



**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

WEDNESDAY, 26 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	830, 888
Environment, Planning and Sustainable Development Directorate	870
Icon Water Ltd	830
Major Projects Canberra	830
Public Trustee and Guardian	820
City Renewal Authority	914
Suburban Land Agency	914

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Amended 20 May 2013

The committee met at 8.45 am.

Appearances:

Public Trustee and Guardian

Hughes, Mr Aaron, Public Trustee and Guardian

Hughes, Mr Callum, Senior Director, Finance Unit

Lacey, Ms Danae, Acting Senior Director; Wills, Estates and Trusts Unit

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. The committee wishes to acknowledge and respect their continuing culture and the contribution that they make to the life of this city and this region. We would like to acknowledge and welcome other Aboriginal and Torres Strait Islander people who may be attending today's event.

The proceedings are being broadcast live. The proceedings today are also being transcribed and will be published on the Assembly website. If you take a question on notice, it would be useful if witnesses could use these words: "I will take that question on notice," so that we can all be on the same page.

In this first session we will hear from the Public Trustee and Guardian. We welcome Mr Aaron Hughes and officials. I remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the privilege statement. Could the three of you confirm for the record that you have read it and that you understand the privilege implications of the statement.

Witnesses: Yes.

THE CHAIR: We are not inviting opening statements. We will proceed to questions. You will be aware of Auditor-General's report No 3 of 2023: *Financial Management Services for Protected Persons*. The findings of the report are not flash. The overall conclusion drawn is that the processes used by the Public Trustee and Guardian to deliver financial management services to protected persons and to examine accounts submitted by private managers have been poor. Shortcomings have been identified across a range of governance, administrative and service delivery arrangements. Given the essential service that you provide for individuals across the territory who often are in a very vulnerable state, whether they have suffered an accident or an illness or they are disabled or elderly, what measures are being taken to rectify the issues that were raised in that report?

Mr A Hughes: The report is welcomed by our organisation in the sense that all audit reports identify improvements and ways that we can improve the service that we provide to people who are in vulnerable circumstances. The report has taken a lengthy period of time, and that has allowed us to progress a number of the recommendations already. About a third of those recommendations have been implemented. I can go through those for the committee, if you would like. Another third are in planning, and we will be progressing through those. Another third are the subject of a government

submission process because of the nature of the recommendations made.

THE CHAIR: Is that because they require changes that you cannot make without an intervention from this place?

Mr A Hughes: There are some recommendations for looking at the legislation, yes.

MR CAIN: One of the findings included that “consultation is not routinely undertaken” with protected persons to “understand their financial position, as well as their wishes”. Have you taken some immediate measures to address that very concerning finding?

Mr A Hughes: That particular finding, Mr Cain, from our point of view, refers to the records being kept in and on a file for a particular protected person. It would be our position that we are in regular and constant consultation with our clients in this space, particularly where we are the appointed financial manager. What the Auditor-General’s report has identified is that there are improvements that we can make to make sure we have a record on file about when we are not in contact with a protected person and why that is. In other circumstances where we have made contact and we are in contact, keeping better records in that space is an action that we need to take and improve on.

MR CAIN: It does seem strange that no records were being made of such conversations and consultations. What was the reason for that?

Mr A Hughes: From our point of view, there is a level of review to make sure that we are crystal clear with the Auditor-General about what they found. A record has been created but our systems need to allow us to pin that record to the person’s file so that the auditor can come in and see that on a file very easily. That is the action that we need to do: to make sure that those records are connected to an individual’s record.

MS CLAY: Mr Hughes, prior to the Auditor-General’s audit, I spoke to you and the former Public Trustee and Guardian, in 2021. I believe you were in that hearing; you are on the transcript.

Mr A Hughes: That might have been Mr Callum Hughes; it was not me.

MS CLAY: I am greatly reassured. Thank you; that has clarified that. I am not going to revisit the entire transcript, but I am going to skip to the end. I am going to read it out to you because you were not there, so you did not hear it. I had a long conversation with the Public Trustee and Guardian at the time. I said, in conclusion,

You are not entirely sure how many managers you are examining; you are not sure how much money they are managing; and you are not able to tell us how many examinations you have completed in the statutory 12-month period ...

Is that an accurate summary?

Mr Taylor said yes. That was the state of play in 2021.

I am going to run through some questions now and see if you can perform a bit better

than last time and put my mind at ease. I will give you the context. You know this and I know this, but if anyone is watching they will not know this. One of the functions of the Public Trustee and Guardian—and this was reviewed by the Auditor-General—is that you are meant to examine the accounts of private managers who manage the money of vulnerable people, once every 12 months. That is a really important measure to make sure that we do not have elder abuse and we do not have accidental mismanagement. There are lots of things that can go wrong for those vulnerable people and it is quite a lot of money. As of today, can you tell me how many people in Canberra are managers?

Mr A Hughes: Private financial managers?

MS CLAY: Yes.

Mr A Hughes: The number approximately—and you will appreciate that this does change from week to week—

MS CLAY: Yes; I am happy to take approximate.

Mr A Hughes: with the tribunal. Approximately 794 private financial managers are appointed.

MS CLAY: Excellent. You are already doing better. Can you tell me, of those 794 managers, how many in the past 12 months have submitted their accounts for examination?

Mr A Hughes: I would prefer, Ms Clay, to take that on notice.

MS CLAY: I am happy for you to take it on notice.

Mr A Hughes: I want to be sure that I am giving you the exact answer to your question.

MS CLAY: I think that is an excellent idea. Can you tell me what process you have in place to remind managers every year that they need to submit accounts for examination?

Mr A Hughes: This is the issue of reminder letters that we provide. The way that the private financial manager arrangements work, as you would be aware, is that the tribunal makes an order and that order is provided to us. Our process from there is to register the private financial manager and then reminder letters should progress through. One of the things that the Auditor-General's report has identified is that we need to look at the process and governance around that.

My understanding—and I have been with the Public Trustee and Guardian since February of this year—and what I can see is that from about December 2022 those reminder letters appear to have been progressed by the Public Trustee and Guardian fairly consistently out to clients and private financial managers, as a reminder for them to submit.

What I think we need to do is double-check that that is the process and that that is what is happening and then think about other ways in which we can improve that experience for private financial managers. For example, when a private financial manager is appointed, we should be contacting them right then and there and telling them what to expect, giving them some help, giving them a welcome pack that will help them to understand what their obligations are and what we will be seeking when we send that reminder letter to them. There are a couple of things that we are doing in that space.

MS CLAY: That is already better. I am just going to reflect some of that back, to make sure that I have it clear and so that it is in the transcript for the next time I see you, in two years. You have a complete register of everybody who has been appointed as a manager because when ACAT appoints someone as a manager you put that on your register, so you know all the managers and you believe there is a process in place to send them reminders.

I will let you know that I have constituents who are operating in this field. You say this has been happening since December; that matches what I am being told. Last time I was told people were being sent reminders and people were lodging, and I had constituent information that told me that people were six months overdue. So what you have told me matches the information I have. It might be a good idea for you to check and then advise us, on notice, exactly what your procedure is for that.

Mr A Hughes: Yes.

MS CLAY: What do you do if a manager is told that they need to lodge for examination and they do not do that?

Mr A Hughes: I will ask Ms Lacey to give you an overview of that. The reminder letter will trigger some actions inside our organisation about what needs to happen. It will trigger a report from us to the tribunal, in that space. Ms Lacey might elaborate on that for you.

Ms Lacey: In most cases private managers comply with the request to submit accounts for examination 28 days after the period of the anniversary. In some cases we receive requests for an extension of time by the private manager, which we deem to be acceptable if they have had a good history of examination lodgement. But if they do not lodge within another 28-day period, we report to ACAT that they have not lodged accounts and that our attempts to assist them with meeting their obligations have been unsuccessful.

MS CLAY: I am so much happier than I was three years ago. Thank you. I asked the last Public Trustee and Guardian approximately how much money was in management and he could not tell me. He did not seem to think he had any kind of system. He could not use Excel to add up 750 numbers, for instance. Are you able to tell me, on notice or in person today, approximately how much money is under private management?

Mr A Hughes: I am happy to take it on notice and see what we can do. If we cannot do it, then I am also happy to provide the committee with the reasons and an outline

as to why we cannot do it.

MS CLAY: Thank you. That will do me.

MR PETTERSSON: I am hoping to get an update on the Unclaimed Bodies Scheme. How many people's remains have you dealt with since the introduction of the scheme?

Mr A Hughes: Since the introduction of the scheme, I would need to take that on notice. We have given numbers in the budget statement of intent—or maybe we have not. For the Unclaimed Bodies Scheme, the number in my head is around seven. I would like to take that on notice to confirm that for you. As for the total scheme, since it was created, we would need to take that on notice and look at the previous financial years as well.

MR PETTERSSON: Okay. Any teething issues with the scheme? Any suggested reforms, or is everything functioning as intended?

Mr A Hughes: It is a small but important piece of what the Public Trustee and Guardian does. My understanding, from my initial conversations with the team who look after it, is that, from time to time, there can be some problems in terms of notification that something needs to happen to progress something, but nothing so significant that it is suggesting that the scheme is not working in the way that it was intended.

MR PETTERSSON: Okay. Thanks.

MR CAIN: I understand the Audit Office is currently undertaking another performance audit, to be tabled later this year or early next: the Public Trustee and Guardian IT infrastructure renewal project performance audit. Are you aware of the sorts of things that the Auditor-General will be looking into and, in particular, what deficiencies perhaps caught his attention?

Mr A Hughes: Mr Cain, the Auditor-General's office has had some initial conversations with us on what this audit is about. Perhaps the question is better directed to the Auditor-General, but my understanding is that, as they were progressing through the financial management services audit, they had cause, necessarily, to look at some of the technology systems and work that the Public Trustee and Guardian has been progressing historically. That raised some questions about what has, I understand, more commonly been called the business transformation project, between 2016 and 2022, of the Public Trustee and Guardian. The Auditor-General would like to have a look at that. I believe there is a published short overview of what is proposed in that space.

MR CAIN: Do you believe your entity's engagement with the Government Procurement Board has been effective and productive in your short time thus far as Public Trustee and Guardian? What kind of relationship have you got with the Government Procurement Board?

Mr A Hughes: I personally do not have a relationship with the Government

Procurement Board, and I have not seen any historical records of submissions. I think there is a bit of work for us to do as an organisation. As a new Public Trustee and Guardian, you would expect me to be asking questions across the entirety of our functions about what it is we are doing and making sure that we are checking in on compliance.

Procurement is one of the areas, among many others, where I am working with the team to understand exactly how we have been progressing our work, where and what is the legislative framework that applies, and making sure that we are complying with that to the extent that we can. I have had some conversations with Procurement ACT and we will continue to engage with that organisation.

MR CAIN: Are you saying you have not had any procurement tenders for \$5 million or more?

Mr A Hughes: No.

MR CAIN: Okay. Do you have sole source contracts or do you tender using a select list? What is your approach, your procurement methodology?

Mr A Hughes: The procurements conducted by the Public Trustee and Guardian are quite often low value. I will give you a bit of a flavour of the work of the organisation. We manage estates; we become the executor of estates for deceased persons. That work involves us going in and, a lot of times, taking over management of the property, and maintaining the property until the estate is ready for it to be sold. The type of work that you can expect is property maintenance and other bits and pieces.

It is very low value procurement. To the extent that I have looked at what and how we have procured services in that space, that has been compliant, but we still need to review and make sure that we are doing that in a way that achieves value for money in the best way possible. On our larger procurements, we have been working with other parts of government in relation to technology and other services, but the value and what we spend in those spaces is not huge.

To your question: we have some procurement processes, some established processes. In some cases, for a deceased person's property there needs to be very quick action taken in order for us to secure the property, to make sure that it is being maintained and to make sure that the property is safe as well. Our procurement processes are fairly straightforward, fairly low value. I am relatively comfortable that we comply with the procurement legislation, but I still think there is some work for us to do to make sure that we are checking and double-checking on that.

MR CAIN: My question really was: do you use sole source contracts or do you go out to tender using a select list? How do you select, even for these low value ones?

Mr A Hughes: In most cases, because of the value involved, it would involve a sole source or a small number of quotes.

THE CHAIR: Your 2021-22 annual report states that PwC is your external asset/markets consultant. As at publication of your last annual report, in

October-November 2022, PwC were underway in reviewing PTG's investment performance and portfolio. Since the last budget estimates hearings we have become aware of corrupt conduct that has been unearthed in PwC's consultancy with the commonwealth. Does PwC still act as your adviser for this role?

Mr A Hughes: I might ask Mr Hughes to correct me if I am wrong, but my understanding is that that previous PwC contract has finished. They completed a review of our investment strategy and that work was completed in the period required. We no longer have an active contract with PwC; that is my understanding.

THE CHAIR: There is no footprint from PwC within PTG at the moment?

Mr A Hughes: Not to my knowledge.

THE CHAIR: All right.

MS CLAY: We heard a couple of years ago that a lot of the problems with the PTG were blamed on the lack of a CRM software system. From recollection, I believe this had been under development since 2017 and as of 2021 was still not complete. I was struggling to understand how adding numbers required such specialist equipment. Can you tell me, as of today, what software are you using? Have you got a CRM system?

Mr A Hughes: Ms Clay, we do not have a customer relationship management solution. We have deployed Microsoft Dynamics. Microsoft Dynamics has CRM functionality in it. We have largely used Microsoft Dynamics to replace previous manual processes. A CRM functionality requires a much greater understanding of the client data, the client information. To your point: the reporting functionality allows you to then analyse data, understand how a client moves through your ecosystem, and how they move through different functions in your organisation.

I do not believe that we have completely executed the customer relationship management functionality from Microsoft Dynamics. I suspect that that is a piece that the Auditor-General is interested in, in terms of understanding what exactly has been progressed in that space. I can see good work with Microsoft Dynamics and other tools being used for some of our functions. The work for us now is to get a better understanding of where exactly we are at in terms of technology platforms across our different functions and then to start making sure that we are collecting that client information, because it is that client information and data that ultimately helps us to improve our reporting and external scrutiny ability. Also, it helps to improve the client experience as we move forward.

MS CLAY: You are using an off-the-shelf Microsoft Dynamics package. Is that performing the functions that you need it to perform, to be able to operate at the moment?

Mr A Hughes: In some cases, yes; it has been deployed and requirements are being met. In other cases, no; there are still teething issues and issues in terms of deploying it full stop and saying that it has met the requirements we had at the start of this process.

MS CLAY: Okay. Interesting. Back in October 2021 we were told about this long-running CRM procurement process. We were told that it would be complete within 14 months. You obviously do not know the history of this, but when you arrived was there a completed, tailor-made CRM system in place?

Mr A Hughes: There were modules of Microsoft Dynamics deployed for particular functions that had been completed and are in place and operating. In terms of a customer relationship management functionality, my view is that there are still requirements to be gathered and still a level of investment and work before we get to that point.

MS CLAY: Sure. Happy to accept that. I am just trying to get a sense of whether, when you walked in the door, there were tailor-made bits of software plugged in or was it just Microsoft Dynamics? Are you talking about tailor-made software patches that somebody had built to interact with Microsoft Dynamics or was there nothing in there?

Mr A Hughes: Microsoft Dynamics is not integrated with those other packages. We have a range of different software that we are using for our different services, and some of that is the core platform that you get for being part of ACT government. Microsoft Dynamics is more focused on the work of the Public Trustee and Guardian, but it is not being used for all of the work of the Public Trustee and Guardian at this point in time.

MS CLAY: I am not trying to be difficult. I am going to have one more go. When you walked in, did you see any tailor-made custom software operating in the PTG?

Mr A Hughes: You mean bespoke software that we have developed?

MS CLAY: Yes.

Mr A Hughes: The PTG's core trust system is not off the shelf; it is a legacy system that has been modified to suit our needs. Your question is whether I saw any bespoke software.

MS CLAY: What I am trying to find out is: regarding that tailor-made software program, being developed since 2017—that in 2021 I was told would be delivered within 14 months—was any of that actually plugged in? That is what I am trying to find out.

Mr A Hughes: Some of it was. If your question is: was it perfect, was it working absolutely 100 per cent as expected and were there no concerns with it, then the answer to that is no.

MS CLAY: Thank you.

MR CAIN: I have some questions about GreaterGood. How does GreaterGood promote itself and what are its governance relationships and arrangements, particularly with you?

Mr A Hughes: With the GreaterGood foundation, the Public Trustee and Guardian acts as trustee for those arrangements. That trust and the deed arrangement set out an arrangement for a GreaterGood board. We have a number of eminent people from across Canberra sitting on that board. The board makes decisions on where funds should be directed, following proposals, and other bits and pieces as well. Does that answer your question?

MR CAIN: Is the board advisory or oversight? You have said that it makes decisions about where the funds go.

Mr A Hughes: Yes.

MR CAIN: What is the current composition of the board?

Mr A Hughes: The current board members have been extended for a further six months, to the end of this calendar year, to give me and the team time to review exactly what that composition of the GreaterGood board should be and to hear from GreaterGood board members about what their experience has been and what their views might be on the future of the board and its governance.

MR CAIN: Is the membership of the board public information?

Mr A Hughes: It is. It is on the GreaterGood website.

MR CAIN: How much in a financial year, fund-wise, would they be dealing with allocating?

Mr A Hughes: I might ask Mr Hughes to answer that for you.

Mr C Hughes: We have the two components of GreaterGood. There is a gift fund, for which they have the public ancillary guidelines, where we need to review four per cent of the capital as at 30 June the year before. In that space we have to distribute around \$800,000 a year. Then we have the open fund, which is distributing the income balance that we receive on those funds invested. That equates to probably another \$400,000 to \$500,000 a year.

MR CAIN: Does the board investigate where to direct funds or are recommendations brought to it which it endorses?

Mr A Hughes: The GreaterGood fund works in a way that some of the donors in that space have given funds to GreaterGood and identified where they would like those funds to be spent. What the team inside the Public Trustee and Guardian does is to work with the relevant bodies in those spaces to find proposals and to fund pieces. The board, in effect, is then making a decision to ensure, and checking, that the purpose and the proposal that is being put forward and would be funded is actually in line with the deed, as set by the donor in the first place.

MR CAIN: How many times has the board objected to a recommendation for allocation of funds? Does it have a different view to what is put to it for allocation?

Mr A Hughes: It very rarely does because, from a financial point of view, the rules are fairly well set in terms of what amounts the board can look at. I started in February, so I am only five months in, but my experience is that the board might have a discussion about two proposals in a particular space and how much to go between each of those proposals et cetera. In terms of the proposals being put forward to the board, I have not witnessed any objection or concern about the proposals being put forward. If your question is for us to go back in history, I would probably need a time frame from you so that we could check that for you.

MR CAIN: I am just wondering, in the last financial year and part this year, how many recommendations have been put to the board. Are you able to say what they were, how many have been accepted and actioned, and how many have been not accepted?

Mr A Hughes: I am happy to take that on notice.

MR CAIN: Thank you.

THE CHAIR: We are done. For questions that were taken on notice, if you could respond within five working days of receiving the uncorrected transcript that would be sensational. Thank you. We are going to have a little break now.

Hearing suspended from 9.15 to 9.30 am.

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, Mr Stuart PSM, Under Treasurer

Miners, Mr Stephen, Deputy Under Treasurer; Economic, Revenue and Insurance

Brown, Mr Nathan, Acting Executive Branch Manager; Economic and Financial Analysis

Major Projects Canberra

Doran, Ms Karen, Acting Chief Projects Officer

Piani, Mr Adrian, Executive Group Manager and ACT Chief Engineer; Infrastructure Delivery Partners

Icon Water Ltd

Yau, Ms Joy, Chief Financial Officer and Acting Chief Executive Officer

Pratt, Ms Alison, General Counsel

THE CHAIR: Welcome back to the public hearings of estimates for 2023-24. In this session we will be speaking with the Treasurer and officials.

The proceedings are being broadcast live. If you take a question on notice, please make that clear. I remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the privilege statement. On the voices, can I get you to confirm for the record that you understand the privilege implications of the statement and that you agree to it? Excellent.

We are not inviting opening statements, so we will just sail on. As is often the case when it comes to these multipronged areas, I am sure that all members on this side think that we have questions in the right area, but we will seek guidance from you, Chief Minister, and others, if we stray into areas which perhaps are covered later on.

Treasurer, on page 12 of the Major Projects Canberra budget paper, there is \$81 million allocated over four years for the electrification of government gas assets program, and the physical completion date is way off in the distance—June 2040. Are you in a position at this stage to give some indication of what the total forecast spend would be between now and 2040?

Mr Barr: No, not at this point. There are some priority replacements that we need to undertake, so the reason why it is a very long tunnel program is that we would largely be looking at end-of-life replacement. Once an existing gas system has reached end of life, it will be replaced by an electric system. That will depend on each individual asset across a range of government buildings. It is identified clearly as a program across the forwards, but if we were not electrifying then we would have to be replacing gas with gas. We will not be doing that; we will be replacing gas with electric, and that will occur at end of life for assets over the next 17 years or so.

THE CHAIR: You are telling me that nothing is actually going to be retired as a consequence of this transition; it is all about gas getting to the end of its natural life or the gas—

Mr Barr: That is certainly the major feature of the program. There may be a decision on a particular asset—for example, if the asset was due to be end of life in, say, three years, to bring that forward a little, but that would just be bringing forward what would otherwise be necessary expenditure.

THE CHAIR: What I do not fully understand is: if all we are talking about is the replacement of infrastructure when it reaches end of life, why is this a specific allocation of \$81 million? Would this replacement not have to have occurred anyway, irrespective of whether we were transitioning from gas to electricity?

Mr Barr: Yes, and you would have seen in previous budgets that there would be, for example, HVAC upgrades. This clearly signals a transition to electric replacement of gas rather than gas replacement of gas.

THE CHAIR: Obviously, because there is a very clear decision that has been made to undertake that transition, if we were not making that transition—and I know to some extent this is a hypothetical; I am just trying to get a handle on it—would that \$81 million figure be greater, would it be the same or would it be less?

Mr Barr: It would depend on the cost of the new plant and equipment.

THE CHAIR: Yes, it would, and that is the question I am asking: is this a more expensive exercise than just going like for like?

Mr Barr: The line of questioning is does it cost more in the short term—

THE CHAIR: Yes.

Mr Barr: to go with electric over gas? In some instances it can, in up-front costs, but then your ongoing operating costs are lower over the life of the asset.

THE CHAIR: I know we touched on this; Mr Cain had a question about this building, for argument's sake, and the heating and cooling system here. There would be many buildings like this in the portfolio. I am assuming that if you are completely changing the way that you heat and cool the building, you are not just replacing the heating or cooling system; you are replacing a stack of infrastructure associated with it.

Mr Barr: Not necessarily. It depends on the infrastructure within the building as to whether you are simply replacing a gas boiler with an electric heat pump. You might be able to use the same ducting, for example. It depends on the technology and the building type. In some instances it may be that, yes, you also have to replace the ducting, but you would need to do that over time anyway.

THE CHAIR: Yes, you would.

MS CLAY: Treasurer, prior to this policy, were government assets sometimes

replacing gas with gas?

Mr Barr: There would have been some. In more recent times there would have been much more efficient gas appliances, obviously, than would have been the case with the appliances that were initially installed, potentially in the 70s, 80s and 90s. There has been an ongoing energy efficiency program over pretty well this century. A lot of the electric technology did not exist at that time—over the past 20 years, for example—and prior to 2020 our electricity was principally sourced from coal-fired sources.

The emissions reduction imperative was not as strong, and there is an argument—people will potentially want to debate this—as to whether the emissions profile of coal-fired electricity is higher than the emissions profile of gas. One thing we can say with certainty is that the emissions profile of renewable electricity is lower than gas. This goes to a 50-year journey that this city has been on. It is unarguably the case that, 30 or 40 years ago, natural gas was marketed as, and I think it arguably was, a cleaner source of energy when compared with either brown coal or black coal. Now that we have renewable electricity, it is unambiguously a cleaner source of energy than natural gas.

MS CLAY: Excellent. I notice that the government has a household tool that allows you to calculate the savings you might make by switching off gas, and it is quite interesting. I have had a little play with that tool. Certainly, when you get close to the end of life on gas, the savings massively outweigh the costs of any up-front installation. Is that a similar profile that might be happening with our government assets?

Mr Barr: The evidence would tend to support that, Ms Clay, yes.

MR CAIN: Treasurer, regarding the electrification of gas assets, which assets are actually planned over the forward estimates for such treatment?

Mr Barr: I will invite MPC to talk about this.

Mr Piani: I have carriage of the program for the moment. I do not have the full list in front of me, but we are commencing the program. We have selected a range of projects. It is fair to say that it is a smaller program to start with, as we learn through the electrification process. We are setting up the program for success; it is a 15-year program, so I am keen to make sure that we are setting up something that can stand the test of time.

At the moment there are two projects. The primary school in Weetangera has been nominated as one of the sites, and the other site escapes me for the moment. We have allocated two or three sites this year, and then a few more sites—

MR CAIN: You can take that on notice.

Mr Barr: We will endeavour to get that list.

MR CAIN: Yes, thank you.

Mr Barr: We might be able to do it before the end of today.

MR CAIN: Thank you.

MS CLAY: Treasurer, I am interested in the betting operations tax. Do you have a list of companies that are paying this tax? If you want to take it on notice, that is fine. I would not expect a—

Mr Barr: I am not sure whether we will be able to identify individual taxpayers. I think a number of them obviously would be publicly—

MS CLAY: Yes.

Mr Hocking: Taxpayer privacy would be—

MS CLAY: Can you tell me the number of companies?

Mr Barr: I am sure we could do that, yes.

MS CLAY: On notice?

Mr Barr: Yes. Again, we may be able to get an answer fairly quickly.

MS CLAY: Thank you. I will ask some general questions, not about individual companies. Does that tax cover online lotteries that are betting on the outcomes of overseas lotteries?

Mr Barr: Betting on the outcomes of overseas—

MS CLAY: Because of the rise of online gaming now, you can bet on lots of things.

Mr Barr: Yes.

MS CLAY: We are just trying to get a sense of who is paying this tax.

Mr Barr: Do you mean overseas—

MS CLAY: An ACT person, from the ACT, betting on the results, betting on something overseas.

Mr Barr: Sorry; I was confused because in your initial question you said betting on lotteries overseas.

MS CLAY: Yes. Let us make it simple: somebody in the ACT placing a bet in the ACT on something that happens overseas.

Mr Barr: On something that happens overseas. It would still be an Australian operation.

MS CLAY: We do not want to name individuals—

Mr Barr: Yes. If the betting company operates in Australia, then yes.

MS CLAY: I am assuming—I do not know—that most people placing bets in the ACT online are placing bets through Australian companies.

Mr Barr: That would be a reasonable presumption, yes.

MS CLAY: I genuinely do not know. What about the gambling games that you get on smartphones? Is a betting operations tax being placed on somebody in the ACT—

Mr Barr: I imagine that is more likely to not be because the app is most likely to be overseas based; so there would not be an Australian entity to levy the tax on.

MS CLAY: I expect that is tricky, too, because, with a smartphone, it might be in the ACT or it might be in New South Wales. They move.

Mr Barr: Of course, yes.

MS CLAY: I do not quite know how to express that. It might be difficult to know.

Mr Barr: Most people, in order to engage on an app, would need to register and presumably have a billing address. That would be the technical way that a betting company would know where that customer was. They would seek that information from them. Obviously, this tax is remitted across, I think, every state and territory except the Northern Territory.

MS CLAY: Yes, it is. You collect the tax from the betting company?

Mr Barr: Yes, the betting companies are required by law to remit to the territory for bets placed by registered ACT users.

MS CLAY: Hence the original question: if it is an Australian betting company and the bet is placed by an ACT user, you are probably collecting that tax?

Mr Barr: That is correct, yes.

MS CLAY: Do Treasury or the ACT Gambling and Racing Commission look at tax rates for gaming machines and similar?

Mr Barr: Yes.

MS CLAY: Are we in line with other jurisdictions' tax rates on those?

Mr Barr: The industry would argue that we possibly tax a little higher.

MS CLAY: On that particular line item?

Mr Barr: On poker machines, electronic gaming machines, I believe we do. But there

are different rates and thresholds and it will depend on the jurisdiction. To the extent that we can get an interstate comparison, we can provide that, yes.

MS CLAY: That would be great; thank you.

THE CHAIR: Chief Minister, I know we have had some public discussions about this in recent weeks.

Mr Barr: A few over the years.

THE CHAIR: Enormous concern has been expressed by the racing codes that you have not banned yet that this increase in PoC tax, without any consultation with any of the stakeholders, will have an impact on the betting turnover of ACT product. Certainly, when we last spoke about this, there had been indications from Entain and other large organisations that they would be likely to downgrade their offering on ACT racing events.

The last time we discussed this you dismissed that as a possible outcome. I want to put it to you again. Several weeks after that announcement, those two racing codes have expressed major concern. A lot of that concern is also based around the fact that, in every other jurisdiction, of course, this increase, although it may impact their offering on the various online apps, they would get some benefit from it. As you know, in every other jurisdiction there is a percentage of PoC tax that goes back to the racing codes. What is your message to the racing codes in regard to their major concerns?

Mr Barr: Again, we do not accept that particular assessment. I am not surprised that they would prefer either no tax or indeed the complete hypothecation of that revenue to their industry. That is classic industry lobbying. That will not come as a surprise.

THE CHAIR: That is not really what the question is about, Chief Minister.

