



**LEGISLATIVE ASSEMBLY FOR THE  
AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON ECONOMICS, INDUSTRY  
AND RECREATION**

(Reference: [Inquiry into Annual and Financial Reports 2023-24](#))

**Members:**

**MR T WERNER-GIBBINGS (Chair)**  
**MS F CARRICK (Deputy Chair)**  
**MS E LEE**  
**MS D MORRIS**  
**MR S RATTENBURY**  
**MR T EMERSON**

**TRANSCRIPT OF EVIDENCE**

**CANBERRA**

**WEDNESDAY, 12 FEBRUARY 2025**

**Secretary to the committee:**  
**Ms S Milne (Ph: 620 50435)**

**By authority of the Legislative Assembly for the Australian Capital Territory**

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

## APPEARANCES

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*Amended 20 May 2013*

## **The committee met at 9.51 am.**

### Appearances:

Paterson, Dr Marisa, Minister for Police, Fire and Emergency Services, Minister for Women, Minister for the Prevention of Family and Domestic Violence, Minister for Corrections and Minister for Gaming Reform

### Justice and Community Safety Directorate

Johnson, Mr Ray, Acting Director-General

Ng, Mr Daniel, Acting Executive Group Manager: Legislation, Policy and Programs

### Access Canberra

Mangeruca, Mr Giuseppe, Acting Executive Branch Manager, Corporate Support and Capability

Bassett, Dr Louise, Executive Branch Manager, Fair Trading and Compliance

**THE CHAIR:** We welcome the Minister for Gaming Reform, Dr Marisa Paterson MLA, and officials from the Justice and Community Safety Directorate, the Gambling and Racing Commission, and the Chief Minister, Treasury and Economic Development Directorate. I remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the privilege statement. Witnesses must tell the truth. Giving false or misleading evidence will be treated as a serious matter and may be considered contempt of the Assembly. When you first speak, please confirm that you understand the implications of the statement and that you agree to comply with it.

As we are not inviting opening statements, we will proceed to questions. I have one or two. I would like to open by asking about the issue of banning gambling advertising, specifically regarding harm minimisation. I am thinking about two sons who have phones and, I imagine, are exposed to online gambling advertising. What steps can or is the ACT government taking to ban gambling advertising?

**Dr Paterson:** Thank you for the question. We know that this is a problem nationally. There has been a lot of research building the evidence base of the impacts of advertising on children and young people. We know that the recall of young people of advertising and betting brands is significant, and we know that this mainly happens around sporting events. It is through advertising and sponsorship through sporting events that this occurs. Ultimately, this is an issue for the federal government. This is national communications policy. They held a committee inquiry into this nearly two years ago, I think. The parliamentary committee provided a very comprehensive report around reform that they felt was appropriate in Australia. That report has not been responded to yet by the federal government.

Last term, the ACT government put out consultation via YourSay, seeking input from the community around the impact of gambling advertising on children and young people in the ACT. It presented a couple of options to the community in terms of restricting advertising and was interested in feedback on these options. I think there were 141 responses to that YourSay consultation. Overwhelmingly, people felt that advertising should be banned and that the ACT government should go further than the

two options that were presented. We released that report last week. That is something that will be considered further by the ACT government in terms of actions and the pathway that will be taken.

**MR EMERSON:** As you indicated, the listening report indicated strong support for a broader ban on gambling advertising. I note that for the two options explored both included exceptions for dedicated sports channels, which to me seems almost like banning alcohol everywhere except in pubs and bottle shops. What is the reason? I know that is what has happened in South Australia, but I think they might be looking at removing that exemption. What is the reason for including that exception?

**Dr Paterson:** It is very difficult to regulate commercial companies. For free-to-air television, the federal government and the ACT government have a little more leeway to regulate that environment. The challenge in the ACT is that we get the New South Wales broadcast. It is a bit different to South Australia. The states have their own broadcasts. It is more challenging in the ACT to do this. As you said, we are seeing more and more sports on pay-per-view type TV. It is then a question for parents—whether they allow their children to watch a game or purchase a game—whereas we are seeing advertising through all sorts of TV shows; it is not just sport. There is a little difference for commercial streaming services. I think there are more challenges there. Again, ultimately, this is an issue that is best placed with the federal government to reform, but we will see what we can do here in the ACT.

**MR EMERSON:** Given these findings, will you be lobbying the federal government to actually follow through on the recommendations that we have seen?

**Dr Paterson:** I have been actively lobbying the federal government for a couple of years and will continue to do so. Ultimately, we know the evidence base is there—around the harm and the impact on children and young people. These are products that are only offered to adults over 18; but, anecdotally, we are hearing more and more about children accessing betting applications. Also, if you talk to school teachers, they will tell you that young kids are talking about multis and that type of thing. These are adult products. They should only be advertised to adults. Ultimately, the best case scenario is that the federal government legislates to reform this nationally.

**MR EMERSON:** Do we have a timeframe on what we want to do at the ACT level? Noting there is a federal election, it does not seem that this is going to happen soon federally. Are we going to try to do this quickly in the ACT?

**Dr Paterson:** We have the listening report. That was released last week. This will be for active consideration for government—

**MR EMERSON:** Something for this year?

**Dr Paterson:** It will be actively considered, so we will work on what options are available to us.

**MR RATTENBURY:** In light of that, are you willing for the ACT to act without support from the federal government? If they take ages, are you willing for the ACT to move first? That was the point of the earlier consultation.

**Dr Paterson:** Yes. Given the delays and that things have stalled, I think it is appropriate for the ACT to explore what we can do. It is a significant issue that faces our community, so we need to look at what we can do. As we have seen from the listening report, and as I have seen from the petition I ran last term, there is very strong support to see the advertising addressed.

**THE CHAIR:** We will come back to gambling, but I will pass to Fiona.

**MS CARRICK:** My question is about the authorisations. If the authorisations are linked as a proportional reduction by 2025, how does that relate to the Diversification and Sustainability Support Fund?

**Dr Paterson:** It does not—only in that there are different tiers, for large clubs and small to medium clubs, in applying for grants through the diversification fund.

**MS CARRICK:** Is there any financial test on payments through the Diversification and Sustainability Support Fund? I ask that because we have some very large clubs that can afford very big developments being funded through this fund.

**Dr Paterson:** I will ask Mr Ng to explain some of the background of the Diversification and Sustainability Support Fund. It is a fund that was set up a few years ago. It looks at supporting clubs to diversify. They can apply for grants through this process. The applications go to an independent committee that assesses the applications. This fund was established to support clubs to diversify their businesses.

**Mr Ng:** I have read and acknowledge the privilege statement. As the minister indicated, the fund was set up in, I believe, 2018-19. It was the outcome of a process whereby an independent consultant was engaged to work with the club sector to identify appropriate diversification supports to support the club sector to diversify its revenue away from gambling. The establishment of the fund was one of the key recommendations of Mr Neville Stephens, who is the consultant that conducted that work.

The original funding model was one where there were co-contributions from the government and clubs. The club contribution is based on the number of authorisations held by each club, and there is a levy that is taken based on each authorisation. The process that is gone through to allow for distributions of the fund is multipart. In a sense, the question you are asking, Ms Carrick, is about whether there is a different treatment for small and medium clubs in terms of the distributions from the fund.

**MS CARRICK:** I realise that there are different tiers in the fund, but, where you have very large clubs that are doing really significant developments—they have enough money to do that—why are we providing government funded support to them when they have significant financial capability?

**Mr Ng:** The fund is capable of making distributions to all parts of the club sector, including, as you described, the clubs with high-revenue capability. The tiering process the minister has referred to is the structural mechanism to ensure that different parts of the sector are supported differently. The tier 1 applications, for a maximum of \$25,000, can be submitted by any club at any time, but there is a special category of tier 1

application that is only available to small and medium clubs. That is a \$75,000 component. Those are the structural mechanisms in place. But, as you have observed, the fund is capable of supporting clubs across the sector.

**MS CARRICK:** Also, when you look at supporting a club for its diversification, is there any consultation with the planning directorate about what is a good outcome when it involves planning for significant developments? And how does that fit into the outcomes-based planning—whether it is considered to be a good outcome for the community?

**Mr Ng:** The advisory board, which advises the minister about whether distributions are appropriate or not, has a range of criteria which it has to take into account. They are set out in section 163F of the Gaming Machine Act. They go to whether the proposal has a significant capacity to support the sustainability of the club, reduce their regulatory costs or support development of club workers, and the like. There is no direct or obligated interaction between the work of the advisory board in advising the minister and consideration of the broader planning framework.

**MS CARRICK:** Just as a comment, so taxpayer money is supporting the growth and diversification of the big clubs—

**Dr Paterson:** Ms Carrick, I will stop you there. It is a tax. The money comes from the revenue from the—

**Mr Ng:** It is based on authorisations.

**MS CARRICK:** It is all consolidated revenue, and it is prioritisation of consolidated revenue.

**Dr Paterson:** Ms Carrick, as part of the inquiry into the club sector, understanding the role that this fund may have in the future will become clearer following that inquiry.

**MS CARRICK:** We have DAs into massive developments at the moment.

**Dr Paterson:** That is a planning question, Ms Carrick.

**MS CARRICK:** Yes. The fund is supporting the planning for these massive developments.

**MR EMERSON:** So there is no correlation between who receives diversification support and who is surrendering, and who does not have pokies or does have pokies? Is it possible that these funds are going to venues that already do not have pokies?

**Dr Paterson:** Yes, I believe that any club can apply.

**Mr Ng:** Yes; that is correct.

**MR EMERSON:** There is no consideration given to whether diversification is required for that particular venue?

**Dr Paterson:** That is why I think it is important that this becomes part of the discussion following the clubs inquiry, because we would ideally want to see a situation where we are supporting clubs to diversify away from poker machines.

**MR EMERSON:** Of course, it is tricky, because then you could be punishing the clubs that have already done that. I understand it is tricky territory, but I think most people's expectations would be that we would be diversifying away from pokies.

**MS CARRICK:** When we look at this, perhaps we should look at the use of the funds being tied to community outcomes as well, not just club outcomes.

**MR RATTENBURY:** Minister, in a recent article in the *Canberra Times* in relation to the \$1.2 million fine imposed on the Hellenic Club for breaches of gaming regulations, you were quoted as saying:

I wasn't even told ... I had no idea until your article ... that the Hellenic had been fined or anything like that. So I feel like there's reform needed. We've reached a point in the ACT where we need systemic change.

Minister, in those comments your primary focus did not seem to be whether the GRC had done its job but the appropriate timing of telling you. So, Minister, when you describe the need for reform, are you intending to reduce the independence of the Gambling and Racing Commission?

**Dr Paterson:** No.

**MR RATTENBURY:** What reform do you think is needed to the GRC?

**Dr Paterson:** I think that, through the work that will be done around the clubs inquiry and the work that will be done around the implementation of cashless gaming, significant reform of our gaming legislation will be required. It will require reform of our laws and our code of practice to understand how people are impacted by harm and how a cashless system would work in our venues. As a product of that, there will need to be reform of the Gambling and Racing Commission in terms of how they view regulation and compliance with what will be new gambling laws. Through part of that process, there will be systemic reform.

**MR RATTENBURY:** When you refer to transparency being the aim of some of your reforms, what exactly do you mean by that?

