—

Mr Barr: But absent someone sitting in on every single budget decision over several decades, I am not sure that there is a perfect objective measure of this. But, as I say, I will give some thought—given the level of interest and the worried eyebrows and the shaking of heads that I am seeing from some.

THE CHAIR: That is why we are here.

Mr Barr: Indeed, fair enough.

MS CLAY: We measure things like customer satisfaction. Anyway!

THE CHAIR: We do.

Mr Barr: Yes, but who are your customers? Cabinet ministers? ERC members? The public service? There would be a number of different perspectives on this and—

THE CHAIR: We are going to pause on that—

Mr Barr: Okay.

THE CHAIR: We do want to have a little break. We may resume with a supplementary from me on that line, because I do not think it is done.

Mr Barr: Sure.

THE CHAIR: Thanks all. Enjoy your freedom, and we will be back soon.

Short suspension.

THE CHAIR: In this session of the hearings of the Select Committee on Estimates we will continue speaking to the Treasurer and officials. Treasurer, I thought that your response to Ms Clay with regard to the external assessments of budget decisions was extraordinarily arrogant. To imply that the only people who can genuinely assess budget decisions are the people who made the decisions seems absurd.

Mr Barr: I am not sure that was—

THE CHAIR: I know that is a paraphrase that pushes it to its extreme, but that was part of the tone of the answer. With regard to how we could do it better, I am assuming—but I do not know, so I am asking—that you have assessed the way that the New Zealand budget reports on wellbeing indicators and how they have assessed budget decisions? The view of Pegasus—and, I believe, the view of Ms Clay—is that they presented a much more transparent way of reporting which gives a genuine indication of how these wellbeing indicators are at play in the budget. Have you seen the New Zealand—

Mr Barr: Sure. Yes, we have engaged with the New Zealand government. Also, we are engaging with the Australian government now, as Treasurer Chalmers is undertaking a similar process. The budget papers have a chapter that outlines the

wellbeing issues that were raised with the government during the pre-budget consultation phase and our response to all of them.

In relation to one of Ms Clay's suggestions for some sort of customer satisfaction survey, I guess you could have an opinion poll each year, after the budget is delivered, on what the community reaction to the budget is, specific to: "How did you feel it met either your wellbeing or the community wellbeing?" That could be one objective measure. It has the potential to be somewhat expensive, depending on how many questions you ask.

Ultimately, we spend several million dollars every four years on a very extensive survey, inviting everyone over the age of 18 who is registered to vote to participate on whether their wellbeing is being improved or not through the election process. Depending on the level of engagement that an individual voter has with the budget process, as the principal document each year of the government, that could be interpreted as a customer survey-type response to whether the community felt that their wellbeing was being improved.

I am happy to receive further guidance regarding my interpretation of the question on how we would measure that internally in government. It was not entirely clear to me how an accountability indicator could be applied internally to government, other than by asking the Treasury officers who did the assessment of wellbeing, "Did you assess wellbeing?", to which they would say either yes or no. Then we could ask the people who have written the business cases: "Did you apply the wellbeing framework to the business case writing; yes or no?" I guess we could measure that. But it is unlikely, given that it is a requirement before a business case can even make it into the budget process that that framework has to be assessed. That gives you a binary yes or no.

My fundamental point—and if I have not expressed it well enough, I apologise—is that much of this is subjective. Organisation X could say that possibly the reason that their particular proposal was not funded or fully funded in a particular budget was that the wellbeing indicators must not have been applied. There is entirely likely to be a legitimate alternative view. Ultimately, in often highly subjective matters, the cabinet, the ERC, has to make a decision between an outstanding proposal, an excellent proposal, a very good proposal and a good proposal. We rarely receive crap proposals. Occasionally we do, but rarely. We are often forced to choose between things that would get 9.9 out of 10 versus 9.6 out of 10. You have to go to the areas of greatest priority, and they will vary from budget to budget, of course.

THE CHAIR: I appreciate that wider explanation. Do not get me wrong: I am not the number one cheerleader for the wellbeing indicators.

Mr Barr: I did gather as much, yes.

THE CHAIR: I just felt that I needed to support my fellow committee member, albeit from—

Mr Barr: A different perspective; yes.

THE CHAIR: Because I just was not satisfied with the answer.

Mr Barr: Sounds like many political debates: you both disagree with me but for different reasons.

THE CHAIR: Given the fact that it was originally your question, Ms Clay, I do not know whether you have a further supp on the Chief Minister's response.

MS CLAY: No, thank you. I think we are done.

MR PETTERSSON: I have a quick question for Major Projects Canberra. Procurements over \$5 million need to submit a local industry participation plan. Is there a reason why these plans are not made public?

Ms Doran: Mr Pettersson, we do make public certain elements of the social agenda that we look for in procurement programs, as well as the compliance elements of that—local work and employment requirements and other regulatory requirements. The product you refer to is probably not standardised sufficiently to make it a public document. It is more an element that we seek from tenderers and assess as part of the procurement process.

MR PETTERSSON: How would the public go about assessing or being aware of local industry participation for a big project?

Ms Doran: For some of our larger projects, and certainly some of our designated projects, it is much more of a significant element. It is more what we look for in their social agenda. We can, in those projects, look both to what the contractors have committed to but also at how we monitor against those commitments. I might pass to Martin Little, who will be able to talk to some of our designated projects and the initiatives that we have playing out in that space.

Mr Little: Thanks Karen. In terms of the designated projects, for example, the Canberra Hospital expansion project has a requirement to meet certain criteria that is fed back by the contractors, such as Indigenous employment and engagement. That is monitored through the project governance framework. The CIT project that is underway also has a requirement to increase the level of women's participation in construction. Again, that is fed back by the contractors and monitored regularly through the project governance framework. The Canberra Theatre Centre project, which is just getting underway, has a similar type of requirement. It looks at engaging socially with a diverse community, such as the Indigenous community and the LGBTIQ community.

MR PETTERSSON: So you can speak to some of the elements within these plans. Is there a reason you cannot make the plans public?