Mr Barr: I do note that other jurisdictions have also increased this tax in this budget round and that the super profits that are being made by the betting companies would certainly provide sufficient revenue for them to remit several million dollars extra to this jurisdiction, and presumably tens of millions of dollars extra to the larger jurisdictions that also increased this tax.

THE CHAIR: Are you able to detail—please excuse me, if I have missed something—the other jurisdictions that have increased the tax in this budget round?

Mr Barr: Yes, we can.

THE CHAIR: And at what level they are at?

Mr Barr: A number have moved to 20 per cent, which is where we were, and others are foreshadowing increases as well. We can do that. I will take that on notice.

THE CHAIR: In closing on that line, given that there is no set national framework on this, what would be in place if, for argument's sake, the Greens were the majority party and Ms Clay was the Chief Minister? What would be in place to stop that PoC

rate going to 70 per cent?

Mr Barr: The Assembly would have the capacity to vote on such a measure. In the scenario—

MS CLAY: He has just given us 13 seats; I am quite happy!

Mr Barr: Indeed, yes; the Greens primary vote moves from 13 per cent to 48 per cent. That would be necessary to—

THE CHAIR: I understand.

Mr Barr: hold a majority. Presumably, they would take such a policy of increasing the point of consumption tax to that level to an election. If that were to receive the majority support of this community, and that was reflected through this parliament, there would be nothing to stop that, because that would be democracy in action.

THE CHAIR: There would just be a lot of VPNs in play, I would guess.

Mr Barr: Possibly. I do not speak for the Greens party on their tax policy, but I am not aware that they are proposing such a thing. Should they wish to propose it, I would say that it would be best to take that to an election. A tax increase of that level would certainly be one that you would want to seek a mandate for.

MS CLAY: Treasurer, in the context of the amount of revenue that the ACT is raising from bets on ACT horse racing, when we looked at these figures in some detail last year, we found that it was a very tiny proportion. I take the point that no industry is entitled to receive their taxes straight back. That is not how tax works; we are all on the same page. I believe, from memory, it was less than \$250,000 on a lot of tax collected. Is it a similar proportion now?

Mr Barr: The bulk of the revenue that is collected relates to betting on interstate racing and sports betting. I think that the growing share is on sporting events that are national—or if they are played in Australia or Australia is involved and an Australian betting agency is taking bets on them; yes, it is principally national and international level events that Canberrans are betting on.

MR CAIN: I am wondering whether the Treasurer is concerned that a Greens Chief Minister would affect our AAA credit rating.

Mr Barr: That is an expression of opinion.

MR CAIN: Take it on notice, if you like!

Mr Barr: I will take it on notice! That will give me time to give a very creative answer! Thank you, Mr Cain.

MR PETTERSSON: I note that the ACT government has set a new job target of 300,000 local jobs by 2030. Why do we need to set a new target and why has it been set at that figure?

Mr Barr: We have certainly exceeded our 2025 target of 250,000 jobs, which was set as part of our post-COVID economic recovery strategy. Having achieved that target, we have had a look at what the future jobs growth potential is for the territory and set what we believe to be a realistic target. I am optimistic that it may be able to be achieved earlier than 2030, in the same way that the 2025 target was.

The most recent ABS data showed around 265,000 Canberrans in employment at the moment, which indicates that our journey over the next six or seven years of growing that by a further 35,000 jobs is a realistic target. It assumes employment growth of between 1.5 and two per cent each year, which is largely consistent with the forecasts within this budget. As I say, it is not an unrealistic target, and if our economy continued to grow strongly then it may be achievable a little earlier.

It is important, when contemplating our future economic development goals, to have jobs at the centre of that. I am often asked, when discussion turns to population growth and Canberra's ongoing development, where the jobs will be. We have outlined, in the 2020 work towards the 2025 target, the areas of the economy that we anticipate generating jobs.

When you look across the employment profile in the territory, the commonwealth employs about one in four Canberrans. It indirectly funds through, for example, higher education, private health subsidies and all of the other areas where it directs money into the economy. It supports employment in a number of other sectors that are classified as the private sector, but without that government funding they would not be major employers. Some of those sectors also, of course, generate their own-source revenue from customers or students, as the case may be.

From a territory government perspective, we tend to represent around 10 per cent of the total employment in the territory across our local government and state equivalent services. We anticipate that, as our population grows, there will be increased demand for a range of services—public health and public education, for example. We would also be increasing our employment levels over that period.

I expect the jobs growth to come from the Australian government and the territory government; particularly, higher education, hospitality, tourism, the care economy, and professional scientific and technical services being large areas of employment growth. Sectors of the economy like construction and retail will continue to be strong employers as well. Employment in the construction sector is somewhat impacted by the strength of the housing market and the level of public works. As I look across the forward estimates at the territory's infrastructure program and what the commonwealth have announced, or will be announcing, there is a strong pipeline of infrastructure as well for the construction sector.

That is not an exclusive list of every area of the economy where job creation will continue over the coming period, but I think we can be confident in setting a target of 300,000 jobs in the economy, noting that we are now into our 33rd consecutive year of economic growth.

MR PETTERSSON: How would you define full employment and are we at full

employment in the ACT?

Mr Barr: When you look at our long-run employment performance, the territory tends to have a lower unemployment rate than the nation and a higher workforce participation rate than all jurisdictions other than the Northern Territory, where we tend to be in competition with them. It can vary from year to year as to who has the highest level of workforce participation.

A reasonable barometer of full employment is to look at the ratio of job vacancies to unemployed people. According to the ABS data, we have more job vacancies in the territory than we have unemployed people. That would tend to be another statistic that would lean towards the argument that we are at or very close to full employment in the territory at the moment. There will always be a level of frictional or transitional unemployment and there is clearly a skills mismatch in our economy, where many of the job vacancies require a level of skill that those who are currently unemployed do not presently have.

That places a very strong emphasis on education and training opportunities; hence the government's very strong focus and partnership with the commonwealth on the new national skills agreement, free TAFE training places in areas of skill shortage in the economy and, at the even more skilled end of the labour market, the need to make access to university more equitable. Hence we are supportive of the direction that federal education minister Jason Clare has outlined in the commonwealth's new approach to the higher education sector.

Beyond that local and national approach, we are still short of workforce. That is where the skilled migration program and the capacity for the territory to sponsor skilled migrants in particular areas is important, too. One of the outcomes of last year's national Jobs and Skills Summit that was held here in Canberra at Parliament House was the commonwealth providing states and territories with an increased allocation of territory-sponsored skilled migration. From memory, that number is around 5,000 per annum.

Mr Steel, as Minister for Skills, is the lead minister in relation to a lot of that work on the national skills agreement and the skilled migration program. Through economic development and Treasury, we have a strong interest in that as well.

MR PETTERSSON: With the labour market as tight as it is, would you expect to see wages moving more than they are in the ACT?

Mr Barr: The latest data actually shows that our wage uplift within the private sector has been higher than the rest of Australia. We are starting to see pretty consistent wage outcomes with a "3" in front of them rather than a "2", and some heading towards a "4". The wage price index forecast for the coming year, which aggregates that across the territory economy, is 3.75 per cent. That has obviously lifted from where it has been in the past decade, where it was sitting more at 2¼, so we have seen an increase in wage outcomes.

The Reserve Bank's optimal position is that inflation sits between two and three per cent and wages sit slightly above that, so that there is real wage growth each year.

Sometimes that is not achievable in an individual year; you then need to look at multi-year assessments. Over an economic cycle, certainly, a nation's policy settings should be encouraging real wage growth.

The extent of that real wage growth is also very strongly impacted by the rate of productivity growth in the economy. Clearly, an area of concern at a national level is that the rate of productivity growth has not been as high in recent times as it was in past decades. One of the factors there is a lack of business investment in productivity enhancing technology. That is one factor that has certainly emerged: ways to increase productivity are not just about longer working hours for the workforce; it is also about working smarter and more productively, and that requires investment. We have not seen that to the extent necessary when you compare Australia with other OECD nations.

We have an answer to a question that was taken on notice earlier.

Mr Hocking: In relation to Ms Clay's question about how many entities are paying the betting operations tax, in July 2023 we had 41 entities who lodged a return with an amount of tax applying. I note that there is a threshold in the tax system, so there might be other operators who are not paying tax because they do not meet the threshold.

MS CLAY: They are under the threshold; thank you.

THE CHAIR: Is that tax paid on a monthly basis?

Mr Hocking: I believe so, yes.

THE CHAIR: Does the threshold apply to monthly returns?

Mr Hocking: The threshold operates on a financial year basis.

THE CHAIR: On a financial year basis. Is anyone able to indicate what that threshold is?

Mr Hocking: \$150,000 for a financial year.

THE CHAIR: \$150,000 in terms of—that would be the liability to the territory?

Mr Hocking: That is the tax base, which is the net betting revenue.

THE CHAIR: It is \$150,000 net betting revenue?

Mr Hocking: Yes.

MR CAIN: Treasurer, will the ongoing undersupply of land for housing impair the ability to meet population targets that you need to get to a 300,000 job target?

Mr Barr: No. We will have across government land release, zoning changes and private land release, so sufficient land release to meet future population growth

expectations. I do note in recent times a desirable increase in the rental vacancy rate to get that back above two per cent, which are the signs of a healthier market. I do note the supply side increase that we have experienced in recent times.

Mr Cain, this is a consistent line of questioning from you, and I appreciate that you have a particular perspective on the issue, but you are focusing on around two per cent of the available land in the territory and seemingly refusing to contemplate the potential, more efficient utilisation of the remaining land that is appropriately zoned for residential purposes in the territory. To be clear, we will be releasing land and we will be making planning zoning changes that will enable housing supply to exceed forecast demand, to put some downward pressure on house prices and rents.

MR CAIN: Does that include uplifting all RZ1 parcels in the territory?

Mr Barr: I am not making announcements in relation to—

MR CAIN: There certainly have been announcements made about that.

Mr Barr: There have been changes to the Labor Party's policy position, but changes to planning zones in the territory will require this Assembly to vote for a new Territory Plan. It is not a decision solely of the Labor Party. The Liberal Party and the Greens party will also need to consider these matters because to get to 13 votes in order to enact a new Territory Plan, it will require one or both of the other political parties in this place besides the Labor Party to support the new Territory Plan. You will need to give consideration as to whether or not you wish to support an increase in the housing supply through planning zoning. Your public statements indicate that you were perhaps not supportive of that, but—

MR CAIN: That is a misrepresentation. Remember your role as a witness here.

THE CHAIR: Mr Cain—

MS CLAY: We are straying from Treasury here.

MR CAIN: I do have a final supplementary on that. The Treasurer made reference to the so-called control of two per cent of the market. Of the remaining 98 per cent—and I do not concede your point—from your point of view, how much of that can be built on in the immediate term?

Mr Barr: That is the existing housing residential zoned areas of the territory. We have five existing residential zones, we have new greenfield estate release that is programmed in the Indicative Land Release Program, and we have a number of areas of potential greenfield development under study in the planning area. You have had the opportunity, I believe, to have that discussion in relation to planning.

With respect to questions around the extent of the residential capacity within those new greenfield estates, obviously, that comes down to a question of how those different areas are zoned and what level of density is allowed. But the fundamental policy difference, Mr Cain, is that we believe that there is more supply capacity within the existing city footprint, and that is a policy approach that we have been

pursuing for the past 20 years—principally, over the past two decades, in town centres, transport corridors and group centres for an increase in residential housing supply.

There are a number of options before the Assembly through planning system reform to look at local centres, to look at a policy that might support the long-term economic viability, for example, of suburban shopping centres by allowing more residential proximate to them—potentially, even a territory-wide zoning change that would allow for residential to be built above suburban shopping centres, as is the case in a number of suburbs in Canberra.

These are all issues that will be subject to considerable further discussion in this place, in its committees and in the broader community before the Assembly will consider a proposed new Territory Plan and district strategies.

All three parties will need to have a view on this, this year. We have outlined our position. Our position requires the support of other parties in this place in order to become law, and that may or may not involve a degree of compromise or discussion, Mr Cain. My invitation to you, as your party's planning spokesperson, is to remain engaged in the conversation.

MR CAIN: Always. I am very engaged.

Mr Barr: Good.

THE CHAIR: A supplementary from Ms Clay.

MS CLAY: I will be brief. The original question was about jobs. Obviously, quite a lot of those jobs will be Greens advisors in this building to help us with those seven seats! Where across Canberra will the jobs be, geographically? Have you done any modelling about where they might be?

Mr Barr: I suspect that depends on the areas of greatest growth. In territory government employment, they are arguably dispersed around the ACT, because we have employment in nearly every suburb, by way of schools, health facilities et cetera. We have employment bases in every town centre. We often have employment bases in significant group centres as well. The commonwealth, as the largest employer, disperses its employment. They also have a presence, of varying scale, in pretty well every town centre. The private sector employment base is highly localised in the small business context and somewhat more concentrated in medium and larger scale private enterprise—in industrial precincts, for example—

MS CLAY: My colleague Mr Braddock, as you know, is very concerned about job opportunities and jobs growth in Gungahlin. Has Treasury done any modelling about whether there will be growth in the number of Gungahlin jobs?

Mr Barr: There will be growth in all areas of the ACT. It is a question of the extent of that growth and the base. At the moment, around half of the employment in the ACT is in central Canberra—by that, I mean the CBD. You have the Parliamentary Triangle. That is unlikely to change significantly. I would not anticipate a significant movement of jobs out of that area to elsewhere, but there is opportunity for new job

creation in Gungahlin, among other parts of the city. There is certainly land available.

Ultimately, the decisions that the ACT government has the most control over are where we locate our own employment. We also have some enabling capability as it comes to land release to support private sector employment, and we have a lobbying capability as it relates to commonwealth employment. There is a very strong correlation between strong population growth and employment growth, because strong population growth increases demand for goods and services, which will then obviously fuel the private sector's interests and investment—in this instance, as you have highlighted, in Gungahlin.

MS CLAY: Thank you.

THE CHAIR: Thank you, Ms Clay. We are up to Mr Cain in regard to substantive questions.

MR CAIN: I refer to page 237 of *Budget outlook*, Treasurer, particularly table 3.5.16. I note that the total dividend in tax equivalents almost doubles from 2023-24 to 2026-27, \$168 million to \$314 million. That is a significant increase. My questions relate particularly to the Icon Water dividend. As you can see, that goes from \$17.6 million in 2023-24 to nearly \$77 million in 2026-27. That has over quadrupled. What is the basis for that increase?

Mr Barr: Icon are appearing in a session in a few hours, so it might be best to get them to address that. It will be a reflection of their regulated prices—

MR CAIN: I am just checking.

Mr Barr: Yes—they are appearing in a few hours—

MR CAIN: But Icon is listed for this session.

THE CHAIR: No—Icon is definitely listed as being involved in the next session. Chief Minister, I thought that this question was very much a Treasury question—

Mr Barr: Sure; yes. But Icon is a territory owned corporation. They can talk about why their dividend has increased when they are here in a couple of hours.

THE CHAIR: But you are telling us that—

MR CAIN: As Treasurer.

THE CHAIR: this figure is completely dependent upon advice that has come from Icon.

Mr Barr: Yes. They are a regulated entity. The ICRC sets their price path. The dividends in the current period have been impacted by some one-off matters that they can discuss. Their usual dividend is of that order.

MR CAIN: I can pursue this to some degree because I make reference to the dividend

recorded in Icon's *Business strategy—our statement of corporate intent*, from 2023-24 to 2026-27. The dividends recorded in that document are actually less than the projected dividends in your document. How is that possible?

Mr Barr: The timing of Icon's statement of intent is earlier. There has been an updated decision from the regulator—

MR CAIN: From Icon, you mean?

Mr Barr: No—Icon is regulated. Its revenue is regulated by the ICRC. The only thing that impacts its revenue is the volume of water that it sells. The price point is regulated. Since the time that their statement of intent was lodged, which was significantly earlier than budget time, there has been a decision of the regulator. The budget papers reflect the most recent information on their projected dividend over the forward estimates. We will get Icon—I am sure they are listening—to address those movements for you when they appear in a few hours.

MR CAIN: It sounds like Mr Hocking might have something to contribute.

Mr Hocking: Treasury is responsible for setting the dividend policy. We take 100 per cent of their dividend, but we are reliant on Icon as to what their budget estimates are showing and what their projections are, which are a mix of factors, including the regulator's decisions on the revenue side, their expense projections, water sales, volumes et cetera. We get updates from them as part of the budget process, and they are reflected in the budget documents.

MR CAIN: Is Icon's *Our statement of corporate intent* the last publicly available document on their dividends or is there something else that we are yet to see?

Mr Barr: The budget papers are the most recent information from them. Their statement of intent was earlier. It has now been updated, in the budget papers, to reflect the determinations of the regulator.

MR CAIN: Treasurer, where did you get that? How did that information come to you?

Mr Barr: It comes to me in the budget, after the statement of intent.

MR CAIN: Which budget?

Mr Barr: This budget. The figures in this budget—

MR CAIN: No—you put those figures in your budget. Where did you get them from?

Mr Barr: From Icon after the regulator had determined the price path for the future.

MR CAIN: That is a communication from Icon just to you or is that a public statement?

Mr Barr: The regulator makes a public statement in relation to the future expenditure

profile that is authorised, both recurrent and capital, and the revenue pathway. The regulator will assess Icon's forward capital program and determine whether it is prudent and efficient and will either allow or not allow it. As you would be aware, it is a monopoly. It is a regulated entity. Again, we have a session on Icon where they can explain all of this to you in a couple of hours.

MR CAIN: Obviously, you have the figures. Perhaps Mr Hocking can assist. When and in what manner do you get these updated Icon Water dividend figures?

Mr Hocking: I might ask Mr Miners or Mr Brown to explain. The regulator decision was quite late in the budget process.

MR CAIN: It is simple. I am just asking: how did you get this information? In what form does it come to you—

Mr Barr: They communicate it to us.

MR CAIN: Yes, and it is not public—is that what you are saying—except in the budget paper?

Mr Barr: It is public in the budget—yes.

MR CAIN: Earlier communication—

THE CHAIR: I am going to interrupt here, Mr Cain. I think you got all the information that you can out of this group of officials—

MR CAIN: I think Mr Hocking has something to add.

THE CHAIR: Mr Brown.

Mr Brown: The ICRC released its water and sewerage price determination soon after the statement of corporate intent was developed. The difference between the Icon Water number for their dividend and what is published in the budget papers is just a simple outcome of the difference between the revenue in which the ICRC allows Icon Water to collect and the additional expenditure that has also been approved.

THE CHAIR: So it is purely a mathematical equation to arrive at that dividend?

Mr Brown: Correct.

THE CHAIR: Mr Cain, if you want to return to that—

MR CAIN: I have just a little final suggestion. Given that the only thing that I have to see is the statement of intent and then the different figures turn up in the budget papers, it would help if there were some explanation to avoid me asking this same line of questioning perhaps next year.

THE CHAIR: Let us seek that explanation in that little mini-session. Let us move on. I want to talk about the refurbishing of Fitzroy Pavilion for major community use. Am

I able to do that here?

Mr Barr: It is probably for the economic development section, which is coming up in a few hours. There is a different set of officials. You would want to talk with the officials who have responsibility for Exhibition Park.

THE CHAIR: Alright.

MR CAIN: We do have Major Projects here, Chair.

Mr Barr: It is not a Major Projects project.

Ms Doran: I could perhaps take the opportunity. We could round out on the electrification program question if you would like to do that now?

Mr Barr: Sure—if there is some further information on that to answer a previous question.

Mr Piani: In response to the question of what is in the estimates in terms of the program for electrification, I have the list of projects that were nominated in the business case. It is worth noting that this was a list to put in the business case, but I do expect change as we work through the detail of the program, and I think projects will move out and in, depending on the different circumstances. Nonetheless, in the business case were the following assets.

They were across 15 sites—154 assets that were looking to be replaced. I will work through that list: Gungahlin Joint Emergency Services Centre; Manuka Swimming Pool; Weetangera Primary School; 1 Moore Street; Duffy Primary School; Caroline Chisholm School, Junior Campus; Caroline Chisholm School, Senior Campus; and Charnwood-Dunlop School. There are some assets at CIT Fyshwick; CIT Bruce; Erindale College; Erindale Theatre; Canberra Hospital; Exhibition Park in Canberra, EPIC; Tuggeranong Bus Depot; and Woden Library. That is the list of projects nominated in the business case for the next four years.

MR CAIN: Thank you. Could you further take on notice the amounts allocated for each of those upgrades?

Mr Piani: Certainly.

MR CAIN: Thank you.

THE CHAIR: I am just going to change tack, if I could, and go to GST grant revenue. I refer to page 235 of *Budget outlook*, table 3.5.12. I note that GST grant revenue rises from \$1.7 billion in 2023-24 to \$2.28 billion in 2026-27. Would you characterise those future revenue projections as being 100 per cent guaranteed to arrive at that level? If not, what would the likely risks be to those revenue levels being achieved?

Mr Barr: The major step up in our GST revenue reflects two things. There was the ACT's increased share of the national population as a result of the correction of the Estimated Residential Population share that the census provided. You may recall, we

discussed this, and I pointed out it was worth hundreds of millions of dollars a year.

THE CHAIR: It is one of your favourite topics.

Mr Barr: Indeed. Hundreds of millions of dollars a year—that is why it is one of my favourite topics. It is relevant, and you have highlighted exactly the significant impact it has for the territory. The other factor that is in question each year is the territory's relativity. Our GST relatively tends to be between about 1.1 and 1.25, depending on what is happening in the other states and territories.

THE CHAIR: So it is not just about who moves here; it is about who moves everywhere else?

Mr Barr: No. It is also around the Commonwealth Grants Commission horizontal fiscal equalisation determination, which looks at every single element of movement across different economic indicators. There are a number of factors that drive that determination. They publish an annual report and they go through and outline all their rationale for movement up or down in a jurisdiction's relativity. Possibly the biggest single change in recent times was the floor that was placed in the system to guarantee Western Australia a relativity of at least 0.7.

THE CHAIR: Which impacts us—impacts everyone.

Mr Barr: It does impact every other state and territory. The commonwealth government then put in place a GST “no worse off” guarantee, which guarantees that the impact of that floor for WA will not flow through to the other states and territories. The commonwealth then tops up the GST pool. In answer to the question, “How sure can I be?” we have a legislated “no worse off” guarantee. That means that, if the Grants Commission process—what goes into the horizontal fiscal equalisation process—produces a result, because of the Western Australia minimum floor, that leads to a worse situation for the ACT or indeed the other states and territories, then the commonwealth, by legislation, is required to top up under the GST “no worse off” guarantee.

THE CHAIR: You are saying that the figure is 100 per cent guaranteed?

Mr Barr: Not 100 per cent, because the next two factors that will determine that question are the size of the GST pool—that is a reflection of how much is bought and sold or consumed under GST taxable items, both goods and services—and the rate of inflation. The higher the rate of inflation, by implication, the higher the prices of goods and services, so a 10 per cent tax on that leads to growth in the size of the total pool.

THE CHAIR: So there are a number of variables. These are big numbers. It is \$2.28 billion. We are talking about half a tram project to Woden. If some of these variables roll out the wrong way, does that put your future surpluses at risk?

Mr Barr: It is our single largest source of own-sourced revenue, but it has been a consistently reliable source of revenue. There is also a potential upside. This is not a maximum amount of GST that we could receive. We could, in fact, receive higher. A

factor that would drive that, perhaps perversely, would be ongoing high inflation.

THE CHAIR: We have all been aware, and you have often spoken of this of being the single biggest source of revenue, and it equates to half a tram line to Woden.

Mr Barr: That is just making it up. That is just absolute BS. But, anyway, I am not going to have an argument with you about that now. Let us just talk about the GST.

THE CHAIR: Alright. I can move on.

MR CAIN: I have a supp on that table. What are the figures for each of those forward years—the legislated “no worse off” amount? Do you have those handy?

Mr Barr: That will vary, depending on the forecast in relation to Western Australia, but we may be able to get some information on that. We can certainly outline what it has been previously and what it is forecast to be. It is somewhat contingent on commodity prices and what would happen outside of Western Australian. So, whilst its floor is significant, WA is about 10 per cent of the nation’s population, so other factors that impact on the relative GST distribution include movements in New South Wales, Victoria and Queensland, principally.

Queensland, last fiscal year, because of a surge in coal prices, achieved a budget surplus of \$12 billion, which was the largest surplus ever delivered by a state or territory government in Australian history. That is largely a one-off thing. They are not projecting that is going to keep on occurring into the future. But, when that level of revenue is brought into the horizontal fiscal equalisation system, there is an expectation that the Queensland GST allocation would be adjusted down to reflect the fact that they have had the massive surge in revenue. Queensland is one-fifth of the GST pool, so that is likely to be an upside benefit for the territory, given the size of Queensland in the GST pool.

The two big states, New South Wales and Victoria, have been, I think throughout the history of HFE, what are called donor states. That is that their GST share has never been above \$1; it has never been above the per capita amount. It is always a number generally in the 80- or 90-cent elements. Depending, of course, on the relative strength of the New South Wales and Victorian economies, that is probably the other major factor that tends to drive the allocation under HFE for the smaller jurisdictions: South Australia, Tasmania, the ACT and the Northern Territory.

MR CAIN: Regarding the legislated “no worse off” figures, you would have the estimates for each of those for each year—is that correct?

Mr Barr: Yes.

Mr Hocking: I do not have the forward estimates, but I can tell you that, in 2022-23, we expect to get \$80.9 million in the “no worse off” guarantee for the ACT.

MR CAIN: Eighty point nine million dollars?

Mr Hocking: Yes.

MR CAIN: For 2022-23?

Mr Hocking: Yes. That is right.

MR CAIN: Can you explain, then, why it is at \$1.7 billion in the budget?

Mr Hocking: The “no worse off” guarantee is just part of the overall GST grant.

MR CAIN: So you are suggesting that the figures that are in this budget paper are approximately double the legislated “no worse off”—

Mr Hocking: No.

Mr Barr: No. You are completely misunderstanding.

MR CAIN: You need to explain it to me, then.

Mr Barr: What the “no worse off” guarantee is about is that, if the system operated as it did prior to the Morrison government intervention, to guarantee a minimum amount for Western Australia, they would run that figure and that would produce a result, and then they would run the figure, as it results, putting a fixed base in for WA. The difference between the two figures is the “no worse off” guarantee, and that difference is about \$81 million. To put it in simple terms: for example, \$1.7 billion or \$1.781 billion. That is the difference.

MR CAIN: Okay. Are you able to provide those other figures taken on notice?

Mr Barr: Yes. I think that we may need to provide some context because you are struggling to understand, clearly.

MR CAIN: That would be helpful. Thank you.

THE CHAIR: Are we providing more information now or are we doing it on notice or are we moving on?

MR CAIN: Do it on notice.

Mr Barr: We will do it on notice.

THE CHAIR: Alright. Let us move on to Ms Clay.

MS CLAY: Thank you, Chair. Treasurer, the lease variation charge can be deferred on charges greater than \$50,000 at the moment, as we understand it. We are not going to stray into the planning sphere, but there are things that mean we might have more redevelopments soon. Have you looked at whether the current deferral threshold of \$50,000 is the right deferral threshold? Do you think that should be lower to encourage more redevelopments?

Mr Barr: Lower?

MS CLAY: I will restate this. You understand this, Treasurer, but some of our audience may not, if somebody watching, so do not think that I am doing the female version of mansplaining to you. When somebody redevelops their property, there can be a lease variation charge. This particularly happens with rezoning. They can defer the payment of that until later, and that is good because then they can capitalise and pay the lease variation charge with the capital gain that they have made. There is a \$50,000 threshold. If the lease variation charge is below \$50,000, they have to pay it up-front.

Mr Barr: Yes. Most LVC payments are above that threshold. That would be fair to say.

MS CLAY: Interesting. So we do not have many under \$50,000 at the moment?

Mr Barr: There would not be many.

MS CLAY: Are there some publicly available figures on the quantum, on the overall amount but also the level of LVC that is collected?

Mr Hocking: I do not think we have publicly available information, but we could check whether we could provide a summary table on notice.

MS CLAY: Could you take a summary table on notice? That would be very helpful.

Mr Hocking: Yes.

MS CLAY: Treasurer, can you tell me: in the last couple of years, have you looked at whether that LVC charge is sufficient to recover the cost of utilities, to pay for all the things that we need to pay for, and also to make sure that we are collecting enough tax from people who are getting some capital gain from redevelopment?

Mr Barr: Yes. There are a number of different components to LVC. There are a series of annualised tables that reflect updated market values, and then there is a valuation process where it is not codified, and that is the value under the previous lease and the value under the varied lease. They are the market valuations that are undertaken. The system adjusts for increases in market value and is percentage based. Effectively, the lease variation charge taxes a percentage of the unearned windfall gain. When, by a planning change, the government allows more development to occur, the difference in the value of the unimproved land is then subject to the LVC, and then there is a tax rate applied.

There can be certain remittances against that—for example, environmental outcomes or housing affordability outcomes that are tied to the nature of the lease variation. Because we have a leasehold system, we can, in varying the lease—that is why it is called the lease variation charge—require the developer to undertake and meet certain requirements in order to access a remission to the windfall tax rate We do that for environmental and housing affordability purposes.

MS CLAY: I have had constituents tell me about lease variation charges that they

have paid in the order of \$15,000 or \$20,000, under that \$50,000 threshold, and that came in the context of small redevelopments.

Mr Barr: Yes.