**Dr Paterson:** There is a lot of work that we can do. This is something that I advocated strongly to you last term, when you were in the position of minister. There is a lot of data that is inputted into the Gambling and Racing Commission. I would like to explore how to see the data being available to the community so they are able to understand and get a better picture of the gambling environment in the ACT. I think that is important. As part of reform, that will occur over the next few years. That is going to be an important part of improving transparency.

**MR CAIN:** Minister, prior to becoming Minister for Gaming, what was your knowledge and involvement with this particular family and this particular club?



**Dr Paterson:** I had close involvement with the family prior to becoming minister.

**MR CAIN:** Would you elaborate please?

**Dr Paterson:** I talked to them.

**MR CAIN:** Did you have meetings with them? Did you talk to the club? Did you have briefings from the then gambling minister?

**Dr Paterson:** No—not the club, Mr Cain. I spoke to the family that was impacted.

**MR CAIN:** And did you have a briefing from the then Minister for Gaming?

**Dr Paterson:** No, because the Minister for Gaming at the time was under the same secrecy provisions and was restricted regarding knowledge of the investigation.

**MR CAIN:** Could you confirm for the record what involvement you had in the issuing of this fine prior to it being issued?

**Dr Paterson:** None.

**MR CAIN:** Minister, regarding the fine issued to the Hellenic Club that we have just been discussing—and I am sure that the committee and all the MLAs and officials are very sympathetic to the family and wish them all the best in dealing with this tragic outcome—why has it taken five years for the commission to hand out disciplinary actions on this particular issue?

**Dr Paterson:** I will ask the commissioner to answer these questions.

**MR CAIN:** I guess I am wondering out loud: was this tragedy avoidable?

**Mr Rattenbury:** That is a different question.

**THE CHAIR:** Put your first question and then the second question.

**Mr Mangeruca:** I have read and acknowledge the privilege statement. There is a range of reasons why an investigation may take any length of time. They can vary from the complexity of legislation, the number of parties involved, and the amount of information-gathering and evidence-gathering activities that are required. However, there is always space for improvement, and the commission is always looking forward to continuously improve.

**MR CAIN:** Thank you. I have some very particular questions, then. When did the commission commence investigating the Hellenic Club on this issue?

**Mr Mangeruca:** I will need to hand over to my colleague.

**Ms Bassett:** Part of my role is to provide services to the Gaming and Racing Commission as part of the MOU with Access Canberra. The question, Mr Cain, if you

would not mind—

**MR CAIN:** When did the commission begin investigating the Hellenic Club?

**Ms Bassett:** We received the complaint that was formally put forward in 2020 and the complaint that came through was recorded in our system.

**MR CAIN:** From whom?

**Ms Bassett:** The complaint came through from a member of the family that is involved in this issue.

**MR CAIN:** Thank you. Was only the Hellenic Club issued a fine?

**Ms Bassett:** In terms of—

**MR CAIN:** Is any other club being investigated due to this family's gambling behaviour?

**Ms Bassett:** The complaint that we received is specifically about the Hellenic Club.

**MR CAIN:** Have you investigated whether the family had been gambling in other clubs?

**Ms Bassett:** We were not in possession of any information about any other clubs.

**MR EMERSON:** Is there any evidence of a reduction in pokies-related gambling harm in our community since the government started reducing the number of EGM licences in the ACT?

**Dr Paterson:** There will be the prevalence survey data. The prevalence survey was out in the field last year; that will be reported on and reported to government in the coming months and then made public. That will provide a bit of insight over the past five years to see changes in the levels of harm. That is why it is really important that we do have these prevalence surveys, because they are markers in time around what is the state of play, in terms of the level of harm in the community, what activities people are playing and the level of expenditure. That will be an important marker.

**MR EMERSON:** Did you say when that was going to be received?

**Dr Paterson:** Over the next few months.

**MR EMERSON:** Does that get tabled in the Assembly?

**Dr Paterson:** I am not sure if it gets tabled in the Assembly, but it will be released publicly.

**THE CHAIR:** Is that the only source of measurable data that you have on the reduction, ideally, of gambling harm in the ACT?

**Dr Paterson:** That is a very comprehensive source of data. That is what all state governments use, and nationally, to assess the level of gambling harm. These are very robust surveys. With the last one, I ran that survey. Around 10,000 ACT residents were surveyed.

**THE CHAIR:** When was that?

**Dr Paterson:** 2019.

**THE CHAIR:** Do you expect that the results from this survey, which are going to be made public, will be able to demonstrate whether or not gambling and its measurable harm have increased or reduced in the ACT over the past five years?

**Dr Paterson:** Yes. It is a very robust survey methodology that will ask questions around the Problem Gambling Severity Index; it will ask questions on participation; it will ask questions on harm. It asks questions around the impacts on family members and friends; so you do not have to be impacted by gambling yourself. It asks questions on all the range of gambling activities in the ACT. It asks some questions—it did last time—around community views and perceptions of gambling and clubs, for example.

It also looked at different sectors—for example, different districts of Canberra and the impacts of harm. In the last survey, areas like Belconnen and Gungahlin, which have more pokies than anywhere else, had the highest rates of harm. There is a correlation between access to poker machines and harm, which is one of the reasons why last term I moved a bill to see no poker machines in Molonglo Valley. Evidence from Victoria in particular that has come out in the last few years shows that the closer you live in proximity to a poker machine, the more likely you are to experience harm. People who live in the town centres of Gungahlin, Belconnen and Woden, for example, who have clubs at the bases of their apartment buildings, are more likely to experience harm than someone who lives further out—in Yarralumla, for example.

**MR EMERSON:** Have the directorate or the commission done any preparatory work for the statutory review of the relevant legislation limiting the number of licences in the ACT? That was due to be delivered on 1 May this year. It has recently been postponed by the Assembly. What level of work has been done to prepare for that review, which was due to be delivered a couple of months from now?

**Dr Paterson:** I believe that is what was amended in the Assembly in the last sitting. That review will form part of the club inquiry. That feedback will come through that inquiry process.

**MR EMERSON:** My question was whether some work had already commenced on that review, given that it was, until a week ago—the legislation was amended and we passed it—due to be delivered quite soon.

**Dr Paterson:** I am not aware of any work. I can take that on notice. I believe that the intention is for that work to be conducted through the club inquiry.

**MR RATTENBURY:** When might we anticipate seeing the terms of reference for this much-spoken-about review of the club sector, given you seem to be pinning a lot of

your hopes on it?

**Dr Paterson:** That is under active consideration by government at the moment. I will be very keen to release the terms of reference and more detail on how the inquiry will unfold.

**MR RATTENBURY:** How long do you expect the inquiry to take?

**Dr Paterson:** Probably a year.

**MR EMERSON:** Will there be an opportunity for the Assembly to debate the terms of reference?

**Dr Paterson:** No. They are under active consideration by government and will be released once they have been finalised.

**MS CARRICK:** Will we have a review by the end of 2025, as set out in the Labor platform for the election?

**Dr Paterson:** We will have the review as soon as possible. The work is well underway to see that review off the ground. Yes, we will be seeking to get that underway ASAP.

**MR CAIN:** What is the total budget allocation for the inquiry as of the 2024-25 midyear budget review?

**Dr Paterson:** There is no budget allocation in the midyear budget review for the inquiry.

**MR CAIN:** Could you briefly outline the selection process for selecting the independent inquirer?

**Dr Paterson:** That is under active consideration by government and will be released at a point in time.

**MR CAIN:** Is this under a procurement arrangement, as opposed to a ministerial appointment?

**Dr Paterson:** That matter is under consideration at the moment. When I have further detail to release publicly on how the inquiry will happen, I will do so.

**MR CAIN:** When will we have this level of—

**THE CHAIR:** Mr Cain, I am going to pass back to Mr Emerson.

**MR EMERSON:** I want to confirm, very quickly, that you will take on notice what work had been done in preparation for that review, and the scale and scope of that work?

**Dr Paterson:** Yes.

**MS CLAY:** Minister, we are in a constrained budget environment. In that context, all

of our community sports organisations are getting around \$7.9 million each year. Our total arts budget for all of our arts organisations and grants is only \$11 million, and the horseracing industry is getting over \$8 million every year under an MOU from the ACT government. Can you explain to me how that represents good value for money for Canberra?

**Dr Paterson:** Under the MOU, which is from 2022 to 2027, the government will pay approximately \$8 million per annum which is to be apportioned between racing clubs. As part of that MOU, there are requirements for the clubs to conduct some research on the economic benefit that they contribute to the ACT economy. In the last report that was released—I will get clarification of this—I believe it was in the vicinity of \$70 million to \$80 million of economic activity that occurs as a result of the racing industry in the ACT. In terms of that understanding, I would say that is value for money.

**MS CLAY:** You consider it value for money based on the \$80 million that the industry say they contribute to Canberra's economy?

**Dr Paterson:** Yes.

**MS CLAY:** That is an interesting point. Sixty per cent of that economic contribution, according to their own report, is from gambling and ads from gambling. Do you think gambling and ads from gambling are the kind of economic contribution that Canberrans expect?

**Dr Paterson:** That is why we have the prevalence survey to understand the level of harm that is caused from placing racing bets. We can tell that in the surveys. As you know, as I said in my previous answer, I think the advertising is very problematic. I do think that we need to be working on reducing the exposure of children to the advertising.

**MS CARRICK:** Why does the racing industry do their own report into the contribution to the economy? Is that independently assessed?

**Dr Paterson:** I believe it was an independent report, but I will hand over to Mr Ng.

**Mr Ng:** Yes, Ms Carrick; under the MOU, the club is required to fund that, but they do send it to a consultant with their own professional obligations. Within the ACT government, when it is prepared and provided to the public service, it is considered by the Justice and Community Safety Directorate, and the Treasury directorate as well.

**MS CLAY:** We have established that 60 per cent of their economic contribution is from gambling and ads from gambling, and you consider that gives good value to Canberra. Also, the ACT government may be making moves in future to reduce that economic contribution. There are a lot of interesting points. You do consider that that \$8 million is providing good value to Canberra, despite the fact that it is more than all of our community sports get, and almost as much as our arts organisations get?

**Dr Paterson:** Ms Clay, it is the same as the club sector; they provide economic contributions to our community, and a lot of their revenue also comes from gambling. That is why we are on this diversification journey. That is why we do need to change things. I believe that there is economic value in clubs in the ACT and in racing in the

ACT, but we need to be looking at ways to diversify their revenue.

That is why the racing club has looked at a whole range of diversification activities. They have a whole lot of festivals and different types of events to diversify their economic impact. I think that is exactly what we want to be encouraging these clubs to do—to move away from streams of reliance on gambling revenue.

**MS CLAY:** The 2023-24 annual report for Thoroughbred Park talks about the importance of their relationship with government. I will read out exactly what they have written in their annual report:

... the Board is aware of the need to maintain a close and positive relationship with Government and its agencies as we pursue our redevelopment plans.

Are you able to tell me how soon in your term you met with Thoroughbred Park?

**Dr Paterson:** I believe two weeks ago.

**MS CLAY:** That was the first meeting you had with them?

**Dr Paterson:** That is the first meeting I had.

**MS CLAY:** How often do you meet with Thoroughbred Park and with the horseracing industry?

**Dr Paterson:** I have had one meeting, two weeks ago.

**MR CAIN:** Minister, what is the timetable for the commencement of the Services Industry Scheme with respect to portable long service leave, which, as we know, commences on 1 April?

