



**LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

SELECT COMMITTEE ON ESTIMATES 2025-2026

(Reference: [Inquiry into Appropriation Bill 2025-2026 and Appropriation
\(Office of the Legislative Assembly\) Bill 2025-2026](#))

Members:

MR E COCKS (Chair)
MR S RATTENBURY (Deputy Chair)
MS F CARRICK
MS C TOUGH

PROOF TRANSCRIPT OF EVIDENCE

CANBERRA

FRIDAY, 25 JULY 2025

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

By authority of the Legislative Assembly for the Australian Capital Territory

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

APPEARANCES

Chief Minister, Treasury and Economic Development Directorate	372, 443, 461
Access Canberra.....	406
ACT Gambling and Racing Commission	406
Health and Community Services Directorate	417
Office of the Legislative Assembly	433
Digital Canberra.....	443

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Amended 20 May 2013

The committee met at 9.00 am.

Appearances:

Stephen-Smith, Ms Rachel, Minister for Health, Minister for Mental Health, Minister for Finance and Minister for the Public Service

Chief Minister, Treasury and Economic Development Directorate

Campbell, Mr Russ, Under Treasurer, Treasury

Austin, Mr Scott, Acting Deputy Under Treasurer, Budget, Procurement, Investment and Finance, Treasury

Visser, Mr Riaan, Acting Executive Group Manager, Procurement ACT, Treasury

Sambasivam, Ms Nithya, Acting Executive Branch Manager, Policy and Capability, Procurement ACT, Treasury

THE CHAIR: Good morning, and welcome to the public hearings of the Select Committee on Estimates 2025-2026 for its inquiry into the Appropriation Bill 2025-2026 and the Appropriation (Office of the Legislative Assembly) Bill 2025-2026.

The committee today will hear from Ms Rachel Stephen-Smith MLA, in her capacity as the Minister for Finance; the ACT Gambling and Racing Commission; Ms Suzanne Orr MLA, the Minister for Disability, Carers and Community Services; Mr Mark Parton MLA, the Speaker; and Ms Stephen-Smith, in her capacity as the Minister for the Public Service.

The committee wishes to acknowledge the traditional custodians of the land on which we are meeting, the Ngunnawal people. We wish to acknowledge and respect their continuing culture and the contribution they make to the life of the city and this region. We would also like to acknowledge and welcome other Aboriginal and Torres Strait Islander people who may be attending today's event.

This hearing is a legal proceeding of the Assembly and has the same standing as proceedings of the Assembly itself; therefore, today's evidence attracts parliamentary privilege. The giving of false or misleading evidence is a serious matter and may be regarded as contempt of the Assembly.

The hearing is being recorded and transcribed by Hansard and will be published. The proceedings are also being broadcast and webstreamed live. When taking a question on notice, it would be useful if witnesses used these words, "I will take that question on notice." This will help the committee and witnesses to confirm questions taken on notice from the transcript.

We welcome Ms Rachel Stephen-Smith MLA, the Minister for Finance. We also welcome the officials who are in attendance. For the officials, please note that, as witnesses, you are protected by parliamentary privilege and are bound by its obligations. You must tell the truth. Giving false or misleading evidence will be treated as a serious matter and may be considered contempt of the Assembly.

As we are not inviting opening statements, we will proceed directly to questions. I will

kick off with a question about the Procurement Reform Program. In CMTEDD's 2025-26 priorities, there is "supporting the ACT public service to deliver value for money under the Procurement Reform Program"—table 35. Can you detail the Procurement Reform Program and let me know what progress has been made there?

Ms Stephen-Smith: Significant progress has been made, and I will hand over to officials to detail that.

Ms Sambasivam: Thank you for the question. I have read and understood the privilege statement. The Procurement Reform Program commenced in 2022 with the objective of having a strong focus on transparency, support and streamlining, and providing clear opportunities for industry and local business to work with the ACT government. It was set with a pathway to transparent, evidence-based decision-making, and it supported clear roles, coupled with customer-focused services to support public servants and businesses through the procurement's life cycle. It also involved streamlining legislation, policy processes and templates.

At this point the Procurement Reform Program has been substantially delivered. There are three long-term actions that are outstanding under the program. Firstly, there is implementing the road map for a modernised procurement solution. The second one is procurement-focused e-learning modules, noting that the content for those modules is available on the ACT government's internal procurement hub, so the piece of work there is to change them into a format that can be added to the ACT government's learning management system. The third one is the mandatory adoption of the ACT government Procurement Capability Framework.

THE CHAIR: In table 36 on page 49, "changes to appropriation", it looks like the funding for the Procurement Reform Program has been pushed back by a year, so what has happened there? Are there controls in place to make sure things are not pushed back again?

Ms Stephen-Smith: On what page?