MS CLAY: In the context of not asking for policy announcements, there is the potential for more missing middle housing, a potential for Canberra to have a lot more dual occupancies. That is a conversation that is current percolating. Have we looked at whether we need to make any charges as to when the lease variation charge is paid, when it is deferred and what those levels are? Has that work been done?

Mr Barr: There certainly is an option for payees to pay at the point of issuance of certificate of occupancy.

MS CLAY: Can that be done even if it is below \$50,000?

Mr Barr: That is possibly where that threshold applies. That is the nature of question.

MS CLAY: That comes down to the heart of the question, I think. If the government decided it wanted to encourage dual occupancies, small redevelopments—which is not a decision that has been taken—

Mr Barr: Would we then need to look at—

MS CLAY: Yes. Because otherwise would we accidentally have taken a policy choice but dissuaded people from using it?

Mr Barr: It is going to be a pretty niche example where a variance of a lease to enable a second dwelling on a property is not going to increase the value by \$50,000. I would be pretty surprised. That would be very low value land.

Mr Hocking: I might just note that we did reduce the threshold in 2019. It was \$100,000, and, from 1 July 2019, it became \$50,000, but we have not done any further work on that issue.

Mr Barr: I certainly appreciate the issue being raised. We could look at it.

MS CLAY: Is that work that you imagine you would do if a policy change were made?

Mr Barr: I think you would have to. Yes.

MS CLAY: Great. Thank you.

THE CHAIR: What happens if LVC is not paid on time? Are there penalties levied? And are there any large amounts of LVC payable that the ACT government is struggling to collect?

Mr Barr: As I indicated in response to an earlier question, it is often tied to the issuance of certificate of occupancy. The developer would not be issued with a

certificate of occupancy and would then not be able to have anyone move in and effectively settle with the new private owners until the LVC is paid. That is a mechanism that significantly reduces the risk of LVC not being paid.

THE CHAIR: It is a penalty but not a financial penalty. Ultimately, it would end up being a financial penalty.

Mr Barr: Yes. Certainly, they would not be able to realise any of the revenue associated with selling the additional residences that they would have created through the lease variation.

THE CHAIR: Are there any, irrespective of that—

Mr Barr: I will take on notice as to whether there are. The Commissioner for ACT Revenue is unable to be here for personal reasons.

THE CHAIR: Mr Miners, I note that you are nodding.

Mr Miners: We need to take that on notice. Unfortunately, the revenue commissioner cannot be here today. I can say that the certificate of occupancy is not granted if any of those outstanding LVC payments have not been made. But, unfortunately, it is a question for the revenue commissioner, who is unable to be here today.

THE CHAIR: This is something you will probably have to take on notice too. How much has been spent in the last five years on LVC disputes? I am talking about both lawyers and public servants.

Mr Barr: I would need to take that on notice.

THE CHAIR: We will move on to Mr Pettersson.

MR PETTERSSON: Thank you. Chief Minister, what are the drivers of inflation here in the ACT? Are Canberrans experiencing inflation differently to the rest of Australia and the world?

Mr Barr: Yes. We are going to get an updated figure inside the next hour, I believe. The recent data has shown that the headline inflation rate in the territory has been lower than the Australian average, and there are a number of factors that are contributing to that. What has been driving inflation at a national level has particularly been the component that relates to housing, a component that relates to energy costs and a component that relates to food, for example. The territory has, comparative to the other jurisdictions, particularly in energy costs and, to a lesser extent, housing, not experienced the same rate of increase in cost. In some instances sections of our community have actually experienced both a real and sometimes a nominal decrease in their costs in that regard. They are factors that have contributed to the ACT having a lower headline inflation rate than the rest of the country.

MR PETTERSSON: What are the distributional impacts of high inflation here in the ACT?

Mr Barr: There is a stronger impact on lower income households. The government has sought to address that by targeting our concessions programs to those lower income households in an effort to drive either real or nominal decreases. The most practical example of that is the partnership with the commonwealth in relation to energy prices. We have seen in place a long-term fixed-cost renewable energy supply arrangement that has worked to shield ACT electricity users from the sorts of impacts that have been experienced elsewhere. On top of that, there have been a range of targeted concession programs that have reduced the cost of energy for households.

Other factors that are supporting Canberra households include a relatively lower level increase in government fees and charges than in other jurisdictions, and we have seen a number of commonwealth initiatives, such as the recent changes in relation to child care that have supported households, and the ACT government intends to, as we have announced, implement initially one day per week of free early childhood education for three-year-olds. That also reduces costs for those households. The Sustainable Household Scheme would be another example of a program that seeks to reduce costs for households. We have been deliberate in our targeting of those various government programs to particularly provide assistance to low- and middle-income households.

MR PETTERSSON: Thank you.

THE CHAIR: Mr Cain.

MR CAIN: I have a question regarding the cladding concessional loans. I think we could handle that here. The concessional loan scheme for unit title properties to replace combustible cladding is obviously up and running. How many loan applications have been received?

Mr Barr: Strictly speaking, this is Minister Vassarotti's area. She is running the program. It is being run through Major Projects. Has Minister Vassarotti appeared? She has not yet, has she? It is coming in a couple of days. It is probably better to deal with that with the responsible minister.

MR CAIN: I might lead with another one if that is okay, Chair.

THE CHAIR: Yes.

MR CAIN: With reference to the superannuation return adjustment, on page 10 of *Budget outlook*, table 1.1.2—and obviously correct anything I am assuming here—there is an adjustment for long-term expected superannuation investment earnings. The number is positive and therefore improves the bottom line if you assume you will be making higher returns on your superannuation assets than the long-term discount rate. In the Pegasus budget analysis, on page 47, they note that the commonwealth does not use this figure in its budget process because future fund investment returns are not available to government operations. That is to say, it is misleading, it would seem, to include it. On page 47, Pegasus says:

Given that the SRA—

the superannuation return adjustment—

is included in the net operating balance, it effectively biases this key Budget indicator towards a more favourable outcome.

What is your opinion of the Pegasus assessment?

Mr Barr: We have responded to that in the government response to the committee, so I would refer you to that answer.

THE CHAIR: Chief Minister, is it possible for you to give a response in the context of the hearing?

Mr Barr: Sure. Pegasus has expressed that opinion. I will quote from the government response. I will read it verbatim: “Changes in the financial and demographic assumptions are much more material to the estimated liability valuation than the potential impacts to the valuation from changes in the membership experience from year to year, being different to what is assumed. The demographic assumptions adopted for the liability valuations are reviewed and updated every three years for the triannual liability reviews. As the annual liability valuation reviews maintain the same demographic assumptions and incorporate assumptions around membership experience, the annual liability valuations are materially impacted by changes in the financial assumptions. The estimates for the 2023-24 budget are based on the most recent annual valuation review, with the next triannual review to be completed in fiscal 2023-24. The long-term assumptions adopted for the budget liability valuation projections have remained relatively stable over time, except when under the unprecedented financial conditions experienced during the global pandemic, with ultra-low inflation, salary growth and interest rates. The annual actuarial liability valuation review reports are published on the territory publication’s website following the release of each annual budget. These reports document all of the financial and demographic assumptions as well as providing a reconciliation on the impacts to the liability valuation results. The government maintains a funding plan to extinguish the territory’s unfunded defined benefit superannuation liability over time. The funding ratio is currently predicted to grow to 71 per cent by fiscal 2026-27. The precise date at which full funding will be achieved will be largely dependent on interest rates, investment returns and membership experience, as has always been the case. SMP global ratings commented on the most recent territory credit rating update report that ‘The territory also has a credible plan to eliminate its unfunded superannuation liability adjustment.’ That will be over time through ongoing appropriations and investment earnings into its superannuation provision account. The government supports Pegasus’s finding on page 45, but there is no indication that the ACT will have any difficulties meeting its unfunded superannuation obligations.”

THE CHAIR: Mr Cain, is that sufficient for you? Do you have anything—

Mr Barr: I will continue. “In relation to the superannuation return adjustment, the government supports the Pegasus finding of allowing an offset to the reported interest cost superannuation expense to recognise the fact that the government is holding significant financial assets in the superannuation provision account to meet the superannuation liabilities of the territory. The government notes the Pegasus recommendation that the offset calculation should be based on using the discount rate

used to estimate the liability which would better reflect the calculation of interest cost expense in a partially funded superannuation scheme under Australian Accounting Standard 119 'Employee Benefits'. It is important to note the ACT does not administer any superannuation schemes on behalf of employees, with the defined benefit employer superannuation obligation being a liability to the commonwealth government in respect of current and former ACT employees who are members of the commonwealth defined benefit superannuation schemes. Under the Uniform Presentation Framework, the UPF, only investment income such as interest and dividends are recognised as income in the GGS UPF net operating balance. This means that the net operating balance comprises the gross superannuation expense offset only by the interest and dividend income derived from the SPA's financial investment assets. However, the UPF operating result includes net gains in financial assets as these are classified as other economic flows included in the operating result. The total investment returns recognised in the headline net operating balance ensure that superannuation expenses and investment revenue are reported on a consistent basis."

THE CHAIR: Mr Barr—

Mr Barr: I am nearly finished. You asked me to read this out. I am nearly finished.

THE CHAIR: I did not ask you to read it out. I asked you to give an explanation of it.

Mr Barr: "Over the past 10 years to 30 June 2022, the funds set aside in the SPA have generated approximately \$1.3 billion in investment income and \$1.6 billion in net gains on financial assets. By comparison, the total superannuation expense over the same period, expense through GGS UPF NOB, has totalled \$5.4 billion. The government continues to maintain that the headline net operating balance provides the most relevant and meaningful information to make long-term budget allocation decisions and the inclusion of the superannuation return adjustment ensures the superannuation expenses and associated investment revenues are reported on a more consistent basis. This has been used since 2006-07. The government further notes that it publishes both the GGS UPF net operating balance estimate and the headline net operating balance estimates. It also publishes cash operating statements, and the government takes all measures into account when considering the sustainability of its budget position."

I will not read the rest out because it is all there comprehensively in response.

THE CHAIR: Thank you, Mr Barr.

MR CAIN: With respect, you could have given us that reference.

Mr Barr: I did and then the Chair asked me to read it out.

THE CHAIR: I did not ask you to read it out. I asked you for an explanation of it.

MR CAIN: An explanation. Indeed, not a good use of this committee's time. Treasurer, what will you be doing—

Mr Barr: You have got to be joking.

MR CAIN: Why do you not use these excess returns for government operational use?

Mr Barr: Because we are using them to grow the fund to meet our long-term superannuation liability. But you do hit on an important point—that, once that liability is fully funded, the annual expense that is approaching half a billion dollars will then be available for the territory government of the day to utilise for infrastructure or for operating expenses or, indeed, for debt reduction in the 2030s.

MR CAIN: You have never reached that point yet where you are able to use them in such a manner?

Mr Barr: No, because we have not fully funded the superannuation liability, but, once the territory has, then it will be in a position to divert that annual expense to other purposes.

MR CAIN: When do you expect that point to be reached?

Mr Barr: That point is anticipated to be reached around 2030-31.

THE CHAIR: Thank you, Mr Cain. I know we have touched on population forecasts in previous hearings, and today we touched on them, so please excuse me if we have gone over any of this. The Pegasus budget review notes on page 2 that the ACT government has used the higher end of the population forecast from the commonwealth government's Centre for Population. Why was the higher end of the range chosen?

Mr Barr: Because, for the last 10 years, even that has proved to be a significant underestimate of the territory's population. And there is the issue that we discussed the other day around the inability of the ABS current formula, using Medicare addresses, to accurately reflect internal movement within Australia. We have actually achieved population growth much higher than that. This is a conservative estimate from the territory.

THE CHAIR: Obviously, those population assumptions have a major impact on forecast revenue streams, Treasurer.

Mr Barr: And expenditure.

THE CHAIR: Did you undertake modelling using the low- or middle-range population growth scenarios using the commonwealth government's Centre for Population or did you not really—

Mr Barr: There are obviously statements of risks both below and above in relation to revenue lines, and population would be a factor. Obviously, there needs to be a certain assumption made about, also, the rate of international migration. An outcome of the Jobs and Skills Summit was a very clear view that we would have skill shortages and need to have a larger migration program, and the territory government has been given a significant increase in the allocation of sponsored places. That is now directly within

our control. The commonwealth framework also lends itself to further population growth from international sources, and the territory maintains a natural population increase—that there are more births than deaths each year.

We are also witnessing, for demographic and family reasons, more people retiring and staying in the territory, either because they were born here or they have kids or grandkids here. It is undoubtedly the case that, 50 years ago, when Canberra was 60 years old, people would come here to work and, when they retired, they went back to where they came from. Now people are increasingly likely to be from here and have kids and grandkids here, so they are not going back to somewhere else at the rate that they used to. It is not to say that people do not leave Canberra when they retire—people do—but it is not at the rate that they were before.

THE CHAIR: I asked a question about whether modelling had been done using the low- or middle-range population growth scenario. A specific question for you is this: how much would GST revenue fall in 2026-27 if the mid-range population was the reality, not the higher end? If you need to take that on notice, I am happy so that we can—

Mr Barr: That would be difficult to model because it would depend on a number of other variables beyond population, as in what our GST relativity is. You have to remember that this is also reflective, in theory. A significant component of this is driven by the commonwealth government's decision on international migration. It would affect it if they, for example, reduced that. The reason the population growth was not as strong was that the international migration program was wound back. That would affect all jurisdictions, not just the ACT, so it would not shift our relativity.

THE CHAIR: Is it possible to take that question on notice or is it not?

Mr Barr: I will take it on notice. I do not think we will be able to provide you with an answer to within a dollar, because there are so many factors that impact. What I would point out, of course, is that there are both revenue and expense implications from increased population.

THE CHAIR: Yes. Indeed, if you have been able to model it at the higher end, surely you can model at the mid range.

Mr Barr: Sure. I have been advised that the GST revenue calculations use the Centre for Population's forecasts since we need the populations of all jurisdictions to make that forecast.

THE CHAIR: Of course. Thank you. Which of those selections of population modelling best assist your argument that you are going to have a surplus?

Mr Barr: It depends on your assumptions on expenditure, conceivably, and where that population lives. If there were a lower population and we did not need to build as many new suburbs, then you would not have a lot of expense associated on the infrastructure side. Generally speaking, if population is not accommodated within existing infrastructure, then it is a net cost to the territory in having an increased population. If that population is located in a mixture, as it currently is, between

greenfill and infill, then it comes out being relatively neutral. If all future population were accommodated without the need to build any further infrastructure in the territory, then the territory's fiscal position would improve significantly. But I do not think that is a likely scenario.

THE CHAIR: On behalf of the committee, I want to thank the Treasurer and officials for their attendance so far today.

Hearing suspended from 11.01 to 11.16 am.

THE CHAIR: Welcome back to these estimates hearings. In this session we continue speaking with the Treasurer and officials. We have to do the privilege statement because we have some new people here. We are just doing this on the voices. I think you have seen what we have been doing. I remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the privilege statement. Could you confirm for the record that you understand the privilege implications of the statement and that you agree to it.

Witnesses: Yes.

THE CHAIR: I am trying to remember where we are at.

Mr Barr: I could help to close off an answer to your questions before the break. You were asking about upside and downside scenarios in relation to population. Officials have very helpfully pointed out that pages 32 to 34 of the budget outlook outline those upside and downside scenarios.

THE CHAIR: Thank you for pointing me to that. I appreciate it.

MR PETTERSSON: I have a question for Major Projects Canberra. I am sorry; you have just moved.

Mr Barr: There are couple of seats up on the opposition backbench—what are otherwise known as the rowdy seats. Come and join. Your mics might work better from there. They certainly appear to when we are sitting on that side—by way of interjection anyway.

MR PETTERSSON: I was wondering if the committee could get an update on the progress of the four designated major projects.

Mr Barr: As a reminder for the committee, those projects are the Canberra Hospital expansion, light rail stage 2A, the CIT in Woden and the Canberra Theatre Centre expansion. I will throw to Karen to give a quick update.

Ms Doran: I will go through each project, one at a time. The Canberra Hospital expansion project is probably the most advanced stage of construction. It has topped out, in terms of the main structure. It is currently going through a process of the internal works, bottom up, building the internal room structures. At the same time, top down, they are putting on the facades and removing the scaffolding. It will not be that long before the building is more publicly visible.

The helipad on the top of the building is substantially complete, and a lot of the mechanical equipment is coming on site as well. The welcome hall is well progressed and is a substantial feature of the new building. That one is moving along towards end of construction in early 2024, I suppose. The end of construction is a fairly fluid date. It will then move into the commissioning phase. We will work closely with CHS for that operational commissioning of the building.

Moving on to the light rail project, that project has multiple phases going in parallel at the moment. The raising of London Circuit is a significant piece of early works to facilitate the construction of stage 2A of the light rail. That project has hit another milestone today, with the switching of traffic along the bridge. Effectively, one side of the raising of London Circuit is complete. We are putting in a temporary traffic switch, diverting traffic, to allow the other side to go through the same process. The raising of London Circuit is a necessary precursor to the construction of the light rail stage 2A phase.

In terms of that project, we have a process playing out at the moment where we are in negotiations around the formal proposal for the construction of 2A. We also have other early necessary works playing out, such as procuring new vehicles for the extended light rail, as well as expanding the depot out at Mitchell to facilitate those vehicles. The new vehicles will be fitted out to run on wireless tracks, which is what will be required in the stage 2 part of light rail. There is also a process to retrofit existing vehicles so that they can run on the wireless tracks.

Moving on to the CIT at Woden, that project also has played out in phases. Some of the early works were around the moving of the old bus depot there—building new accommodation for the buses at Woden and then the deconstruction of the old bus depot. Those phases are largely complete. We are now going into stage 3, which is essentially the build of the new CIT facility and the youth foyer that is part of that complex. We are at the late stages of DA approvals and 80 per cent design finalisation on that build. While construction can be seen at the site, in terms of foundations et cetera, the building coming out of the ground should be happening shortly.

The final one is the Canberra Theatre Centre, which is at probably the earliest stage. It is just going into its design phases. I think it was in May this year that we announced the appointment of the design architect and technical adviser on that project. There is lot of early consultation and collaboration happening with the project board for that project, but also linking with the CFC, the CTC and the CRA. Lots of acronyms there. We recognise that that is a very central project in the city cultural precinct and there is a need to bring all parties into the early design of that project.

MR PETTERSSON: Thank you. The budget makes reference to the infrastructure and market capacity constraints being experienced at the moment. Could you expand on what this means for the infrastructure pipeline in the ACT?

Mr Barr: There are a number of factors that are impacting on market capability in different infrastructure asset classes at the moment. In the short to medium term, we are starting to see a recovery in relation to building material supplies and more secure supply lines. The quite significant price increases that were occurring in the

immediate post-COVID emergency phase have started to level out.

We are also seeing probably two factors in other jurisdictions that are impacting on the state of the Australian infrastructure market, particularly on the east coast. The first of those is a series of decisions being taken by the New South Wales, Victoria and Queensland state governments in relation to their forward infrastructure program. We have seen some fairly significant announcements around certain projects either being scrapped or delayed.

Further to that, the commonwealth government commissioned a 90-day urgent infrastructure review in relation to the commonwealth's support for or engagement with each of the states and territories on the forward infrastructure program. That has been cooperative, with a view to seeking to better align commonwealth infrastructure priorities with those of the states and territories. The local manifestation of that clearly was the announcement by the Prime Minister over the weekend of the National Capital Investment Framework, which puts in place a very significant opportunity for the territory and a much closer working relationship.

That framework will be coordinated at a commonwealth level by the Department of the Prime Minister and Cabinet and at a territory level through Chief Minister, Treasury and Economic Development. It will involve a number of commonwealth agencies: the department of infrastructure; the department of science; the Department of Education; the Australian Sports Commission; the National Capital Authority; and the Department of Finance, amongst others. At our end it will involve Chief Minister, Treasury and Economic Development; Transport Canberra and City Services; Environment, Planning and Sustainable Development; the City Renewal Authority; and the Suburban Land Agency, amongst others.

We would anticipate the territory's infrastructure plan updates being the focus of the National Capital Investment Framework. In the simplest of terms, we will no longer find out on federal budget night about commonwealth infrastructure investments that we are expected to match 50 per cent funding for, which used to be the practice. We would know nothing about a project that the previous commonwealth government were proposing and then it would land on federal budget night and there would be an immediate demand for the territory, never having heard of the project before, to provide matched funding.

That sort of engagement with the commonwealth on infrastructure is now behind us, fortunately. We are much more engaged at a much earlier stage and there is a very long list of projects and partnerships where we would seek early engagement with the commonwealth, through the framework, through the interdepartmental processes being led by first ministers' departments. That will be useful in coordinating the short and medium-term infrastructure program.

Longer term—which I think is a neat segue into the officials from Icon and ICRC being here—it is very clear that the investment in energy infrastructure is going to consume a significant part of the nation's future infrastructure capacity. From my discussions with Infrastructure Partnerships Australia last week, potentially more than half of the future infrastructure pipeline in Australia will need to be energy related over the medium term. That is something that we will need to have engagement with

and have an understanding of as we plan our forward infrastructure program, in partnership with the commonwealth.

MR PETTERSSON: Thank you.

THE CHAIR: Mr Barr, there was wild celebration from your colourful and animated transport minister several weeks ago, when the commonwealth approval for stage 2A of the light rail project was given. If there was such celebration at the approval, that must mean that there was some chance of it not being approved; otherwise, why would you celebrate? Given that Ms Doran and others have very clearly stated that the raising of London Circuit is to facilitate light rail, what on earth would have happened if it had not been approved? I would also back that up against the major concerns that have been raised by the National Capital Authority, for argument's sake, regarding the route for stage 2B.

Mr Barr: I think your question implies a binary outcome of not approved or approved. The National Capital Authority could, of course, have approved with conditions. They could have said, "We cannot approve because of reason X or Y," and we would have then—

THE CHAIR: And you would have just adjusted.

Mr Barr: We would have needed to adjust to that. There are examples of where the National Capital Authority has put in place a requirement on the territory. For example, wire-free operation through certain locations has been a condition on a works approval. That particular example has brought extra cost. To the credit of the commonwealth government, though, they have stepped up and increased the amount of funding for the project to reflect that increased regulatory cost that the National Capital Authority has placed on the territory.

THE CHAIR: So whatever the impediment was, you are confident you could have found a way.

Mr Barr: An advantage of having the National Capital Investment Framework and a closer working relationship with the commonwealth is that our starting point is to find a way—not that we spend years dancing around the commonwealth not giving a clear position on any concerns that they might have and finding a hundred reasons why something cannot happen without necessarily being very clear and up-front at the beginning of the process.

We obviously are engaged deeply in the route design for stage 2B. A range of technical challenges were identified very early on. There are also a range of heritage and other issues. What we are seeking from the commonwealth is early engagement and up-front engagement on those matters. We are receiving that now, whereas before it could be said that you were trying to grasp smoke or jumping at shadows, because the commonwealth were not being as straightforward in what their requirements would be. One of the tangible benefits of the National Capital Investment Framework and the commitment from the commonwealth government, to use the colloquial, is to engage with us in a fair dinkum way on these matters.

THE CHAIR: All right. I will move on from there.

MS CLAY: Treasurer, before I ask the question, I want to check: is this the correct session to ask you about budget priorities or should I ask that in a Chief Minister's session?

Mr Barr: Well, I guess it depends on the—

MS CLAY: It is budget priorities for climate and environment.

Mr Barr: It is probably reasonable to ask it now. Yes.

MS CLAY: Excellent. We will do it here. I do not want to waste my question.

Mr Barr: Sure.

MS CLAY: I have been waiting for about 45 minutes now.

Mr Barr: Okay.

MS CLAY: Excellent. I am very interested in budget priorities. We have looked at that in a lot of sessions already. We have around \$270 million for the environment, sustainable development and climate change specifically allocated in the budget. We are making some great progress on some of our positive policies, like gas and EVs. It is great, but that is only about three per cent of our budget. I am particularly concerned about environmental funding. It looks like quite a small amount. We heard that there will be about \$5 million on environmental spending in the context of climate change and increasing pest incursions. Is \$270 million an appropriate amount? Is three per cent of the budget an appropriate amount for climate and environment?

Mr Barr: Three per cent of the budget is. The question implied in that question is that—

MS CLAY: Is this enough funding for climate and environment, given the crises we are facing at the moment?

Mr Barr: Okay. That is a slightly different question. If you are asking for an increased share of a fixed budget for those priorities, I would then, as Treasurer, need to reply with: which areas will we cut expenditure from in order to free up capacity to spend more in that area of the budget?

It is fair to say that, across our main areas of expenditure that account for approaching three-quarters of the territory budget, between health, education and community services, each of those would argue that they need more resources. I have never experienced in a budget round any organisation or any part of government coming forward, volunteering, and saying, "Spend less of the budget on us to free up more capacity to spend elsewhere." I do not think I have ever experienced that. I think the better way to contemplate your question—I am presuming you are not seeking for me to identify cuts in another area of the budget to put more money into this area—

whether the territory's total revenue should increase to allow for increased expenditure in this area.

The short answer to all of these questions is that, invariably, there is insufficient revenue to meet every single need and every single request that comes either from directorates or from the community. We have a community engagement process in the budget. We receive submissions and recommendations. If you were to fully meet all of them at the level of request that comes through that process, and through all of the budget bids, we would need to double or triple the territory's \$8 billion to \$9 billion of revenue. There is no capacity to do that; therefore, you must make trade-offs between competing priorities.

I understand that you would like more money spent in this area. A useful way to achieve that would be to identify either cost savings in other areas or increased revenue opportunities or, perhaps more realistically, ways to utilise existing resources to focus on those priority areas more effectively.

MS CLAY: Sure, which is taking us in a really useful direction. We had a lengthy conversation, and we are not going to revisit it, about when and whether the government conducts climate assessments on major decisions. We have done that. I had a chat to the Commissioner for Sustainability and the Environment yesterday about this very topic. Since 2019 she has been asking the government to conduct climate change assessments on major decisions. She and I had a bit of a chat about whether it was possible for a cabinet room full of intelligent people, or a government full of intelligent people, to simply eyeball whether there would be large impacts without conducting an assessment. I will read out the transcript. You may not have heard it. She said:

... I do not think it would be possible to assess the impact of a particular project, initiative, spending decision, exclusively from what you described as "eyeballing".

... in terms of making an actual assessment, in terms of the impact of climate change ... then that would require an established methodology or approach to make an assessment ...

That is why she has been calling for a methodology. Essentially, you cannot assess the climate change impacts unless you have some kind of process to assess the climate change impacts. I understand that we do that on some of our major projects, our \$10 million TCCS major projects. I have noticed that in this budget we seem to have about \$650 million for roads, but we have not decided to expand the bus fleet in any significant way. We have pushed the FOGO facility back to 2026, but we are proceeding with a number of other capital projects.

I am looking at transport, which is about 60 per cent of our emissions, and I am looking at emissions from organic waste, which is about another 10 per cent. That is about 70 per cent of our emissions. We have not really made any big decisions to push those back. We have actually gone in the opposite direction. So again I will say: do you think we are conducting the correct environmental and climate assessments on these major budget decisions to prioritise which ones we do first and when we do them?

Mr Barr: I contest your characterisation of not making any adjustments to other areas of expenditure. You are not in the cabinet room, so you are not a part of the process—

MS CLAY: No.

Mr Barr: so you do not know what is not supported to progress. All you see is what is supported. I understand that your starting point is that you would prefer, I presume, almost zero to be spent on any new roads. Your party is represented in the Expenditure Review Committee and in the cabinet. I am not going to reveal cabinet confidential discussions, but there are times when it is clear that the Greens do not support a particular project. My recollection is that the Greens did support some investment in the territory's road network, principally in maintenance, rather than duplication of road. I understand that distinction. Your party, your leader, your colleagues are part of the decision-making process and supported the decisions that were unanimous in relation to the recommendations out of ERC to cabinet that form the budget.

There is that input. Everyone is around the decision-making table. There is, necessarily, compromise between different areas of expenditure. I think it is unfair to characterise that we are not considering the issues that you have put forward. I understand that you want a framework that effectively removes political decision-making from the process. That is not going to happen. What I will undertake to do, picking up on the observations of the commissioner and the line of questioning that you are pursuing through these hearings, is to see if there are further things that we can do to give you greater assurance that climate change impacts are being assessed in government decision-making.

MS CLAY: Thank you. I will close with one further question. It is a simple question. I hope you can answer it. I do apologise that you think carbon accounting is very binary and removes all political decision-making. I was a carbon accountant before this job, so I have a pretty on-the-ground understanding. It is simply another tool in decision-making; absolutely. It is not a computer program that removes discretion. It is a means of informing and making sure that we get well-informed decisions. I will get to the question. That was a sideline.

With the decision to delay the building of the FOGO facility, with our roads projects, with our planning review and Territory Plan decisions, with our decision not to expand the bus fleet, were climate assessments conducted?

Mr Barr: We were certainly aware of the implications, but the decisions were not driven by climate considerations so much as practical delivery considerations, in light of other competing issues. You have bundled together a range of individual decisions. They sit outside of my direct portfolio responsibilities, but I feel it is appropriate to address a number of them. One of the constraints in relation to adding more electric buses into the fleet is the—

MS CLAY: No; more buses. Not more electric; just more buses.

Mr Barr: depot capacity, and a competing priority. You want more buses, so you are

happy for those to be fossil fuel fuelled buses?

MS CLAY: I understand that we lease diesel buses at the moment. I am simply asking about expansion.