**Dr Paterson:** I do not believe that falls under my portfolio. It might be a question for Minister Pettersson.

**MR CAIN:** With respect to the club sector, will clubs be exempted from the Services Industry Scheme; if not, why not?

**Dr Paterson:** You will need to ask the appropriate minister. I am not the appropriate minister.

**MR CAIN:** As the minister who has oversight of clubs and their activities—

**Dr Paterson:** Of gambling reform—the minister with responsibility for policy and regulation of gambling.

**MR CAIN:** Okay, and who do you believe to be the appropriate minister?

**Dr Paterson:** Minister Pettersson.

**MR CAIN:** In his capacity as?

**Dr Paterson:** I am not sure. We can find out for you.

**MR CAIN:** All right; that would be helpful.

**Dr Paterson:** I can do the same Google search as you.

**THE CHAIR:** I have a couple of quick questions on—

**MR CAIN:** That was a pretty disparaging response. You are here as a minister of the executive.

**THE CHAIR:** It is all right, Mr Cain; it is to and fro.

**MR CAIN:** No, it is not, actually. We are representatives of the Assembly.

**THE CHAIR:** I will go to my questions now. I have questions about the theory or the reason—it is quite specific—for the name of the “gambling and harm prevention branch”. What other harms, apart from gambling harm, is the branch looking at preventing? What is within its purview apart from gambling harm? What other harms?

**Dr Paterson:** I will ask the commission to come to the table. I believe it is a fund that is solely focused on mitigating gambling harm, which includes relationship harm, financial harm—a whole range of different harms that are caused by gambling. That fund is there to support activities in the community to reduce that harm.

**THE CHAIR:** Having regard to what you said a little earlier, where there is gambling, there will be harm. It might be gambling harm reduction as opposed to prevention, perhaps, but that is a comment.

I have a question about clubs, and it is at page 45, about the heat and smoke refuges. I understand there are three clubs deemed as heat and smoke refuges, but the report did not state which ones they were. Is there any information? Is that made public anywhere, if it is not in the annual report?

**Mr Ng:** Thanks for the question, Mr Werner-Gibbins. I am not sure if it is made public anywhere, but the venues that have made themselves available are venues of the Southern Cross Club Group—three venues from the same club group.

**THE CHAIR:** Woden, Tuggeranong and—

**Mr Ng:** I believe so, yes.

**THE CHAIR:** To be a heat and smoke refuge, a club is putting its hand up; it is not a matter of the government going along and asking?

**Mr Ng:** Yes, that is correct, Mr Werner-Gibbins. We did go through a process where we sought applications or expressions of interest from the club sector about which club licensees, club venues, would be interested in participating in the scheme. The implication of identifying and being stood up as a club refuge is that certain costs

associated with doing so can be claimed as community contributions under the Community Contribution Scheme, that go towards the minimum amount of contribution that clubs must make to certain purposes from their gambling revenue.

We went through that process of seeking EOIs from the club sector. We had a panel within the ACT government. Obviously, smoke and heat events are a multifaceted issue in which various parts of the public service are engaged; so there was an assessment process based on the information provided by the clubs about which clubs were suitable. As you reflected, there are a few venues that have identified themselves.

**THE CHAIR:** This might have been post 2019-20, perhaps, and it is easy to get a picture of when a smoke refuge might be needed; but how does a club activate its heat refuge status? Is it when someone is hot and it is 30 degrees? How does it work?

**Mr Ng:** Indeed, there is a statutory process whereby, on the advice of the Emergency Services Commissioner, the minister identifies and stands up a club. There is a notification process that occurs. Essentially, depending on what type of event it is, there is a lead agency, whether it be the Health Directorate or the Emergency Services Agency, which identifies where it would be beneficial to have a smoke and heat refuge in the club sector stood up; then there is a statutory identification and notification process whereby the club is told that they are being stood up, and they can make the necessary preparations.

**THE CHAIR:** Will that information be disseminated to the public?

**Mr Ng:** Yes, that is right. When the time calls for it, and a club is stood up, in that context there would be a notification process to the community through appropriate channels to make people aware that there are certain locations that they can go to.

**THE CHAIR:** Could more clubs become refuges, if they wanted to?

**Mr Ng:** We have certainly made a couple of calls. Yes, there are clubs that seek to provide a place for people to go, in any event, whether they are part of the formal smoke and heat refuge program or not.

**Mr Johnson:** If it helps the committee, the mechanism there, under the Emergencies Act, is an extreme heat sub-plan. That may or may not be activated, but one of the points of activation would be on the Bureau of Meteorology's advice around severe heat events. That is Bureau of Met advice; then that may well activate the extreme heat plan and, consequently, that may activate the decision to seek support from one of the clubs, if it is such an extreme heat event that they deem it to be useful.

**MS CARRICK:** Would you please point me to where the targets are in the JACS annual report for gambling reform?

**Mr Ng:** Ms Carrick, are you talking about specific strategic accountability indicators around gambling reform?

**MS CARRICK:** Yes. When I look at other annual reports, I see a target. It might be in the budget; then there is a representation of the output or the target.



**Mr Ng:** Yes. The strategic accountability indicators in the JACS annual report relating to legislation and policy activities are largely related to human rights compatibility and the delivery of regulatory reforms that reduce regulatory burden. There are no specific strategic accountability indicators relating to gambling reform.

**MS CARRICK:** Will you be getting any? Will you be including any indicators, targets, in your next budget?

**Dr Paterson:** I would recommend looking at the Gambling and Racing Commission's annual report. That details in depth around gambling, the implementation of gambling policy and regulation, and what targets there are. Currently, there is the public health approach to addressing gambling harm. That last plan finished in 2024, at the end of last year. There will be work to revise that plan following the output of the prevalence survey results. They will underpin a public health approach to addressing gambling harm. That will form accountability outcomes and targets that we will look to achieve to reduce gambling harm.

**MS CARRICK:** With respect to the reduction in authorisations, it is JACS policy to reduce authorisations to 1,000 by 2045. Are there interim targets in the lead-up, over those 20 years? Can we see what the target is annually and how we are progressing?

**Dr Paterson:** That will form the surrender scheme. Legislation will be introduced into the Assembly at some point to see a reduction every four years, every term, of 500 machines. That is consistent with existing government policy over the past two terms, and it will continue over the next 20 years to a level of 1,000 machines in 2045.

**MS CARRICK:** On the accountability target, we will know in December 2026, as that amendment provided, and after December 2026 you will report on the actual outcomes of those targets every five years.

**Dr Paterson:** It will be four years.

**MS CARRICK:** It will be four years?

**Dr Paterson:** Yes, because there will be a surrender scheme every four years. That is what we are currently going through at the moment. By 1 July this year, the machine numbers in the territory will be 3,500. The census date was 1 April last year. The surrender date is, I think, 1 May this year. The government will then go to acquiring authorisations if they have not been surrendered before that point. But we have a very clear target that, every four years, there will be a reduction of 500 machines in the territory.

**MS CARRICK:** It might be good to have more regular targets to monitor it in case it slips.

**Dr Paterson:** There is no slipping because there is a surrender point. There are legislated points. There is no slipping. This is a legislated process of surrender. There is a census date where machine authorisations are counted, and clubs have a year to surrender those machines. If they do not surrender those machines, the authorisations

are acquired by the government.

**MS CARRICK:** Given that it is a proportional reduction in authorisations, if the status quo remained in 20 years and we had the same clubs, how many of the 1,000 machines would they have in 2045?

**Dr Paterson:** That will be proportional as per the number of machines that they reduce. But you might find that, for some clubs, it is in their interest to release more authorisations.

**MS CARRICK:** Some may surrender or transfer, yes.

**Dr Paterson:** They might have an accelerated pathway to diversify and see themselves out of machines, because there is an increase in the payment that is given per authorisation for venues that go pokie free. There are incentives to see venues go pokies free. That is why there is a census point—to understand the lay of the land and what clubs have what number of authorisations. That is why it is important that we have the census point.

**MS CARRICK:** So, in order to work out the diversification to determine what revenue they need to survive, do they not need to know how many poker machines they will have? Assuming there were no surrenders or transfers, how many poker machines would the clubs have by 2025?

**Dr Paterson:** The clubs should be vaguely able to work it out, but it will be proportional of where machine authorisations are sitting at the census date. I guess, in terms of clubs, this is what their boards do. They sit down and work out what their income from gambling revenue is and what they are going to need to do to diversify their planning for diversification. It is a matter for their boards to work out what the future of their club looks like. Through the club inquiry, we will look broadly and inquire into the impact of the machine reductions to 1,000 by 2045 and how we can support clubs to be able to reduce those numbers. As you would be well aware, there are a whole lot of planning controls and rules that have seen a backlog of applications and processes for clubs to be able to diversify. These are the issues that we want to explore through the inquiry to be able to support clubs to diversify and see themselves out of a reliance on gaming machine revenue.

**MR EMERSON:** Did you say that there is a four-year lease surrender point?

**Dr Paterson:** Yes.

**MR EMERSON:** When was the most recent surrender point?

**Dr Paterson:** It is happening now. The surrender point is 1 July.

**MR EMERSON:** Okay. Is there any incentive to surrender licences earlier in a four-year period? Obviously it would reduce harm sooner. Is there evidence of a clustering of licences being surrendered right up toward that required point?

**Dr Paterson:** I will get clarification, but I believe that, around COVID, some clubs

were really struggling and there was some relinquishment of authorisations to be able to receive the payments early.

**Mr Ng:** This is the second of two statutory surrender schemes. The process that the minister is referring to about achieving the election commitment of getting down to 1,000 by 2045 is a process that is still to be legislated. What we saw in the first statutory scheme, which was applied in about 2018-19, was that some clubs sought to just meet their minimum requirements for what would have been their compulsory surrender obligations. How that worked was that clubs were told what their compulsory obligation would be—so, you would have to forfeit your obligations for no compensation or return, as it would be—and clubs, when advised of that number, chose to at least meet that minimum. It probably goes to Ms Carrick’s point as well about the ability to identify what the numbers will be in 20 years time. We saw that some clubs saw fit to go past what their minimum obligation would have been at the compulsory stage. So they made business decisions to move wholly away from gambling machine revenue and go pokie free in that stage of the scheme as well. It did come with higher financial incentives as well. Under the current scheme it is \$15,000 per authorisation and \$20,000 if the venue goes fully pokie free.

**MR EMERSON:** And the \$15,000 is given for the compulsory surrenders as well or this is only for voluntary—

**Mr Ng:** No; it is the voluntary stage—

**MR EMERSON:** Okay.

**Mr Ng:** The voluntary stage has a corresponding payment, which the directorate administers by way of deeds with the club. When it comes to the compulsory stage there is no further incentive that is provided by government.

**MR EMERSON:** Okay. I am curious, whether through that inquiry or otherwise, there might be consideration given to incentivising surrenders happening sooner than the four-year period. It is a large period. We could all be out of here in four years—we do not know.

**Dr Paterson:** That will form part of the inquiry.

**MR EMERSON:** Okay. Thank you.

**Mr Ng:** Mr Chair, could I seek your indulgence to make a further contribution to a question Mr Emerson asked? I could do it at the end of the hearing.