Mr Little: There are certain elements that can be made public, in that they do not cut across the commercial aspects of the offer from the contractors. Those elements can be made public.

MR PETTERSSON: Are they made public as part of standard operating procedure?

Mr Little: Can I take that on notice, please? It depends on the commercial nature of it.

MR PETTERSSON: Okay.

Mr Barr: It is certainly worthwhile giving consideration to a public summary at the conclusion of a procurement process. I am not sure that it would be appropriate, during the assessment process, to be making public the various pitches of prospective tenderers. But there could be some merit in having a template for a publicly releasable component. I am happy to look at that as an option, going forward.

MR PETTERSSON: That would be great. Just circling back to something you mentioned previously, how do you ensure compliance with their plans?

Ms Doran: Again, in the designated project area, which is where MPC has the direct responsibility for delivery, we have quite robust governance structures in place, including a board chaired by an independent chair. And it is through those processes where we report on all elements of the project's delivery—so, financial, risk management, but also the delivery against the commitments that have been made in their proposals, which includes these various social performance measures that they have committed to.

MR PETTERSSON: Is it possible for a company that has got a local industry participation plan to award contracts to interstate subcontractors, without even tendering to local companies?

Mr Little: I do not believe so, but I would be happy to take that on notice.

Mr Barr: Is there a specific example that you—

MR PETTERSSON: Yes.

Mr Barr: Okay. Perhaps if you want to furnish that to me, I can seek an answer for you from MPC.

MR PETTERSSON: That would be good.

Mr Barr: Yes.

MR PETTERSSON: In relation to labour relations training and workplace equity plans, how does MPC evaluate those?

Ms Doran: These are plans that we do make public. They are in that category of compliance requirement. Do you have the details on that, Mr Little?

Mr Little: Yes, I am happy to take that. The evaluation panel at the time of tender submission by the contractors on the designated projects would submit those plans. The evaluation panel that is formed to consider that evaluation will then assess that as part of the criteria, depending on the weighted criteria. And in accordance with the procurement evaluation plan, they would then make that assessment, and that would then fold into the overall recommendation to the delegate.

MR PETTERSSON: Okay. I have seen examples that provide very little information on what they will actually do—often quoting examples from interstate or just quoting general statistics about employment characteristics in their company. Would that be considered a suitable plan?

Ms Doran: I think we have different levels of a project, both in terms of complexity and scale, and sophistication. So, again, for our designated projects, which are large complex projects, the plans would be similarly detailed. This is a requirement that applies across all capital projects, but I think it would be fair to say that the level of sophistication of the plans would vary, depending on the scale and complexity of those projects.

It is a relatively new area, and we are improving both the understanding of industry and our own monitoring of these plans. But I think you also have to remain proportional—have a proportionality principle in this area as well.

MR PETTERSSON: The examples I have seen do refer to a very large project. So if MPC are managing the tender, and if the labour relations training and workplace equity plan is lacklustre, is that something you would go back to and ask them to provide more detail?

Ms Doran: I think it depends here on the role of MPC in the particular project—I do not know which project we are talking about. Designated projects are where we do have that direct responsibility, and so we would take a more direct role in that space. But we also support directorates in the delivery of all other elements of the capital program. That is where we would not have that direct role, and so it would fall to another directorate.

MR PETTERSSON: Okay. Some of the examples that were given to me talk about things that are considered—excuse me, Chair, I have lost it. All good, thank you.

THE CHAIR: Happy for us to move on?

MR PETTERSSON: Yes, all good.

MR CAIN: Treasurer, I make reference to table 3.8.13 in the *Budget outlook*, page 285. I note that the total of new borrowings and maturities between and including 2023-24 to 2026-27 equates to approximately \$8.8 billion—just totalling across the bottom there. The vast majority of that is from new borrowings.

I note for the record, the equivalent period for this in last year's budget was \$7.5 billion. So my question, Treasurer, is: for the borrowings in 2026-27 of about \$2.5 billion, what interest rate do you currently forecast as that which you will be borrowing for that amount?

Mr Barr: I believe Pat McAuliffe may be able to assist there. We have provided, because this question came up—

MR CAIN: That is for the 2026-27 borrowings of \$2.5 billion—what interest rate,

and how did you get to that figure?

Mr Barr: There are notes on page 283 that refer to that:

... The estimate cost of future bond issuance is based on the Australia Sovereign forward curve (10-year term) plus an estimated ACT issuance margin at the time of a budget estimates update.

MR CAIN: Do you know what that rate actually is?

Mr Barr: The second footnote:

The estimated average cost of borrowing assumed for future issuance of ACT Bonds over the forward estimates is approximately 4.45 per cent ...

MR CAIN: Thank you. That is where it was. Are you forecasting borrowing rates to fall, or increase, or stay roughly the same? How much of that is variable or can be predicted?

Mr Barr: Pat McAuliffe, if you would like to? You can become the savant on the forward bond market!

Mr McAuliffe: When we determine an estimate for the budget, we, effectively, take a snapshot of the forward-looking yield curve at a point in time, so we do not try to forecast rates up or down or across the future. We know that they are going to change. So the rates in the budget are an assumption at the point in time when we settled the estimates.

MR CAIN: Okay. So, obviously, given that interest rates now are materially higher than two years ago, and noting that you have numerous existing long-dated fixed rate bonds on issue, what is the current strategy regarding the \$8.8 billion borrowings, in terms of short-term versus long-term bonds? Do you have a view on that? Will you be going short, long or a mixture?

Mr McAuliffe: We take a decision at the time when we need to undertake some funding. We will take a decision at that point in time, depending on what our cashflow requirement may be. We will have a look at the markets and see where the best opportunities are in terms of investor demand, as well as the prevailing market environment.

So to some extent it will get dictated by what is happening in the market. If we cast our mind back through the GFC period, for example, whilst a lot of issuers were trying to borrow a lot longer, because the demand was not there because of uncertainty around rates—you end up having to borrow a bit shorter under that sort of circumstance.