Mr Barr: Yes, and there are some industry supply-side constraints that the government is experiencing as a customer. Again, your cabinet colleagues are aware of this because they sit in the various committees that hear from the officials on the difficulties of implementation. I think we are dealing with many of these decisions being forced upon the government, not because we do not want to invest in those areas but because the deliverability of the new assets is impacted by infrastructure supply constraints or a range of other factors.

I appreciate that it is difficult if you are not sitting in the cabinet room. This exchange is showing that cabinet confidentiality amongst your party appears to be quite strong. You are not being told a range of things, obviously. That is probably, in the Westminster system, a good outcome. I appreciate that you have the opportunity to ask me questions here. What I want to signal to you is that decisions need to be also based on deliverability. There are reasons why we could not expand the bus fleet and there are reasons why we could not build the FOGO facility that I think have been well ventilated in other parts of the estimates process. If you are seeking further information, it is perhaps best to get a briefing on those specific matters, rather than coming in here and accusing me in some way of abrogating our collective responsibility to respond to climate action. I think it is not really a fair line of questioning.

THE CHAIR: I am not sure that Ms Clay is accusing you; she is just asking the question on priorities.

Mr Barr: Yes, asking the question, but implied in the question is a sense that the government's decision-making priorities, which her colleagues are part of, are somehow not seeking to address the change in climate and some of the issues that clearly need to be addressed. We cannot do everything at once. We must focus on the areas of greatest emission reduction, and we are.

MR CAIN: Treasurer, I must say I have heard your answer before in terms of someone advocating for an expenditure that you do not believe in. Your argument is: "What services are we going to stop providing?" That is a very disingenuous argument because, Treasurer, if there is something you want to spend money on you will find a way. Of course, one way is to borrow money. As we explored on Monday, we have projected new borrowings of \$2.2 billion in this financial year. I am just pointing out that your very simplistic argument—"I do not want to spend money on this because they will have to cut services somewhere else"—is disingenuous.

THE CHAIR: What is the question?

Mr Barr: It is a statement.

MR CAIN: Do you agree that that is a very narrow approach to managing the territory's budget, Treasurer?

Mr Barr: I think I will, in the famous words of Tony Jones on *Q+A*, take that as a comment.

MR CAIN: In budget statements B, on page 58, table 50 is headed “Changes to Appropriation”. What a segue. There is a line on page 58, at the start of the bottom third: “Continuing the transition of our financial and reporting systems”. As you can see, that seems to be a fairly uniform allocation of around 135-ish across those four years, with a total of half a billion dollars. “Continuing the transition of our financial and reporting systems”—could you explain what that is actually for? It is page 58 of budget statements B, under “2023-24 Budget Policy Decisions”.

Mr Hocking: I am struggling to find the line that you are referring to.

MR CAIN: It is the top of the bottom third, if I can put it that way. It is about two-thirds of the way down.

Mr Hocking: Yes. There should be an initiative description in the main budget outlook about that. I think that is the transfer of our digital area of government—what we call DDTS. I think that is the swapping of cross-recovery for a direct appropriation.

Mr Barr: I am very conscious that we have 12 minutes to go. We have officials from Icon and the ICRC here.

MR CAIN: Sure. Take that on notice.

Mr Barr: You have not asked a single question of them. We will take that one on notice and let you ask the inevitable question. You possibly should have used this session for Icon, given that you asked questions in the wrong session about Icon.

THE CHAIR: Thank you, Mr Barr. It is not the question you are anticipating, but I have an Icon question regarding the ACT contracts register. Is Icon Water obliged to publish contracts on the ACT contracts register? I think the answer is yes.

Ms Yau: I will pass that question to Alison Pratt.

Ms Pratt: Thank you. The answer to your question is no, we are not required to register contracts on the contracts register.

THE CHAIR: Regarding the “program management and advisory service provider” that is mentioned on your website, what is the project? What kind of work is being done?

Ms Yau: Thank you for the question. Yes, I can give an update on that project. This relates to the expiry of the corporate service agreements that we received from ActewAGL. These agreements have been in place since 2012, and they expired on 30 June 2023. They relate to corporate service agreements as well as customer and community support agreements. Essentially, the work that we have been doing in the build-up to the expiry is to get ready, in terms of sourcing, as to whether those services are then insourced into Icon Water or not.

I will remind you of where we are in the status of that project, and therefore where this advice fits in. The contract itself allowed for a six-month transition—from 30 June 2023, upon expiry, through to 31 December 2023. Where we are right now in our process is that we have very recently agreed between the parties, between Icon Water and ActewAGL as the incumbent provider, to take a further 12 months to actually transition. That takes us to 31 December 2024. The reason is that we are transitioning across into Icon Water a mix of ICT systems, finance management systems, HR systems, and a range of other services, too.

THE CHAIR: Who was the service provider appointed in 2021, and how much was the contract for?

Ms Yau: The service provider that we are using is a delivery partner. Naturally, it is not in Icon Water's core capability or core skill set to do ICT transformation projects. Naturally, as part of this project, this program of works across multiple years, we engaged a third-party expert in this space. That was following an open market tender.

THE CHAIR: Are you able to tell me who that third party provider is?

Ms Yau: The party that was engaged in 2020 or 2021 was a party named Projects Assured. They were engaged then. More recently, we have had a bit of a reset review of the program and Projects Assured are no longer engaged with us for that. We have changed our party to be a joint transition party. At the moment we are looking at a review of the current program.

THE CHAIR: You have changed the service provider to a—

Ms Yau: Joint—so we have changed the partner. At the moment we are in the midst of reviewing our program for the new deadline that I mentioned earlier.

THE CHAIR: Were there any contract exit penalties for Icon Water with the dumping of Projects Assured? What went wrong with the project? Why was the Projects Assured contract curtailed?

Ms Yau: Probably the best way to describe it is around the reset that I mentioned earlier in terms of extending from 31 December 2023 to December 2024. Given the scale and complexity of the project, part of the exercise that we are doing now is to ensure, from a business continuity perspective, that we are working closely with ActewAGL, as the incumbent provider, as we work through how we take the extended time frame and make the best use, in terms of managing business continuity, complexity, system sequencing and integrations.

THE CHAIR: Surely, the change in tack on this and the dropping of Projects Assured for a different provider must have had a financial impact. Surely, it must have affected the delivery time line. Will these failures affect Icon's ability to return dividends to the government—although, of course, we have noted that that is not reflected in the current budget?

Ms Yau: In terms of the financial year just behind us, ending 30 June 2023, there is a

significant underspend in relation to this project. Intentionally, we have been careful in making our decision to reach this point. Naturally, that may mean that some of the spend that we have anticipated in the year behind us will instead be spent in the years in front of us. With this extended time frame, we are expecting a shift in that cost.

MR CAIN: Who actually sets the dividend?

Ms Yau: Our dividend policy is a 100 per cent dividend policy, excluding gifted assets and capital contributions. That is set by our voting shareholders.

MS CLAY: I have a question on the land tax. I understand that short-term rentals pay land tax. Treasury has information sharing arrangements with the ATO. Do I have that correct?

Mr Hocking: With the ATO?

MS CLAY: Short-term rentals pay land tax and you have information sharing arrangements with the ATO about land tax?

Mr Hocking: Yes, to the first part. I am just checking; unfortunately, we do not have the commissioner for revenue here.

MS CLAY: Perhaps you can take it on notice.

Mr Hocking: Yes.

MS CLAY: I will ask the rest of it, and you can take the lot on notice, if you need to.

Mr Miners: Yes, land tax is paid on rentals, so all rental properties in the residential market will pay land tax. Yes, we do have information sharing agreements with the ATO. They are not specifically around land tax. They are more broad information sharing agreements.

MS CLAY: We have had trouble, with this government, in getting really good information on how many short-term rentals we have in the ACT. Could we not use that information to tell us clearly how many short-term rentals we have in the ACT?

Mr Miners: We are aware of the issues around short-term rentals, and we are aware of the Assembly motion on that. It is something we are looking into, in terms of getting better information around that. At this stage I have nothing more that we can report on that issue.

MS CLAY: I hear what you have said. Can you take on notice, and answer me more clearly, as to why we cannot use information from the ATO to tell us how many short-term rentals we have?

Mr Miners: I can take that on notice, yes.

MS CLAY: I also note in the budget that land tax collection has increased. Part of the reason for that is more compliance activities being run. Can you run me through what

that compliance is that has increased our collection?

Mr Barr: Certainly, there are more publicly available sources of information in relation to properties that are—

MS CLAY: Excellent. You do not need to read them to me, just direct them to me.

Mr Barr: Yes.

MS CLAY: I am wondering how your compliance activities have changed, because the budget says you are collecting more land tax because compliance has improved.

Mr Barr: Yes.

MS CLAY: I am interested to hear what the change was.

Mr Barr: Given that the revenue commissioner is not here, for understandable personal reasons, I will ask the revenue commissioner to provide a succinct summary of that, to be provided back in writing.

MS CLAY: Of what the changes are; that would be great. Thank you.

MR CAIN: Mr Miners mentioned that land tax is charged on properties that are rented. It is also charged on residential properties that are vacant. I am looking at it on the revenue website right now.

Mr Barr: That is correct.

MR CAIN: It is something I am familiar with. Are you able to take on notice what percentage of land-taxed residential properties are vacant residential properties compared with the numbers that are actually rented? Also, I note that there is a proportion of those properties that would be held under trusts. If you could break down the number of properties subject to land tax according to rented, vacant or under a trust arrangement, or other—

Mr Barr: Sure.

MR CAIN: That would be appreciated.

Mr Barr: That might be difficult. The way that we undertake this is that people are able to claim a principal place of residence. They are only allowed to claim one of those. If the property is not claimed to be a principal place of residence, it is then subject to land tax because it is not someone's principal place of residence. That is the way of capturing properties that are vacant that are not a principal place of residence.

We did not want to capture in the land tax arrangements your own property that you might leave vacant because, for example, you are on a short-term posting overseas or interstate. It is about investment properties, not about principal places of residence. I will see what information they have, but I do not believe it will be broken down in the way that you have suggested. If it is, I am happy to provide the information. We will

take the question on notice.

MR CAIN: It sounds like it should be broken down in that manner.

Mr Barr: But there may not be that information available to the Revenue Office. In answering other questions taken on notice, there was a question a few moments ago around the initiative continuing the transition of our financial and reporting systems. The detail of that is on page 112 of budget paper 3. In short, the government is implementing a direct appropriation funding model for digital data and technology solutions. I will not read out the whole budget initiative.

MR CAIN: I am sure you would love to, Treasurer.

Mr Barr: The information is contained on page 112. That question is now no longer taken on notice. That is the answer.

THE CHAIR: That, my friends, is the end of the session. On behalf of the committee, I thank the Treasurer and officials for their attendance today. If you have taken questions on notice, other than those that have just been cleared up, could you provide answers to the committee secretary within five working days of receipt of the uncorrected proof transcript? We will have a brief pause while we change witnesses, and we will be back after the break.

Short suspension.

Appearances:

Mr Rattenbury, Shane, Attorney-General, Minister for Consumer Affairs, Minister for Gaming and Minister for Water, Energy and Emissions Reduction

Environment, Planning and Sustainable Development Directorate

Ponton, Mr Ben, Director-General

Rutledge, Mr Geoffrey, Deputy Director-General, Environment, Water and Emissions Reduction

Wright, Ms Fiona, Executive Group Manager, Climate Change and Energy

Malouf, Ms Ros, Executive Branch Manager, Climate Change and Energy Programs

Ogden, Dr Ralph, Program Manager, ACT Healthy Waterways

Burkevics, Mr Bren, Executive Group Manager, Environment, Heritage and Water

THE CHAIR: Welcome back to this estimates hearing. We now welcome Mr Shane Rattenbury MLA, Minister for Water, Energy and Emissions Reduction, and officials. The proceedings are being broadcast live. They will also be transcribed and will be published on the Assembly website.

If you take a question on notice, please be emphatic about it, so that we all know that you are taking it on notice. I remind witnesses of the protections and obligations afforded by parliamentary privilege. I am looking for a response from everyone in the room, if this applies to you, regarding the privilege statement. 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 and we will now proceed to the first question. Minister, I would like to talk about funding for EV public charging stations. Under the government's Zero Emissions Vehicles Strategy 2023-30, you have committed to deliver at least 180 publicly available electric vehicle charging stations by 2025. On your Climate Choices website it says more than 50 chargers are due to be installed across Canberra during 2023. Given that, according to the same website, only seven chargers have been installed under grant round 1 funding, can you advise if you have any chance whatsoever of reaching that target of 53 new charging stations in the remainder of this year?

Mr Rattenbury: First of all, at the moment we have 89 public charging stations across the ACT. That is at 38 different sites. Because some of them can charge two cars simultaneously, there are 102 charging points in total at the moment. There are three more sites due to come online in the next few weeks. So we are making steady progress.

In terms of the specifics of your question, with the round that we did last year, which procured 50 new sites, 50 new charging stations, there have been some delays in the rollout, as you touched on in your question. We have had some issues with operators facing unexpected challenges in identifying viable locations. That involves both sorting out land tenure and electricity connection.

The government has done, across the government, a piece of work to put together an

operational policy that is owned by TCCS—under Minister Steel—that has had input from all of the other agencies. We now have a much clearer pathway and set of rules for how stations can be rolled out. We believe this will facilitate faster installation. In the next few weeks the government will go out for another tender to invite more installations. The short answer to your question is that I am confident we will reach 180 by 2025, which is the goal.

THE CHAIR: I cannot think of the lady’s name, but I want to refer to comments that were made on the platform that used to be known as Twitter by—I cannot remember her name—someone who came to Canberra recently with a non-Tesla electric vehicle and found that she was unable to charge. She rang through to the hotel that she stayed at, and they said, “Yes, you can definitely charge here,” but it was all Tesla charging that was available, and she crowdsourced, pretty much. She went out on that platform that used to be known as Twitter to try and get access to someone’s private facilities to charge. I think I saw a nod from Mr Rutledge; I think you saw this. Did you see this unfold?

Mr Rutledge: Yes.

THE CHAIR: It was Jane Caro. Are we setting an expectation by people that we have infrastructure in place to deal with things right now and we simply do not?

Mr Rattenbury: I am surprised that she had that experience because there are a number of free and publicly available apps that point out where the charging points are across the city.

THE CHAIR: She used them and discovered that, in a number of circumstances—and this has come up in hearings in which Ms Clay has been involved—the app pointed them to a facility which was just for Tesla, was not working or just was not available.

Mr Rattenbury: If it was not available, it means somebody else was on it. Yes, that can happen. The underlying point, which is an important one, is that we do need to provide more infrastructure, which is why we set those goals. The proprietary nature of Tesla charging, I think, is problematic. I would urge Tesla to rethink their policy, and I would urge Tesla drivers to, in the meantime, prioritise using the Tesla chargers, because there is good etiquette in the EV community. People do seek to help each other out.

I read a terrific article on the weekend, talking about the sense of community that has built up amongst EV owners, and the way they all chat to each other at charging stations in a way that you would never see at a petrol station. I think there is a good culture out there.

Clearly, one of the elements of the operational policy that we have just put together is a requirement on performance time. Certainly, one of the key frustrations that you do hear from EV owners is when they turn up to a station and it is out of order. It has been the experience of some drivers that that is a problem. The charging companies are improving their performance and their reliability because they have got that feedback very strongly as well.

THE CHAIR: In closing on that, I would suggest, Minister, that if it took me that long to fill my car with petrol, I probably would develop more camaraderie with those around me. You have tried to compare the two, but surely that is—

Mr Rattenbury: I was not trying to compare the two; I was simply offering an anecdotal observation. It is no secret that it takes longer to charge an EV than it does to put petrol in your car, but the reality is that most people charge at home, so they do not spend any time. They do not even have to go to the petrol station; they just pull up at home and plug their car in. That is most people's experience.

Public charging is obviously really important, and that is where I think destination charging is also emerging as an important part of the ecosystem of charging, which is often where you have a lower power charger that takes perhaps a while. When someone turns up and goes to the gym or to have dinner with their friends, they also plug the car in; so it becomes just part of the trip, and the convenience is increasing. The government's key objective is to improve convenience for people over the coming years.

Obviously, we have seen an enormous uptake in Canberra. Our community has really got behind the electric vehicle revolution. We now have more than 5,000 registered vehicles in the territory. We need to make sure we have the infrastructure to match that.

MS CLAY: Minister, thank you for providing that information. I hear what you are saying about most people charging at home, and that is certainly my experience. We have an EV; we plug it in at night. People who have a newer EV than my model actually have a timer, so there is nothing to do; you just plug it in and it tells the power grid when to charge, so it is actually getting easier and easier. Access to public chargers: is that primarily a tourism or regional issue? Is that primarily for visitors to Canberra and for people in apartments? Is that primarily who needs to—

Mr Rattenbury: That is really the essence of it. Obviously, tourism is important—people travelling—because that is the time when you do not have your home charging option. You touched on apartments. That is a really important point. We are doing a range of work at the moment to identify how to retrofit into apartment buildings. In some apartment buildings, people are not willing to share the expense. Some have technical difficulties, so having a healthy supply of public charging will be important for apartment owners as well. Occasionally, people will run short, and we need to make sure there is a decent network, if you happen to get caught out, if you forgot to charge overnight or whatever the issue is.

MS CLAY: How are we going around Australia? Does the ACT have better access to public chargers than other places?

Mr Rattenbury: I am not sure about that. We have much higher vehicle ownership. In terms of access to chargers—

Mr Rutledge: Canberra is a unique city in that 70 per cent of our people live in detached dwellings and have off-street parking; therefore, for the public charging

market, it is unlike the centre of Sydney or Melbourne, where a lot of people are reliant on on-street parking. If you went like for like, we would say that probably the centre of Sydney and the centre of Melbourne would have more publicly accessible charging, but they would say, as we have seen, there are user experiences where public access or charging is not available. There would be those one-off things.

With density, if you compared the high density cities, unlike Canberra, you would probably have more in those areas. Jurisdiction-wide, clearly, Canberra is well ahead, but that is comparing us versus New South Wales or us versus Victoria. For penetration and for public charging, we would win on that. But if you compared small pockets of major metropolitan cities around Australia, it would be a slightly different picture.

MS CLAY: Minister, we have had quite a lot of questions to and answers from different ministers and the commissioner for the environment on what I will categorise as budget prioritisation. I will give you the cliff notes because you may not have spent the last two weeks glued to your television. You might have; I do not know.

I initially asked the Minister for Climate Action, Andrew Barr, about conducting climate assessments of major budget decisions. I know that one of the requirements in the Climate Change Strategy is that major decisions—capital works, policy initiatives—have a climate assessment, and I discovered that they are not being done in any routine manner. Major Projects Canberra conducts some assessments on capital works projects worth over \$10 million, but it is not really being done routinely.

I then spoke to the commissioner for the environment and sustainability. She has been calling for climate change assessments on major budget decisions to be done in a methodical way since 2019. She thinks that you cannot assess the climate impacts of something unless you assess the climate impacts of something. We revisited that particular line in the last conversation. The reason it concerns me is that I am seeing a lot of major budget decisions rolling out that do not look as if they are in line with good climate science.

We are doing great at getting off gas and electrifying the city. That is progressing really well. The EV strategy is progressing really well. But when you look at 70 per cent of the inventory, our transport emissions are not shifting much and we are not making any changes to the way we are growing our bus fleet. With respect to speeding up light rail, we are not making big changes there. We are spending \$650 million on roads, so it is business as usual there. We have pushed back the FOGO facility to 2026 because it is lower priority than other projects that we are running at the moment. That means in 2046 we will still be getting emissions from landfill; that is another 10 per cent of our inventory. This is 70 per cent of our inventory.

Also, the Treasurer confirmed that climate assessments were not conducted on any of those decisions. I am not intending to verbal you. You do not need to breach cabinet-in-confidence; he has told me this. I also asked whether climate assessments were done on the planning review, which is another set of major budget decisions, and they do not seem to have been.

Do you think we should be conducting climate assessments in the way that the commissioner for the environment is telling us and the way our own climate strategy is telling us?

Mr Rattenbury: Thanks, Ms Clay. There is a lot in that question. As you rightly identified, I think there are some good things flowing through the budget processes in terms of investment in phasing out fossil gas, electrifying government assets and the like. Certainly, climate is being taken into account in budget decision-making in some quite forward-looking and positive ways.

In terms of the specifics of your question, we are making some progress on some elements of how we think about these things, with work underway to consider a social cost of carbon that could be used to guide decision-making in government. You might have seen that we have put in place an interim social cost of carbon of \$20 a tonne for a number of years on government emissions. That is the beginning of that work. That work is continuing on how to apply something like a social cost of carbon to government decision-making. My directorate is working with Treasury to undertake that work.

It is an interesting parallel to work that is happening at a national level. On behalf of the ACT I recently moved to have an emissions reduction component within the national energy objective. To make that happen, the commonwealth are now doing work to value emissions reduction. They are also thinking about how to measure and value these things. That is quite parallel to the work we are doing on the social cost of carbon. Our agencies are working together on some of those projects.

As you have touched on, we have the Infrastructure Sustainability Council of Australia rating, which MPC uses for those larger projects. Of course, we have the Wellbeing Framework that applies across all budget decisions. In broad terms, environmental and social impacts need to be assessed and each budget business case comes forward with a wellbeing assessment attached to it.

They are the things that are happening. I do not think that quite goes specifically to what you are seeking. If I understand your point correctly, there is also a bunch of decisions being taken that are business as usual which will have a climate impact and they are not being measured.

MS CLAY: Yes. To skip to the end, I am seeing these major budget decisions, and I am told by the Treasurer that they were not assessed for climate impact, and I am struggling to understand why some of those bigger decisions were not assessed.

Mr Ponton: We are developing a tool to standardise the approach to calculating impacts, costs and benefits of emission reduction initiatives. As that tool is developed, that can be rolled out, subject to decisions of government, to assist directorates as they develop business cases to be able to better articulate what it is that I think you are looking for, in terms of the end goal. I am flagging with you that that work, in terms of developing the tool, is underway now. Hopefully, by the next budget there will be a more comprehensive answer that you can receive to that line of questioning.

MS CLAY: That is great; I am delighted to hear it. We did not hear that in earlier

hearings. Where is that tool up to and do you have the resources you need? Does that apply to policy decisions or capital works? How will that be used?

Mr Ponton: In terms of the tool being developed, it is for business cases for capital works and non-capital budget initiatives, and regulatory impact statements. I will ask Ms Wright to expand on that.

MS CLAY: Capital works and regulatory impact statements?

Mr Ponton: Yes.

Ms Wright: I do not have a lot more detail. It is under development and it is in the space of being dealt with across directorates to workshop and come up with that final tool for implementation. It is proposed that bills with a material impact on climate change will require a climate change impact analysis as well, and all MLAs will have access to that analysis.

MS CLAY: So that will come through under the RIS?

Ms Wright: Yes.

MS CLAY: That is great. I will ask some specific questions; you may not be able to answer them if it is too early in the process, but I will have a shot, frankly. Would that tool be used when you are looking at whether you develop roads or whether you expand the bus fleet? If it is for capital works and regulatory impact statements, I am trying to work out which projects it applies to.

Mr Ponton: We would be proposing that it would be a tool that is used in developing business cases for ERC and cabinet consideration. Going back to your earlier question about resources, yes, we do have the resources, and people are working on this right now.

MS CLAY: Yes, I understand that. I am not in cabinet, so I do not see the business cases. We heard earlier that there are business cases conducted for roads and for transport projects, so it would apply to that?

Mr Ponton: That would be capital works, yes.

MS CLAY: Would it apply to things like the planning review?

Mr Ponton: Yes. To be clear, the planning review in the context of where there were further budget bids for the implementation aspects. In terms of decisions already taken, no.

MS CLAY: Not retrospectively; yes, that is fine.

Mr Ponton: Yes, just to be clear.

MR PETTERSSON: Minister, you recently tabled the review of embedded networks in the ACT.

Mr Rattenbury: Yes.

MR PETTERSSON: Could you tell the committee what you think some of the largest issues in that area are?

Mr Rattenbury: Ms Wright is probably the one to give the details of that.

Ms Wright: Mr Pettersson, could you repeat the question?

MR PETTERSSON: The minister recently tabled the review into embedded networks in the ACT. I was hoping you could speak to some of the issues that the review found.

Ms Wright: Yes, the embedded networks review was undertaken by a third party independent consultancy that came in to look at the scope of the problem and how many embedded networks we have in the ACT, and to understand both what we are hearing anecdotally and what the benefits might be.

The summary of findings was that embedded networks actually present a lot of benefits to those that are in embedded networks through the ability to lock into lower prices. We also found that there were some protections that people within embedded networks did not receive. We have a range of recommendations, and we will continue to look at those recommendations to strengthen the protections for people within embedded networks.

The kind of things we are looking at include disclosure—making sure that when people are going in to either lease or purchase properties that may be contained within an embedded network, that information is provided up-front, because there is lack of choice for those people within embedded networks. I do not have all of the recommendations in front of me. If you are interested in those, I believe we published those in the government response to that report.

MR PETTERSSON: Indeed; I have a copy. In your statement you said that you have instructed EPSDD to lead and prepare a government response to the issues raised in the review. Could you speak to the time line to which that work is being undertaken?

Mr Rutledge: We are hoping to get that done this calendar year. You have read the report. A key learning for me is the lived experience of the person in the embedded network and testing it against the reality of what is going on within the rest of the group. It is not unlike the conversation we just had about EV charging, in that if you have a poor consumer experience it amplifies the actual experience.

There were two things that came out of it for me. We continue to talk to consumers about making smart consumer choices—access to solar, access to energy-saving devices. Those who live within an embedded network feel that they have that choice taken away from them, and that weighs heavily on them. If you look at the price impact on those actual consumers, they are probably doing better than most others because the embedded network bulks up and grosses up all of the energy use and actually strikes a better price. Whilst they might be getting a better financial outcome,

they feel that their lack of control means that they do not have that choice. I think there is a bit of work to do there.

The report goes through the type of consumer protections we might wish to include. In Victoria they leapt to, “We’ll just apply a standard offer to all people in embedded networks.” If we applied that to most, if not all, of the embedded networks in Canberra, consumers would actually be financially worse off. I think they jumped to an early conclusion of trying to provide consumer protection, but it actually probably will cost consumers more.

In that report there were 21 recommendations. Some of them are pretty complex and we will work through them, but we are hoping to get advice to government by the end of the calendar year.

MR PETTERSSON: Thank you. I look forward to seeing it progress.

THE CHAIR: I want to drill down to something quite specific, if I could, Minister. In response to a question on notice from June, you said it was unclear what was causing the higher concentration of nutrients in the drains downstream of Kambah playing fields. You have since announced the planning of stormwater recycling infrastructure at Kambah playing fields. Are you able to explain what is causing the higher concentration of nutrients in the drains downstream of those playing fields at Kambah?

Mr Burkevics: It is fair to say that the high levels of nutrients across the Tuggeranong catchment—all catchments across the ACT—require further analysis and consideration to then best guide ongoing government investment. We do know that there are a range of sources across the Tuggeranong catchment, and I will invite my colleague Dr Ogden, who is dealing with this issue specifically, to address some of the issues.

There is a combination of diffuse sources and point sources. Certainly, the fertiliser applied to some of the ovals is one of our areas for further investigation. Of course, there is the behaviour of individual residents and businesses in the Tuggeranong catchment that may also be contributing to high levels of nutrients flowing into the Tuggeranong catchment. By that I mean the use of fertiliser on private gardens and the use of detergents for washing vehicles, as well as the leaves and clippings that may enter the waterway which we know are releasing nutrients.

THE CHAIR: Mr Burkevics, I accept that the answer you are giving is a city-wide answer. What I am trying to drill down to is: why has a decision been made to intervene in a certain way specifically in this area of Kambah? Has any comparison been completed of the nutrient loads in this particular stormwater area, in terms of how they compare to others? What is the time frame for the intervention and the expected outcome?

Mr Burkevics: I will hand over to Dr Ogden to talk specifically to that issue.

Dr Ogden: The University of Canberra research that was done two or three years ago found that, if you sampled the stormwater upstream and downstream of the Kambah

playing fields, there was an increase in the nutrient levels, which implies that the playing fields are contributing to the nutrient load in the lake. We put some bioretention swales into the drainage downstream of four of the fields because we have a detectable source. We can treat it with those swales. We are also trying to trial these swales to find out what the cost is and what the benefit is, with the idea possibly of rolling that out further across the catchment. It was an identifiable source of nutrients, of nutrient pollution, and it was a place where we could trial some interventions. That is the reason we put in assets there.

THE CHAIR: I know they are not officially dubbed as trials. We have interventions that are going on. I gather it is “Let’s suck it and see, and see what impact we can have here”. Where is that at?

Dr Ogden: At the moment we are in the middle of building several water quality assets, trialling different kinds of assets that we have not tried before, with the idea of essentially expanding our toolkit. By expanding the toolkit, I mean both getting infrastructure standards that would allow us to roll these out elsewhere and understanding what the costs and benefits of them are. From that we can create plans that look at tackling the problem to the point that we can start to diminish the algal blooms in the lake. They are trials in the sense that we are trying to learn from them what the costs are—what the practicalities are of trying to put some of these assets in—and what the benefits are.

THE CHAIR: One of the thousands of viewers of the service has sent me a message to say, “Can you ask in this line why wasn’t there any funding for wetlands, channel naturalisations and rain gardens in the budget for Woden Valley’s Yarralumla Creek basin?”

Mr Rattenbury: I can happily let Martin know!

THE CHAIR: I figured you would work out who it was!