THE CHAIR: Table 36, page 49.

Mr Campbell: I have read and understood the privilege statement. The relevant official that is across the budget changes is not in the room, but I know what was driving that shift, and it was basically a shift of funds relating to some of the training budget. It is not the actual reform program itself; it is part of internal training. It was moved from one year to the next because contractual obligations were not met in this particular financial year.

THE CHAIR: Can you confirm that there is no shift to the program itself?

Mr Campbell: No. The program itself, as my colleague was saying, is largely complete. The legislative framework has been put in place. The training rollouts occurred, and a tiered services accreditation model has also been implemented.

THE CHAIR: Perhaps you could take on notice exactly what the changes were in that—

Mr Campbell: Yes, I will take that on notice.

MR RATTENBURY: There is a removed accountability indicator. I am looking at pages 41 and 42 of budget statements B—the proportion of goods and services contracts awarded to Indigenous suppliers or social suppliers. There has previously been a target of one per cent. This year there is no target. There is a footnote explaining that “agencies are encouraged to include Indigenous businesses and social enterprises in procurement opportunities”, but you seem to have removed the actual requirement. Can you talk to me about that policy change?

Ms Stephen-Smith: The requirement under the Aboriginal and Torres Strait Islander Procurement Policy has not been removed. We did discuss it at the time, but I cannot remember; I will hand over to officials to talk about why this specific indicator has been removed.

Mr Visser: I have read and acknowledge the privilege statement. The procurement framework does not require entities to maintain records of the proportion of goods and services contracts awarded to Indigenous suppliers or social suppliers. As indicated, it does not reflect relevant requirements under the framework—for example, the requirements to meet addressable spend obligations under the Aboriginal and Torres Strait Islander Procurement Policy. The policy specifies addressable spend targets, which are measured at the entity level. Those are the underlying reasons for that.

Mr Austin: The other reason why it was removed is that Procurement ACT is not responsible for procurements; it is actually the individual agencies that undertake it. They need to work within the procurement framework, and it is against their accountability that that should be measured.

MR RATTENBURY: The policy has not changed; the requirement is still there to procure a certain percentage?

Ms Sambasivam: Yes, that is correct. The policy sets an addressable spend target that each territory entity looks to achieve, and that remains in place.

MR RATTENBURY: Thank you; that is helpful. How will that be measured? I appreciate your point, Mr Austin, about why this is not the appropriate place. Where is the appropriate place, going forward?

Ms Sambasivam: That is reported in each territory entity’s annual report, their achievement against that, so it is publicly available in the annual reports.

MS CARRICK: Procurement is very difficult. There have been some examples of where it has not gone well or where there have been cost or time blowouts. Procurement is fraught. Do you have a risk strategy for how you manage procurements across the territory? For example, do you have a list of what procurements are coming up—the pipeline of procurement, a procurement plan and a risk strategy for how you might manage the whole thing?

Ms Stephen-Smith: There is a pipeline ahead for procurements, and Procurement ACT

does encourage agencies to provide that information.

Mr Visser: We have anticipated procurement activity reporting occurring. That is facilitated by Procurement ACT, with input from the procuring entities themselves. APA lists all the procurements that are anticipated for the financial year, with a consideration of \$25,000 or more. There is a centralised reporting structure in which we are capturing that. It also informs us, as the supporting entity, aligned with the tiered service delivery model, based on scale, scope and risk, of different labels of support that we give to entities.

It gives us a very good indication of what is coming down the line, so that we can give managed support or shared support, or assist the entities with other supports. It also helps the territory entities, the procurement entities, to plan and manage their contracts to ensure there is enough time to go to market, if required, for any procurement.

MS CARRICK: Do you have a risk management plan for your entity? A risk would be that a territory agency does not let you know about a procurement; it does it itself and it goes pear-shaped.

Mr Visser: We do have regular monthly meetings with the territory entities, where the status of upcoming procurements is discussed. We have found that to be a very effective way of managing that risk. We consult with the procurement entities on a monthly basis, over and above ad hoc engagement, as required.

MS CARRICK: For example, MyWay+ did not go well. It had very poor media around it. From your perspective, why did that go so pear-shaped?

Mr Visser: Ms Carrick, which one was that?

MS CARRICK: MyWay+. It is a recent one.

Ms Stephen-Smith: Ms Carrick, again, as with the questioning from Mr Cain the other day, there is a difference between the procurement process—and I do not know whether you have any evidence that the procurement process did not go well. The project delivery is not the responsibility of Procurement ACT. Project delivery and contract management would be the responsibility of the relevant agency that has procured that service.