As I say, we will have a look at what our current circumstances are at the time. Our immediate focus for this year will be around our requirements for the 2023-24 year, but we do know that requirements will change, going forward.

MR CAIN: Just a few further questions on the debt funding program. I note that in

the financial year 2019-20, when the leasing accounting standards changed, territory borrowings—the principal outstanding—were about \$6.6 billion. That is from budget paper 2019-20, budget paper 3, page 309. It was about \$6.6 billion at the time.

In this budget, total territory borrowings are forecast to reach \$17.44 billion, and that is from page 283 on table 3.8.8. For the same comparison for net debt, it was \$2.7 billion in 2019-20, and is forecast to be \$10.6 billion in 2026-27.

I have some questions. I know that in previous hearings, Treasurer, you have attributed the territory's rising debt to COVID, the global financial crisis and the Mr Fluffy eradication scheme, but I quote from page 39 of the Pegasus budget analysis:

The ACT Government's net debt is only partially a consequence of its response to the COVID-19 pandemic: as Figure 19 shows, the change in debt to GSP ratio over the period 2019-2022 is well in line with both prior and projected trends.

Treasurer, are you able to provide a figure of how much of the net debt and total territory borrowings, principal outstanding, are attributable to COVID? Have you actually broken it down to that?

Mr Barr: I am sure that we could, and, happily, I will take that on notice for you.

MR CAIN: Thank you. And for both the 2022-23 result and 2026-27 forecast, if you could perhaps take that on notice as well? A breakdown in terms of any COVID related elements in those.

Mr Barr: Sure. Yes, we can do that.

MR CAIN: Thank you.

Mr Barr: I will take that question on notice, Chair.

THE CHAIR: Excellent.

MR CAIN: Thank you, so much.

THE CHAIR: Thank you, Mr Cain. Chief Minister, I refer to the doubling of fines between last year and 2026-27, in the *Budget outlook*. It was not long ago that we did discuss this increase briefly in questions without notice in the chamber, and you said that the incurring of fines was a voluntary taxation that would be avoidable by not committing an offence. But, Chief Minister, you are banking on fines revenue going from \$48.765 million in 2022-23 to a smidge under \$100 million in 2026-27. I want to know: what impact is a 100 per cent increase in fines going to have on Canberrans' cost of living?

Mr Barr: For those who incur a fine, it would have a negative impact—that is, there is money associated with breaking the law and incurring a fine. So there is no suggestion that a household would be better off paying a fine—no, they are going to be worse off.

THE CHAIR: That is \$50 million.

Mr Barr: Yes.

THE CHAIR: There are only so many people in Canberra. If that money was not going to Treasury coffers in this way, it would be buying school uniforms, putting food on the table, paying escalating rents, paying for medical treatment, paying for groceries. How many people are going to be affected by this staggering rise in fines, irrespective of whether it is a “voluntary contribution”?

Mr Barr: That will be entirely determined by the people of Canberra. The data that the government has obtained, in relation to some of the trials of some of the new technologies, has indicated, frankly, an alarming number of people not so much driving using their phone, as using their mobile phone whilst driving when driving would appear to be a secondary activity, not the primary activity, in some instances, from what has been captured on camera.

So, Mr Parton, I hope that this forward estimate is wrong, and I think we applied a level of expectation that behaviour will improve, but only time will tell. This revenue line would be zero if no-one broke the law.

THE CHAIR: I understand that, but, Chief Minister, what measures will you take to make sure that the public does not incur this level of fines, given that whatever measures you do take could be counterproductive to the budget bottom line?

Mr Barr: I think it is unrealistic to expect that there would be no-one who would speed, run a red light, park illegally or drive whilst using their mobile phone. I think zero revenue is an unlikely outcome, and behavioural economics would tend to suggest that once you receive a fine you might change your behaviour. In relation to the mobile phone-detecting cameras, we have been running them for some time now, and issuing warning notices to people that they have been detected, but not attaching a fine at this phase of the roll out of the technology.

THE CHAIR: I do not want you to make a false statement there, as was the case in the lead-up to the 40-kilometre zone. My understanding is that the warnings have not gone out yet.

Mr Barr: Well, if they have not gone out to individuals, they certainly have gone out publicly to the community. There has been a lot of discussion.

THE CHAIR: But I do not believe that warnings have been issued to individual motorists.

Mr Barr: That may or may not be the case at this point, but I think it is undeniable that there has been a lot of community discussion and a lot of attention drawn to this, and the presence of those detection cameras is very well known. I do not think anyone is disputing that. So the level of fine revenue is entirely in the hands of the community.

THE CHAIR: How many driver licence cancellations would be expected from the

doubling of traffic fines? I am assuming that there would be quite a number who would lose their licences.

Mr Barr: That is a level of detail that would be best asked of the relevant minister. To the extent that it has not already been asked, or will not be asked, and there is an answer that is required on that, we will endeavour at the end of the process to ensure that the relevant minister provides that information to the committee.

THE CHAIR: Just in closing from me: you have indicated that the mobile phone cameras are one aspect of this, but I want to know, additionally, why you are so confident that you are going to raise an extra \$50 million over two financial years. Are we going to see more speed camera zones like the one on Northbourne Avenue, which has famously captured thousands of motorists? Is that going to be the approach of your government in revenue raising?

Mr Barr: I will endeavour to provide you with some further information in relation to the different categories that led to that ultimate aggregated number. This may come from across many areas of government. I do not sit there and decide: “It will be this number.” It is the subject of multiple agencies who are responsible for either the enforcement or collection of fines.

To the extent that I can provide you with some further information, having contacted those different areas, I am happy to do so, so I take that element on notice.

THE CHAIR: Excellent. Thank you, Mr Barr.

MR CAIN: My question might be an overlap of Mr Parton’s last one. You have been talking mostly about fines for driving offences of various sorts. Have you actually broken down where you might expect the increase of particular fines to come from? Surely, they are not just all traffic related.

Mr Barr: That is the question I just took on notice.

MR CAIN: That was that one. Okay.

Mr Barr: Yes.