Mr Rattenbury: There is a prioritisation at the moment. Obviously, Lake Tuggeranong has been our most problematic lake. I have been very public in saying that is where the government has focused its resources. The Tuggeranong community has been very vocal in their frustration; that is our most troubled water body. That is why you are seeing a focus on Lake Tuggeranong.

There is also some work happening in Belconnen at the moment. We have a couple of projects—one at Higgins and one at what I used to call Emu Bank, Belconnen Oval. That is also preventive. Lake Ginninderra is actually in reasonable shape at the moment, and the endeavour is to keep it that way. It is not that Yarralumla Creek is not on the list. We have quite a long list of potential projects and we are steadily working our way through them. We do have to prioritise some more problematic areas.

THE CHAIR: I am not sure that you will have satisfied Mr Miller, but you can try.

Mr Rattenbury: I suspect not, but I can assure him that we will get there. We have a big list of projects to make our way through.

Mr Rutledge: Going to the core of the question, whilst Dr Ogden and the water scientists will continue to work out what that source was, the short answer is that an overuse of nutrients and fertilisers on wonderful, green Kambah fields for a couple of decades means that, deep in that soil, it has been heavily nutrient through over-fertilisation for a couple of decades, and it is still there. That is what is continuing to cause that. We can get to more of the science behind it, but if you are looking at why it is in Kambah, it is because there are big ovals in the watercourse with a lot of fertiliser in them.

THE CHAIR: Fair enough. You would suspect that at first glance, wouldn't you?

Mr Rattenbury: Yes, that is right. I think there is a simple answer and a correct answer which we will nail at some point, but the simple explanation is a lot of fertiliser.

MS CLAY: I want to check in on a couple of the Healthy Waterways projects, too. How are we going with Emu Bank?

Mr Rattenbury: We are showing our age in Canberra at that point. We are going quite well on that project. As you know, Ms Clay, there was a range of community views on that one. We put a fair bit of extra effort into community consultation. I think we now have good community support for that project. I believe the development application has gone in.

Mr Burkevics: It has.

Mr Rattenbury: We are now waiting for approval for that project. The resources are there to proceed with the project once the DA comes through; it is funded. I anticipate that project will largely be completed inside this calendar year, subject to DA approval.

MS CLAY: It was quite a different consultation process in the end. We had two town halls. I was at two of them; there might have been more. There was some website material, and quite a lot of different consultation. What did you learn from that? Has the directorate taken away any lessons on consultation on that one?

Mr Rattenbury: I think so. I think the key lesson that came out of that was that—and this is not a surprise—the local communities have some quite strong views on these spaces. Also, they do not necessarily understand technical documents. I do not mean to be disrespectful in any way, but some people just do not read technical plans. There is a role for thinking about how we communicate what is being done, and making sure that we create the space for that local community knowledge to come to the table.

MS CLAY: Can I check in on the floating wetlands in Yerrabi Pond? How are they going?

Mr Rattenbury: They are in Yerrabi Pond. They are doing their job. We anticipate increased growth and therefore nutrient uptake during the upcoming spring season. There is a process of monitoring going on that will provide detailed results over time, but we are not in a position to provide any results at this point. There are no finished

results, if you like.

MS CLAY: How often do you get those results? Is it an annual thing?

Dr Ogden: That will depend on the harvest regime for the floating wetland. We have not sorted that out yet. That is also a learning exercise. The main way that you will export nutrients is either to the atmosphere, if it is nitrogen, or from harvest of the macrophytes, which is phosphorus. It depends on how fast they grow and how fast they get to a maximum biomass. At that point that is when you do some harvesting. We have to see what that regime is, and we will learn about that over the next few years.

MR PETTERSSON: Minister, you recently released an online tool, Canberra Community Projects. Could you tell the committee about its purpose?

Mr Rattenbury: The idea behind that website is that we know there are a lot of people in Canberra who either are doing some terrific projects or want to be more involved in tackling emissions. The purpose of that particular website is to give a profile to groups that are already out there, so that people who want to join them can be involved, or people might want to copy them. People might want to launch a project and then invite others to participate. It is about helping people in the community to connect on climate action projects.

MR PETTERSSON: That is great. What has the feedback been?

Mr Rattenbury: I have not had extensive feedback yet. The groups that I have talked to that are involved in it seem to be very delighted to have a place where they can tell their story, and where they can put themselves out there and potentially draw more participants or inspire people that things are happening in the community. I do not know whether there is any other feedback at this point.

Ms Malouf: It is very early days in the process. We are still in the building stage. Some of the early feedback is that people are starting to hear about it; it is starting to get a bit of a groundswell, so they want their projects on there. We are still in the building stage. We will move to a promotion stage, which will give us the opportunity to make sure that a broader section of the community sees those projects.

THE CHAIR: Minister, how many or what percentage of the ACT government's fleet vehicles are zero emissions vehicles?

Mr Rattenbury: Yes, I can tell you in detail, Mr Parton. I will just find my numbers. Somebody else might have them immediately to hand. I have the numbers; I read them this morning, Mr Parton. We have 562 vehicles in the ACT government fleet, and currently there are 155 zero emission vehicles. That is 28 per cent of the fleet. There are 138 low emission vehicles, which is another 25 per cent of the fleet. The distinction there is, and to break that down, 135 battery electric vehicles, 20 hydrogen fuel cell vehicles and 138 plug-in hybrid vehicles. That is the distinction between zero emission and low emission.

THE CHAIR: I am not aware of specific targets that were announced in that space. I

am not sure whether there have been. Are you happy with where that sits at the moment?

Mr Rattenbury: No. I would like it to be 100 per cent. The intent over time is that, where there is a fit-for-purpose vehicle available, we will replace that vehicle. The idea is to do it in a cost-effective way; so, as a vehicle comes off lease, it should be replaced with a zero emission vehicle.

The big area where we do not have a suitable vehicle at the moment, although the team is working on this, is utes. The ACT government has quite a few utes in its fleet, as you can imagine, and there is not a value-for-money ute on the market at the moment, but there are emerging options, and we are certainly pursuing those on a regular basis.

THE CHAIR: You mentioned—obviously, it is not news to anyone—that the vast majority of EVs in the market are being charged by their owners at home overnight. Given that quite a number of vehicles in this fleet, I am assuming, do not end up in private homes overnight, does that prove challenging in regard to the charging of them?

Mr Rattenbury: One of the key learnings we have had through this process is the necessity of having the charging infrastructure at the various ACT government depots, whether that is in the basement car park at the Health building or at a TCCS depot. Part of the government being able to transition its fleet is to make sure we have the charging capability where the vehicles are. If someone takes a vehicle home then there is a separate conversation about how that gets charged there.

THE CHAIR: As we work towards the entire fleet being zero emissions, I am assuming that will require some infrastructure upgrades to facilitate that charging?

Mr Rutledge: There are two things that come up. One is: do we have the electrical drawings and do we have the electrical headroom in the building? For some of our older buildings, old community health centres and the like, even getting the drawings is the first challenge, and working out the headroom is the second challenge. There is some work in that, and in getting the chargers on site.

To future-proof, we are putting in more chargers than we need, so that when petrol cars come off lease they can make an easy switch. We have been working building by building across literally 20-odd sites. We have not done school sites yet. If I think about our properties, community health centres were a challenge. We need to make sure there are enough at the hospital. At UCPH, there is another big install there. There is 255 Canberra Avenue. We have installs right across where you would expect government fleets to be.

THE CHAIR: If indeed we almost instantly went from 155 ZEVs to 562—if the whole fleet tomorrow was EV—I am assuming that would require quite a large spend instantly to create the charging infrastructure that would enable that fleet to run.

Mr Rutledge: If that is the way we managed our fleet, you are right; that is exactly what would happen. However, that is not how we manage the fleet.

THE CHAIR: I do not suppose anyone will hazard a guess about a total cost, if indeed we did have the entire fleet?

Mr Rutledge: Regarding what we need to take into account, we are rolling cars off the fleet, as we would at any other time; then, as those petrol cars are coming off, they are looking for an electric alternative. Where there is infrastructure already in place, obviously, that is a no-brainer. We are working to get in front of that. We know when cars are coming off lease right across government. We know that, say, police, health or housing will have 35 new cars by the end of this calendar year, for example. We will be getting the charging in place so that by the time they are ready to take delivery of their new cars, the charging infrastructure is already in place.

THE CHAIR: And you have not had an instance of a petrol car that has come off lease to be replaced by a ZEV and the infrastructure was not available to facilitate that?

Mr Rutledge: What we have saw—and the Auditor-General pointed this out when they looked at our fleet transition—was nervous fleet managers sometimes choosing the plug-in hybrid option rather than the full electric option because they were concerned about access to charging.

THE CHAIR: Which is reflective of the general market, is it not?

Mr Rutledge: Yes. Fleet managers are no different to the general; they want reliability. We think that the plug-in hybrids that the minister mentioned were a response to a fear that the charging was not going to be in place. That is why we have a program of works across the whole fleet—non-utes, as the minister said—so that our charging arrives well before the vehicle will arrive. So we have it on track now, Mr Parton.

Mr Ponton: I would just add that we have 350 chargers already installed and expect 500 by the end of this year.

THE CHAIR: In relation to those ute options that are available to the market now, how far off the mark are we in terms a threshold value for money that would make the ACT government say, “Yes, we can grab these”?

Mr Rutledge: I do not want to give you a date because it would be reliant on—

THE CHAIR: I guess I am trying to get a handle on the numbers. So I guess it is about cost but it is also about capability.

Mr Rutledge: Correct. We have tried some utes just recently and we found that, with some of the converted utes, where they put a fair bit of the battery in the under storage of the ute, that is not as great for off-roading, of course. There are plenty of utes in our fleet that actually do not see a lot of dirt. But, we are like residents and we love driving utes more often than we need them—but we have them just in case.

So that was not going to be fit for purpose for some of our vehicles. I think we need to

do a couple of things. One is actually checking the use case—are we using a ute because of the previous tax exemption and that is why we pursued utes, and a passenger vehicle would be it? Are we using utes because we are going off road a lot, and then you need quite a different vehicle. There are different use cases across different agencies.

We are trialling them and trying to work out where they are fit for purpose. I would say at the moment most of the sticker price shock of most utes are now probably still too far away from being a viable option. But, when you look overseas to cars that are being available in other parts of the world, it would not take much for that to switch. I think we just need the right model. Once the model comes I think we will see roll a rapid out.

THE CHAIR: I am not sure if I can visualise you in a LandCruiser, Mr Rutledge—but we will move on.

MS CLAY: Is the charging pattern for the fleet the same as it is for private vehicles? Do they get charged overnight in the same way that most private vehicle get charged overnight?

Mr Rutledge: I think the most interesting thing, whether you are managing fleet or you are managing your home, is just how few kilometres people do compared to what they believe they do. The average fleet car in the ACT government fleet travels about 45 kilometres a day and the average Canberran travels around 40 kilometres a day; whereas, when you are considering moving the switch to EV you have visions that you travel hundreds and hundreds of kilometres.

What we see is that they park and they plug it in like you plug in your phone, and most of our cars are running on full charge all of the time.

MS CLAY: Is that mostly happening at night or is that happening all during the day? The reason I ask is obviously the grid has a lot more capacity at 3 am sometimes so it has less impact.

Mr Rutledge: We do not have smart charging on all of our sites but, where we have smart charging installed, it will of course charge overnight. In some of our sites we do not have that technology enabled so it charges when it charges.

Mr Rattenbury: It also depends a bit on when people plug them in. I have literally been in basements, and you will see someone come back at 1 o'clock in the afternoon and just plug the car in because they do it as a matter of convenience and practicality.

Mr Rutledge: That is where, if we have the technology, it does not matter if it is plugged in at 1 pm; it does not start charging until 10 pm. But we have different chargers at different sites.

MS CLAY: Minister, I am pleased to see a few positive steps towards a just transition. We are all concerned that, as we decarbonise, the people who can least afford to pay will be stuck on the most expensive and highest-emitting devices across the board. You have made some changes for insulation and you have made some requirements

that landlords provide insulation. You have also brought in some incentives to help landlords with that. Can you talk me through that decision-making process?

Mr Rattenbury: Yes, certainly. In terms of the regulatory stance, the government undertook research first and a regulatory impact statement. Ceiling insulation was identified as the most impactful and most cost effective of all the measures you could take to improve the thermal comfort of a home. In short, that is where we are on ceiling insulation.

If I understand your question correctly, it was around the decision-making to offer assistance to landlords. Around 60 per cent of rental properties in the ACT already have sufficient insulation. We estimate there are just over 18,000 homes that will need to be insulated, of which a significant number are ACT government properties. So a number of those sit with the government.

Within that spectrum there will be landlords who do have the cash available to make the upgrade and some who do not. That is why the government offered an interest-free loan to landlords—so, if somebody does have a cash flow problem, they can fix it up.

From the range that we have seen so far, the cost of people to upgrade has been anything from \$1,500, which is exceptionally low, through to \$9,000. That is the sort of range of insulation costs.

THE CHAIR: Some have been higher.

Mr Rattenbury: I do not believe so. Our information has been that price range. The interest-free loan will cover that and that interest-free loan can be paid back over 10 years. So, if you break it down, for a landlord that is, at the highest case scenario, \$900 a year.

When you take into account the fact that these things are tax deductible and then also the fact that the median rental price for a home in Canberra is \$700 a week and landlords are seeing \$35,000 a year in gross revenue, we think the interest-free loan provides a very practical pathway for people to be able to afford this.

MS CLAY: We have also heard in these estimates that electric motorbikes will be added to the Sustainable Household Scheme and they have taken on notice whether they should include electric go-go bikes. So they will come back to us.

I was pleased to hear about those because those are items that might help people who do not own their own home and a lot of our supporting that scheme is directed at people who do own their own home. So it was quite good.

Can you tell me what other major measures you have in that just transition space that will help people who are in a lower income bracket and are not property owners?

Mr Rattenbury: It is an important distinction, and you are correct to identify that the Sustainable Household Scheme is largely targeted at people who own their own homes. In order to ensure that we support renters and homeowners who are on a very low income, we separately have the Home Energy Support Program. That is a \$50

million fund that is being used to support that cohort of people. That can be used to fund energy efficiency, gas to electric upgrades and rebates for solar appliance upgrades and insulation for low-income homeowners.

That \$50 million fund is also being used for government homes. So, really, it is designed to target those lower income groups in our community. I think that is a very important part of it.

Plenty of Canberrans are getting on board. They understand the economic case for better insulation or more efficient electric devices, and they are making a smart decision. A lot of people can afford to do that for themselves, and it makes economic sense for them to do it but it is also great for the planet. There are a lot of people doing that, and I think they are well supported. I think there is a particular role for government to support the low-income households.

MS CLAY: Is your uptake on the Home Energy Support Program keeping pace? Are you doing enough promotion that people know how to access that?

Mr Rattenbury: Usually we have too much demand, but Ms Malouf will have all the details on that one.

MS CLAY: Sort of a good and a bad problem, yes?

Ms Malouf: That program is delivered in several different ways. I think the one you are talking about is the rebates for insulation upgrades as well as electrical upgrades. At the moment we have had 189 rebates paid in 2022-23. Some of those were rebate only—so just a rebate—and others were a loan component as well. So it is a rebate and a loan through the same provider, . we have removed the—so it is a rebate and a loan through the same provider, Brighte, that does the Sustainable Household Scheme.

Another components of that is the recently launched Chronic Conditions Program, which is part of the Home Energy Support Program. That is to support householders that have a chronic health condition with insulation and electrification. That work has only just recently commenced. We do that through a series of referral partners—Care Financial, ACTCOSS, St Vincent de Paul and the like. That will help some very vulnerable people in our community.

The last component is our community housing providers. We have had a great uptake from community housing providers across our city. There are several community housing providers that have been identified. There are 71 properties that have been identified for upgrades this year. They are houses like the Beryl houses, which support women and children escaping domestic violence, and disability properties—houses that are disability support properties as well.

MS CLAY: Thank you.

THE CHAIR: Minister, when do you anticipate that the water trading arrangements required under the Murray Darling Basin agreement and Basin plan will all be finalised?

Mr Rattenbury: Ideally, Mr Parton, very soon. This is a commitment that we have under the Murray Darling Basin plan. As you rightly pointed out, those arrangements have not been finalised, but negotiations are continuing to progress. I believe there is a meeting this week between the jurisdictions to continue to negotiate that. So I am hopeful to have it done as soon as practicable.

THE CHAIR: Obviously here are a number of moving parts involved here.

Mr Rattenbury: The commonwealth and New South Wales being too often, yes.

THE CHAIR: But you are not able to give a firmer time line?

Mr Rattenbury: I do not think so.

Mr Rutledge: Mr Parton, it would be ambitious to offer any time line in this space. To be as frank—as I always am—New South Wales irrigators are quite beneficiary of the lack of water trading agreements at the moment. The careful water use that we have here in the territory means that more water leaves—we produce water. Less water comes into the territory than leaves the territory. So, if you are downstream from the ACT, you are getting that water, in effect, for free.

So the New South Wales government, on behalf of their irrigators, have not been a willing partner because they can only see a potential loss. We can only see potential gain. And an agreement is an agreement.

The commonwealth government is putting great pressure on all states and territories to deliver on the Basin plan and to deliver commitments under it. The ACT government has always been a willing partner hoping to get the water trading agreement up.

I have a level of optimism at the moment in that there seems to be renewed engagement from the New South Wales government. As the minister said, we are meeting again this week. But I do not want to curse this, because I am sure that, whatever date I put forward, you will remind me of, and in 2034 when we are still here talking about water trading agreements—

THE CHAIR: That is sufficient for me.

MS CLAY: With Canberra being a water exporter, in effect, is that going to change the population shifts or are we likely to remain that way?

Mr Rutledge: I think our population will shift as the population of the south-east New South Wales shifts. I think we need to be careful water uses in adapting to the change in climate, and I think that is right through the Murray Darling Basin. So, yes, I think we are all facing the same challenge.

MS CLAY: Thank you.

THE CHAIR: I do not believe that there is an appetite for anymore substantives. So we will now draw this session to a close. Thank you, Minister Rattenbury, and thank

you, officials. We appreciate your attention to detail and the succinct answers that you have given us today. It has been great.

If witnesses have taken any questions on notice, could you please provide answers to the committee secretary within five working days of receipt of the uncorrected proof transcript.

Hearing suspended from 12.58 pm to 2.00 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
Arthy, Ms Kareena, Deputy Director-General, Economic Development
Starick, Ms Kate, Executive Group Manager, Economic Development
Maclachlan, Mr Hugh, Acting Executive Branch Manager, Business and Innovation
Elkins, Mr Matthew, Executive Branch Manager, Venues Canberra
Kobus, Mr Jonathan, Executive Branch Manager, VisitCanberra
Triffitt, Mr Ross, Executive Branch Manager, Events ACT

THE CHAIR: Welcome to the fifth session of today's public hearings for estimates 2023-24. In this session we will hear from Andrew Barr MLA, as Minister for Economic Development and Minister for Tourism, and officials.

These proceedings are being broadcast live. If you take a question on notice, please be emphatic that you are taking a question on notice.

I remind witnesses of the obligations and protections afforded by parliamentary privilege and draw your attention to the privilege statement. Could you confirm for the record that you understand the privilege implications of the statement and that you agree to it? We can do that universally on the voices.

Witnesses: Yes.

THE CHAIR: Beautiful. As we are not inviting opening statements, we will proceed now to question. My first question regards the CBR Innovation Network. Chief Minister, how does the CBR Innovation Network select the judges for the assessment of the ICON grants? What protocols are put in place to protect the intellectual property of those applying for the grant?

Mr Barr: Who would like to assist?

Ms Arthy: In terms of how CBRIN actually conducts the ICON grants, because it is done at arm's length to us in the directorate, I think we will have to take that on notice to be able to get the answer from CBRIN and provide it back to the committee.

THE CHAIR: All right. Is anyone able to answer if judges for the assessment of those grants are required to sign non-disclosure agreements?

Ms Arthy: Again, we will have to take that on notice, because this process is run by CBRIN and not us in Economic Development.

THE CHAIR: Is Leanne Cover still on the board of CBRIN?

Mr Barr: I do not believe so.

Ms Arthy: I will check that.

Ms Starick: Whilst Leanne has been stood down, or is on leave, she has not been attending the CBRIN board meetings.

THE CHAIR: But she is still on the board?

Ms Starick: I will have to take that on notice. But she has not attended a meeting since taking a leave of absence.

THE CHAIR: All right.

Mr Barr: It is the institution that is the member. So the CIT is a member of the CBRIN. We would presume they would be sending an alternate representative, but we will double check that.

Ms Arthy: We will have to check whether it is the individual who is appointed to the board or the position and whether it is the CEO of CIT or whether it is—

THE CHAIR: Yes, that would be—

Ms Arthy: We will have to check with CBRIN about that.

THE CHAIR: So, could Ms Starick or others advise if there has been a stand-in member from the Canberra Institute of Technology if Ms Cover is not attending?

Ms Starick: Since Ms Cover has been on leave of absence there has not been a CIT representative attending the board meetings.

THE CHAIR: All right.

MS CLAY: The Canberra Airport announced in 2020 that they had an MOU under development with the ACT government. We had a look around and we could not see that MOU. Is there an MOU with the ACT government and the airport since the 2015 one?

Mr Barr: There certainly is a partnership in relation to aviation. But are you talking more broadly than aviation?

MS CLAY: There was a 2015 MOU and that was public. Then, in 2020, they said they were developing another MOU, but then we did not see one. So I am just wondering is there another MOU. If so, is it published?

Mr Kobus: Visit Canberra works closely with Canberra Airport on a range of projects including aviation development. We do that on a project-by-project basis. We do not have, through my area, an MOU with Canberra Airport. And I am not aware of any other MOU that may exist with them connected to another ACT government department.

Mr Barr: So the 2015 one would remain in place. I am not aware that there is an update on that at this point, but I will double check. Certainly, I signed the 2015 one, and I have not signed—

MS CLAY: One since.

Mr Barr: I do not believe so, no.

MS CLAY: Thank you.

MR PETTERSSON: Could you please update the committee on work to implement the government's economic development priorities as outlined in the CBR Switched On?

Mr Barr: I will hand over to officials to outline the progress against those key areas that were identified.

Ms Arthy: As you know, in Canberra Switched On there were three broad missions. The first mission was around a city that gives you back time. The second mission was around sustainability and going towards a net zero city and beyond. The third was around a knowledge based economic growth.

There has been progress against each one of those. Rather than do a long list, I thought I would just hit a few highlights.

On the first one around a city that gives you back time, the key achievement for that one is around automatic mutual recognition, which took effect last July, which allows workers to hold the occupational registration and without needing to pay additional fees here.

Under the net zero city, of course, there is a partnership with Eku Energy around the delivery of the Canberra Battery. I am also aware that EPSDD is working around the Integrated Energy Plan, which will be a key part of this particular mission.

The final area, which is around knowledge based economic growth, is really where my team in Economic Development are very focused. There have been quite a few elements to that. We are about to go to market for a new venture capital fund. We are also working on grants for social enterprise to help start-ups in that area.

We have established the Canberra Cyber Hub and we are also working on a space hub and a quantum hub to really advance our elements around that.

Part of this is also around investment and making sure that we have got the investment that matches values here in the ACT. We have a new investment attraction framework and we are developing an investment concierge facility so that investors can come into government once and then we work that out.

That is just a very high level walkthrough. We also have a Future Jobs Fund, which is very much geared at how we support the research institutions, universities and businesses to really enhance Canberra as a knowledge-based economy.

MR PETTERSSON: Great. Thank you.

MS CASTLEY: I have some questions about Enlighten. I am wondering if you have had any complaints or concerns from food vendors and what the nature of the complaints was for this year's Enlighten festival from the food forage area?

Mr Barr: I think the slip in the last part of your question is implying something in relation to the procurement of the food—an element of the food component of the festival?

MS CASTLEY: Yes.

Mr Barr: So where you are in fact going is: why did The Forage not win the tender?

MS CASTLEY: Yes. I just want to get clarification on that.

Mr Barr: Yes. You may as well just ask the question. Who would like to deal with that? Mr Triffitt.

Mr Triffitt: For Enlighten 2023 we ran an open process for food vendors. There were food vendors for a variety of events across the festival and a curated food experience to be provided during Enlighten Illuminations. Considerations around the assessment of those applications were in relation to value for money, the experience that could be provided at the festival and how they might add to the festival. There were some other criteria that I unfortunately do not have in front of me, but they were certainly some of the key criteria. Through that process, Street Food Live, a Sydney-based company, were successful in tendering for the curated food experience.

MS CASTLEY: I didn't attend. What were we going for?

Mr Triffitt: Street Food Live was a number of food vendors with a theme and the experience to effectively replace the Night Noodle Markets that had been operating previously at Enlighten.

MS CASTLEY: Were the Canberra food vendors unable to give that same street food experience?

Mr Triffitt: We did have Canberra vendors in addition to that. I believe that 71 per cent of the food vendors that operated at the Enlighten festival were local.

MS CASTLEY: Can you confirm that for me?

Mr Triffitt: I will confirm the exact number for you.

MS CASTLEY: Thank you. Have you had any complaints at all or have they just come to my office? Have you had any complaints from other Canberra food vendors that missed out? Have they just complained to me or have you heard from them as well?

Mr Triffitt: Yes. It is a highly competitive process, so it is not unusual for us to get

complaints from local businesses that miss out through the process. There are definitely food vendors that are disappointed that they miss out on the opportunity to trade at Enlighten. It is a highly competitive process.

MS CASTLEY: I know this is not this portfolio, but I know that part of the Secure Local Jobs Code talks about giving preference to the ACT. How does this stack up, then? I know it is highly competitive. I know we wanted a curated version. What do we say to Canberra businesses when we end up going to Sydney?

Mr Triffitt: One of the criteria is a consideration as to whether they are a local business. Local businesses are favoured through the process.

Mr Barr: The counterbalance to that is that obviously there is a commercial element to this. Speaking hypothetically, if a particular set of vendors come for free and another set of vendors wish to be paid a significant amount of money, that would be a factor that the procurement would need to take into account. The dilemma in this is: should taxpayers be subsidising the operations, beyond the subsidy that is already provided to stage the event? There is a competitive element to this and part of that is price. It has to be value for money or else the question that would be asked in estimates would be: "Why did the government go with the most expensive provider?"

MS CASTLEY: Then can I ask you: what was the cost? How many of them came for free and what was the cost that the Canberra—

Mr Barr: I do not know. I am just using a hypothetical example; I am not referring to this particular procurement.

MS CASTLEY: Can you confirm whether that occurred or not?

Mr Barr: I think there are some commercial issues that need to be understood in the context of the procurement process. What information I can provide, I will, but in a hypothetical example, which does occur from time to time, there will be a cost differential for the taxpayer between the local provider and often between certain local providers and other local providers as well.

MS CASTLEY: Sure.

Mr Barr: Value for money has to be a factor in this consideration for the department.

MS CASTLEY: Would that feedback have gone back to our local vendors?

Mr Barr: Again, that is a hypothetical example, so I cannot comment—

MS CASTLEY: Can you give me something concrete?

Mr Barr: I will take on notice what I can provide to you without revealing commercial-in-confidence elements of the procurement, yes.

MS CASTLEY: I do not need to know business names. I just want to know whether they were ACT or New South Wales, were they offering free services and could that

be something our Canberra vendors learn? I would like to understand how we can help ACT businesses win at this.

Mr Barr: Yes. To be absolutely clear, that was a hypothetical example.

MS CASTLEY: I understand.

Mr Barr: I am not suggesting that that was the case in this particular procurement, but it has been the case in other procurements in the past.

MS CASTLEY: I completely understand. I just want to help Canberra businesses win in their own hometown.

Mr Barr: Sure.

MS CASTLEY: Thank you.

MS CLAY: In this context, when somebody misses out on the tender, are they given feedback?

Mr Barr: They are. Yes.

THE CHAIR: I am going to move on to Canberra stadium, Bruce stadium—whatever you want to call it. My first question is quite broad. I want to know, in short: how does the commercial model for Bruce stadium work? Do you have a set fee that you charge teams to play there? Do they retain a percentage of ticket sales, food and beverage sales? How does it work, and have you compared this with other jurisdictions? Have you done any benchmarking in this regard?

Mr Barr: It varies, depending on the hirers, the nature of the use of the venue. In summary, they are all heavily subsidised by the taxpayer, and the nature of the ticket revenue split, the F and B revenue split, and the hire costs will vary. Mr Elkins, do you want to take us through some of those issues, again without revealing any commercial-in-confidence matters?

Mr Elkins: In our commercial model we look to work with the hirer to ensure that there is a risk reward. We will take a percentage of the ticket revenue, but that is to provide surety to the hirer that in a lower crowd we are supporting them through that. We are also getting a commercial return. We do put some ceilings and some floors on that, but we work to make sure that we are supporting our hirers, so that if there is a lower crowd on a given day then that is not an impost on their operations.

We also work to make sure that they have a clear understanding of what assets they can best commercialise. For a football team at a stadium, some of the strongest assets they have to commercialise are in relation to signage at field of play, because their code owns the rights to that field of play signage. They also own the rights to the broadcast and they can take those assets in commercials. We will then work, as the operator, to run things such as catering. We also, in our contracts, negotiate to share some of that with our hirers. We work with a really collegiate attitude. The success of our hirer is the success of the venue.

THE CHAIR: I do not want to go too deeply into the nuts and bolts, but if Pettersson's Pizzas get their van in, how does that work, because that is obviously not you catering? Do they do that through you or do they do it through the Raiders or the Brumbies?