You might be aware, in relation to the public transport ticketing system, that there were numerous procurement analyses that were undertaken. It was a very complex procurement. Again, the transport minister is probably better placed to talk about the details of this. I do not know that you have any evidence that the procurement itself was ineffective. The issues that have arisen subsequently would appear to relate more to project implementation and management. Mr Rattenbury looks confused about that, but I am not sure why he would.

MR RATTENBURY: I am not confused. Basically, you are suggesting that Procurement ACT is a post-box and does—

Ms Stephen-Smith: No, that is not the case at all, once the procurement has been

undertaken, and an agency is in contract with a provider. Procurement ACT is there to provide support around the procurement process to the point where you get to contract, and it can provide ongoing support. CMTEED, broadly, can provide ongoing support around contract management et cetera, but project delivery is the responsibility of an agency. It appears to me from the public commentary that that is where the issues lie. If you are talking about user testing, the ticketing machines and the actual implementation of them, as opposed to the procurement process having been effective, and whether the partner was the right partner and was most likely to deliver value for money—that is the procurement process.

MS CARRICK: What about the procurement plan? Would you have been involved in the procurement plan or the contract? With the whole user testing and the milestones, it all failed. With the contract, there were not clear, set milestones. It was about how the risk register captured things—the whole process, the procurement process.

Ms Stephen-Smith: I am not in a position to talk in detail about the MyWay+ whole project. From a procurement perspective, a major procurement like that would go through the Procurement Board. It would be presented to the Procurement Board. The Government Procurement Board, which includes independent members and senior ACT government officials, would provide advice on the process for undertaking the procurement.

A procurement process for a major investment, generally speaking, would include probity, so there would be a risk plan around the procurement itself that would include—

MS CARRICK: Disability?

Ms Stephen-Smith: the provision of probity advice. There is then the assessment of value for money and all of that stuff. Once the partner is procured through the procurement process, projects will be managed in different ways by different directorates. For example, there would be a project board to implement that project or a project steering committee—a group of officials who are responsible for implementing that project. They would be responsible for undertaking risk management about the implementation of that project. When you are talking about consulting with people with disabilities, that is a specific responsibility of the agency that is delivering that project.

MS CARRICK: I would have thought it would have been about the governance of that project, and you might have had some advice that the governance of that project should include experts in particular fields, and people that—

Ms Stephen-Smith: Yes, but it is the governance of the project; it is not the process of procurement to get to the point where you have a project partner to deliver the project. Procurement is only one small part of a much larger project process.

MS CARRICK: True, but the governance is part of the whole procurement.

MS CASTLEY: When the wheels start to fall off and more money is required, do they go back to you at that point—Procurement ACT?

Ms Stephen-Smith: It depends on whether there is a further procurement or—

MS CASTLEY: An extension?

Ms Stephen-Smith: an extension of a tender. I will throw to officials on this. Part of the procurement reform was a requirement that major contract variations would return to the Procurement Board. Officials might want to talk a bit more about how that process is working. We are reviewing that because it has probably been set a bit too broadly, and a lot of variations which are par for the course are ending up going back to the Procurement Board, creating a lot of work for them.

Mr Visser: This, according to records, went to market in 2022. It was pre the reform. From our records, it was conducted as a two-stage procurement. There was support on the procurement, but Procurement ACT did not support the implementation of this. Any further specific questions should possibly be referred to the City and Environment Directorate. It will have more firsthand information about this.

MS CASTLEY: My question was not about that. I understand your part in it, but did the extension—

Ms Stephen-Smith: In terms of the role of the project board in considering variations?

Ms Sambasivam: We made some amendments to the Government Procurement Act that took effect on 1 July 2024, last year. That specified the procurements that must be reviewed by the Government Procurement Board. Those are a procurement in the planning period with an estimated total consideration of \$7 million or more; irrespective of the value, procurements in the planning period for which there are significant concerns about probity; if a procurement relates to ICT that involves an element of system development or redesign; if the procurement is a new standing offer; or if the procurement proposes substantially to change the scope or nature of an existing procurement contract. That is the relevant one here, I would imagine, regarding what you are trying to understand.

Procurements also need to go to the board if a procurement has been undertaken but a procurement contract has not yet been entered into, and there are concerns about probity at that point; and, irrespective of the value, a procurement can be referred to the board by various entities. The board itself can select procurements for review as well. That is a mechanism within the procurement framework that applied from 1 July 2024.

MS CASTLEY: Can recommendations be made to the board as to what projects people would like to be reviewed, or is it purely a matter of making those decisions yourself?

Ms Stephen-Smith: If there is a concern about probity, the procurement can be referred to the board by the minister, the responsible CEO of the territory entity, Procurement ACT, Infrastructure Canberra, or a person who has been engaged to investigate whether a procurement was undertaken with probity. There were a number of reasons for the procurement reform. Reflecting on the issues in relation to CIT, for example, where the minister is at arm's length from CIT, which is governed by a board, in that example, if the minister now had a concern about a procurement that was underway, or about the

probity in relation to a procurement, the minister would be able to refer that procurement to the Procurement Board for specific consideration.