MR CAIN: Not to be too finicky here, but are you able to do that for each of the forward estimates? We have got expected fine revenue of \$51 million, and then we jump \$15 million—for each of those years as well?

Mr Barr: I will see what information I can provide for you, Mr Cain.

MR CAIN: Okay. Thank you.

MS CLAY: Treasurer, I would love to have a bit of a chat about the ambulance levy. I understand that in 2017 we phased out most of our insurance duties, but we kept the ambulance levy—a tax on private health insurance company policies. Can you clarify: is that the last remaining insurance tax we have got here?

Mr Barr: Do we classify it as a tax?

Mr Hocking: Yes, we do. I think it is classified as an insurance tax.

MS CLAY: Levy? The last remaining insurance levy we have here?

THE CHAIR: We certainly do!

Mr Barr: We will not go down the rabbit hole of, “Is a levy a tax?”, but yes.

MS CLAY: I do not want to have a definitional argument. I will use the word “levy”. I actually did not think that this first one would be a stumper!

Mr Barr: To give the simplest possible answer to your question: I believe, yes, it would remain the last.

MS CLAY: Excellent. Are we currently planning on retaining that levy? There are no plans at the moment to—

Mr Barr: We are certainly retaining it in this coming fiscal year. I will not speculate on future policy.

MS CLAY: Okay. Have you had any feedback from private health insurers or from others that the ambulance levy affects the pricing of insurance policies?

Mr Hocking: I am not aware of anything.

Mr Barr: No. I certainly have not personally, but let me just check with officials—no.

MS CLAY: Have you done any work to determine whether it impacts the level of private health insurance uptake in the ACT?

Mr Barr: I believe that—although I have not seen data this fiscal year—generally speaking, because of our higher incomes, we have the highest take-up of private health insurance. Unfortunately, though, we have one of the lowest utilisations of it. That is an interesting juxtaposition: people take it out but do not necessarily use it.

MS CLAY: We are either too healthy or we do not like the paperwork, I would conclude.

Mr Barr: A combination of that and we have an excellent public health system, so people do not feel the need to use their private health insurance.

MS CLAY: Sure. In 2017, when you looked at this category of levies—the insurance levies—and you kept the ambulance levy, what was the analysis that you did at the time that led you to decide to keep that? In some other states, there are different ways of dealing with ambulances. Some states offer it for free. We have the system where we have a levy on private health insurance. This is great for people who have private health insurance but means that people who do not have private health insurance are paying for their ambulance. What kind of analysis did you do to make the decision?

Mr Barr: It was not 2017; it was 2012.

MS CLAY: Thank you.

Mr Barr: We determined at that time to phase out the territory tax on insurance products, so I think this in a different category. It is not the same tax reform as the one that was outlined and delivered between 2012 and 2017. Let me provide you with a written explanation. I think that is a more straightforward way to address this.

MS CLAY: Thank you.

Mr Barr: I will take that element of the question on notice.

THE CHAIR: Excellent. We will keep things moving down the line to Mr Pettersson.

MR PETTERSSON: Thank you. There has been a lot of commentary, particularly since the census results were released, going to ACT's population and population projections. How confident are you that we are getting the ACT's population correct?

Mr Barr: I am still not confident based on the most recent datasets of Estimated Residential Population. Let me be clear, I am confident that the five-yearly census represents the most accurate data that the ABS can obtain for both the territory and the commonwealth. Regarding the methodology to undertake the Estimated Residential Population, which is undertaken quarterly between each five-yearly census, there is clearly a flaw in the methodology that was utilised pre-census 2021 that led to an egregious error of five per cent in the territory's population. That is a big miss by Estimated Residential Population and has cost the territory hundreds of millions of dollars in GST revenue.

To their very great credit, the ABS have recognised the flaw in the methodology and are engaging with the territory government on improvements. I happened to be in an economic briefing with the head of the ABS just last week and he took the time to reassure me that they were continuing their work with us on that matter. Mr Miners, are you in a position to talk about that?

Mr Miners: I could add some more. We have been engaging with the ABS on this issue for a considerable period of time to try to improve the estimates around population. Following the lunch that the Treasurer referred to, I was also attending a meeting in Sydney and the head of the ABS was there as well, so we raised this issue again with them and we will raise it on a regular basis. We actually have a very good relationship with the ABS and continue to work with them to improve the methodology, and to move that as quickly as we can to make sure they are taking into account as much contemporaneous data as they can, to make sure that we do not get the same issue that we have had through the past censuses.

Mr Barr: The principal issue is the measurement of net interstate migration. The data on births and deaths is very robust, and there is very good data, although not perfect, on net overseas migration—those who come into the country. There is very good data on who is coming in, but it starts to get a little bit more problematic on measuring

internal movement within Australia. It is clear that relying on people to update their Medicare address has not proven to be an effective methodology to ascertain where people live in Australia.

MR PETTERSSON: Is this a uniquely ACT problem or are there other jurisdictions that have qualms with their population projections?

Mr Barr: Our friends at the southern island, Tasmania, also experienced quite a significant statistical discrepancy. From memory, it was in the ballpark of ours—a four to five per cent undercount on their population—and I think Sydney and Melbourne were overcounted when you look at Estimated Residential Population and compare it with the actual population, as measured by the census. There will always be a degree of error. The statistical product is called the Estimated Residential Population, so we accept that it is not going to be absolute and that these things move daily, weekly and monthly. But the persistent trend that concerns me is that we have a very strong natural population increase—that is, more births than deaths every year—and we are receiving very strong international migration, but the Estimated Residential Population data continues to show a net flow out of the ACT.

The major statistical correction that had to occur in the back-casting of data between the 2016 census and the 2021 census was to correct this pattern. Because people were not changing their Medicare address when they came to the ACT, they were undercounting the movement into the territory, in effect. While that persists, I will continue to have concerns that we will get to the next census in three years and the Estimated Residential Population will have assumed that we have had an outflow of people to other states and territories, and the census will prove again that we have not. Unless that methodology is improved, we will run the risk of what has happened in the past five years repeating itself, and that will be very frustrating. I have personal commitments from the relevant minister, the head of the agency and, indeed, the team working on it, who I have met with directly, that they are aware of this problem, understand why we are concerned and are seeking to address it.