Mr Elkins: No. We have a master caterer on site who will, under their agreement, have the responsibility for booking all providers.

THE CHAIR: Right. Are you able to answer how our model compares to other stadiums with teams playing in national competitions in other jurisdictions?

Mr Elkins: Without going into the details of every commercial operation around, we have a competitive model and we understand that we are providing a good model that shares risks with our hirers. There are some stadiums that do likewise. There are some stadiums that have a lump fee and, whether you have a good day or a bad day, that is the fee you pay. If you are at the MCG and you are Collingwood, that is probably an okay thing when you are up and about, but if you are at—

Mr Barr: If you are the West Coast Eagles in Perth, gee, you are in trouble.

THE CHAIR: They are still filling the stadiums over there. Still filling the stadiums.

Mr Elkins: It does pain me to mention Collingwood. There are multiple models, there are multiple opportunities, but we do have a real focus on how we can share risk with our hirers.

THE CHAIR: Does the model take into account the extended age of Bruce stadium?

Mr Elkins: Yes, I think it does, in that we have that sliding scale that accounts for both attendance and how good we are at getting people through the gate. We are supporting those teams through that sliding scale.

THE CHAIR: Have you received any representations from any of the major codes about the impact of the commercial model used for Bruce stadium on their financial viability? Did they grumble?

Mr Elkins: Do people who hire the venue grumble?

THE CHAIR: Yes.

Mr Elkins: Every person I have ever dealt with in a commercial relationship has always been looking for a sharper deal. From concert promoters to football teams, they are always keen to negotiate the commercial side of it. We have been very clear—and we have a really good working relationship with the teams—that we have created this model with a very specific mind to make sure that we are sharing risk.

THE CHAIR: All right. How much did the ACT government make in revenue from Canberra Raiders games in 2022? I guess it could be a really difficult number to get a handle on because it depends on what you take into account here. I want to know how

the revenue that is generated for the ACT government by Canberra Raiders games compares to the annual grant provided by the ACT government to the Raiders in 2022. Is that going to be a difficult one to get a handle on, Chief Minister?

Ms Arthy: I think what we will have to do is look at what our commercial-in-confidence arrangements are with the Raiders, to see whether we can reveal it.

THE CHAIR: Right. Okay.

Ms Arthy: I am happy to take that on notice to see what we can provide.

THE CHAIR: Okay; take it on notice and see what you can provide.

Ms Arthy: I suspect it is all tied up with our commercial arrangements.

THE CHAIR: All right.

MS CLAY: What economic benefit will the ACT receive from the sale of the CIT Reid site to make way for the UNSW campus?

Mr Barr: A significant economic benefit that is outlined in the master planning process and the outcomes there. It is an investment in the billions of dollars and anticipated revenue from, principally, payroll tax as the university expands. Perhaps it is easier to take on notice that level of detail if you want a more comprehensive answer.

MS CLAY: I would love some numbers, if you could take that on notice.

Mr Barr: Yes; can do.

MS CLAY: I have seen student numbers estimated. Have we seen numbers estimated for how many staff will work there?

Ms Arthy: Yes, we have.

MS CLAY: Excellent.

Ms Arthy: I will have to take that on notice. I do not have it here.

MS CLAY: Yes; sure.

Ms Arthy: It was in a rather detailed bit of information. I will check with UNSW because the information we have is probably pre-COVID for staff numbers. I will check with UNSW to see if they have an updated figure.

MS CLAY: That would be great. What is our housing plan for all the staff and students?

Mr Barr: There are a number of land releases and there is private sector adaptive re-use for student accommodation within the city precinct. There is a new student

accommodation site on Moore Street. The model that is increasingly preferred is multi-institution student accommodation—that is, student accommodation open to students of any university or TAFE, rather than, “This is ANU’s accommodation and this is UNSW’s.” The market is already providing that additional student accommodation. There is also, within the land that is part of this broader change in Parkes and Reid, on either side of Constitution Avenue, a block identified for more housing.

MS CLAY: That is interesting. I have not heard about that multi-institutional housing before. What is the shift behind that? Is that social or is it cheaper to do it that way?

Mr Barr: As I recall, it is partly the result of a previous trade mission seeking to promote opportunities for investment in purpose-built student accommodation. The one I am referring to is Y Suites on Moore. Its website is saying it should be open now. They are promoting directly to students. I am aware that there are some other, similar proposals where developers could fit under the banner of build-to-rent, effectively, where they are building purpose-built student accommodation with a view to long-term use for that purpose. Another example is what was referred to as Fenner Hall, which the ANU held. They, I think, handed that back and it is now the Canberra Accommodation Centre. I understand it is a multi-institution facility. Students from a number of different universities utilise facilities there.

MS CLAY: I missed the benefit in that shift. Is that because it is cheaper, it is more efficient for one provider to offer it to lots of students? Is that why we are doing that or are there—

Mr Barr: Certainly there are tax advantages for a single owner, in that they would only pay one fixed rates charge, as opposed to one per dwelling.

MS CLAY: Right. Does it change, socially, the nature of residential accommodation?

Mr Barr: They are students. It does not really matter which institution they go to. The ultimate objective is to have the eastern edge of the CBD anchored by a Group of Eight university and the western edge of our CBD anchored by a Group of Eight university. It would be one of the few cities in Australia that would have two Go8s on either side of the CBD.

MS CLAY: Okay. Thank you.

MS CASTLEY: On UNSW, while we are on the subject, the City Renewal Authority website mentions that the ACT government had some analysis done on the economic benefits that it will bring to Canberra. Is that analysis available for us to have a look at or for the committee to have a copy of?

Ms Arthy: This happened about three years ago, so I am trying to think back that far. I cannot remember whether it is online. The estimated economic benefit was about \$3 billion. I will take that one on notice and see whether it is online. If not, we can provide it.

MS CASTLEY: Great. Thank you. Could you give us an update on the time frame

for the campus? I think the master plan was approved in June; is that correct?

Ms Arthy: That is correct; the master plan was approved in June. The first stage of construction is expected to be commenced mid next year. They have a current time frame, I think, of about 20 years to complete the entire campus.

MS CASTLEY: Thank you.

MR PETTERSSON: Twenty years to complete the entire campus. How is that going to be staged over the 20 years? How active is the campus going to be and how quickly?

Ms Arthy: Very, is my simple answer. The way that UNSW have designed it, I think they are doing it in four stages, starting on the car park opposite the current campus. If you can picture it, they will build up the car park while they demolish the other side and then build around. UNSW have a big focus on getting activity very quickly, particularly around innovation. They have already got some partnerships with local research companies and innovators to come online. They are also focusing on what are their first student offerings to be able to get students on board. They have been very focused on making sure that there is activity. That is the reality of building a very large campus and being able to pull it together.

MR PETTERSSON: Just last week we saw the return of direct international flights to Canberra. Can we get an update on how the flights are going and what effect we think they will have?

Mr Barr: Sure. Yes, Fiji Airways commenced their services last week. They have almost immediately announced an increase in the frequency of those services, commencing from 1 October. This presents a pretty significant opportunity with, effectively, a one-stop over Nadi from North America, for a number of key markets for the ACT. We will be exploring, in partnership with Tourism Australia and Fiji Airways, and indeed our VisitCanberra partners, some quite significant promotion of this in the North American market. It will be a partnership with Fiji Airways. The itinerary promotion will include Canberra and an island stopover as well, I imagine, providing some quite diverse experiences for US tourists. Mr Kobus will talk a little about our thinking and approach to North America in a moment.

We are also pursuing, in partnership with our sister city Wellington and our friends at Auckland Airport, flights into New Zealand, the Auckland connection particularly, to link into Qantas's announcement of Auckland to New York direct flights. Canberra to New York with one stop opens up a pretty significant east coast US market for us as well. We also continue our engagement in the South-East Asian markets. I intend to meet with Singapore Airlines in Sydney in the coming month or so. We continue our engagement with Qantas, as well, on the Singapore market.

In light of the Australian government's decision to not grant further direct access to Sydney, Melbourne and Brisbane flights for Qatar Airways, their pathway to increasing their number of flights into one of those major cities would require them to fly to a secondary Australian port. Canberra was one of those ports pre-COVID, so I think the Australian government's decision will make for a somewhat easier

conversation with Qatar in time. I will ask Mr Kobus to talk a bit more about the North American market.

Mr Kobus: Thank you, Chief Minister. The Fiji Airways flights really do provide a point of focus and opportunity for us to target the North American market. In 2019, pre-COVID, the US was Canberra's second largest market, behind China, and it was also a significant market for Australia in general. In 2019 nearly 400,000 US visitors travelled to Australia and spent nearly \$4 billion in the Australian economy, so for us to capture a part of that is a really important opportunity.

Three flights a week, while it sounds modest, does provide us with a focal point to work with Fiji Airways to promote Canberra as a place to visit, particularly into California. Fiji Airways will provide onward connections to LA and San Francisco—two significant markets in their own right. Fiji Airways already have an established distribution system into those markets, so, working under their banner, with a Canberra message, we are confident we can get some good conversion.

We will also work very closely with Tourism Australia, who have an established presence in the US and run a whole range of campaign activities throughout the year in the US market to promote Australia as a place to visit. Our intention is to ensure that Canberra is well represented as part of that promotional activity. Some of my team will be in the US in August, participating in Tourism Australia's US Marketplace, which is a travel and trade event. There will be one-on-one appointments selling Canberra as a place to visit. That is really the start of our activity into that market.

I think another really important thing to acknowledge in connecting to the US is that it is not just about inbound tourism to Canberra. Tourism will be an important part of it, but the US, pre-COVID, was Australia's second largest trading partner. Around \$900 billion worth of US investment comes into Australia. A similar amount goes back into the US from Australian companies going into the US. It is a significant opportunity to connect Canberra more efficiently with great commercial opportunities into that market, whether it be for exporting or looking at how we attract inward investment.

We cannot forget that the Fiji Airways flights also provide a platform for access to the Pacific as well. The flights land in Nadi and Nadi is essentially a gateway to the rest of the Pacific. That provides further opportunities for the ACT business community to look at opportunities for markets throughout the Pacific region as well.

MR PETTERSSON: That is great. Chief Minister, as you were listing the carriers, you listed foreign carriers and made only a passing reference to Qantas. What is engagement like with Australian carriers on international connections?

Mr Barr: It is certainly more encouraging than it has been previously, and largely as a result of some announcements Qantas have made in relation to a changing of their fleet. There is the phasing out of some ageing aircraft and the purchase of a couple of new aircraft types. At the press conference announcing this major new advance purchase of aircraft, CEO Alan Joyce used a few examples of the sorts of routes that these new aircraft would be able to fly for Qantas. It was no coincidence—we had

been engaging with them a little on this in the lead-up—that when Mr Joyce outlined routes that the new A220 could service, he used Canberra-Auckland and Canberra-Wellington as examples. Qantas have announced that the first A220 that comes into the country will be deployed on the Canberra-Melbourne route, so I think they do see that aircraft as being ideally suited to our market size.

The second aircraft that they are acquiring—and this is where I am going to get quite technical and nerdy—is an Airbus A321 Xtra Long Range. It is a breakthrough aircraft, in that it is a narrow body or single aisle aircraft. It has about 200 seats. I think it is the first in its class that can fly from Canberra into South-East Asia. It can go further than a 737 or some of the existing Airbus aircraft. One of our difficulties in being able to secure daily Canberra-Singapore services has been the need to fill a much larger aircraft, because they were the only ones that could cover the distance comfortably, and they would tend to have 270 to 300 seats. A 200-seat aircraft that can travel the distance comfortably between Canberra and Singapore makes the route economics a lot better on that sort of service. Qantas are acquiring that aircraft.

At the same press conference where Alan Joyce announced the A220 acquisitions he also announced the A321 XLRs. An example he referenced at that press conference was that this aircraft could fly from Canberra to Singapore. Again, that was not a coincidence. That was as a result of a lot of engagement between the territory and Qantas in relation to our future connectivity. The A220s will also be useful in connecting, domestically, Canberra to the other capital cities. They would make Canberra-Darwin more viable and could possibly increase the frequency on, say, Canberra-Adelaide or Canberra-Perth. They are also going to be used on Canberra-Melbourne and Canberra-Brisbane.

I think it is a game-changing set of fleet acquisitions for Qantas and it brings them into the mix. The other advantage, frankly, is that they already operate in these markets and have established facilities. The marginal cost of adding another flight from an airport they already operate from to another airport they already operate from, where they already have lounges and they already have all of the facilities, is much lower than bringing a new airline in that does not have the equivalent infrastructure at the relevant airports.

MR PETTERSSON: I do not want to get too ahead of things, but if we have a large increase in the international flights coming to Canberra, how well equipped is Canberra Airport to handle multiple international arrivals and departures in one day?

Mr Barr: They have invested in their capability there, so they do have capacity. Most of these aircraft are going to be, in one instance, about 130 passengers and, in the other, 200. The current Fiji Airways 737 MAX has about 180 passengers, from memory. So the passenger volumes are very manageable. As I understand it, the airport is built to be able to manage 12 million passengers a year, and pre-COVID it got up to about five million. So they have got a hell of a lot of capacity. They did build for the long term and that is why they are very keen to work with airlines, tourism partners and government to continue to grow the number of flights.

Obviously—and in anticipation of a question from Ms Clay—we are also working with them and the Australian government on sustainable aviation fuel and indeed

improving the performance of that industry. I acknowledge that all the players are taking this seriously. They recognise that in the medium term their social licence to operate will require them to reach net zero operation as soon as possible.

MR PETTERSSON: With regard to domestic flights, are there any new destinations on the horizon?

Mr Barr: I think there are two Queensland destinations that are not currently directly served in great frequency—the Sunshine Coast and Cairns—that are on the list. I have had preliminary discussions with some of the smaller regional airlines about some city pairings. This is at the very small scale, but where an aviation route would make sense in a very small aircraft, like a 30-seater—things like Bendigo or Ballarat into Canberra. That is an eight or nine-hour drive otherwise. We are looking at a sweet spot where there is a reasonable enough market size and the driving alternative is near the eight or nine-hour mark and the flight would be about 60 to 90 minutes. That is the space that we are looking in.

As you go up the east coast of New South Wales you see in tourism season that there have been services to Coffs Harbour and Ballina-Byron, that sort of thing. Probably the only other market that we do not currently have a connection to is Launceston. We have only got Canberra-Hobart. Launceston is a reasonable sized city that you would think might be able to support a 30-seat aircraft, a Saab, flying to. We will see. They are on the list. Given the size of the aircraft, I am not proposing that they are massive tourism game changers, but they are nice-to-haves if we can work with the airlines to make it happen.

MR PETTERSSON: Thank you.

MS CLAY: We have heard about exports and aviation export policy. Do we have a non-aviation export policy that perhaps relies on road, rail and shipping?

Mr Barr: Out of the ACT in road transport? Yes; principally because there are a lot of trucks that come in, carrying things into the ACT, and not much goes back out the other way, as we are not a large manufacturing base or agricultural production base.

MS CLAY: What I am trying to get at is: I am wondering why it is difficult at the moment to come up with an alternative to jet passenger flights. The technology is not yet there—that is, zero emissions—but there are a lot of alternatives to exports that do not necessarily need to use aviation. It sounds like we have a bit of a strategy to increase our trade and export aviation trips. Did I hear that correctly?

Mr Barr: Yes. There is an economic imperative in relation to the viability of passenger flights to have something in the belly of the plane. The bigger the plane, the bigger the cargo and freight element. Most of what we are talking about in terms of prospects in the medium term are in fact narrow body aircraft that have a relatively small freight component. The value proposition for airline freight in export terms is largely on perishable agricultural products. If you do not have an imperative to get it to market by a certain point then the alternative road and shipping elements are probably going to be the cheaper way to get goods out of the country.

MS CLAY: Sure. I understand it is cheaper to use other means already. Does the ACT government have a proactive policy to encourage more export aviation? Is that the direction we are moving in?

Mr Barr: We are moving in that direction as it relates to filling the belly of planes. The focus is not freight exclusively; the focus is movement of people. But, to buttress the business case for the movement of people, also moving some goods that are perishable, via the belly of a plane that is already flying, makes sense. When you mean export, do you mean export out of Australia or export just out of the ACT into other states and territories?

MS CLAY: Aviation exports.

Mr Barr: There are some things that are also flown domestically in the belly of a plane. It is less so now, but there is mail and certain express courier activities, those sorts of things. Some of that that occurs in the belly of a plane, but mostly it is driven around. As an interesting aside, shipping is significantly emissions intensive and I think there should be as much focus on reducing the emissions intensity of both freight movement and also passenger movement by sea, frankly. Let's not be too down on aviation. They appear to be doing more than the shipping industry internationally in relation to emissions reduction.

MS CLAY: Thank you, Minister.

MS CASTLEY: I am aware that a Canberra group have approached you, Chief Minister, or maybe just the directorate, about a Canberra 500 Supercar event.

Mr Barr: Not a Canberra group, but a national group, yes.

MS CASTLEY: I am wondering what the talks have been like so far. Is this something that the ACT government are considering?

Mr Barr: I have just signed off on a brief to not support the progression of such a proposal.

MS CASTLEY: Can I ask why?

Mr Barr: Because the assessment from the directorate was that it did not stack up.

MS CASTLEY: It did not stack up financially?

Mr Barr: Yes; financially it would require a significant investment from the territory government in infrastructure at Exhibition Park that we were not in a position to make.

MS CASTLEY: What was the investment that was required?

Mr Barr: Tens of millions of dollars.

MS CASTLEY: Tens of millions of dollars.

Mr Barr: Yes.

MR PETTERSSON: What was the proposal?

Mr Barr: The proposal was to stage one of the legs of the V8 Supercar races that are held at various locations, at a new circuit that would be built inside Exhibition Park.

MS CASTLEY: My understanding is that they gave a like-for-like comparison with jurisdictions like Townsville and Newcastle, and that the investment from those was around the \$6 million mark.

Mr Barr: That is certainly not the proposal that was presented to us. No.

MS CASTLEY: All right.

MR PETTERSSON: Back in the day, it used to be a street circuit. Is a street circuit viable?

Mr Barr: No. The evidence from 20 years ago was that, no, it was not. The costs were underestimated, the attendance was overestimated and the revenue was overestimated. The Auditor-General conducted a review that said that there were many flaws in relation to that, and the program and the contract were discontinued.

THE CHAIR: Depending on where you are on a Friday night, there is already a street circuit in place.

MS CASTLEY: I will have to look at that Auditor-General's report. My understanding was that the problem was its location around the parliamentary circle and that this one was a different option. I thought it might have been more viable.

Mr Barr: No.

THE CHAIR: Let's move on to the refurbishing of Fitzroy Pavilion for major community events. Page 104 of the budget outlook contains a commitment to refurbish Fitzroy Pavilion for major community events, but there is no money allocated for it for this year or the forward estimates.

Mr Barr: There is, but it is subject to a tender process. We are not publishing the amount until the tender is resolved; then we will publish the cost. We are just not predetermining the market price.

THE CHAIR: Obviously there are some things that you cannot tell me, but are you able to tell me exactly where that process is at?

Mr Barr: Yes. We will go to procurement very soon.

Ms Arthy: We are currently talking to various groups about what their needs are so that we can determine what exactly we are going out to tender for. I believe there was a meeting today that finalised that, and we will be going to procurement very, very shortly. I will just check with Mr Elkins.

Mr Elkins: We have commenced consultation on the needs of the building. We have already started initial drawings and we will take those to consultation. Post that, we will be meeting with Procurement in the next couple of days to start that process.

THE CHAIR: Can you suggest a time line in terms of when the public will become aware of the magnitude of the project, when construction will begin and what the expenditure of the project will be?

Mr Barr: As soon as we are in a position to do that, once there has been the procurement, the first sighting will be in relation to the tenders process to actually undertake the work. We made a commitment that the new facility would need to be able to accommodate 1,500 people at a standing event and 1,000 at a seated event, in terms of, for example, a banquet. They are the minimum requirements in relation to the work, and my understanding is that those requirements will be met—the capacity for 1,000 for a banquet, about 1,500 in a theatre setting and about 1,750 in a cocktail setting.

THE CHAIR: You have gone to various groups and you have gone to elections, and I cannot remember exactly what is included in the agreement between you guys, but this was certainly being touted as a multicultural centre, was it not?

Mr Barr: What we indicated was that the facility needed to be able to cater for large multicultural performances and private events such as weddings, which I believe, at the capacities we have talked about, it certainly does, but we also made clear that the new facility would also be available for regular EPIC users, including trade shows, business events and other activities. There are a number of different elements to our Exhibition Park master planning work. This is a relatively quick way to deliver a facility that meets the needs around the 1,500 standing and 1,000 seated element, but we do recognise that further modernisation of facilities at EPIC will be needed.

We have a master planning process underway and the government is certainly looking at, in addition to the Fitzroy Pavilion refurb for the purposes of events, trade shows, business events and the like, another new pavilion to be built. The preference on location is more what I would describe as the north-western side of the EPIC precinct—that is, in proximity to the light rail stop. The master planning work is focusing on a site. It is—and you will be very interested in this, Mr Parton—also somewhat linked to further discussions with the Racing Club in relation to their offer to locate harness racing within the facility, on the other side of the road.

THE CHAIR: With regard to, though, refurbishing the Fitzroy Pavilion, you very clearly promised a multicultural centre, a standalone multicultural centre, and that is not what is being delivered.

Mr Barr: No. The promise, and I have the wording in front of me, is that it can cater for large multicultural performances and private events. In the next sentence, I said, “also be available for regular users, including trade shows, business events” et cetera. So, yes, it is certainly to meet the needs of large multicultural users and I imagine that they would be amongst the most frequent hirers of the venue, but it is not exclusive.

THE CHAIR: Will it be a market-rate situation for whoever wants to hire it or will there—

Mr Barr: No. I understand that there is a range of concessional hiring elements associated with it. EPIC does this as a regular thing. Mr Elkins might want to talk a little bit about that policy framework.

Mr Elkins: Absolutely. Across the EPIC site, we have community rates as well as commercial rates. The Fitzroy building has a community rate, and in our consultation we are also discussing what that community rate looks like going forward, as well as items that will be needed, such as furniture, fit-out and fixings. A lot of that is about providing the appropriate equipment and the appropriate fit-out in a way that the community and the multicultural community can access, without high impost from our operations—for example, labour costs to set up. If the community group can set up, that greatly reduces those costs of operations.

THE CHAIR: Finally, I understand that we have a tender process that is in motion, but how do you deal with this from a bottom line perspective? You obviously have a number in your head as to what you expect it to cost, but that number is not reflected in any public document. How do you take that into account when framing a budget? This is probably not the only project of this nature where you know what you think it is going to cost, but, for reasons that you have disclosed, you do not want to tell anyone. How do you factor that in for forward estimates?

Mr Barr: The infrastructure and capital section of the budget papers—I am going to them now—highlights, on pages 262 and 263—that we make a provision and we effectively centralise and contain a number of projects within that provision. Funding is accounted for through that provision, and then obviously, once the tender is determined, we will publish the—

THE CHAIR: Then you will shift it from there.

Mr Barr: We shift it out of the provision into—

THE CHAIR: It might have been handy to answer with that one first, Chief Minister.

Mr Barr: In the simplest terms, this has come up—I know you are not at every estimates—a central capital provision, which is outlined on page 267, and there is a certain presumption, I guess, that people have read the budget papers. I was told off earlier. Mr Cain asked me a question, and I said, “Go and read the papers,” and you said, “No—please, give us some more detail.” I then read out the papers and was told that was too much.

THE CHAIR: It was a bit too much, but let us move on from there. We have wasted enough time.

Mr Barr: Either I have to assume you know something or I have to start from the beginning.

THE CHAIR: Thank you, Mr Barr. Ms Clay?

MS CLAY: I have a substantive. I have a very small question about a particular line item in the budget papers. On page 59, it says, “Cessation—Investing in the CBR Innovation Network to boost business innovation”. Can you tell me what that item was and why it has been stopped?

Ms Arthy: Could you just repeat which page it was?

MS CLAY: Page 59.

Mr Barr: Of *Budget statements B* or *Budget outlook*?

MS CLAY: *Budget statements B*, I believe, and I apologise because my notes do not specify that. The item is “Investing in the CBR Innovation Network”. It has been stopped, so I just want to know what that funding was and why it stopped.

Mr Maclachlan: This was some previous base funding that was provided for the Canberra Innovation Network in the 2019-20 budget. That was for only four years. A new funding initiative has been agreed since that time, so this is simply reflecting that no longer being in the budget bottom line.

MS CLAY: The money has just gone somewhere else; they are being funded and it is just under a different line item now. Is that what you are telling me?

Mr Maclachlan: That is correct.

MS CLAY: Great. Is there a change in the amount in that shift?

Mr Barr: It has increased.

MS CLAY: Great. That is excellent. Thank you.

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

MR PETTERSSON: Thank you. I was hoping to get an update on some recent major events. How did the winter festival go?

Mr Barr: It was the first year. These events start small and then grow. That is what happened with Floriade and that is what happened with Enlighten. There were a number of elements of it that were sold out and well attended, but it is not yet at an Enlighten or Floriade level. It tends to take a decade for events to reach that level. I might invite Mr Triffitt to talk a little about the very first Uncharted Territory festival.

Mr Triffitt: Thank you, Chief Minister. To your question, the total attendance was over 12½ thousand in its first year. We are still going through the process of the post-event reporting in terms of attendee satisfaction, tourism, figures et cetera. We had over 75 events. We had some very positive anecdotal feedback. For example, University of Canberra School of Collaborative Robotics have identified new potential projects and partnerships thanks to their participation, including a partnership with Microsoft and a First Nations focused initiative.

We had similar results with some of the organisations that were involved. Canberra Blockchain reported that, through the festival, they have been able to bring together high-profile figures in the NFT, blockchain and Web3 community, including many interstate connections. The Canberra Theatre Centre shared that 20 per cent of attendees to *Lucy in the sky* had never before visited the Canberra Theatre Centre. They also noted that the festival audience was one of the youngest demographics they have seen in some time. Canberra Museum and Gallery advised that visitation was up 180 per cent from the same period last year. We had a lot of positive feedback around the diversity of the program and the inclusion of projects that consider inclusion, social innovation and social change. Most of the events were free to attend and some events required a paid ticket.

Mr Barr: Recalling the start of Enlighten, the first one that was held more than a decade ago attracted 8,600 visitors. Obviously, now it is more like 300,000, so, with this one starting with 12,000 people, it is not bad.

MR PETTERSSON: You mentioned that you were still compiling the report. Are there any early thoughts as to lessons learned?

Mr Triffitt: I think there always are. When you are running an event for the first time, there are immediately some thoughts about some improvements that could be made with the festival. To your question, we are certainly encouraged by the start of the event. We think it is a good foundation to build on and there are certainly opportunities for improvement. The engagement of the wider population is certainly an opportunity that we will look at.

Mr Barr: I will also observe that, if you can possibly avoid a pandemic, that is helpful, because this was initially intended to be for winter 2020. It was delayed, for obvious reasons, for a number of years. To one extent, there is a great sense of relief that we were able to successfully deliver the event after quite some time. I want to set realistic expectations and I think the contrast with Enlighten is interesting—that Enlighten had 8½ thousand people in its first year and now there is an attendance of nearly 300,000. This one had 12½ thousand people. It is in winter. It is deliberately in winter because the city did not have a major winter event. It is a challenging time to attract tourists, but we thought about that and so most of the activities are indoors, reflecting the time of year. It is targeted in the July school holidays and with a view to try and maximise, together, with other events in Canberra at that time.

Federal parliament generally does not sit during this time, so there is capacity within our accommodation sector for an event. The fundamentals are good with the university partners in particular. I commented at one of the events I attended that there I was physically at ANU, at an event sponsored by the University of New South Wales, with exhibits from the University of Canberra. Not many Australian cities would have that level of cooperation amongst their higher education institutions.

MR PETTERSSON: On a slightly different track, how is planning for Floriade coming along?

Mr Barr: Very well. There has been a lead-in of about 18 months. We look at the

theme and programming 18 months out, so we are well on track. I was in Commonwealth Park the other day and some of the flowers might think it is spring already. There is already a little bit of activity in some of the flower beds.

MR PETTERSSON: Is there not!

Mr Barr: Yes. This year is looking good. Planning is well underway for next year's event. In the medium term, one of the really positive outcomes of the National Capital Investment Framework and our work with the National Capital Authority and their Commonwealth Park master plan is the capacity to work with them to install some more permanent infrastructure in the park. The territory government incurs a significant cost each year in staging the event and having to put in a whole lot of temporary infrastructure, so we are very keen to work with the commonwealth. We are prepared to spend some money, because we spend it otherwise every year on temporary infrastructure, to support Commonwealth Park's capacity to host events.

There is a good conversation to be had with the NCA in relation to Stage 88 and the live music festival capability of Commonwealth Park. We are having a discussion with them around swimming pools but also the parks infrastructure that supports events like Floriade. An example of the sort of partnership that we can achieve is what we have been able to do with them through the Canberra Visitor Information Centre at Regatta Point and the investment that the commonwealth has made in the National Capital Exhibition and in the retail and hospitality facilities that are in that building. I think that demonstrates the result of a good, collaborative relationship with the NCA and the commonwealth in this area. That it is a long answer, but I think Floriade has a great future and will be even better when we can get some permanent infrastructure in Commonwealth Park.

MR PETTERSSON: That sounds good to me.