**THE CHAIR:** Yes; all right.

**Mr Ng:** Mr Emerson, you asked about the capacity of the DSSF to make payments to the club licensees that no longer have pokies. That is correct that it can do so, but there is a requirement in the legislation that they must have had pokies in the last five years. So, to go to your point about whether the fund is properly set up to support diversification agendas, as you know, some of those diversification activities are a long burn. The intention behind that is that, even if a licensee is divested of poker machines

within a five-year period, they still may be along their journey, and so the club is able to support its sustainability by continuing to make payments during that period. But there is that five-year limitation for when the last time they had to operate poker machines.

**MR EMERSON:** Okay. Thank you.

**MR CAIN:** With respect to the review of, I guess, the club's reliance on poker machines, is there any difference at all in the way that the Labor Club groups are treated compared with the non-Labor Club groupings?

**Dr Paterson:** By who?

**MR CAIN:** By you, as the Minister for Gambling Reform.

**Dr Paterson:** Why?

**MR CAIN:** Is there any difference in the way that the Labor Club groups are treated compared to the non-Labor Club groups of clubs?

**Dr Paterson:** I do not understand your question.

**MR CAIN:** Is there any difference in the administration or dealings with the Labor Club groups versus the non-Labor Club groups?

**Dr Paterson:** No; absolutely not.

**MS CARRICK:** Will the review into clubs look at the purpose of the club sector in 2025 and the future and how big they need to be to service their community? They were set up to service a cultural or a religious or a sporting group and they have expanded beyond that remit. Will the review look at the purpose now of the clubs, going forward?

**Dr Paterson:** I think that the review is designed to look at the future of clubs in the ACT and the sustainability of the club sector in the ACT. So I think that will all form part of the discussion on what their future looks like without a reliance on gaming revenue. I think that will form part of their submissions in terms of what their understanding is of the role that they play in the community.

**MR RATTENBURY:** The former Treasurer said that the tax on bets on ACT horse racing contributed a tiny amount to the ACT budget—less than \$250,000 a year—but the horseracing industry seems to be quoting much higher numbers. So, frankly, I and a lot of other people are confused. Can you tell me how much ACT tax is generated each year from bets on ACT horse racing?

**Dr Paterson:** That is a matter for the Treasurer; I am sorry.

**MR RATTENBURY:** So, as the minister for racing, you do not have that information?

**Dr Paterson:** No. I do not administer that tax; that is the Treasury.

**MR RATTENBURY:** Okay. Thank you. Earlier in the conversation, we ascertained that 60 per cent of the economic benefit generated from the horseracing industry is actually, essentially, gambling ads. You personally have indicated your concern with those gambling ads. Will you, as the minister, continue to support that \$8 million a year being provided to the horseracing industry?

**Dr Paterson:** There is a commitment to 2027 in the memorandum of understanding. That is a budgeted commitment. So that is where the support goes.

**MR RATTENBURY:** Will you support a new memorandum of understanding that continues to provide financial support at that level for the horseracing industry, given that most of the money seems to go to gambling advertising?

**Dr Paterson:** What I do support, and what I oversee, is the memorandum of understanding to 2027. There will be further discussions down the track.

**MR RATTENBURY:** In those negotiations, though, you are presumably going to be the responsible minister?

**Dr Paterson:** I believe so.

**MR RATTENBURY:** Assuming you are still the minister at that point in time.

**Dr Paterson:** There is no announcement of government policy. I have no opinion to offer you. We have the memorandum of understanding to 2027, and there will be further discussions around what the future looks like.

**MS CLAY:** Minister, given the expiration in 2027 and the need, presumably, if government is funding something to put it in the budget—

**Dr Paterson:** That is a hypothetical.

**MS CLAY:** It is not a hypothetical.

**Dr Paterson:** It is. “Presumably”, you said, “something in the budget”.

**MS CLAY:** There is a 2027 funding deal. The ACT government has a budget process, and, if the ACT government wishes to give someone money, they need to factor it into their budget process. There are no hypotheticals in here.

**Dr Paterson:** It is factored into the budget process—that \$8 million a year for four years.

**MS CLAY:** When will the ACT government be deciding whether it will renew that 2027 funding deal, so that it can run through its budget process—what month, what year? When does that happen?

**Dr Paterson:** I cannot tell you that, Ms Clay.

**MS CLAY:** You do not do any forward budget planning over the next 12 months to

make sure that the government has enough money?

**Dr Paterson:** There is a memorandum of understanding until 2027.

**MR RATTENBURY:** Would you support an extension of that MOU?

**Dr Paterson:** That is asking for an opinion.

**MR RATTENBURY:** That is not an opinion.

**Dr Paterson:** It is an opinion.

**THE CHAIR:** This is not a debate; we are just doing questions. Ms Morris, do you have a substantive?

**MR RATTENBURY:** You have got to be kidding me.

**MS MORRIS:** I throw my substantive to Mr Cain.

**MR CAIN:** Thank you, Ms Morris. Minister, could you clarify what responsibilities club directors will have under the new Property Developer Licensing Scheme?

**Dr Paterson:** No; that is not in my portfolio, Mr Cain.

**MR CAIN:** Minister, on that response that you gave earlier, you are responsible for gaming and racing policy and, obviously, for the Gaming and Racing Commission. You are also responsible for gaming and racing regulation.

**Dr Paterson:** Yes.

**MR CAIN:** As you exercise those responsibilities, which have significant impacts on the clubs sector in the ACT, how is it that you do not consider the impact of other government regulations and policies on the club sector?

**Dr Paterson:** That is a matter for the planning minister.

**MR CAIN:** So you are saying you have no briefing at all on the impact of significant legislation, including what I raised earlier—the Portable Long Service Scheme? So you have no briefing or you seek no briefing on the impact on the clubs sector, given that you are undertaking a very significant review of the club sector's reliance upon gambling?

**Dr Paterson:** That is not what I am saying, Mr Cain. What I am saying is that these—

**MR CAIN:** So what briefings have you had—

**THE CHAIR:** Let her answer.

**Dr Paterson:** are not my portfolio responsibility. You would be best placed to ask the appropriate ministers who have the appropriate officials in the room who can support

that answer.

**MR CAIN:** We have an appropriate minister here. Your work has a significant impact on the club sector, as do these other measures. Are you saying that you have never sought a briefing on the inter-relationship between your work and the work of any other minister?

**Dr Paterson:** That is not what I am saying, Mr Cain. I am saying that I cannot answer those questions because I am not the appropriate minister.

**MR CAIN:** And it sounds like you do not seem to seek answers to those questions and the impact of government policy on the club sector.

**Dr Paterson:** I refute your claims there. That is absolutely untrue. I am here, before the committee, as the minister responsible for gambling reform. You can put your questions to the appropriate minister.

**MR CAIN:** I have put a question to you, Minister—in fact, more than one.

**Dr Paterson:** I am not the appropriate minister, Mr Cain.

**THE CHAIR:** Mr Cain, she has given you an answer. Do you have any more substantive questions?

**MR CAIN:** To note, that it is very unsatisfactory for a minister with significant responsibility—

**Dr Paterson:** I am not the appropriate minister, Mr Cain.

**MR CAIN:** to not consider the impact of other government policies and laws upon something for which she is responsible as well.

**Dr Paterson:** I am not the appropriate minister.

**MR CAIN:** That is a comment, Mr Chair.

**MR EMERSON:** We spoke earlier about the fine for the Hellenic Club. Does the commission have the power to strip venues of EGM machines or licences?

**Dr Paterson:** I will seek the commission's input there.

**MR EMERSON:** Thank you.

**Mr Mangeruca:** The commission is given a range of powers under the relevant authorising legislation. Whilst the power to strip venues of their authorisations, per se, does not exist, there is a power to cancel or suspend licenses, which would in effect either suspend or remove the ability of that club to have the right to use those machines.

**MR EMERSON:** Okay. Was consideration given to doing that in this instance?

**Mr Mangeruca:** Given that this is subject to the secrecy provisions and is a matter that is under review, it would not be appropriate to discuss any level of detail.

**MR EMERSON:** Okay. So, more generally, is there a threshold that would need to be met for that consideration to be given?

**Mr Mangeruca:** It would be quite objectively severe cases that would warrant the most objectively severe penalties that the commission can give.

**MR EMERSON:** Does the commission play a role in monitoring political donations from the gambling industry?

**Mr Mangeruca:** The Gambling and Racing Commission has a role in administering the Community Contribution Scheme under the Gaming Machine Act. As part of that, it is specifically prohibited for political donations to be claimed as community contributions. However, as a line item on annual reports, it is required to be reported.

**MR EMERSON:** So you are monitoring it as a consequence of that?

**Mr Mangeruca:** In that sense, yes.

**MR EMERSON:** Can you give the sense of that scale? I should have a look at the—

**Dr Paterson:** It is on the Elections ACT website—all the different parties and the donations.

**MR EMERSON:** I suppose I am asking specifically for those connected to the gaming industry, which—

**Mr Mangeruca:** The information is available on the Elections ACT website. That information would be replicated in the annual reports. I do not have that information with me at the moment but it can be gained from the Elections ACT website.

**MR EMERSON:** Okay. Thank you.

**Dr Paterson:** Sorry, Chair—just to provide an answer to Mr Cain. Minister Pettersson is the minister for Skills, Training and Industrial Relations, and the long service leave question is best put to him, as he is responsible for that portfolio.

**THE CHAIR:** Thank you.

**MR CAIN:** So, I will not need to go to Google for that.

**Dr Paterson:** No, I googled for you.

**MS CARRICK:** I have a supplementary question on the Community Contribution Scheme. Do you have a role in monitoring the community contributions and their adequacy? Do you talk to the clubs about whether they are actually meeting the pub test with their community contributions?



**Mr Mangeruca:** The way the Community Contribution Scheme is set up is that it requires clubs to report through their annual reports what their community purpose contributions are. As part of changes that were made to the Community Contribution Scheme a few years ago, the responsibility for reviewing those community contribution statements is undertaken by a qualified third party, so there is a review.

Access Canberra, through the MOU with the GRC, does monitor community contributions when planning a community contribution proactive compliance program to have a good look at how the scheme is operating and what has been claimed. So in that sense, yes, there is a role.

**MS CARRICK:** Thank you.

**THE CHAIR:** You mentioned the cashless gaming implementation in your ministerial statement. Is there a timeline for the implementation of cashless gaming?

**Dr Paterson:** Work has begun to progress that, and the timeframe that we went to election with was 2026-27 for implementation.

**THE CHAIR:** Financial year?

**Dr Paterson:** Yes, so within the next couple of years.

**THE CHAIR:** Thank you.

**MS CLAY:** Minister, it was great to see the work done by government on limiting child and youth exposure to gambling advertising, and we got a really very strong community steer from that—that we want to reduce gambling harm. Has government ever asked the community what their views are on funding and supporting the horseracing industry or on harms from that industry?

**Dr Paterson:** I am not sure around government consultation on—

**MS CLAY:** No government consultation has been run to gauge that?

**Mr Ng:** Ms Clay, if I could speak to the process that led up to the MOU that is currently in place—the 2022-27 one. You spoke about the YourSay process that was undertaken for limiting youth exposure to gambling advertising. There was not a similar process that was applied to the development and finalisation of the memorandum of understanding.

**MS CLAY:** That is really interesting. So, the government has given, or pledged, over \$100 million to the horseracing industry but has not actually done any YourSay work, or done any work at all, to gauge what the community thinks about that arrangement. Have I got that correct?