MR PETTERSSON: Very good. Thank you.

THE CHAIR: Ms Clay, do you have a supplementary?

MS CLAY: Thank you, Chair. Public housing also has not increased in line with the population growth. I will not revisit all the complex discussions we have had about public housing. Treasurer, is it a priority that you would want to increase public housing so that it meets population growth?

Mr Barr: I guess it depends on what you mean by “meets population growth”.

MS CLAY: Our public housing stock has declined over the past 20 years and our population has increased.

Mr Barr: Yes—those are facts. There are historical reasons why our share of public housing was very high, and that largely related to the large-scale transition of workforce, particularly from Melbourne but also from Sydney in the 1950s and 1960s, reflecting the movement of the public service into the territory in a big way under the

Menzies government. A lot of public accommodation, dormitory-style accommodation, was built to house that influx of public servants, largely as a temporary measure but with a view that, over time, more housing would be built. I think it is also important in the context of a discussion on public housing that we are clear around our definitions, because often the distinction between asset management and tenancy management is blurred. We have tended to see discussion on social housing as the metric, but, again, that largely comes down to who owns the asset.

We have addressed this in the government response to the Pegasus report. There is an interesting set of incentives, and you see this occurring across the federation. Some jurisdictions—Tasmania, for example—have not reduced the number of social housing dwellings but have shifted them from the public housing sector to the community housing sector. As we point out in the government response, there has been a 55 per cent reduction in the headline number of public housing properties in Tasmania, but that is largely because they transferred the asset to the community housing sector.

We have not taken that approach in the ACT. We have largely held the number of public housing dwellings at a similar level. I think the decline has been two per cent over 10 years. That is principally as a result of the growth and renewal program, as I think you have explored extensively. It is not a linear program, and there is a lag between the disposal of an asset and construction of a new asset. The other element that is worth considering is the number of bedrooms. We do a very strict dwelling count. What we have changed is the nature of the dwellings. A lot of one-bedroom and studio-type accommodation has been replaced by two-bedroom—

MS CLAY: We are straying into the details of the group, so I might refocus. When you are looking forward to the 2026-27 forward estimates, are you confident that we have enough funding and we will have enough public housing to meet the need and clear the waitlist?

Mr Barr: It would benefit greatly by a further injection of capital through the Housing Australia Future Fund, so I look forward to the senate and either of your parties being prepared to vote yes for that. That would add, I understand, finance for a minimum of 1,200 in the territory. As I understand it, the current waitlist has around 3,000. That is a very substantial contribution that the Housing Australia Future Fund could make for the territory. Beyond that, of course, we have our program that we announced in this budget, and there is the Social Housing Accelerator that the Prime Minister announced several weeks ago.

Short suspension.

MS CLAY: Have you modelled those measures and are they sufficient to meet the need?

Mr Barr: We have to make certain assumptions about the rate of growth of future demand, which would be linked to the broader rental market and the nature of future population increase. Ideally, the level of demand would fall because incomes had risen and the private market was able to provide more. Part of the effort that the government is focusing on is the second income quintile—the many who are on the

waiting list but are in private rental at the moment but are paying more than 30 per cent of their income in rent. There is a policy solution that does not necessarily require additional public housing but does require additional affordable housing. That is part of a continuum of supply-side measures that is necessary. We will need more supply across public housing, social housing, affordable housing and the general rental market. It is the extent of below-market subsidy that I think is the question, as to where additional resources should be poured.

MS CLAY: Have you modelled when people are in public housing and they pay a proportion of their rent?

Mr Barr: They pay a portion of their income.

MS CLAY: Their income—sorry. They pay a proportion of their income as rent. Have you modelled the financial sustainability if we had more public housing and we had more people who were paying that? Would that make it more financially sustainable?

Mr Barr: Make public housing more financially sustainable?

MS CLAY: Yes—make the maintenance of public housing more financially sustainable because you would have more people in public housing who are earning money and are able to contribute a higher proportion.

Mr Barr: Is this question about increasing the total public housing stock whilst—

MS CLAY: Have you modelled whether increasing the total public housing stock in fact makes it more financially sustainable to maintain that stock?

THE CHAIR: Through economies of scale.

MS CLAY: The economies of scale and also that—

Mr Barr: I think what you are getting at is changing the eligibility requirements.

MS CLAY: Yes. You might have only the most desperate people who are not contributing much rent and people who are contributing a higher charge.

Mr Barr: That is what I was anticipating the question to be, which is a different question.

THE CHAIR: I am with you now.

Mr Barr: Yes; you could. You could make Housing ACT a profit-making venture if you only rented to rich people.

MS CLAY: That is not my question. Have you modelled what the impact would be? Treasury does quite a lot of modelling, I understand, so I am wondering if you have looked at that.

Mr Barr: Not to the extent of every per cent of shift between market rent and subsidised rent. There would be a point, presumably, at which the profit from market renters would subsidise the non-market renters. That would come at the cost of equitable access to housing.

MS CLAY: I was not actually asking you to model it here; I was just wondering if it has been modelled. Has it been modelled?

Mr Barr: That policy change is not currently on the government's agenda, so I would not be commissioning modelling into a hypothetical.

MS CLAY: Thank you.

Mr Barr: We could commission modelling into everything possible, but that would not be particularly productive.

MS CLAY: I reckon I am done on that, Chair.

THE CHAIR: Mr Cain, I think you have a question.

MR CAIN: Chief Minister, will you consider transferring more assets to the community housing providers, with appropriate caveats, to help this sector grow by being able to best further their portfolio to an initiative like borrowing from the National Housing Finance and Investment Corporation?

Mr Barr: We are certainly engaged with NHFIC and with the community housing sector and, where suitable proposals come forward, we would be supportive of that. If that involves an injection of new capital rather than transferring existing housing stock, I think that would be the preferred pathway. There are potential opportunities to separate asset management from tenancy management. If we can attract additional funding into the sector, then we are open to it. If the question you are asking is whether we would follow the Tasmanian path and transfer half our public housing stock to the community sector, the answer to that is no. But, if the question is whether we will work with the community housing sector to grow their asset base and help them to access new funding streams such as what NHFIC would provide, the answer to that is yes.