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

MS CASTLEY: Chair, I would like your advice, if I could. There are three topics I would like to revisit with one or two fairly short questions. Do I need to do all those in separate substantives or see how we go?

Mr Barr: Why not just ask the three questions and we will—

THE CHAIR: See how you go.

MS CASTLEY: Alright. I would like to revisit the supercars. I am wondering if you could table the proposal that you have.

Mr Barr: I will take that on notice. There are certainly going to be commercial-in-confidence elements to it, but—

MS CASTLEY: I am happy to have some that are redacted, if possible.

Mr Barr: We will see what we can provide.

MS CASTLEY: Also, can we see a copy of the assessment from the directorate where you mentioned the tens of millions of dollars? I am wondering how you got to that.

Mr Barr: Sure. Again, it has commercial-in-confidence elements, but we will see what we can provide.

MS CASTLEY: Can someone explain how your assessment got to tens of millions of dollars?

Mr Barr: The proposal that was submitted outlined the series of commitments that the ACT government would be required to make.

MS CASTLEY: Are we talking about roads?

Mr Barr: We are talking about infrastructure principally but not exclusively.

MS CASTLEY: Alright. That is it for supercars. Can I quickly go to—

THE CHAIR: I reckon we will let you go to something else—yes.

MS CASTLEY: Thank you. Back to Enlighten, I am wondering if you can advise me on how much notice the businesses were given that they were unsuccessful. I am happy for you to take that on notice if you do not know.

Mr Barr: We will take that on notice.

MS CASTLEY: Thank you. Going back to UNSW, Ms Arthy, you said that there would be \$3 billion. Is that over 20 years?

Ms Arthy: I think the assessment would have been for 20 years. This is the economic impact and we would have done it over the life of the investment, so I would think it would be 20 years, but we will confirm that.

Mr Barr: We will confirm that. We will take it on notice and provide the detail.

MS CASTLEY: Sure When do we expect the first students to attend?

Ms Arthy: They are starting construction in 2024. I can text my team while we are here and see if we can get that answer.

Mr Barr: We will see if we can get an answer before the end of the hearing.

THE CHAIR: Excellent. Thank you, Ms Castley.

MS CASTLEY: Thank you. That was great.

THE CHAIR: I refer to the ACT Venture Capital Fund. I note that the government is currently seeking a fund manager to establish and manage the fund. Will there be a time frame given for the successful fund manager to raise the \$10 million to match the

ACT government's \$10 million investment or will this matching be done on an investment-by-investment basis?

Mr Barr: Ms Starick can assist.

Ms Starick: Thank you. As you have noted, it is currently open for procurement, so I am limited in what I can say. What I can say is that it will depend on the proposals that come back and the models that are proposed.

THE CHAIR: Are you able to give an indication of what long-term return is expected from the fund?

Ms Starick: Yes. If you look at the procurement documents that are available on the Tenders ACT website, you will see we are expecting a return that is at least commensurate with listed markets returns.

THE CHAIR: Okay. Will this fund only be able to invest in Canberra based start-ups? Is that the vision?

Ms Starick: Correct—yes.

THE CHAIR: Will government returns be capped to incentivise private investment? Is it going to be one of those models?

Ms Starick: The ACT government is a full commercial partner in the scheme.

THE CHAIR: Okay. How will the selection process for the fund manager—which I gather is in motion—be undertaken? Who will carry out that assessment?

Ms Starick: It is on the Tenders ACT website and on the ACT government website. It is being carried out as a two-stage process. The first stage is a request for an expression of interest. That expression of interest will be assessed by an expert panel. There are also expert advisors engaged to advise the panel on the applications received. We have also released an indicative term sheet and an indicative request for proposal sheet with which prospective applicants can provide us advice, or provide the ACT government with advice, and we will take that advice under consideration.

Once the request for expressions of interest have been assessed, those that meet the criteria from that stage will be invited to submit a request for proposal at the next stage. If you look at the information available on the website, you will see there are also some indicative time frames for those stages. Then the request for proposals will be assessed and we will enter into contract negotiations.

THE CHAIR: Are you able to be more specific about who will actually be doing the assessment? Who are the expert advisors?

Ms Starick: I will take that on notice.

THE CHAIR: Thank you. In closing, how will the government ensure transparency in the allocation of grants to companies?

Ms Starick: We will not be allocating grants to companies. It is a venture capital scheme. The fund manager operates at arm's length from government to make those investment decisions.

THE CHAIR: Thank you for your answers. I appreciate it. That is all I have on that. Ms Clay.

MS CLAY: Thank you, Chair. Chief Minister, there has been a lot of talk about a stadium. Hobart has recently announced its stadium cost \$750 million or more—quite a big chunk. I am wondering if you have done costings—I am certain you have—on the difference between refurbishment here versus a new stadium?

Mr Barr: That is obviously the subject of a piece of work that we have funded to look at the three different options. I would anticipate that the less you do the lower the cost.

MS CLAY: That makes sense.

Mr Barr: Yes; that does. To a certain extent there are a couple of different ways to approach this. You could set a project budget and, say, do as much as you can within that project budget. You could set a project objective and then, say, do as much as you can within that objective. For example, one of the criticisms of the current venue is the number of seats that are under cover or not under cover. A hypothetical project target could be to increase the weather protection coverage of seats by a certain percentage and say, "That is what we want to achieve. Go away and find the least-cost pathway to do that."

Another possible approach could be to look at the age of particular infrastructure at the venue. Parts of it were constructed in the 1970s. It was extensively refurbished for the Sydney Olympics in 2000. That was undertaken in the late 90s. Parts of the stadium are approaching 50 years of age. In 2027, they will be 50 years old; other parts will be 25 years old. There have been various refurbishments and improvements over the history.

Certainly, the more modern rectangular stadia that are purpose-built see most of the seats under cover—that is, have a degree of wet weather protection—and are much closer to the field of play. Because Canberra Stadium was an athletics track and has been retrofitted, some of the seats in the grandstands that are furthest, in terms of height, are actually quite a long distance from the playing field. That is a potential weakness in the context of the refurbishment element.

MS CLAY: This is not asking you to release any figures you have not released, but I am just going to put it in my head that, if Hobart's costs \$750 million, we are looking at a half-a-billion-dollar issue.

Mr Barr: It is perhaps best to countenance this, in terms of recent rectangular stadium builds, on a per seat basis. The New South Wales government knocked down and rebuilt what was formerly known as the Sydney Football Stadium at Moore Park, in the eastern suburbs. That was a 40,000-seat build and cost \$800 million—about \$20,000 a seat. Perhaps the best analogy I can use is that it depends on the sort of

seating and the mix. To use an aeroplane analogy, how much economy, premium economy and business-class seating the more—

MS CLAY: How big they are. I get it.

Mr Barr: Yes—all of that. If you wanted to build an all-economy, budget stadium, you could probably do it at considerably less than \$20,000 a seat. If you wanted to build a very luxurious stadium, your costs would potentially be north of \$20,000 a seat.

MS CLAY: Sure. It would be quite a big decision for the ACT. That is quite a big, major project. What sort of prioritisation process will you run through when you are looking at more public housing and more spend on climate? There are lots of priorities. How would you approach that for a project like that, which is quite a big chunk?

Mr Barr: That approach is detailed in the *Infrastructure plan*. In the simplest of terms, we, in this budget, prioritised \$345 million to housing and we have invested \$2.2 million in the work on the options analysis in relation to the stadium. We have an infrastructure program that is prioritising investment in the Canberra Hospital expansion that is currently underway, in the order of \$600 million. We are investing in the extension of light rail. We are electrifying the bus fleet. As I think I have been quoted, the new stadium is about a 10th-order priority. There is investment in health, education, community services, emergency services, transport et cetera. There are at least nine areas that are ranking ahead.

I have been clear for the last five years that the priority on the social infrastructure would be led by the theatre and cultural precinct redevelopment. We would consider stadium and convention infrastructure after that. We released the update to the *Infrastructure plan* about a month ago. It outlines the priorities very clearly in a document that is online and has about 26 pages specifically on entertainment, arts and sport infrastructure. We also released the health component, and there will be updates on community services, recreation and community facilities, climate action, energy and environment, education, housing, land release and city planning, and transport. There are seven different sector updates on the 2019 *Infrastructure plan*. I anticipate all of that will be completed by this time next year.

MS CLAY: Indulge me with one last supplementary on this. In all that work, have you done a climate assessment of adaptive reuse? Obviously, there are lower impacts. There is a question of: is this the best use of the money? But there is also a question of: is there a way to reduce emissions in this project? Did you include an adaptive reuse climate assessment?

Mr Barr: We have not made an investment decision yet.

MS CLAY: Would you; will you?

Mr Barr: Will we; would we? Yes. A feature of our consideration would be, at the very least, if the decision were made around demolition of the existing facility, what materials could be reused.

MS CLAY: I probably was not clear. Before deciding to demolish, as part of the decision—

Mr Barr: Would we consider?

MS CLAY: Would you factor in—

Mr Barr: Yes; we would. Yes.

MS CLAY: Great. Thank you.

THE CHAIR: Mr Pettersson.

MR PETTERSSON: Noting the conversation about the stadium that we have just had, how much interest is there from the federal government in working along with AIS and the ACT government in ensuring that we have an elite sporting precinct?

Mr Barr: Obviously considerable, given we have signed an MOU with the Australian Sports Commission that outlines a process for joint consideration. If I have not already been very clear, I am a very big supporter of the Australian Institute of Sport remaining in the ACT and in its current location and there being a pathway to reinvest and improve the facilities that are more than 40 years old in many instances.

Also, given we currently lease Canberra Stadium and the commonwealth has made a decision to invest in a refurbishment of the AIS Arena, it means that the territory taxpayer does not need to find a significant sum of money to build a new sports arena, because our existing arena will be renewed, and there are discussions around the ACT government taking operational management of the new arena. There is a tremendous opportunity for a partnership for that precinct to be renewed. Beyond the elite sport elements, there are opportunities on adjacent land that the territory owns to look at further mixed-use development that would seek to revitalise that entire precinct.

Once you factor in the near neighbours, including a new northside hospital, the CIT campus, the University of Canberra campus, and the AIS campus, that is a precinct in Belconnen that is about to have a very significant investment and renewal that certainly lends itself to further public transport investment, through a future stage of light rail, and the opportunity for more housing and more mixed-use development to occur in that broader precinct.

MR PETTERSSON: Which jurisdictions are trying to, for lack of a better word, poach elite sport from the ACT?

Mr Barr: There is obviously a lot of talk in relation to Brisbane hosting the 2032 Olympics and for certain elite sport facilities to be located in Queensland. The powerful counterargument is that these are facilities beyond one Olympic cycle and that the ACT, from the perspective of the other states and territories, is seen as a more neutral and national location, frankly, than any of the individual states.

MR PETTERSSON: Thank you.

Mr Barr: Sorry—I should update this. We took a question on notice earlier in relation to who was representing CIT at CBRIN board meetings. We can advise that the acting CEO, Christine Robertson, has been attending. There was an incorrect statement that has now been clarified.

THE CHAIR: Thank you. I appreciate that. I am back on the ACT Venture Capital Fund, regarding the expression of interest for Venture Capital Fund management services. Attachment D, indicative term sheet 4.3.2, states, “where a territory delegate will be appointed”, and in 4.3.6 it says, “The territory, via the territory delegate, will retain certain veto rights.” My question is: who will the territory delegate be? How will they be selected?

Ms Starick: I could talk to the role of the territory delegate as represented in that document, which again will be somewhat dependent on the final model. The territory delegate is appointed to represent the territory if there is a requested change to the investment mandate, which is a document that the territory will develop with the fund manager and determines the scope and investment opportunities. We currently have an investment policy, if you like, which outlines the investment areas that would be prohibited, and those include things like tobacco, gambling, controversial weapons, nuclear weapons, fossil fuels, and high carbon emissions. It includes the areas that the territory would be looking to invest in and are consistent with our values based investment approach. You touched on one earlier which is that companies are ACT based companies.

Depending on the nature of the venture capital fund structure, there may be a point in the next 15 years—which is the length of time, for example, that a venture capital fund may be stood up for—where the mandate needs to be revisited for whatever reason. The territory delegate would represent the territory in that instance, for example. Who that territory delegate will be is yet to be determined.

THE CHAIR: Could I try to get a handle on this. Are we talking about a public servant? Who are we talking about as the territory delegate? Are we talking about someone who is already in the machine, is it a—

Ms Starick: It would be a senior official.

THE CHAIR: So it would be an ACT public servant?

Ms Starick: Yes. It is most likely to be a senior official—an appropriate senior official.

Ms Arthy: We will need to go to cabinet to get the decision as to who that will be.

THE CHAIR: I understand that this is still being formulated and it is a little fluid. I appreciate the detail of answer that you have been able to give me. How will you ensure that the use of the delegate’s veto powers will be used appropriately? Will there be checks and balances in place? Canberra is a small town and the local innovation ecosystem is quite small. What governance will put in place to ensure that investment will not go to mates’ projects but, rather, to the best possible

opportunities?

Ms Starick: In the establishment of a venture capital fund—and the ACT government has been involved in venture capitals bonds for about 20 years—there is an investment mandate, investment plans and policies, as well as governance arrangements that are established in contract to ensure that the ACT government can monitor the performance of a fund manager and the investment decisions. Again, depending on whether it is a limited partnership venture capital scheme or a fund of funds, or whatever the relationship of the co-investees is, there is an internal governance structure that is usually established.

The point of the two-stage process for the procurement is to determine, first, that the fund manager is a fit-and-proper person with the appropriate qualifications and experience to undertake a fund of this type. The second stage is that they need to provide information for the panel to assess that addresses the aspects such as conflict of interest, governance arrangements and investment decisions.

THE CHAIR: Thank you. That is an exceptional answer. We are going to pause for a brief period. Many of the officials here will be departing. It has been wonderful having you along for the ride. On behalf of the committee, I thank the Treasurer and officials for their attendance. If you have taken any questions on notice, could you please provide answers to the committee secretary within five working days of receiving the proof transcript.

Hearing suspended from 3.30 to 3.46 pm.

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

Suburban Land Agency
Dietz, Mr John, Chief Executive Officer

City Renewal Authority
Snow, Mr Malcolm, Chief Executive Officer
Gillman, Mr Craig, Deputy Chief Executive Officer

THE CHAIR: In this final session of the committee on estimates hearing today, we will hear from the Chief Minister and officials. The proceedings are being broadcast live. Proceedings today are also being transcribed, and they will be published on the Assembly website. When taking a question on notice, please be emphatic about it and say, “I will take that on notice.” I remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the privilege statement.

Can I get you to confirm on the voices, for the record, that you understand the privilege implications of the statement and that you agree to it.

Witnesses: Yes.

THE CHAIR: Excellent. No opening statements. We will proceed to questions. Chief Minister, in the equivalent session at budget estimates hearings last year,

Mr Cain asked you about a Civic stadium and the role that such a facility would play in city renewal. You responded that it would be dead space, citing there were too many red flag problems, and you have since outlined your preference for a rejuvenated Bruce AIS precinct, far from Civic centre, as was covered in some other hearings.

What impact would a Civic stadium have on city renewal in Civic if it were located in the Civic centre?

Mr Barr: Where?

THE CHAIR: I am asking: if it were located in the Civic Centre, in the centre of town, irrespective of what the location would be. Did you conduct any forecasting on this as part of your considerations?

Mr Barr: The impact would be the same regardless of where it is located. But is your reference—what would be the impact on the businesses in Civic, as opposed to businesses elsewhere?

THE CHAIR: Yes.

Mr Barr: We have not conducted a formal economic modelling analysis in relation to that, because, once it was clear that there was not a feasible site in the city, that would have been throwing good money after bad.

THE CHAIR: So which locations in this central area were genuinely considered as potential sites for a new stadium in regard to that process that you have gone through? Was Commonwealth Park considered?

Mr Barr: We do not own Commonwealth Park; it is not our land. So the principal sites that were looked at were the current Civic pool site, and then there was some desktop analysis in relation to whether there would be any other suitable site in the city, and there is not.

THE CHAIR: So Commonwealth Park was not considered? It was not considered?

Mr Barr: It is not zoned for that purpose, and we do not own the land, so it was a bit pointless really.

THE CHAIR: You are putting a tram line through a major section of the city that you do not own.

Mr Barr: What do you mean? We own the land that we are putting the tram line on.

THE CHAIR: Okay, the tram line, of course, is going through sections of—

Mr Barr: You are talking about the national triangle?

THE CHAIR: Yes.

Mr Barr: Yes. That is why we would need the permission of the commonwealth to do so, but it is an approved land use under the National Capital Plan. A stadium in Commonwealth Park is not an approved land use under the National Capital Plan.

THE CHAIR: So there were no discussions and there was no conversation with federal government regarding locating a Civic stadium in Commonwealth Park or on other NCA land in the central area?

Mr Barr: Certainly not in Commonwealth Park, and there are no sites that are zoned for a stadium, and it is a bit presumptuous for us to be endeavouring to locate a stadium in the national triangle without any indication from the commonwealth that they would welcome that. I have had no such indication.

THE CHAIR: You have got a new agreement in place, and you have told me that everything is going to be easier in terms of—

Mr Barr: Yes, but we are certainly not proposing that a football stadium be built in the national triangle.

THE CHAIR: Do you intend to include the Bruce AIS precinct in the city renewal precinct?

Mr Barr: No.

THE CHAIR: Or is there a vision for a sort of similar Belconnen-centric renewal precinct?

Mr Barr: Certainly, as we discussed prior to the afternoon tea break in the context of the North Canberra Hospital, CIT Bruce, the AIS precinct and the University of Canberra, there certainly will be a significant amount of renewal activity—whether that requires an ACT government-specific agency, or it could be an area that, as I have declared outside of the CRA areas, would be potentially within the remit of the Suburban Land Agency, perhaps similar to the role they are playing in the Kingston arts precinct project or, indeed, the Canberra brickworks project.

THE CHAIR: Alright; that is it for me.

MR CAIN: Chief Minister, when did you seriously begin looking at the city stadium option? I know it was quite a while ago—approximately?

Mr Barr: The process associated with Australia's bid for the men's world cup that was held in Qatar was, I guess, seriously contemplated in the Rudd government—so, 2008-9 from memory. The process there focused on a potential new build at the AIS; that was the focus then. Once that proposal failed to be supported by FIFA, and the attached commonwealth funding went, we then looked at some other options. The potential city site was identified as part of the city to the lake strategy, which was 2013-14, so around that time.

MR CAIN: How many other stadiums around the country did you visit, or your delegates visit, and were there any overseas trips to other stadiums as you

contemplated putting a stadium in the city?

Mr Barr: I can think of two that were specific, or two places we went to specifically to look at their stadium infrastructure—one being Dunedin. We were in New Zealand, but we would not have otherwise gone to Dunedin other than to look at the Forsyth Barr Stadium. Then, I think I have been to the Gold Coast to look at Robina stadium—the rectangular one—and the oval that they play AFL at, as a stadium-specific.

Every other stadium that I have looked at has only been because I was already there, and the opportunity arose to look at a stadium. That has included Melbourne. I am in Melbourne a dozen times a year for other things, so a quick look at the rectangular stadium there did occur, but I was already there. And on any of the international visits, it has only been because we have already been in that location that we have also looked at stadium infrastructure.

I have never, other than those two examples, from memory—I do not think I have ever travelled specifically to look at a stadium. But when I have been in a city, I have, on occasion, looked at their stadium infrastructure.

MR CAIN: And how many consultancy reports were produced as part of this exploration?

Mr Barr: Consultancy reports—there certainly was one associated with the FIFA World Cup bid 15 years ago, some associated with city to the lake, and we commissioned some work to look at alternative sites in the last five years. Then we currently have a specific proposal as it relates to the AIS precinct.

MR CAIN: What, approximately, was the cost of all of this exploration of whether we should have a stadium in the city?

Mr Barr: In the hundreds of thousands of dollars, I would imagine, over 15 years, but I will see if there is—

MR CAIN: Sounds a bit low.

Mr Barr: I will see if there is any further information I can provide on that, but most of the consultancies were in the hundreds of thousands of dollars options, as I recall.

MR CAIN: As Mr Parton led with, perhaps to the surprise of many, including me, when I asked a question about the status of where we were at, you basically made the announcement that it was not going to happen. So was that the first time you realised you were not going to progress with the stadium, and when did you first make that decision?

Mr Barr: It became apparent to the government that the identified possible site in the city was not feasible. Through further work, as I said, a series of red flags emerged—a series of issues associated with the site—and then further evidence in relation to contamination on the site next door, which is the UNSW Canberra site, plus the information that is available in relation to leakage from the existing pool.

There is not one exact date. The formal decision that government has made not to pursue a Civic option was formalised by cabinet more recently, and the absolute confirmation of that was the signing of the AIS MOU, and the release of the government's infrastructure plan. I did give you an honest answer to the question you asked. I did not seek to not provide the information that was available to me or on my mind at that time, and I think that is appropriate.

If I had said to you “nothing to see here” and then six months later—given what I knew of all of the problems associated with the site, I think it was appropriate for me to identify that there were problems and concerns, and that the government was going to need to change its preferred site. But I do note, throughout all of it, Mr Cain, that we have always had fallbacks. We have never wholly committed to that site. We said we would be exploring it, and we have, but we always had fallbacks of AIS and Exhibition Park. We have been looking at multiple sites.

MR PETTERSSON: Just circling back to Mr Parton's line of questioning: what is the relationship like between the City Renewal Authority and the National Capital Authority?

MR CAIN: Is that a supplementary, Chair?

THE CHAIR: Yes, I think it is. I am going to pass that as a supplementary.

MR PETTERSSON: Definitely.

Mr Barr: Certainly, the engagement between the two agencies is very strong, and I will invite Mr Snow to talk a little about recent developments.

Mr Snow: Thank you, Chief Minister. As a former CEO of the National Capital Authority, I have worked very hard to continue to build a really strong working relationship between the two agencies. We have a lot in common, not just spatially because of the overlap with national capital plan controls in relation to designated land, which covers a fair chunk of the city centre, but also at a governance level, if you like. The two boards meet, generally, at least twice a year to discuss projects of mutual interest and talk about and share information about different strategies, not only relating to planning and development but also around activation.

Certainly, the NCA more recently has taken up the opportunity to activate to a greater extent through events, opening up national land for major events. Christmas in July was a good example of that recently. At an officer level, Mr Pettersson, there is a lot of engagement between the different teams—the two teams.

And with the renewed interest of Minister McBain, the territories minister, in the national capital, it is very encouraging for us to see that interest. We certainly want to take the full opportunity, through the interest she has shown, through closer work with the NCA.

THE CHAIR: Excellent.

MR PETTERSSON: In regard to that collaboration, is it a one-sided flow of ideas, or is it both sides trying to work together to propose ideas to activate that part of the city?

Mr Snow: I am confident in saying that it is a joint, shared and common interest—of course, the NCA has its planning controls, and those are difficult to change, and we all operate within those constraints—but certainly, when it comes to, for example, better connections between the city centre and the parliamentary zone; the work that is now going on in relation to improving, for example, pedestrian access across Commonwealth Bridge; and the work the NCA are doing, I understand, on Commonwealth Park and its future, particularly around master planning of that facility, which is, of course, important to us for Acton Waterfront. It should be one waterfront that is united and integrated. So, in the planning, the design and the development sense, we work within their controls, but at the same time we examine the opportunities for there to be mutual benefit in the way that those are integrated.

MR PETTERSSON: Thank you.

MR CAIN: Can I have final supplementary question on this line?

THE CHAIR: Just one, Mr Cain.

MR CAIN: Chief Minister, the announcement you made at budget estimates last year was prior to cabinet approving not to proceed with the stadium. Is that correct?

Mr Barr: Yes—the final decision on the preferred pathway as formalised by way of the infrastructure plan. But, clearly, the direction and advice to me as the relevant portfolio minister, and as the sponsor of the submission to cabinet, was that this was not likely to stack up. And so I think we see, as the relevant portfolio minister and the Chief Minister, and the minister in charge of delivery of the project, that it was appropriate for me to answer the question that you asked in the way I did.

THE CHAIR: Thank you.

MS CLAY: The SLA and the CRA—when they sell sites, they have got certain requirements for affordable housing and social housing, and they also have certain requirements for design and public amenity. I am trying to get a sense—and it might be two different answers, I am not sure—of what government does to make sure that those developments are built with those requirements delivered when they are actually built?

Mr Barr: Would you like to start first, Mr Dietz, and then we will go to Mr Snow?

Mr Dietz: Thank you. We will ensure when we take the site to market that the requirements are very much known in the tendering material or the auctioning material. That is then captured in both the sales contract, but also a PDA—a Project Delivery Agreement—which ensures that we can monitor, and we have appropriate contractual power over the developer to deliver on those affordable sites.

We also do, in most cases, or in every case, hold a security so that if we find that they

are not looking to deliver on those, we do have the power of holding back a security if they are unable to deliver.

MS CLAY: And how often do you withhold that security? How often does that happen?

Mr Dietz: Rarely—

MS CLAY: Yes, good.

Mr Dietz: We have not needed to enforce it to that level. There have been some instances, since I have been CEO, where we have had to get very close.

MS CLAY: Yes, right. And so do you do a visual? What is the end point for you say, “Yes, this has been built to spec”?

Mr Dietz: Usually, a developer, when they feel they have met all requirements, will look for their security back. At that point we will do an analysis to ensure they have met all those requirements before we release their security.

MS CLAY: What is your analysis based on? Do you go out and look, or do you rely on their information? How is that done?

Mr Dietz: I think it would change, depending on the site and the severity of the site, but often we will ensure that we are fully aware by either going out and looking, or getting a report from a superintendent, or getting feedback from the development manager. I think it would be quite different for each site.

MS CLAY: Yes, great; thank you. How does CRA do it?

Mr Snow: Almost—very similar to the SLA. I suppose the difference, however, is that it is only in more recent times that we have taken land to market, particularly in the central city, and on designated land sites that, as I said a moment ago, are under the control of the National Capital Plan.

In our design guidelines that we attach to the EOI documents that we take to market we take the view that purchasers have to satisfy themselves that they understand the planning rules, but we go further to help proponents, or potential buyers, understand exactly what we are looking for consistent with our city renewal goals, particularly around issues like sustainability and performance of those buildings—things that, perhaps, the National Capital Plan is not as explicit about that we want to be explicit about.

The proponents’ responses, when we get to assess them, are assessed against not only how well they demonstrate they have read those but how they can be put into practice in their actual design proposals, which ultimately move their way through into works applications or DAs.

MS CLAY: And you have the same process—you withhold security that is released at the end of the project?

Mr Snow: I think we would.

Mr Gillman: Yes. It is built into our sales contracts that proponents have to bond certain requirements.

MS CLAY: Yes, great. How often have you not returned that bond?

Mr Gillman: It has not arisen.

MS CLAY: So never?

Mr Gillman: No.

MS CLAY: Yes, great; that is a fine answer. And do you do a visual inspection at the end? How do you satisfy yourself?

Mr Snow: I think when we get to see the built outcome we definitely would be. But things would have gone horribly wrong—

MS CLAY: If by then—

Mr Snow: if we had seen things—that we had clearly asked for right at the very beginning through a DA assessment or works approval assessment process—that we would not have contemplated, or we had certainly allowed a situation to arise where a developer has not built what was approved.

MS CLAY: Yes, excellent. By all means refer me to the public source if I have missed it; I am outside my usual patch here: can you tell me how many dwellings we have of social and affordable housing that have come through SLA and CRA developments in the last few years? The last three years—whatever you have got.

Mr Snow: From the CRA, again, because we have not been taking sites to market, the answer is none.

MS CLAY: None, yes.

Mr Snow: But, of course, we fully understand our obligations to contribute to the target the government has set.

MS CLAY: Yes. So none yet. Any in—

Mr Snow: In the pipeline? Yes, in relation to at least one substantial site: block 121.

Mr Gillman: Seventy-five affordable dwellings are a requirement of the north-west clover leaf. I will not refer to it by its block and section number, in part because it has changed in the last few months.

MS CLAY: That will do me!

Mr Gillman: That is the development site that is presently occupied by Abergeldie, as part of their raising London Circuit works for Major Projects Canberra. In consultation with the new Coordinator-General for Housing, we put that requirement in, and that has been released to the market—a couple of months ago.

MS CLAY: Sure. I have noticed that different people are using different terms with different definitions. So, when you say, “affordable housing”, what do you mean? Do you mean 75 per cent of market rent through a housing provider? What do you mean?

Mr Gillman: Because this is a two-stage process, with an expression of interest stage which has a heavy focus, as Malcolm has mentioned, on sustainability and design but also the affordability, we are asking for proposals back about how that affordability is met. That is in consultation with the Coordinator-General for Housing.

MS CLAY: Yes.

Mr Gillman: But there are new products, as has come up before. So, the build-to-rent product, and the 75 per cent of market rent is an option, but we are looking for the best proposals that come back, and then we will down-select to a tender stage based on that.

MS CLAY: Yes, sure; so, affordable housing, but you have not picked the model yet.

Mr Gillman: It is a key criterion for the assessment of the proponents.

MS CLAY: Yes, sure; that is great. And, Mr Dietz, can you?

Mr Dietz: Yes. There are notifiable instruments which ensure the affordable housing requirement on the land that we release is publicly available.

MS CLAY: Yes, great.

Mr Dietz: And with regard to our ability to meet that notifiable instrument, since the SLA’s inception, which is about six years now, those instruments have required SLA to deliver enough land for 1,922 dwellings. Over the six years we have delivered enough land for 2,053 dwellings, so we have actually been able to deliver slightly more than the aggregation of those notifiable instruments.