**Mr Ng:** There was not a similar process that was applied.

**MS CLAY:** Interesting. Why was it that, when we looked at gambling ads, government decided to run YourSay consultation on that, but when we look at \$100 million for the

horseracing industry, government has not? Can you tell me how government decides when to do those processes?

**Dr Paterson:** Probably at the direction of the minister, in terms of the previous minister undertaking the YourSay consultation.

**MS CLAY:** Sure. And are you considering running a YourSay consultation at the moment to gauge community—

**Dr Paterson:** No.

**MS CLAY:** Is there any reason that you would not want to ask the community what they think about providing \$100 million and future funding for the horseracing industry?

**Dr Paterson:** I will speak to the MOU, which is \$8 million per year over the four years. That is a memorandum of understanding that has been agreed to and will go through budget processes.

**MR CAIN:** I will come back to the Hellenic Club fine issue. Minister, as you are aware, the officials have said that there was a complaint in 2020 by a family member, and when I asked, “Were this couple gambling elsewhere?”, they said that they had no complaints. Minister, if a complaint was lodged in 2020, how is it that did not trigger, perhaps, the commission looking into whether this couple were gambling at other clubs? Does the commission actually do any own-motion inquiries, or does it just wait for someone to make a complaint?

**Dr Paterson:** The commission has a compliance program that they run across Canberra’s clubs, but that is different to a complaints process, where a complaint is made, and they investigate the complaint that is made. I think the commission could detail the compliance program.

**MR CAIN:** I am not interested in the general compliance program, except as it touches that you got a complaint in 2020 about gambling by the couple at the Hellenic Club. And, again, sympathy and best wishes to the family and friends that were affected by this tragedy. Did that not trigger some extra look at the family’s attendance at other clubs, for example, and perhaps even in a more timely manner than five years?

**Mr Mangeruca:** I will make some general comments and then hand to my colleague. In terms of other actions that might flow from an investigation and information that is gathered, ultimately the Hellenic Club investigation led to the commission taking several proactive actions, which included a compliance program that looked at exclusion provisions and club awareness around those, and I think that was done at all 38 venues. Additionally, enhanced training for GCOs, and the content of training, was also looked at, so there was industry-wide education in that area. As for specifics of the investigation, I will hand over to my colleague.

**Ms Bassett:** I omitted to acknowledge the privilege statement earlier, so apologies for that. I have read and acknowledge the privilege statement.

I think it is important to understand that the confidentiality provisions in our legislation, in the Gambling and Racing Control Act, prohibit us from talking about the investigation and the details. And one of the things that is important about that is that that confidentiality protects the complainants and also other interested parties from any unnecessary disclosure of information.

So the line of questioning about whether or not there were other investigations undertaken in the context of the Hellenic Club investigation, I think, is difficult for us to add any more detail to, given protections that are required for us to be disclosing information—

**MR CAIN:** But surely you can say whether other clubs were investigated.

**Ms Bassett:** That would be part of the investigation information, and I am prohibited from disclosing that information under the legislation—

**MR CAIN:** You do not have to name the clubs. Were there other clubs investigated?

**Dr Paterson:** Mr Cain, this is exactly the point we made before around the secrecy provisions. They are there to protect the investigation.

**MR CAIN:** There is no breach of secrecy in saying there were other clubs looked into.

**Dr Paterson:** There is, because that is detail of the investigation.

**MR CAIN:** I do not accept that. You say general programs—

**Dr Paterson:** It is the law, Mr Cain.

**MR CAIN:** No, no. There is no breach of confidentiality in saying, “We looked at other clubs.”

**Dr Paterson:** It is the law, Mr Cain.

**MR CAIN:** Is that the case? Is that the case, or not?

**Dr Paterson:** It is the law.

**Ms Bassett:** Yes, I am prohibited from disclosing any information about the investigation under the legislation.

**MR CAIN:** I am sorry, but that does not seem to make sense to me.

**Dr Paterson:** It is the law, Mr Cain.

**MR CAIN:** Once the complaint was lodged, did you actually elevate your compliance in any way at all or did you just continue with your general compliance program?

**Mr Mangeruca:** As I noted in my previous answer, there were actions that flowed from not only this investigation but others, where there was an observation that there was

clear potential for misunderstanding among the club industry about exclusion provisions and what the expectation of gambling contact officers is, so there were positive actions from that perspective.

**MR CAIN:** I draw the Chair's attention to continuing resolution 8B, and maybe you might get some assistance from the secretariat.

**THE CHAIR:** Yes, we were discussing—

**MR CAIN:** Continuing resolution 8B overrides confidentiality by way of public interest tests. I guess I am asking for a ruling on that.

**THE CHAIR:** We would be taking time to discuss it offline within the committee. There are four minutes to go for the meeting.

**Dr Paterson:** Mr Cain, these matters are before the courts.

**MR CAIN:** Again, continuing resolution 8B.

**THE CHAIR:** You will not be able to get that information if the committee gets the information privately, as you are not a member of the committee; you are a visiting member. So we can talk about it in camera and then not talk to you about it.

**MR CAIN:** I am in the hands of the secretariat in terms of the interpretation of that continuing resolution 8B. Does it not apply to a hearing of the committee, which is what is happening right now?

**COMMITTEE SECRETARY:** It does apply, Mr Cain. If the committee wishes to pursue it, they can follow the process set out by the resolution asking that the witnesses specify the harm to the public interest that could arise from disclosure of the information. And there is an option for the committee to take that evidence in camera. But if that evidence is taken in-camera, it will only be available to the committee and not to non-committee members.

**Dr Paterson:** And Mr Cain, I will say how important it is for justice that these matters are not impinged upon by the Assembly and that there is no breach of the law that may compromise the outcomes of this investigation and the court processes for the family involved.

**MR CAIN:** And I am certainly not speaking in a way that would injure any of that. But we have—

**Dr Paterson:** You are, actually.

**MR CAIN:** a resolution that the committee is able to override confidentiality in circumstances.

**THE CHAIR:** Understood, and for that I will take the next minute of the last minutes of the meeting to go through the process.

Minister, you and your officials have made a claim of confidentiality. Parliamentary privilege overrides this claim. To manage these situations, the Assembly has passed continuing resolution 8B that uses a public interest test. Minister, is it your view that it is within the public interest to withhold this information?

**Dr Paterson:** Yes.

**THE CHAIR:** Please specify the harm to public interest that could result from the disclosure of the information.

**Dr Paterson:** As I just said, I think there is significant harm that could come and jeopardise an ongoing court process from disclosure of the information. As I said, this information has not been disclosed to me, under the provisions of the law. I think it would lead to significant harm.

**THE CHAIR:** Thank you. Would you also be able to advise—

**MR CAIN:** Point of order, Chair.

**THE CHAIR:** Would you also be able to advise, Minister, whether harm would accrue from providing the material as confidential evidence?

**Dr Paterson:** Yes, I believe so. This is a matter before the courts. The integrity of the investigation needs to be upheld. I believe it is very, very important that this is not interfered with in any way and that the court processes be allowed to happen with due process.

**MR CAIN:** I have a point of order, Chair. A very simple one—

**THE CHAIR:** It is 11.05 am. I would ask members of the committee whether we wish to deliberate, but because the time for the meeting has finished—

**MR CAIN:** I would like to have my point of order heard though.

**THE CHAIR:** You can give it to me on notice, if you like.

**MR CAIN:** Well, I—

**THE CHAIR:** On behalf of the committee, I thank you for your attendance today. If you have taken any questions on notice, please provide your answers to the committee secretary within five business days of receiving the uncorrected proof *Hansard*.

**The committee suspended from 11.05 am until 1.19 pm.**

Appearances:

Barr, Mr Andrew, Chief Minister, Minister for Economic Development and Minister for Tourism and Trade

Chief Minister, Treasury and Economic Development Directorate

Arthy, Ms Kareena, Deputy Director General, Economic Development

Starick, Ms Kate, Executive Group Manager, Policy and Strategy, Economic Development

Infrastructure Canberra

Geraghty, Ms Gillian, Director-General

Cahif, Mr Ashley, Deputy Director-General

**THE CHAIR:** We welcome the Minister for Economic Development, Mr Andrew Barr MLA, and officials from the Chief Minister, Treasury and Economic Development Directorate and Infrastructure Canberra.

I remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the privilege statement. Witnesses must tell the truth. Giving false or misleading evidence will be treated as a serious matter and may be considered a contempt of the Assembly. When you first speak, please confirm that you understand the implications of that statement and that you agree to comply with it.

As we are not inviting opening statements, we will now proceed to questions. I will launch with a question requesting an update on the Big Canberra Battery project, please.

**Mr Barr:** Certainly. I have read the privilege statement and understand its implications. The project is now under construction. It was an innovative procurement process in order to find a partner to deliver the project. The benefits for the territory are energy security, capacity to store the renewable energy that we generate and a revenue stream via, effectively, arbitrage in the National Electricity Market. I will invite Ash to give a brief update on the construction process.

**Mr Cahif:** I have read and acknowledge the privilege statement. I am pleased to say that construction is underway on the Big Canberra Battery. Civil works have been completed before installation of the infrastructure, including the battery itself, and the project is on track.

**THE CHAIR:** What is the time line for delivery?

**Mr Cahif:** We are looking for it to be operational by mid next year.

**THE CHAIR:** On the batteries, are the three community batteries linked to the Big Battery project or is it a separate—

**Mr Cahif:** Separate streams.

**THE CHAIR:** Are you the person to ask about that?

**Mr Barr:** No. There are different streams of batteries development. The ones you are referring to are commonwealth funded. They are not part of the Big Battery procurement contained in the first question.

**THE CHAIR:** Understood.

**Mr Barr:** That large-scale battery infrastructure is being managed by Infrastructure Canberra, and future procurement or expansion of that battery would be with this team. The smaller community batteries, household level, sit with Minister Orr.

**MS CARRICK:** My question is about the economic development and the economic development strategy for Canberra, and how Canberra's south fits into that.

**Mr Barr:** Obviously, Canberra is a very small place, in economic terms. Our territory economy would be the sixth largest of the states and territories. It is primarily driven by public sector activity. The south of Canberra is home to most of the public sector activity from a federal government perspective, given most commonwealth agencies are located in the parliamentary triangle, Woden or Tuggeranong. There are, of course, some in the city and Belconnen, and I think one in Gungahlin, but the bulk of commonwealth activity is in the south of Canberra, if the south is defined as south of Lake Burley Griffin.

**MS CARRICK:** I am more interested in the social and economic development around our commercial hubs. Who is responsible for the social and economic development of our town centres?

**Mr Barr:** That would be principally in the planning sphere and with Minister Petterson as minister for business.

**MS CARRICK:** What is the government's ambition for the south side?

**Mr Barr:** We have an ambition for the territory, to grow the territory's economy, to grow the number of jobs in Canberra to 300,000 by 2030. We are currently at about 270,000 jobs, so we look at distribution of employment across our city. We are the most polycentric of all Australian cities in terms of distribution of employment. In the context of the south, given there is a very significant employment base in the parliamentary triangle, and indeed in Woden and Tuggeranong, there is a very strong level of employment on the south side.

Fyshwick—people may argue as to whether that is south of the lake; I think that, in geographic terms, it would be—is also, obviously, a very significant employment base for Canberra.

**MS CARRICK:** When we speak of 15-minute cities, compact cities, will we be reviewing the structure of the city to ensure that there is amenity in the southern hubs so that people can access them in the context of a compact city and a 15-minute city?