MR CAIN: Just to clarify if I misunderstood: you are saying you are not open to transferring from the existing stock to community housing providers, but you might look at a proportion of any additional stock you get going to the—

Mr Barr: I would not rule out a small-scale and specific initiative, but, if the line of questioning is would we follow the Tasmanian model of—

THE CHAIR: I do not think that was the line of questioning.

Mr Barr: It is not? I do not rule out ever transferring a property or a small number of properties. I do rule out handing 6,000 properties over.

MR CAIN: Is there a percentage of the current stock you would be comfortable

talking to your cabinet colleagues about?

Mr Barr: It would be a very specific proposal that would need to meet a specific need in the housing market. My preference, my starting point, would be, rather than transferring assets between sectors, how we might attract more capital to build more. Our primary focus on the growth of the community housing sector and the way that the government could facilitate that would be through access to land and facilitation through a number of the new commonwealth proposals. Equally, of course, the community housing sector would be eligible for funding under the Housing Australia Future Fund, were it to pass the Senate.

MR CAIN: Chief Minister, given that you control the supply of land, surely the answer is in your hands.

Mr Barr: We have access to some land, but most land in the territory is privately owned now.

MR CAIN: Yes, but I am talking about the supply of new land.

Mr Barr: Yes, but, again, most—

MR CAIN: That is in your hands.

Mr Barr: Some of that is—yes—but the supply of new land is also a decision for the Assembly in relation to zoning reform, and it is a matter for the private sector as well, in terms of the majority of land in the territory that is now privately owned.

MR CAIN: Touching on the population growth that has triggered this line, obviously you would be aware that I have prosecuted the argument that releasing 1,800 residential properties this financial year meets the growth of our population by less than half. It does seem like there is a problem of the government's own making, whether it is for public housing or just normal residential housing.

Mr Barr: Your analysis—on the basis of 2.5 people per dwelling, which is what the latest census data indicates—overlooks the contribution of other providers of housing. The sources of supply of new housing are more than just from the government's land release program. It also includes the privately-held land that is redeveloped. But I will put to you, Mr Cain, that, if you are particularly concerned about this, that would seem like a very powerful argument to vote for better utilisation of some of the existing land that is privately held, through planning reform.

MR CAIN: You are here in your ministerial capacity and, obviously, the government does supply land at its choice. Given that we have an affordability crisis and also a denial of reasonable choice of housing type, that is something that is in your hands to solve, and you can solve it.

Mr Barr: We are now having a political debate back and forth.

THE CHAIR: I think so. Mr Cain, let us cut that short. I will take the call from you and give it back to you.

MR CAIN: Here we go again.

Mr Barr: That was an effective intervention, Chair. Thank you.

THE CHAIR: I try.

MR CAIN: We will talk about table 3.5.19 on page 238 of the budget outlook. There is a line, Treasurer, called “Other Grants”, that jumps from a 2022-23 outcome of \$46.8 million to \$187.8 million—quadrupling—in 2026-27. It is \$46.8 million to \$187.8 million in revenue from other grants. Can you advise whether all of these grants in those outer years have been secured? If not, what percentage of the outer year forecast revenue from other grants has been secured?

Mr Barr: I will just quickly check. I will, in the short term, take that on notice and maybe I can get an answer to you in the next 25 minutes. I will just confirm that.

MR CAIN: What are these other grants, Treasurer?

Mr Barr: We will get that information for you.

MR CAIN: Okay. So you are taking on notice: why has that increased so dramatically, how secure are these other grants and is this just a convenient way to assist with your proposed surplus in 2025-26? We will see what information you come back with.

Mr Barr: Sure. I will provide that information for you.

THE CHAIR: I want to talk about the Calvary takeover. On page 215 of the *Budget outlook* 2023-24, employee expenses are expected to increase by \$314.9 million, partly due to forecasts related to the North Canberra Hospital. We asked the health minister why these costs were not included in budget statements C and she gave you the hospital pass and suggested that we ask you, as Treasurer. So my question is: how much of the \$314.9 million increase in employee expenses is attributed to the Calvary takeover and why were these expenses not included in budget statements C?

Mr Barr: I presume it would be a timing issue.

Mr Hocking: I have an answer to that.

Mr Barr: Okay. Stuart has an answer.

Mr Hocking: In the breakdown, \$192.4 million relates to North Canberra Hospital. That previously would have been classified as a grant expense, and now it is an employee expense in our whole-of-government accounts. In answer to the second part of your question, there was not sufficient time, given the timing of the announcement, for CHS’s budget to fully reflect the impact of taking over the North Canberra Hospital. The appropriation goes into the local health network budget, as it always has, for Canberra Hospital’s service. There are notes in the budget papers that explain all that, as well as in the statement of risk.

THE CHAIR: Can I assume, Mr Hocking and Mr Barr, as a consequence of that answer, that there will be an increase in expenses in budget statements C in the CHS section as a result of your takeover of Calvary?

Mr Barr: Once it is passed on from the local hospital network, by way of a grant to an external provider and brought back in, then, yes, one figure will go down and there will be a commensurate increase in the other.

THE CHAIR: I understand that timing has been one of the issues that has caused this anomaly. I am going to call it an anomaly because, as we sit here, on whatever today is, we obviously have a much clearer vision of what is going on than perhaps was the case when the budget was prepared. But surely you would have had that transparency then. You have made the decision not to provide even an estimate for the increase in expenses for CHS in your budget papers. How does that increase transparency or accountability? As we sit here today, it is clearly wrong.

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THE CHAIR: I want to ask about the just terms payment that the health minister confirmed will not be paid by CHS. You have repeatedly said that you have no estimate of what this payment will be. Is that still the case?