MS CLAY: That is excellent. And affordable housings—what kind of model is that?

Mr Dietz: It is the definition with regard to the ACT’s affordable housing purchase scheme, which is driven by a person’s ability to afford, based on their income.

MS CLAY: Excellent. So, if we look up the definition it will be the affordable housing purchase scheme?

Mr Dietz: Yes.

MS CLAY: And I am sorry to do this. I have noticed over the last few months that different people are using the same words with different meanings.

Mr Dietz: Yes.

MS CLAY: Thank you.

THE CHAIR: Thank you, Ms Clay.

MR PETTERSSON: What does the future of City Hill look like?

Mr Barr: Hopefully more human usage than rabbit usage, in short! What I have asked Mr Snow and the CRA team to begin work on is reimagining the space as a city park rather than the centre of a roundabout, a rabbit warren, and the place where there is a flagpole. I have asked the CRA to engage with the National Capital Authority as they clearly have a significant role in any works approval, and, obviously, the usage of the park and what is allowed and what is not is contained within the National Capital Plan and requires a works approval from the NCA. So, it is an example of a project where the two levels of government will need to work together towards a shared objective.

In raising this with Mr Snow, he has suggested, and I have agreed, that some form of ideas competition should be undertaken within the parameters of its current land use that is allowed, so I am not asking—

THE CHAIR: For a casino; a new Assembly building!

Mr Barr: Yes, or a football stadium, for example. We are talking about a city park, and what is allowed under the current zoning. I raised with Mr Snow and the board of the City Renewal Authority that I believe we could do better with that facility and that it should not be a place that has a higher rabbit population and usage than people. Mr Snow, you had some very good ideas about the thinking around the design ideas competition, so I think it is reasonable to air some of those.

Mr Snow: Thank you, Chief Minister. It is very early days, Mr Pettersson. We are picking up the challenge that the Chief Minister has thrown us. I think it is important that we are clear about how we want to go about something like an ideas competition. There is a tried and true approach to that genuinely, at the end of it, delivers not only some interesting ideas but we would like to think engages the Canberra community in the discussion about the future of that place.

It sits, as you know, on one apex of the National Triangle. It sits terminating the axis with Parliament House. Suffice to say, it is a really important place. We will, over the next few months, bring back to the Chief Minister a proposition about what we would be asking people to come forward with in that ideas competition. The Chief Minister is correct: the National Capital Plan controls currently retain it as a park, albeit very inaccessible at the moment. That inaccessibility is also a question that we clearly would want to address. The plan provide for a minimal structure but a structure associated with the need to create a reason for people to want to go there, which would be complementary to the park.

We have also got to be acutely conscious that it is also a heritage place. It has heritage

trees. There are a number of issues we cannot simply ignore but will need to work through in setting those parameters when we get to document them and take them out. I would think a site as important as this would generate national interest, if not international interest. That is probably getting a bit ahead of ourselves, but it is arguably one of the most important public spaces we have in the city centre.

Mr Barr: I will make a couple of quick observations. This is not the first time the authority has been thrown the challenge of seeking to better activate a heritage park. Haig Park is a contemporary example with heritage plantings. To the great credit of the authority, working with the community, they have transformed a place that was routinely rated as one of the least safe spaces in our city and one of the least utilised parks, into a place that now hosts a regular market and has a community centre built, with investment in paths, lighting and furniture, and some programming. It is now a place that has a great deal of community utilisation and is a much safer place for people to be.

As a down payment on the accessibility question, at my insistence the authority worked with the NCA to create the east-west footpath link that connects the two pedestrian crossings, at Constitution Avenue on this side and at Edinburgh Avenue on the other. So if you want to walk from the eastern to the western side of the city, you now have a path to do so and two signalised crossings of Vernon Circle. Previously you would have had to run over the hill and then run across the road without any signalisation.

So already we have made a significant improvement in the pedestrian connectivity, but we will clearly need to do more to ensure that, over time, it is more than the centre of a very large roundabout, a place where there is a flagpole and an obelisk and a lot of rabbits. I think we can do better. I hope that that would be a shared view in this place and in the broader community. I think the City Renewal Authority is the right entity to manage the process of delivering a great new park for central Canberra.

MR PETTERSSON: In terms of sequencing, there is a lot of construction going on around City Hill as we speak. There are blocks of land being released as well. Is this a project that can be done at the same time or is it the case that, once all these other big projects are finalised, then we turn our eye to it?

Mr Barr: I think there can be some work undertaken in parallel. I would not want to pre-empt the outcomes of the ideas and engagement process. I suspect there might be a need to do work in a series of stages. In the context of the government's consideration of the cultural precinct on the eastern side, including the new theatre build and the land release that is on that block on the corner of Constitution Avenue and Vernon Circle, it is important—and, again, this is a discussion that we have had with the City Renewal Authority—that the buildings there seek to address Vernon Circle and have an engagement.

If I were to make an observation about the Supreme Court in particular, that new building essentially turns its back on City Hill and has its public access through Knowles Place, on the western side. I do not think all of the built form around City Hill should turn its back on the hill. I think there does need to be engagement with the street address that is Vernon Circle. We are certainly looking at that, on the cultural

precinct side, and in the land release that Mr Gillman referred to earlier that has the housing component and the site that is earmarked for the new pavilion.

There is going to be a light rail stop, city south, right near all of this, so we do need to have street level engagement with Vernon Circle. I think that will also then provide a degree of passive surveillance of City Hill as well. There will be buildings and interaction with it at a street level, as well as looking over it. Safety is obviously an important element. I cannot think of a more central location in the context of our CBD and it is space that I do not think anyone would argue is being well utilised at the moment.

MR PETTERSSON: Thank you. I look forward to it.

THE CHAIR: It is a horribly under-utilised space, given how significant it should be, but it is not really significant to anyone at the moment, as you pointed out, irrespective of the fact that it is easier to access by foot—but nobody is.

Mr Barr: I use it frequently, but that is partly because I have relatives who live on the other side of the city.

THE CHAIR: That is the only reason I use it: walking from here to over there. I understand that planning, access and major discussions would have to have been undertaken, but I am always perplexed as to why the light rail did not just go straight over City Hill.

Mr Barr: The National Capital Authority, through the National Capital Plan, made quite clear what the public transport route was.

THE CHAIR: You are talking about further developing a park there. Because it is right in the middle of Vernon Circle, irrespective of the traffic light situation that you are putting in place, it is always going to be problematic for people to get to.

Mr Snow: The point of light rail is that, as a mass transit system, it needs to be able to access the passengers that need to get onto it. The city stop, and then going as fast it can down Commonwealth Avenue, I think misses the opportunity to service the ANU, which clearly the 2A route does, and to service the further extensive development that is going to be happening on that western side of the city centre.

THE CHAIR: That is all academic.

MR CAIN: Chief Minister, you mentioned earlier your portfolio responsibilities. What is your recommended use of City Hill that you might put forward to the NCA or to cabinet?

Mr Barr: The uses within the current National Capital Plan permitted uses. What I am saying is that I am not advocating that we go to federal parliament and seek a change to the National Capital Plan to do something.

MR CAIN: That is possible, though, isn't it?

Mr Barr: It is, but that would effectively mean starting a 12 to 24-month process and then you would need to have a specific use in mind. My view—and the reason I have raised this and started this process—is that it should be a park that the community can use. As Mr Snow indicated, within the permitted uses there could be some form of small business opportunity to enable a cafe or some other type of service delivery there, to give a degree of amenity for the users of the park.

It clearly needs to be made more accessible, but I think we need to project ahead five years and understand that it will not be as isolated in terms of activity as it currently is because there will be land release entirely around it. All of the blocks of land will have been released for particular purposes by then. A number of the current construction projects will have finished. There will be a light rail stop right nearby. It does present the question: why now? Should we do the work now and then we can make some investments over the next four or five years, and it forms part of the renewed city centre?

MR CAIN: When you say “park”, do you mean just an open green space or with equipment or a cafe?

Mr Barr: I mentioned the idea of some form of cafe or business. I believe that to be permissible under the National Capital Plan. On the question of what level of other infrastructure there might be, as long as it is consistent with the National Capital Plan and the community are engaging and supportive of that infrastructure, then, yes, that would make sense. You would need to provide a degree of furniture, places for people to sit, to recline. It is like any other park facility. You would need to have a range of different potential uses.

THE CHAIR: We will have to clear out the current tenants as well.

Mr Barr: Conceivably, some of the rabbits. Certainly, there is a pest control issue as well, but I suspect that this would be a catalyst for that particular activity.

MR CAIN: Given the time frame we are looking at, with the light rail probably needing to be completed before the park or whatever it is going to be started or completed, a rezoning discussion with the NCA would certainly seem to be within scope, given the time the other works are going to take.

Mr Barr: That would take, as I say, several years. That is the process to get through both houses of federal parliament, after a joint standing committee inquiry. It is slower than the Assembly processes and even then takes time. To be clear: I am not proposing a building of any substantial size in the park.

MR CAIN: Going to budget statements E and page 68, I notice that the estimated outcome for land sales revenue for 2022-23 was zero dollars. I know there is a note to explain that, and I will get to that. As the note says, on page 88, that is a decrease of \$46.6 million that was budgeted and forecast for that. The note says it was due to delays in the settlement of land due to the raising of London Circuit project. Is this going to be an ongoing impact: delayed settlements? Have we got contracts that are executed that are not going to settle until sometime way in the future, which will produce unusual outcomes in the budget papers?

Mr Barr: Mr Gillman, I think, can assist there.

Mr Gillman: Yes. That deficit that you refer to is related to two sites. That is part of that north-west clover leaf that I referred to before. Apologies: a correction. I said 75 affordable dwellings; it is 70 affordable dwellings on that site. I will correct the record.

THE CHAIR: They are already scrimping! Sorry, Mr Gilman. I am sorry.

Mr Gillman: That was part of that site only. The site that was recently announced as sold to the ANU for the health and research facility was the other site. The north-west clover leaf has been released, under a two-stage process. We intend to conclude that process at the back end of this year and then into contract early next year. The sale of the Westlund House site has been exchanged and completed and moneys transferred. Technically, we cannot settle that site until it is unencumbered by the raised London Circuit compound that is presently in situ, so that settlement will be at the completion of those works.

There is one further site, which is the car park site between the Melbourne Building and the law courts. That was the subject of a commonwealth expression of interest for office space which commenced some three years ago. Their process is still subject to finalisation. Pending the finalisation of that process, that site will either settle or not. They need to conclude a lease arrangement with a successful proponent as part of their process. Once they do that, we will know the outcome. It is a condition precedent of the sale contract for us.

MR CAIN: But contracts have been exchanged?

Mr Gillman: The contracts have been signed and it is a condition precedent in the contracts that there is a concluded lease, an approved lease, with the commonwealth. Once that is achieved, should they achieve it, then the condition precedent on our contract is satisfied.

MR CAIN: Forgive me if you have already answered this. How long do you expect that to take, roughly?

Mr Gillman: We did not expect it to take the three years that it has taken. The process is still under consideration by the commonwealth, the developer and the planning authority, being the NCA.

MR CAIN: Thank you.

THE CHAIR: Chief Minister, I am going to return, in part, to a subject that we have touched on already in these hearings but that I think is important to flesh out. A number of people have been involved in public discussions about this and I think it is important that we get a clearer understanding of the government's position on things that were put forward. I refer to the Realising the National Capital Plan proposal that was submitted by a consortium of Canberra businesses, industry leaders, sporting organisations and other related stakeholders. Their plan involved the construction of both an inverted bowl design stadium and new high-rise convention centre in the inner

city east entertainment precinct. I want to know: what consideration did the City Renewal Authority or indeed the government give to this plan, considering the scale of the proposal and its relation to CBD renewal and precinct activation?

Mr Barr: I might let Mr Snow speak about the CRA process. The government received it and I initially referred it as an unsolicited proposal. It turned out that there was actually no proponent, so it was not able to proceed through an unsolicited proposals pathway. It was an idea someone had put in but there was no actual money and no entity behind it.

THE CHAIR: It was still quite well developed, though, wasn't it?

Mr Barr: No.

THE CHAIR: You do not think it was quite well developed?

Mr Barr: No. It was a series of suggestions, but it turned out that, when we asked for further information, there was actually no proponent. It was a group of organisations getting together and deciding how to spend someone else's money, in large part.

THE CHAIR: Would it have been considered differently if there had been a proponent at the centre of it?

Mr Barr: Yes. It would have gone through the unsolicited proposals framework and there would have then been an interdepartmental taskforce that would have engaged with the proponent, sought to understand the nature of the proposal and their financial contribution to it. Largely, these proposals—and there have been a number of them over the years, and not just on these sorts of things—have sought to bring forward ideas to spend either commonwealth or ACT money, or both, and have earmarked an unspecified private proponent to then make a financial contribution. When we have pressed the issue as to who is the private sector proponent, there is none.

THE CHAIR: The National Rugby League have come out strongly in support of a civic stadium. They have compared Canberra to the likes of Parramatta, Townsville and Melbourne, all of which have venues in close walking distance of their CBD. I believe Rugby Australia and the Australian Professional Leagues have expressed similar sentiments. I know that we have touched on this already, but do you dispute the NRL's claims that the locating of a stadium in the CBD would greatly enhance the overall event experience and give an enormous boost to many things in the centre of Canberra?

Mr Barr: To a certain extent I do because there is no evidence to support that. Even in the best case scenario of three football tenants and a commitment—which they have failed to provide and in fact have been walking away from—to guarantee any additional content by way of special fixtures, the usage would be around 30 times a year. So you would have 330 days when there would be nothing happening at that venue. That is lots of days when nothing is happening.

THE CHAIR: You could say the same thing about the MCG, though, couldn't you?

Mr Barr: Its utilisation is significantly more than 30 times a year. Generally, across the AFL season they often stage three games per weekend. They are also obviously host to cricket and a range of other events, including large outdoor concerts.

THE CHAIR: Which you could not really budget on until you actually had the venue in place, could you?

Mr Barr: I think you can make an assessment about the likelihood and the number of those events. It is conceivable that there could be a handful of concerts each year, but they are largely going to be in the summertime. I do not think anyone is bringing an outdoor event at night to Canberra in June, July or August.

THE CHAIR: I would go.

Mr Barr: There is a summer touring series, but we have other outdoor venues that would be suitable for such a large outdoor event. In the preparation of the business case for a new stadium there will be an assessment of the potential for a number of events. I have seen what the Tasmanian government have suggested for the Hobart stadium. Given that it would be linked to a Tasmanian AFL team, and they would play their home games there, I think they have proposed that that stadium would attract something like seven NRL games. I am not sure who is selling seven NRL games into Hobart. There are certainly a few that are for sale each year, but I do not know whether they would get seven.

Where I am going with this is I do not think it is appropriate to suggest to people that the utilisation of the venue would be a significant number. I suspect that if there was an A-League team then the number of events would get over 30. If you were then able to secure a handful of concerts and other events you might get to 40, but the idea that it would be used several hundred times a year, as some of the big city venues are, seems unlikely.

THE CHAIR: All right. That is sufficient for me.

MS CLAY: Minister, ACT Policing have discussed the possibility of moving their head office from Winchester station in Belconnen into the city. Is the SLA involved in any discussions about that?

Mr Barr: The CRA?

MS CLAY: The SLA and CRA; would both be involved?

Mr Barr: No; just the CRA.

MS CLAY: Excellent. Has the CRA been involved in any discussions?

Mr Barr: Yes, we certainly have. As part of investigating potential sites the CRA has looked at a few. There are a couple of possible options on Constitution Avenue. I think at least one of those is a preferred site for convention facilities, though, so I suspect, without absolutely reaching a final conclusion, that the most likely site is on Constitution Avenue but more down the eastern end of the avenue.

MS CLAY: That would leave a pretty big urban renewal site in Belconnen. Has the SLA had any thoughts about that site?

Mr Dietz: Not specifically on that site, I do not believe.

MS CLAY: When would you start thinking about that? When would proposals start being worked out for that?

Mr Barr: I guess once the government had made a decision to—

MS CLAY: Does that happen early on in the piece: the decision gets made?

Mr Barr: It certainly would have been, yes. There is a very clear pathway that you will see a new police headquarters in the CBD, a new city police station, combined with the new police headquarters. It is exactly as you have said in Belconnen: we are not yet at the point of saying, “That is definitely what we are doing,” but that is definitely the direction we are headed in.

MS CLAY: Great. Is that likely to happen this term?

Mr Barr: It could. I think it is subject to some further work. We funded some feasibility work in this year’s budget for Policing to undertake that further assessment of what their needs would be. I have, as a precursor to that, asked the City Renewal Authority to identify any suitable sites. They have identified some. Once we make a decision that, yes, we are going to pursue a procurement on an identified block of land for a new headquarters and city police station, that would then trigger a decision in relation to the site that the Winchester centre is currently located on. The Suburban Land Agency would then be tasked with looking at potential opportunities and options on that site. I think it is worthwhile for people to start thinking about it, but it is not 100 per cent opt in yet.

MS CLAY: We are not up to that stage yet.

Mr Barr: No.

MS CLAY: That is great. I imagine Belconnen Community Council and the entire community will be very interested to participate in those conversations.

Mr Dietz: Yes; you are right.

MS CLAY: Would you start that consultation quite early in the thinking?

Mr Dietz: Yes, definitely, and it would most probably leverage the consultation we have already taken for some significant sites in Belconnen and use a very similar process.

MS CLAY: Great. Those consultations were well run, so that is an excellent model. Thank you.

Mr Dietz: I will pass on your thanks to Irena Sharp, who is sitting behind me.

MS CLAY: That is great.

Mr Barr: I would also observe that, should there be that decision taken for a new city police station, once that city police station was built, the current city police station site would then be a site that the City Renewal Authority would need to undertake a similar process on.

MS CLAY: Thank you.

MR CAIN: With respect to last year's Woolley Street upgrade, who actually decided that it was needed?

Mr Barr: The government did, ultimately, but based on engagement with the community, including businesses in the area. Mr Snow might want to elaborate on that.

Mr Snow: Thank you, Chief Minister. Mr Cain, there has been a long history, over two, possibly even three years, of engagement with both property and business owners in that part of Dickson. I am trying to think of the year, but probably three years ago we embarked on an exercise called the Woolley Street experiments, which was to put in place temporary traffic and public space improvements. We let that local community come back with comments about the value of those potential improvements. The outcome of that consultation, which had those temporary installations in place for some time, clearly gave us the confidence to take it to a proper project. That was then the subject of a feasibility and business case to government to proceed and the funding was provided through the capital program.

MR CAIN: How comprehensive and thorough, in your opinion, was the engagement with the local businesses about undertaking this upgrade?

Mr Snow: I think it was very comprehensive. I would go so far as to say that the feedback, during particularly that experimentation phase, gave us the confidence that both the property owners and the businesses would be supportive. It also highlighted to us the importance of being sensitive to their needs, particularly around parking, accessibility, and the opportunity to be, if we were to do permanent construction works, very, very particular about the construction management. Any time we do any kind of streetscape improvements in commercial or business hubs, this is a priority for us. We do not want to build a situation where our actions contribute to small business failure or anything serious such as that.

Mr Barr: These projects and upgrades in Dickson did not just commence with the City Renewal Authority; they were informed out of the Dickson master planning process that Mr Ponton's department undertook.

Mr Snow: In 2015.

Mr Barr: Even earlier, wasn't it?

Mr Snow: Yes.

Mr Barr: Yes. That master planning work identified areas for urban renewal and it identified areas where there would be land release. I live in Dickson, I declare that, and there is dramatic change. The second supermarket will soon open. Then there is the DKSN development that includes the ACT government offices, adjacent to the light rail stop; the new housing; the sale of the Dame Pattie Menzies building blocks for urban renewal; Cape Street; Woolley Street; and the next phase of the renewal of the Dickson group centre. The CRA are leading, and that is in what we would call the core retail area. It has a beautiful scale in terms of building height, but I think even its greatest fans would say it is in need of some further TLC. That is a project that the CRA are now leading, having completed work on Woolley Street.

MR CAIN: This is kind of a before and after question. How prepared were the businesses in their understanding of the amount of disruption there would be to their business during the upgrade? What did they know before this upgrade and what was the actual impact on them that they could assess afterwards? Were the two views in alignment or not?

Mr Snow: Thank you, Mr Cain, for that question. As I said, we worked very, very hard to ensure that there was proper information flowing about the future of the street but also about input to the design concepts, particularly around issues such as parking. It is an eat street, as we like to call it, so it is particularly focused on food businesses, hospitality businesses. There are now opportunities to further expand the use of the public space, particularly if it is improved.

The feedback that we are already getting is that the promise that was made to property owners and businesses about improved conditions has largely been achieved. I am not aware of any particular business that has a gripe with what has happened, but we continue to monitor, as you would expect. A post-project evaluation is ongoing as to how people are using the street, and we continue to invite feedback that would enable us, in further public space improvements in Dickson, to address any concerns.

Mr Gillman: Mr Cain, Malcolm referred to the comprehensive consultation. That was ongoing through the project. I might just add that, unequivocally, the project was delayed, so the anticipated impact on business was longer than anyone had hoped. That was due to international supply chain constraints. Getting paving was absolutely crueing our contractor, and getting labour was absolutely crueing our contractor. They are a local contractor. Unequivocally, the works did take longer than anyone had hoped.

One of the benefits was being able to increase pedestrian safety. That is done through the shared pedestrian zone, up in the bend at Woolley Street. Another benefit was the event that was held for Luna New Year. On the second Saturday of that event period—much overwhelmed—7,000 people attended the Luna New Year event space in Dickson, which was part of the planning intent.

MR CAIN: Thank you.

Mr Barr: The date for the Dickson master plan was May 2011. So this has been a

more than a decade long series of works in Dickson that were identified as part of the master planning process that occurred in the lead-up to 2011.

THE CHAIR: Thank you.

MR PETTERSSON: Can the committee get an update on Acton Waterfront?

Mr Snow: Thank you very much, Mr Pettersson. The stage 2 land reclamation boardwalk landfill has now been completed. It reached practical completion late last year. That area, which is reclaimed lake bed, is now subject to what is called settlement. The rockfill needs to settle so that it then can provide a stable foundation for the park. The CRA have now submitted a design proposal for the park, to preliminary sketch plan stage, to the National Capital Authority for consideration approval. The NCA, no doubt, will confirm whether that concept document complies with the National Capital Plan, because, again, it is on designated land. That park design, as I have said previously, is one of the most consulted projects in Canberra's history.

Mr Barr: It dates back to 2004.

Mr Snow: 2002.

Mr Barr: 2002, so we are in year 21.

Mr Snow: There have been countless parliamentary inquiries and National Capital Plan amendments et cetera. It is important that we take the community on the journey with us, as we have with this next phase of the park design. We wait to see the outcome of those works applications. There were three of them. One related to preparatory stormwater works that need to be done on the site before we start loading up the rock with soil to create the new park—a park, by the way, which is the equivalent of Glebe Park in size, so over three hectares. Work continues in support of those works applications. We have put into the public domain now what effectively is a master plan for the development behind the park.

We have work to do in relation to fine-tuning that, understanding how we would take that land to market as part of the land release program, but the important priority right now is to get the approval. We have the generous funding provided by the government to implement that park design, a total budget of \$35 million. The engagement, not only through the design process, will continue, particularly with First Nations and the Ngunnawal, because we think this is an opportunity for a park on the lakefront to do something outstanding on a national, if not global, basis.

MR PETTERSSON: One of the constant things that I hear is that it is reasonably challenging to connect from the city over towards the lake. How are you seeking to address some of those challenges?

Mr Snow: Good question. Thank you. Parkes Way is both a psychological and physical barrier to those connections. Canberra is no different from many other cities that have the type of road infrastructure that does exactly what we are struggling with here in Parkes Way. The way we propose to address that—again, without any

commitment from government or budget funding—is that the master plan that I talked about puts forward the proposition that there could be several new pedestrian and possibly green bridges across Parkes Way.

That work has to be informed by a current study that TCCS are undertaking on the future of Parkes Way, particularly that central section, to understand and be sure that what we get right is that it continues to function as a critical arterial route, east to west. At the same time, that could also address how we would bridge it. Notions of putting a lid over it have long been abandoned because of the sheer cost. The pragmatic approach that we are taking, and that we will investigate further from a design point of view, is to look at stitching the road layout of Civic into and across Parkes Way, into the new street layout of the estate on Acton waterfront.

With the proximity of light rail, ultimately the thinking is that it must be a place that supports active travel as well. That means not only light rail but also that it is a place that really is very friendly to pedestrians and cyclists and that cars, if there are to be cars, are managed very carefully.

Mr Barr: Obviously, before we can get to the Parkes Way issue we needed to resolve the London Circuit issue and the Vernon Circle issue in terms of connectivity. You have a complex web of clover leaf, high speed car movements. Before we can get to the Parkes Way challenge we need to address the others, which are now funded and under construction solutions. In the interim there will remain the pedestrian bridge that connects the waterfront through the New Acton precinct. There is also the existing bridge on the western side of the New Acton precinct, outside the Nishi building, that gives you pedestrianised access over to the western part of West Basin.

I think there is a good discussion to be had with the commonwealth as it relates to the current width of pedestrian access on Commonwealth Avenue. There are footpaths, but the nature of the physical barrier between the road and the pedestrian area means that it takes up quite a bit of space on the pedestrian side, which means that even just two people walking find it difficult to pass. I think there is a relatively low cost way of improving the walkability. You then, at least in an interim sense, would have four different pedestrianised connections within about a kilometre, in the east-west range. There would be Commonwealth Avenue, the footbridge, the Edinburgh Avenue one and then, ultimately, the land bridge that is the tunnel over at ANU that would get you to the furthest point on the western side of the Acton waterfront precinct that connects to the National Museum.

MR PETTERSSON: Very exciting.

MS CLAY: First of all, how many public housing dwellings will be included in Acton waterfront?

Mr Barr: That decision is yet to be confirmed. There is a definite decision in relation to a build-to-rent element within the area. There is not yet a decision as to whether it will be financially viable for Housing ACT to be in the precinct. There certainly will be build-to-rent, so it will not be an exclusive, owner-occupier, high end residential development. There is an opportunity cost question for Housing ACT as to whether it will be affordable by Housing ACT to be in that precinct.

MS CLAY: When does that decision get made?

Mr Barr: In several years time.

MS CLAY: It is an interesting question. The notion of building a new brownfields precinct without public housing is interesting, particularly when it is so well located to services.

Mr Barr: I think there will be a social housing element. I cannot confirm that there would be a public housing element at this time.

MS CLAY: Excellent. You mentioned there was a low cost means of improving the pedestrian and, I assume, cyclist usage of those bridges. What is that low cost means? You are quite right: two people and you put a bike or a scooter on there and it is outrageous.

Mr Barr: Yes. I think if you were to remove the current fairly bulky and inward leaning road barriers and replace them with something that did not intrude on the angle that it does, you would significantly increase even just the existing space there. That would make that path wider. It would also potentially be open to the National Capital Authority to look at what they can do on the eastern side. There is also currently a footpath—but, again, not a particularly wide one—that runs with Commonwealth Park on the eastern side and then the southbound roadway on the western side. It is quite a narrow path as well. It does go to a signalised intersection. Of course, there will be light rail stops as well.

MS CLAY: Yes. Part of the problem is that we have at the moment a pedestrian bridge with an angle that is not particularly well built, which I think user groups probably would have not particularly liked at the time. At what point in the design process for that would you consult with Pedal Power, PTCBR and the general community to make sure that we get that design right? I say this in the context that some of the light rail stuff is being done well and some of that is not, so it is quite important to get in early, at the design stage.

Mr Barr: Well ahead of the submission of a works approval application would be the time to do that.

Mr Snow: May I add that, with the work that we have been doing around the master plan, and particularly for the Commonwealth Avenue frontage, it is clearly a requirement of the National Capital Plan to set buildings back and create a very generous avenue that incorporates generous paths and opportunities for cyclists and pedestrians. When we get to the bridge, we have to explore those opportunities, as the Chief Minister says, to effectively give consistent treatment to the verges on both sides of Commonwealth Avenue.

MS CLAY: Yes, we certainly do. I have seen some choke points on some of our light rail designs as they are. Some of it is excellent and some of them are quite worrying choke points. One choke point can destroy the entire connection, frankly.

MR CAIN: With regard to the Acton estate, it is my understanding the land behind the waterfront park will be the residential and commercial development. Will that commence in 2025-26 or is that just when the land will be released for development?

Mr Barr: The land release time.

Mr Snow: Correct. Yes, that is the financial year in which we propose to take the land to market.

Mr Barr: I would certainly be asking the authority to have that at the front end of that fiscal year, if that is at all possible.

MR CAIN: Did you monitor the economic impacts on the businesses in Woolley Street during the disruption period?

Mr Snow: Not to my knowledge, no.

MR CAIN: Was any compensation paid to any of those businesses?

Mr Snow: Not to my knowledge, no.

THE CHAIR: All right. I think we might call it a day. The committee's hearing for today is now adjourned. On behalf of the committee, I would like to thank the minister, statutory officers and officials who have appeared throughout the day. If you have taken questions on notice could you please get those answers to the committee secretariat within five working days of receipt of the uncorrected proof. If members wish to lodge questions on notice, please get those to the committee secretariat, via the portal, within five working days of the hearing. We will be back, ladies and gentlemen, to do it all again tomorrow. Thank you.

The committee adjourned at 4.59 pm.