**Mr Barr:** Again, that is probably straying more into the planning space, but, yes, I think most parts of Canberra are within 15 minutes of each other, perhaps with the exception of the north and south extremities.

**MS CARRICK:** I am thinking more of coming out of the suburbs into your local town centre. If you can get to your local town centre within 15 minutes and you have activity there then you are relatively self-contained, as per the National Capital Plan.

**Mr Barr:** That is principally a planning matter.

**MS CASTLEY:** You mentioned one specific goal, which was the 300,000 jobs. As I am fairly new to this portfolio, can you set out other specific goals that you have for economic development?

**Mr Barr:** Sure. We can take that on notice. There is a whole document that is available. I could spend the next hour detailing it. I will not. We will take it on notice and provide that for you.

**MS CASTLEY:** I would appreciate that document; thank you.

**MR COCKS:** In your response around the south side, you have spoken mostly about the geographic location of employers themselves. How are you adjusting the view of economic development to respond to increasing work from home trends and the geographic distribution of people working from home rather than being concentrated in town centres?

**Mr Barr:** Again, that is heading more into the planning territory than economic development.

**MR COCKS:** I am interested from a strategic economic development perspective.

**Mr Barr:** Given the size of our economy, we can really only approach this from a territory-wide level and, even then, we struggle, in the context of available resources and size of our economy, to be able to attract the level of investment that we would like—simply because Canberra’s population is so small and our economy is so small. You are then asking effectively to cut a population of less than 500,000 into even smaller segments and seek individual economic development plans for each of those areas. That is not really—

**MR COCKS:** I am just asking whether you have made any adjustments to the way you are thinking about economic development to take account of that distribution and the fact that there is no longer so much based in town centres.

**Mr Barr:** It would be worth observing that the portfolio and the areas of responsibility are territory wide. They tend not to be devolved.

**MR COCKS:** You are saying that you do not take that perspective?

**Mr Barr:** It is largely about attracting investment to the territory. We do not mind where. We just want to get it inside the ACT if we can; then second best is the Canberra region.

**MS CARRICK:** How do you strategically support Mr Pettersson in his portfolios of



business and arts to invest in the broader parts of Canberra and the town centres?

**Mr Barr:** As in public investment or—

**MS CARRICK:** Yes, public investment.

**Mr Barr:** That is really a matter for the Treasurer more so than me in this portfolio. Most of our work here is around either the specific projects that are listed under this portfolio's responsibility or investment attraction, which is largely private sector investment. We seek to prioritise certain industry sectors. We are agnostic as to where in the ACT businesses wish to locate. That is a matter for the private sector to determine, within the framework of what is allowable under the planning system around where businesses can locate.

**MS CARRICK:** Fair enough. On your list here, you have sports and rec and the arts, and they are in the economic development portfolio, so the location of them contributes to the economic development of the area in which they are located.

**Mr Barr:** They are within the broader directorate, but they are not my portfolio responsibilities as Minister for Economic Development. That is quite clearly defined in the matters in the administrative orders.

**MR RATTENBURY:** I was surprised to see that there was no mention of the Thoroughbred Park redevelopment in the annual report. Can you provide an update on where the steering committee process is up to?

**Ms Arthy:** I have read and understood the privilege statement. Mr Rattenbury, with respect to where the committee is up to at the moment, it is looking at the proposal from Canberra Racing, because, as you might be aware, there is a major plan amendment in front of the planning authorities, so any questions on that would need to go to them. At the moment we are working with EPSDD about what the next steps are, given that there is a process around the major plan amendment, and at what point we reconvene. We have not met formally since before the election, but we are still trying to work through how the major plan amendment process works, alongside the other work that was happening regarding the potential for creating an equine precinct, as well as what that means for other horse-based activities around the pony club and harness.

At the moment we are working through the technicalities about how the major plan amendment will get taken forward and seeing that our considerations as a committee, which are separate to that, do not interfere with the statutory requirements around the major planning amendment.

**MR RATTENBURY:** In terms of thinking about the economic model going forward, how do you make that decision? It is an interesting answer that you have just given around the major plan variation and the government's decision to enter into a joint venture rather than some other economic option.

**Mr Barr:** We have not made such a decision.

**MR RATTENBURY:** I am trying to explore how the decision gets made in terms of—

**Mr Barr:** And we may not. I would say that to give a steer is to not be involved.

**MR RATTENBURY:** As part of the work that the committee has done, have you done any financial due diligence regarding the current owners of Thoroughbred Park, particularly in light of the fact that they have returned deficits for the last three years?

**Ms Arthy:** No. That is not part of the remit of the committee. The committee was set up to look at whether there are any opportunities for entering into some form of partnership with Canberra Racing to create a broader equine precinct. The work of the committee is not about doing any form of financial due diligence on the parties that would—

**MR RATTENBURY:** That would be a subsequent step.

**Ms Arthy:** ensure a decision would be made to enter into a formal agreement.

**MR RATTENBURY:** The steering committee asked if they could look at other options, such as redevelopment that did not have the racetrack on it—considering a base case of, “As we think about this piece of land and its strategic location in the city, what is the best option?” One of those could be for the government to redevelop the whole site without a racetrack. The Chief Minister’s office said that was not possible, in an email exchange that is now available through FOI. Chief Minister, why would the government not consider all of the options, at least to understand the base case and to analyse the best option in the public interest for the territory?

**Mr Barr:** We are pursuing other development priorities, principally CSIRO Ginninderra. There is obviously only so much development activity that we can undertake at any point in time, only so much that the market can absorb and only so much risk that we may be prepared to take. I have not made a final decision in relation to this, but it would be fair to observe that, of all of the development projects and new suburbs and precincts that are of focus in this parliamentary term, this one sits towards the bottom of the list.

**MR RATTENBURY:** My understanding, though, is that publicly available information suggests that the race club has indicated they need to do this as a joint venture with the government.

**Mr Barr:** That may be their preference, but it does not mean the government needs to take the risk of partnership.

**MR RATTENBURY:** Of course. What do you think will happen if the government does not participate?

**Mr Barr:** Presumably, they would proceed with their major plan amendment, and that would go through Assembly scrutiny, including a committee process that would make a recommendation to the Assembly.

**MR RATTENBURY:** Given that you have not been willing to test the range of scenarios, are you concerned that the government—on behalf of the community—is

potentially missing out on a significant opportunity?

**Mr Barr:** Relative to other opportunities and the relative level of risk, no; not in the short term, but we will see what happens in the 2030s and beyond. That will be a matter for assemblies and governments at that point. For this period, this is not a priority government project.

**MR RATTENBURY:** Thank you.

**MR BRADDOCK:** Chief Minister, you mentioned that the government will not take on the risk as part of the joint venture. Sorry if I paraphrased your answer.

**Mr Barr:** To be clear, we have not made a decision on this, but the assumption that is out there is that we will be doing a joint venture. I need to be clear that no such decision has been taken. Given the level of risk and our other priorities, it is not something about which people should expect a government decision and a joint venture occurring in this parliamentary term.

**MR BRADDOCK:** Would the financial viability of the partner to that venture be part of that risk assessment matrix for the government to consider?

**Mr Barr:** It would have to be.

**MR BRADDOCK:** So, given they have run deficits over the past three financial years, that would be a factor in the government's considerations of whether it would enter a venture?

**Mr Barr:** It would have to be—yes.

**MR BRADDOCK:** Thank you.

**MR EMERSON:** I have a question on the new Canberra stadium. Last year's federal budget included \$10 million for a precinct plan. Who is doing this work and where is it up to? Does that sit solidly with the territory?

**Mr Barr:** Sure. The precinct work is being led by the Suburban Land Agency on behalf of the ACT government but with input from other government entities. The specific work on the stadium itself is being undertaken by Karina's team.

**MR EMERSON:** Is there a lot of collaboration between the two pieces of work?

**Mr Barr:** Yes—all of the interested parties, including the Commonwealth, represented by the Sports Commission, the Department of Finance and the department of infrastructure. They are all involved.

**MR EMERSON:** Is there a time line for completion of that plan—a related time line on starting construction of the stadium?

**Mr Barr:** Obviously, they are interlinked. Another element in this is the Sports Commission's work that they have received infrastructure funding for in relation to

further improvements at the AIS, all of which lends itself to the time line that has been previously announced. Not in this decade.

**MR EMERSON:** I may have missed the announcement around completing that precinct plan, but is there a specific—

**Mr Barr:** Not at this point, but, once we are further into the engagement with the Commonwealth, we will have a better sense of how quickly that will be resolved. There have been initial meetings and they have been very positive.

**MR EMERSON:** The plan for when, where and exactly how to build a stadium is wrapped up in the precinct plan, neither of which will be ready before 2030?

**Mr Barr:** I think the precinct plan work will be done before then and the work on due diligence for the stadium will be done before then, but I interpreted your earlier question as meaning construction of a stadium. That is—

**MR EMERSON:** When it would commence.

**Mr Barr:** Yes. I do not think there is any alteration to the previously advised time frames.

**MR EMERSON:** What is the best estimate for a rough start date for the—

**Mr Barr:** I do not think we can give that right now. I just refer you to previous advice.

**MR EMERSON:** In relation to that, has a decision been made? My sense was that a decision had been made that a new stadium would be required. The last we heard was that there were some sites for consideration. Is that set in stone? Is part of the planning work based on that or is there still consideration being given to upgrading the existing—

**Mr Barr:** Yes; certainly. That is the priority focus for the team.

**MR EMERSON:** Is that set in stone—there will be a new one, not upgrades of the existing one?

**Mr Barr:** There will need to be some upgrades to the existing stadium in the interim but not of the scale that would be considered major works.

**MS CASTLEY:** I want to get back to Economic Development. I appreciate you taking on notice the specific goals and strategies, but could you clarify whether it is the goal of the agency to grow the ACT economy or just specific sectors? It seems that there are plans for tourism, arts and education, but is there a focus on business as a whole? Could you explain that for me?

**Mr Barr:** Yes; certainly. The strategies highlight economic growth generically and then highlight a range of key industry sectors where we believe there is opportunity for growth that is above that which is population driven or where we see flow of public money. To give some examples, there is a considerable flow of public resources into the defence sector and there is a considerable flow of public resources into the care

economy. Both of those sectors are going to grow quite rapidly. We perhaps have a training role in that context, because workforce will be needed in those areas. Other key sectors that we have focused on have been in digital, data and space. We have also focused on, as you have mentioned, tourism; professional, scientific and technical services; and the university sector, for example.

**MS CASTLEY:** You do quantitative analysis to understand the comparative advantage of how you are picking and choosing where this all goes?

**Mr Barr:** Yes. To a certain extent, these areas self-identify, because they are the only remaining sectors of the economy once you take out public administration. We do not have a mining industry, so we are not spending time seeking to invest in mining capability. There are only so many sectors of the Australian economy. There are the ones that are logical for the knowledge economy and the service sector economy. Ninety-nine per cent of our exports are service exports. There is a small amount of food and beverage export from the territory, but our biggest goods exporter is the Royal Australian Mint, which provides currency to the Pacific.

**MS CASTLEY:** So you have analysis to understand the ACT's comparative advantage and the social return that is generated from this agency?