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There may well be other elements of the just terms payment that go to transition costs and the like. We have assisted Calvary with—I understand this is in the public arena—some transition costs and employee expenses, such as redundancy payments and the like. That is to be expected in the transmission of business. Obviously, this still has a way to run. We will ultimately reach a conclusion and that will be reported upon. It will need to be, in order for the territory to have audited financial statements.

THE CHAIR: Of course it will. Obviously, I understand that you will not be in a position to make any public estimate, but I also understand that those figures must have been discussed within private discussions. I just want to know: are there contingencies or reserves available for the territory that you will be able to access to pay Calvary, or do you expect that you will have to borrow to pay that payment?

Mr Barr: We made provision based on the best possible advice and our understanding of the unique circumstances of the assets, the Crown lease and other matters that are pertinent.

THE CHAIR: You are not anticipating borrowing?

Mr Barr: Not for the specific purpose of a just terms settlement with Calvary. I am anticipating borrowing for the north-side hospital, but not for the just terms payments.

THE CHAIR: Of course. I am talking about the just terms. I think this is probably on notice. This could be a big ask. I am not sure it is possible. I am looking for a list of all areas for: (a) staff; (b) equipment and clinical services; and (c) other expenses that the government expects will have an impact on financial statements and not be captured by the previous Calvary Network Agreement—for example, insurance, workers compensation, the whole kit and caboodle. Is it possible to seek that on notice? He is giving me that look!

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Mr Hocking: If your question is whether the Calvary Network Agreement funding will cover the delivery of the service by CHS, that is largely the case, except that there are some budget impacts from extra depreciation expense that we incur from now having the hospital on our books. Largely, other than that, the funding that was previously flowing to Calvary will now flow to CHS to run the hospital.

THE CHAIR: All right. Still, if it is possible to get that detail, I would like to get it.

Mr Barr: We will see what we can do.

THE CHAIR: My apologies to the public servants involved in getting that information. Thank you.

MS CLAY: Treasurer, like every other state and territory we have got really limited sources of revenue available to us. We do not even have mining royalties here, which is how a lot of the other states are getting by. You have made a bit of a shift to payroll tax in this latest budget. We had been looking at that too. We have lodged a number of questions about that. Can you tell me: are there any other new or big step-up increases in tax that you are considering or is that where you are landing at the moment?

THE CHAIR: I gave her my question.

MS CLAY: Once again, we may be after the same information from different points of view.

Mr Barr: Yes, but from entirely different perspectives. The government considers the revenue side of the budget each year. We were very conscious of cost-of-living pressures in our decision-making in this budget round, so a number of the changes

that we introduced in this year's budget do not take effect for several years into the future.

We are contemplating, or will soon need to, the fourth tranche of stamp duty reform. You have correctly observed that the strength of the labour market and a recent uptick in wages has led to payroll tax becoming a larger source of revenue than the rates base. That is a reflection of a growing economy and a growing labour market, to the extent that that is an encouraging sign. We were not about to cut payroll tax in this current environment.

I did get a question, within the context of the Business Chamber's post-budget event, about whether the territory's payroll tax mix was right and whether, in fact, we should be seeking more revenue from smaller business and effectively adopting New South Wales's tax rates and thresholds. That would, I understand, raise more revenue, but it would principally be off businesses with payrolls between \$1 and \$2 million, and more than 10 or 20 employees.

MS CLAY: Yes. The small end of town.

Mr Barr: Our contemplation of that determined that we would not pursue that pathway and instead we would look at the measures that we introduced around seeking a relatively modest additional contribution from some of the largest employers. You will see from the budget papers that the revenue lines for payroll tax start to get towards the \$1 billion mark over the forwards and the extra revenue raised from some of the payroll tax measures is in the order of \$20 million a year. That is about a two per cent increase above what was otherwise forecast. If you look at who it applies to, they are large corporates who have been making super profits, so I think that a \$20 million contribution back to the territory is not unreasonable. But, again, reflecting the current economic circumstance, we delayed the introduction of that for several years.

MS CLAY: Have you got a list of the companies that you expect will be affected by the latest changes?

MR CAIN: We will talk about table 3.5.19 on page 238 of the budget outlook. There is a line, Treasurer, called "Other Grants", that jumps from a 2022-23 outcome of \$46.8 million to \$187.8 million—quadrupling—in 2026-27. It is \$46.8 million to \$187.8 million in revenue from other grants. Can you advise whether all of these grants in those outer years have been secured? If not, what percentage of the outer year forecast revenue from other grants has been secured?

Mr Barr: I will just quickly check. I will, in the short term, take that on notice and maybe I can get an answer to you in the next 25 minutes. I will just confirm that.

MR CAIN: What are these other grants, Treasurer?

Mr Barr: We will get that information for you.

MR CAIN: Okay. So you are taking on notice: why has that increased so dramatically, how secure are these other grants and is this just a convenient way to assist with your

proposed surplus in 2025-26? We will see what information you come back with.

Mr Barr: Sure. I will provide that information for you.

THE CHAIR: I want to talk about the Calvary takeover. On page 215 of the *Budget outlook 2023-24*, employee expenses are expected to increase by \$314.9 million, partly due to forecasts related to the North Canberra Hospital. We asked the health minister why these costs were not included in budget statements C and she gave you the hospital pass and suggested that we ask you, as Treasurer. So my question is: how much of the \$314.9 million increase in employee expenses is attributed to the Calvary takeover and why were these expenses not included in budget statements C?

Mr Barr: I presume it would be a timing issue.

Mr Hocking: I have an answer to that.

Mr Barr: Okay. Stuart has an answer.

Mr Hocking: In the breakdown, \$192.4 million relates to North Canberra Hospital. That previously would have been classified as a grant expense, and now it is an employee expense in our whole-of-government accounts. In answer to the second part of your question, there was not sufficient time, given the timing of the announcement, for CHS's budget to fully reflect the impact of taking over the North Canberra Hospital. The appropriation goes into the local health network budget, as it always has, for Canberra Hospital's service. There are notes in the budget papers that explain all that, as well as in the statement of risk.