**Mr Barr:** There is certainly publicly available data—yes.

**MS CASTLEY:** It is publicly that is available or are you able to table something for us?

**Mr Barr:** Yes; it is public. We can provide some links to ABS websites and otherwise, if you would like.

**MS CASTLEY:** Yes; great. Similar to what Ms Carrick was talking about, when you walk through the town centres and civic, there are a number of boarded up and empty buildings. Do you reflect on economic development and the approach you have taken and consider that in what is going on—what the impact is?

**Mr Barr:** Sure. Again, most of that is highly localised and sits with Business or Planning, and to a certain extent with Treasury.

**MS CASTLEY:** It does not trickle down?

**Mr Barr:** I am picking up on a theme. Well, yes. The very small team within Economic Development has to focus on the territory level and the list of projects that are outlined in the administrative orders. This team has responsibility for working with the Innovation Network and coordination of the strategic economic development infrastructure projects, which include the casino precinct, the inner-centre precinct, the Commonwealth Park aquatic centre, the new convention centre, Exhibition Park, the new stadium, Telstra Tower—the partnership with Telstra—and Thoroughbred Park, as we have identified. Thoroughbred Park sits at the bottom of that list in the admin orders, to give a sense of that. Then there is international education. Economic Development also has responsibility, through Venues Canberra, for things like the Arboretum, Stromlo Forest Park and Exhibition Park.

We also do work in venture capital. That is another area of responsibility. That supports start-ups and new enterprises in the economy. Then, as Mr Werner-Gibbings touched on in his opening question, through Infrastructure Canberra there are a couple of other specific projects, including the Big Canberra Battery, that we are responsible for. There is that plus tourism and trade. That is it. There are other ministers in other directorates for some of the areas that you are referring to.

**MS CASTLEY:** I note that Mr Steel spoke about derelict local shops in August. He said that the government's approach would be to get tougher with property owners and businesspeople. Was that an initiative proposed by CMTEDD or did you provide input on that proposal?

**Mr Barr:** I think that would relate to compliance with planning use, largely.

**MS CARRICK:** I appreciate that you do not have oversight of the economic development of the town centres, but there is not one coffee shop at the Woden town centre and there has not been for a while. Have you ever had any—

**Mr Barr:** I have had coffee in the Woden town centre.

**MS CARRICK:** Not in the town square.

**Mr Barr:** In the town square—right. Sorry.

**MS CARRICK:** There is not one coffee shop in the town square. Have you ever had any conversations with Scentre Group about whether they activate their side of the town square?

**Mr Barr:** Yes. I have certainly had conversations with Scentre Group but not specifically about town square interface. The conversations I would have with them are at a higher level, about their investment in Canberra. Specifically, the work that we are doing with them relates to new build-to-rent housing opportunities, at both their Belconnen and their Woden landholdings. That level of fine detail does not sit in my portfolio.

**MS CARRICK:** Thank you.

**MR RATTENBURY:** You mentioned the venture capital fund as one of the areas the government uses. Are the criteria for the investment decisions in that fund publicly available?

**Ms Starick:** I have read and understand the privilege statement. Regarding the status of the venture capital fund, we have a license agreement with Epicorp, the fund manager, and that licence agreement is available on the Procurement ACT website. That goes to some of the objectives of the fund. The licence also makes reference to governance documents, which include a responsible investment policy and an investment plan. Those governance documents are not available at the moment. We are still negotiating a partnership deed with the other limited partners of the fund. Once all those negotiations are complete, the responsible investment policy and plan and any

other governance documents will be made public. I can tell you that the responsible investment policy is consistent with the government's responsible investment policy insofar as there are areas that this fund will not invest in.

**MR RATTENBURY:** Positive and negative filters?

**Ms Starick:** Yes. There is obviously a responsibility under the Financial Management Act for a return, but there are also other objectives of the venture capital fund around jobs growth, business growth and developing the local innovation ecosystem.

**MR RATTENBURY:** Just a quick clarification: when you say those governance documents are still being put together, do I take it that the venture capital fund has not started investing if those things are not in place?

**Ms Starick:** There are a couple of stages to it. We have the licence agreed. We are currently finalising the partnership deeds with other limited investment partners. There are a few other steps—conditions precedent—that must be met before the fund starts to invest.

**MR RATTENBURY:** Thank you.

**MR COCKS:** In your answer to Ms Castley's first question, you made mention of population-driven growth. What I am very interested in finding out is: to what extent are you focusing on that headline growth number as a territory, and how are you examining growth on a per-capita basis? How do you balance those two things?

**Mr Barr:** We, from recent data, have had per capita GSP growth. What that means for those who do not follow all the jargon is that, although our population has been increasing, our economy has been growing at a rate faster than our rate of population growth. That is generally considered by economists, using just the metric of gross state output—or gross territory output, but it has the same meaning—to mean that each individual within the economy is richer to the extent of the per capita GSP growth. Mostly, this has been driven in the last 12 months by an increase in Commonwealth activity, but there are sectors of our economy that are continuing to grow strongly and there are some sectors that are experiencing a degree of headwinds and risk at the moment, both regulatory and what we are seeing in the global economy.

Trade with the United States is quite topical at the moment, for example. and therefore there is a need to diversify trade, so our approach this year will be to particularly focus on some of our other large trading partners: China and India, but also South-East Asia and the Pacific. I would not say that we are not going to continue to have a strong relationship with the US—it is the largest source of inbound foreign investment for Australia—but, clearly, there is a degree of turbulence at the moment.

**MR COCKS:** Clearly. You made mention of, effectively, the only remaining sectors that concentrate in the service sector of the economy. Those are the areas where it is most difficult to get productivity gains. Do you see any risks with us being so reliant on those sectors?

**Mr Barr:** Who would not want a more diverse economy? In the context of the

Australian economy, which is quite narrow as most of its exports are resource based, we are just not going to be in that. We can seek to value-add through our services to that part of the Australian economy, and that has been happening. In terms of productivity in the services sector, probably the biggest gamechanger is going to be AI. It is already impacting. I would anticipate that it will drive productivity increases in some areas, and in some others there would be considerable risk associated with its rapid deployment. But, undoubtedly, the rate of change in technology and its impact on service delivery in service sector economies is significant.

COVID changed a lot. A lot is different in people's working lives in 2025 than was the case even five or six years ago, and I expect AI to drive another wave of that. I have made mention of some regulatory impacts. Undoubtedly, the debate in relation to the size of Australia's migration program and international students within that has had a significant impact on our university sector. You have all no doubt read or heard the same commentary that I have in relation to that. There is a task over the next few years in partnership with the ANU, the University of Canberra, UNSW Canberra and CIT, once we have a degree of regulatory certainty, to begin the rebuild of both our international and our domestic student markets.

**MR BRADDOCK:** Chief Minister, noting your responses to Ms Carrick's question, I now have some questions about Gungahlin based employment. In response to my motion in 2023 on this issue, the government response stated:

... the Chief Minister wrote to the federal Minister for Finance, Senator the Hon Katy Gallagher, encouraging the Minister to consider Gungahlin as a future site for Commonwealth public servants, with a refreshed prospectus on the opportunities available in Gungahlin.

Did Senator Gallagher ever respond to that or did anything come out of that correspondence?

**Mr Barr:** Certainly, the Commonwealth are looking at their employment locations. They are constantly updating their property portfolio, often now through leasing from the private sector rather than building their own buildings. Gungahlin town centre east, which we can discuss in some further detail with SLA when they are in next week, will present an opportunity for some more commercial land release within the Gungahlin town centre that would lend itself to public sector employment. Clearly, the land value is lower. The opportunity for new builds to meet the higher environmental standards that the Commonwealth now have for their office accommodation would seem to be a happy coincidence and an opportunity for the Commonwealth to look at their employment distribution within the ACT.

I would observe, though, that, if there is a change of government and there are 36,000 fewer public servants in the ACT, that is going to have quite a devastating impact. There will be obviously no opportunity for growth in Gungahlin and there will be significant reductions in employment that will hit small business in every town centre in the ACT if we lose a third to half of the public sector jobs that are currently located in our city.

**MR BRADDOCK:** Just to be clear, has there been any specific communication or



correspondence from the Commonwealth government in terms of Gungahlin employment or is it—

**Mr Barr:** That has been engagement in relation to future land release and what is proposed for the Gungahlin East portion of the town centre. As I understand the way the Commonwealth undertake their property portfolio decisions, that is somewhat devolved to individual agencies, but there have been market approaches in recent times. To a certain extent, it sits with developers to seize those opportunities. We will also be looking at what other forms of commercial GFA would be released as part of that strategy. Perhaps, in the interest of time, I will take on notice further information that I can provide to you on that.

**MR BRADDOCK:** Thank you.

**MR COCKS:** This will probably make me sound like even more of an economics nerd. I have been reading the ABS state accounts. One of the things that struck me was the public sector versus private sector share of final demand in the ACT. In 2001, which was when Jon Stanhope came in as Chief Minister, the public sector accounted for 48 per cent and the private sector for 52 per cent, so the private sector represented just over half of the economy. In 2011, when Ms Gallagher became Chief Minister, the public sector had increased to 53 per cent, leaving 47 per cent private.

It stayed roughly steady until 2014 when, Mr Barr, you became Chief Minister. Now we are sitting at about 57 per cent of the economy being public sector in the ACT and the private sector is just 43 per cent. It is a trend that spans multiple federal governments of both stripes, and the ACT economy is now the most concentrated it has been—far more than in the 1980s and 1990s. Is economic diversification still a goal for your government?

**Mr Barr:** Yes, diversification is, but the metric for that is not just public sector and private sector. You could, in theory, have one private firm that accounted for 40 per cent of your employment—

**MR COCKS:** In theory, but that is not the actual case.

**Mr Barr:** No, but that has certainly been the experience in some regional cities. I refer to BHP in Newcastle; the impact that their closure had was very significant. We do have a more diverse—in terms of industry sectors and range of employers—economy than we did previously. If you look at the relative economic output over that period, both sectors, public and private, have grown, but the public sector has grown much more quickly in the last three years—there is no doubt about that—because \$20 billion of activity was insourced.

**MR COCKS:** As I pointed out, this is a longer term trend.

**Mr Barr:** I appreciate that, but there is no doubt that, with respect to when the commonwealth insource, because the activity that was being undertaken for the commonwealth government by consulting firms would have been measured as private sector activity, when it was in fact work for the public sector, now that that has been brought in-house, it has clearly reduced the size of the private economy by that measure

and increased the size of the public sector. That is manifested in our budget by reduced payroll tax collection, because the amount of work outsourced by the commonwealth has significantly reduced. I am not contesting any of that, but that is the explanation as to why the public sector share has increased, particularly in the last three years.

**MR COCKS:** Does the government have a goal, then, to improve the share of the economy for the private sector?

**Mr Barr:** The government has a goal to grow the economy. I am agnostic as to where the jobs are. I just want more jobs and more economic activity. That can come from the public sector and the private sector. Ideally, it comes from both. To the extent that most private sector activity in the ACT leverages off the public sector, anyway, there will be a relationship whereby, if the public sector is growing, that will support further private sector growth.

From an ideological perspective, Mr Cocks, no, I am not going to argue that a public sector job is bad or that a private sector job is inherently better than a public sector job. I just want more jobs and a bigger economy, and that is what we are working towards, and we will do it in partnership with the commonwealth government, with the university sector and with the private sector economy as well.

**MR COCKS:** The level of concentration in the public sector that we are at right now does seem to be a major risk for the ACT, because we seem to be far more vulnerable to the vagaries of federal governments, and we have seen cuts, I think, in the past, on both sides of politics. What have you done to inoculate the ACT against the vagaries of federal politics?

**Mr Barr:** I work incredibly hard, and have throughout my entire career, to protect the ACT from ideologically driven cuts to the public sector.

**THE CHAIR:** You mentioned a little while ago international students—the impact of international students on the ACT’s economy. There has been an ongoing conversation about the number of international students Australia wide. What are the trend lines for the impact that international students are having post COVID? Are things trending up or not? Can you give me an outline, please?

**Mr Barr:** Sure. International education is our biggest export industry. It is the only export industry for the territory that is greater in value than \$1 billion annually, in an economy that is roughly \$50 billion; so \$1 billion of that \$50 billion is generated by international education exports. It is a critical sector. Outside the public sector, our universities are the next-largest employers in our city, so it is critically important.

That export measure is international students. Another really critical element for our universities is their capacity to attract domestic students from elsewhere in Australia, so the focus for the next few years, as I mentioned in an earlier answer, is to seek to stabilise and rebuild that international and domestic student market.

The best prospects for growth, clearly, are the new University of Canberra campus on the eastern side of our CBD. They will start to expand from the middle of this year, once CIT moves to their new facilities in Woden, Ms Carrick, bringing 5,000 students

into the Woden town centre, which will probably help to increase demand for coffee in the town square.

**MS CARRICK:** They said a lot of those students will be online.

**Mr Barr:** We will see whether that does generate the extra demand we would hope for the town centre. Importantly, with this focus on stability, universities, particularly ANU, are going through a very difficult budgetary period. One would hope that those matters are resolved in 2025, and the process of rebuilding can commence this year.

**THE CHAIR:** Because of that institutional uncertainty, are you unable to provide a useful forecast that you can rely on?

**Mr Barr:** To a certain extent, the decisions in relation to seeking to grow the student population are ones that are taken by the universities themselves. A pre-COVID decision of the Australian National University was to cap its student numbers, to stay effectively at around 20,000 undergraduate students. They decided to no longer seek to grow. The University of Canberra, on the other hand, which is smaller, needs to grow. It has been the objective of that university under previous vice-chancellors, and certainly under the new one, to seek to grow both their domestic and international student enrolment.

We will certainly have a willing partner in seeking to grow the university sector in the University of Canberra and in UNSW Canberra, who are seeking to establish a campus with around 6,000 students, with civilian-based placements. Obviously, they have been in Canberra for nearly 60 years, providing an education for the defence forces, but their expansion in the eastern side of the CBD is a major step into providing courses for civilians in areas in which the other universities and other training providers are not currently providing courses in the ACT. We do see it as an opportunity, particularly for those two institutions, to grow.

ANU will need to make a decision around whether they are going to address their budget shortfall through a growth pathway, as in seeking more student enrolments, or reducing their expenditure and remaining a relatively small university. That is not a decision for me. They are a federally mandated university. It is a decision for the university council to make. But whatever decision they make, we will work with them within the parameters in which we are able to.

**MR RATTENBURY:** What is the real-world impact of the federal Labor government's cap on international student numbers in the ACT, in light of those projections that you have just made?

**Mr Barr:** Obviously, the cap was not legislated. The caps that were part of that legislation increased the University of Canberra's numbers but reduced the ANU's. Off the top of my head, I do not recall whether there was going to be an impact on UNSW Canberra. I will take that bit on notice.

In the end, the ANU reduction was slightly larger, by a few hundred, than the UC increase. The net impact was going to be a small reduction in the number of international students in Canberra. It is unhelpful, and I said so. This is not new; I have

said that on many occasions.

**MS CARRICK:** My question is around the Capital Framework. It says that, for all projects, there will be a robust business case to inform government investment decision-making. I am specifically thinking of something like the Commonwealth Park aquatic centre. Do we get to see the options analysis, the delivery model—the funding and operating model, and the options for that, the economic analysis, which includes a wellbeing impact assessment, and societal impacts? Do we get to see that with the Phillip pool, too?

**Mr Barr:** I cannot comment on the Phillip pool. That is not within my portfolio responsibilities. In relation to the Commonwealth Park centre, it is a feature of the National Capital Authority's draft master plan for Commonwealth Park. The commonwealth government approached the territory with that opportunity. Clearly, though, they were aware of the ageing Civic pool and the fact that the site is required for the new convention centre. It was a welcome approach because it did provide land for a new facility for the second oldest—Manuka pool would be the oldest—aquatic facility in the territory.

**MS CARRICK:** With respect to other projects that have been decided upon, do we get to see those aspects—an options analysis and the delivery model? Do we see those for a range of other projects?

**Mr Barr:** Yes. Those things are generally publicly available. With some elements, where there is an intergovernmental negotiation, we are in the middle of a procurement process or there are matters of cabinet-in-confidence, there might be a delay in the release of particular material, but—

**MS CARRICK:** I am particularly interested in an options analysis, how projects were selected, the process undertaken to select the projects, the criteria that were used to assess the options against the criteria, and the criteria that the options were assessed against—a multi-criteria analysis.

**Mr Barr:** Some useful reference documents will be Infrastructure Australia's priority infrastructure list and the territory's own infrastructure plan. They have been recently updated, and that will give a sense of projects that are in the pipeline, at either the national or a territory level. There is information on individual projects as they proceed through procurement. There is a whole range of technical specifications and information.

**MS CARRICK:** It is more about the selection of them.

**Ms Geraghty:** I have read and acknowledge the privilege statement. Ms Carrick, the process you are talking about is essentially the robust process we undertake through a business case. We would undertake business cases for each of our different projects. With the Commonwealth pool, we are only just commencing feasibility work. The business case is a bit further down the track. With certain projects, the business case becomes public, although, as the Chief Minister noted, we do remove certain cabinet-in-confidence or commercial information from those business cases.

**MS CARRICK:** If I go onto the site, I should find the multi-criteria analysis of how these projects in the pipeline were selected?

**Ms Geraghty:** It would be on a case-by-case basis for each project.

**MS CARRICK:** Right; I will do my best.

**MR EMERSON:** On the aquatic centre at Commonwealth Park, what is the time line in relation to decommissioning Civic pool, which I understand needs to be done to build a convention and entertainment centre; and, in terms of amenity, will there be a period when there is no pool in the city?

**Mr Barr:** No. The commitment that the government has made is that we will keep the existing Civic pool open until the new facility is built.

**MR EMERSON:** There will be the new facility, the decommissioning of the pool, then we are talking about a convention and entertainment centre?

**Mr Barr:** That is correct, yes.

**MR EMERSON:** Is the convention and entertainment centre a two-stage process?

**Mr Barr:** We are still working through different delivery mechanisms. It would be fair to observe that the work to date is suggesting an integrated facility of entertainment and convention combined. That may be the preferred model, but it is not absolutely confirmed yet.

**MR EMERSON:** Finally on the pool in Commonwealth Park, are we looking at that being a state aquatic facility—that kind of scale of facility where we can host major competitions and have events here, or are we just talking about a 50-metre pool, or an indoor or outdoor 25-metre pool?

**Mr Barr:** The final scope of the project is somewhat budget driven, and somewhat driven by the level of commonwealth co-investment. The commonwealth have made the land available, which is a significant initial contribution, but there is only so much space. The pool will not eat up the park, but it will need a sufficient footprint to offer a viable range of services. The main issue around, as you described it, a territory-level facility is a level of spectator seating for staging of those sorts of events. No final decision has been made on that, but that would add considerably to the expense of the project.

**MS CARRICK:** On the basis of the response to my motion in December about Phillip pool and the explanation as to why a 25-metre pool was chosen, should the same metrics be followed, we would have a 25-metre pool in the bottom of a tower on West Basin. There seems to be a disconnect here, and double standards about how the assessment is applied when it comes to Phillip and Commonwealth Park.

**Mr Barr:** Certainly, with the facility's design, it would be designed to serve a greater catchment, as in 500,000 people. But whether it is at Commonwealth Games level standard is the question that we are looking at.

**MR RATTENBURY:** Chief Minister, I am not sure whether you are familiar with the project ARISE in Europe, which is the world's largest research and innovation funding program.

**Mr Barr:** I cannot say I am.

**MR RATTENBURY:** Fair enough. We have recently seen South Korea, Canada, New Zealand and the UK join in. In a world in which the US is increasingly isolationist and having regard to the issues with China, it is seen as a key opportunity. Have you had any discussions with the federal government? Australia so far has not joined in. Have you made any representations to the federal government about—

**Mr Barr:** No, I was not aware of it. I will do some research, and we will consider the merit of such an approach to the commonwealth. I take the overall commentary as reasonable, in the context of international affairs at the moment.

**MR RATTENBURY:** With Canberra's reputation and status as a hub for research, there is a risk for us in Australia not being involved, and therefore the ACT suffering from that.

**Mr Barr:** Yes. We will look at that.

**MR COCKS:** The latest annual report for CMTEEDD lists the following actions for the business and innovation branch: continuing with the small business strategy, appointing a manager for the venture capital fund, finishing the refurbishment at CBRIN, and continuing with the Canberra space hub. What other initiatives, if any, are being undertaken by that branch?

**Ms Arthy:** That branch works across several portfolios. With the business portfolio, the hearings were held yesterday, and we went through the work there around providing broad business advisory services, as well as the Aboriginal and Torres Strait Islander business services. We also do a lot of work with Screen Canberra, which was covered yesterday, as well as general business communications and how we engage with business.

On the investment and innovation side, there is a large proportion of investment attraction—the work that we do with businesses and universities who are seeking investment to come here. We also do a lot of work with the Canberra Innovation Network. Beyond doing the fit-out, it is about working with them as partners about how we grow the innovation sector. We also run what we call our “team Canberra” events. We facilitate presence at major conferences, whereby a lot of small businesses can come, as part of a broader area.

Our real focus is very much about those key knowledge-based sectors and how we can help to connect, because that is a lot of the work, whether it is through the Cyber Hub, CBRIN or other networking events or connections. We have a defence and advanced technology advocate that we work with. Their role is to connect the various businesses who want to deal with Defence and provide that service of connecting customer with potential service provider.

It is a fairly broad remit. That team also does the secretariat and coordination around the Canberra Thoroughbred Park, the casino redevelopment, UNSW and several other things that it comes across.

**MR COCKS:** In relation to the I-side of it, the Chief Minister mentioned that we struggle to attract investment. What research or analysis have you done into the barriers faced in attracting investment? Can you outline those?

**Mr Barr:** They are principally ones at economies of scale. We have been endeavouring to get airlines to fly here, and major international hotel chains to invest. Largely, the issue is simply one of population and size of economy. As Canberra continues to grow, we will reach a size where certain investment will flow because the market will be big enough.

Certain barometers on that were met. An example is that IKEA invested in Canberra, after a very long time of endeavouring to attract them here. Once our economy reached a certain size and our population reached a certain size to justify the investment, they made it. We were able to facilitate that investment. That is one practical retail example. The aviation sector is another combination et cetera.

That is what I meant by saying that we are a small economy. Australia sometimes struggles to attract investment in certain instances, because we are a small country.

**THE CHAIR:** Thank you, Minister. On behalf of the committee, I thank you all for your attendance today. If you have taken any questions on notice, please provide your answers to the committee secretary within five business days of receiving the uncorrected proof *Hansard*.

**The committee adjourned at 2.20 pm.**