THE CHAIR: Can I assume, Mr Hocking and Mr Barr, as a consequence of that answer, that there will be an increase in expenses in budget statements C in the CHS section as a result of your takeover of Calvary?

Mr Barr: Once it is passed on from the local hospital network, by way of a grant to an external provider and brought back in, then, yes, one figure will go down and there will be a commensurate increase in the other.

THE CHAIR: I understand that timing has been one of the issues that has caused this anomaly. I am going to call it an anomaly because, as we sit here, on whatever today is, we obviously have a much clearer vision of what is going on than perhaps was the case when the budget was prepared. But surely you would have had that transparency then. You have made the decision not to provide even an estimate for the increase in expenses for CHS in your budget papers. How does that increase transparency or accountability? As we sit here today, it is clearly wrong.

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MS CLAY: Have you got a list of the companies that you expect will be affected by the latest changes?

Mr Barr: No, not specifically by company name, but a quick assessment of the Australian Stock Exchange and the ASX 200 and those that may have Australia-wide payroll over the particular thresholds would be reasonably clear about in which particular industries these payees would be. For reasons of privacy, we do not make tax decisions based on individual companies, obviously.

MS CLAY: No; obviously. To put it into plain English: it would probably be the big four banks, supermarkets and those kinds of things.

Mr Barr: Yes. Certainly, you are talking about very large national and multinational corporations for whom payroll tax is a difficult tax to avoid. They are quite skilled at avoiding a range of other taxes, but payroll tax is a little bit more difficult for them to avoid. It is a self-assessed tax, but we do have a very diligent compliance team. I am sure that publicly listed companies would meet all of their tax obligations in Australia.

MS CLAY: I noticed, and Pegasus noticed too, that we are up to stage 4 of the shift from stamp duty to rates.

Mr Barr: We will be, over the forward estimates period, yes. We are not there yet.

MS CLAY: The assessment by Pegasus was that we were getting a declining section of revenue from that shift. I am not sure whether in actual fact our payroll has increased or whether you have slowed down on that shift. Are you tracking that shift from stamp duty to rates? Has your timing changed or are you tracking the way you intended to?

Mr Barr: When it was announced in 2012 it was a 20-year program, so its scheduled completion date would be 2033. As 2012-13 was the first budget, by the end of fiscal 2032-33 would be the schedule. That is still just under a decade away. Certainly, the stamp duty share of own-source revenue has fallen significantly in percentage terms. If we were to do the counterfactual—if we had left the stamp duty rates where they were 11 years ago and then run the number of transactions we have now through that—stamp duty would be collecting \$800 million to \$900 million and rates would have increased by the WPI each year over the past 11 years, compounding at about four per cent.

MS CLAY: We are in stage 4? We are in that final stage?

Mr Barr: No, we are in stage 3 now.

MS CLAY: We are in stage 3?

Mr Barr: Yes.

MS CLAY: And stage 4 is the final stage?

Mr Barr: Stage 4 is the currently scheduled final stage, yes, which would take the last five years, up to 2032-33.

MS CLAY: Have we done an analysis to make sure that reducing and then eventually waiving all the stamp duty does not have the wrong impact on the market, in that they simply put up their prices?

Mr Barr: Yes; that analysis was undertaken at the midway point. I think that is on the Treasury website.

MS CLAY: Thank you.

MR CAIN: I just had waves of déjà vu, Treasurer, related to my previous occupation.

Mr Barr: Indeed; yes.

MR CAIN: Ms Clay was talking about payroll tax a while ago. With this jump from \$740 million in 2022-23 to \$1 billion in 2026-27, what are the risks of actually getting to that \$1 billion?

Mr Barr: I think they are outlined in the budget papers, in the statement of risks. I will find the right page to refer you to.

MR CAIN: What are the significant risks and what can you do about those?

Mr Barr: Page 234 shows some scenarios. I will turn to scenarios and risks to major revenue lines—the upside and downside scenarios.

MR CAIN: If you are looking, can you take that on notice so that I can move on?

Mr Barr: Sorry. It starts on page 233 and continues to page 234, in relation to alternative scenarios and risks to selected major revenue lines.

MR CAIN: Will the recent growth in payroll tax that you are anticipating be explained by the explosion of consultants in the commonwealth public service, and will the current federal government's commitments to cut such consultancies have any impact on your payroll tax forecast?

Mr Barr: Yes. That has been factored in to the forecast.

MR CAIN: Thank you. You would know that Pegasus has flagged that both your increased reliance on payroll tax and your reduction in duties will exceed your increase in own-source taxation. That is my understanding of their view. Should your

optimistic payroll tax forecast fall short, will we be getting Queanbeyan-Palerang style mega rates in the territory to plug the revenue gap?

Mr Barr: No.

MR CAIN: You have recently talked about whether you were aware of companies being lured over the border by New South Wales, including, for example, ABS Facade. Do you know what the annual loss in payroll revenue was from ABS Facade moving across the border?

Mr Barr: If we have any further information, I will provide that on notice.

MR CAIN: Thank you.

Mr Hocking: I have a quick answer to an earlier question. In relation to Ms Clay's question about the ambulance levy and whether it is the only tax on insurance, page 295 of the *Budget outlook* classifies taxes in the way the ABS classifies them, which includes tax on insurance. You will see taxes on insurance there, and the only revenue there is the ambulance levy.

MS CLAY: Great; thank you. We were slightly puzzled by the conversation about whether it is a tax or a levy, given that the budget papers called it a tax.

Mr Hocking: According to the ABS it is a tax.

THE CHAIR: You are on the same page as us. Thank you, Mr Hocking. Thank you, Chief Minister. Thank you, officials. We really do appreciate the preparation you have put into this and everything else. On behalf of the committee, I want to thank all those who have appeared throughout the day. If you have taken questions on notice, could you please get answers to the committee secretariat within five working days of receipt of the uncorrected proof. If members wish to lodge questions on notice, please contact the committee secretariat, via the portal, within five working days of the hearing. The committee's hearing for today is now adjourned. Thank you.

The committee adjourned at 4.59 pm.