That is why this is in place. If others externally have a concern about probity, probably the best thing to do is to raise it with the minister, the CEO or Procurement ACT, and consideration will be given to whether, if it is a serious probity concern that has been raised by an external party, it would be referred through.

MS CASTLEY: Going back to MyWay+, was there a consideration from Procurement ACT? We have heard recently that they went with minimum viable product when Canberrans all thought we were getting this whiz-bang thing, not minimum viable product. At any point, did Procurement ACT understand that, and have any questions around what was being delivered before you signed off and sent it to Transport Canberra and City Services?

Ms Stephen-Smith: Firstly, that is not the role of Procurement ACT. Their role is to support the process of procurement, not to make procurement decisions and agree to the end result of the procurement. Secondly, when they talked about going live with minimum viable product, that is not the total product. The point that they were making—again, this is a question for the transport minister, because it is about project delivery—about going live with minimum viable product was that there is more work still to be done.

For example, at that point there was still more work to done on the tracking system, NXTBUS, or whatever it is called now, and they were clear about that. They were going live with some of the functionality that has since been delivered, and will be delivered, that was not available at the time that they went live. It was not that we had procured something that was less than what they publicly said we had procured. That is not the—

MS CASTLEY: What is your role then? The minister says, “I would like to put in a MyWay+ ticketing system,” and you say you have nothing to review. Do you say, “Sure, how much is it going to cost”? How does it work? How does the minister get the tick-off to say, “I’m off to get a ticketing system”?

Mr Campbell: It might help us to step right back to the start. The proposal for anything like a ticketing system will go through a budget process. A business case will be developed to do something like that. That could be a ticketing system or it could be implementing a new regime to screen candidates for a particular recruitment process. It could be anything. There is then an allocation of funding, and a best estimate cost is made, as part of that budget process.

MS CASTLEY: You make that?

Mr Campbell: In my role with the budget hat on.

MS CASTLEY: Procurement ACT.

Mr Campbell: Yes. But Procurement ACT does not get involved until after a decision has been taken by government to decide to spend money on a particular thing. That is where effectively the minister’s role is to describe the policy outcomes, the goals and

objectives of that policy, and the outcomes they are looking to see. But we are quite explicit in the ACT that that is where the minister's role ends, and you move into the procurement phase to procure the thing that we are talking about. That would be the ticketing system. That is when it becomes the responsibility of the director-general or their delegate to undertake the procurement.

The procurement process will go through a Government Procurement Board process, if it is deemed to be of sufficient risk or quantum of funds. Once that process has been approved, you would go to market formally to seek potential suppliers. At that stage it moves into procuring the service, and it gets into contract management and project delivery, which the minister was referring to.

The Procurement ACT bit is after the ministers have made a decision to spend money on something; they have given the goals, objectives and outcomes that they are expecting, and the actual procurement process does not involve ministers.

MS CASTLEY: The minister brings the business case with their guesstimate of what it will cost, and you do an analysis?

Mr Campbell: That is right.

Ms Stephen-Smith: To be clear, ministers do not sit around doing desktop research to work out what something will cost. That is the role of officials, and you question how you got to this estimate of what it will cost. Depending on the complexity of the project, sometimes you bring forward a business case that says, "We're going to spend a million dollars on this grant program, and that's a million dollars we're going to spend; we're going to hand out grants, and we'll spend a million dollars and that's it," but if it is a project where we will go to market for tender, there will be a lot of market research done by the relevant agency to understand the likely cost of delivering that service.

That could be something that we are purchasing, it could be a construction project or it could be the delivery of human services support—for example, for out of home care procurement, which I am pretty familiar with. There was a lot of work done, including with the support of consultants, to understand the unit cost of delivering the different parts of the out of home care service, so that we had some understanding of what we would expect to get back from the market when we went through a procurement process, and so that we could cost that, in order to take it through the budget process.

Subsequently, if we go to market and the cost is high, and the best market feedback we have is that it is more, you go back through a budget process and say, "Actually, we need more money," or "We're going to trim back on the product that we're going to purchase, to fit within our budget."

MR RATTENBURY: Minister, you observed that I looked confused before. I think it was more of a look of quiz. I was struck by your very definitive statement about the line that gets drawn between procurement and project delivery. I think this is where Ms Castley is trying to explore as well—though I do not want to put words in her mouth. But there is this interesting overlay between when the agency comes along and says, "I want this project," and Procurement ACT plays a role to help guide them in an expert perspective on how to do procurement. But, then, if we come out the other side, the

interesting question about MyWay is: was that a project delivery problem, was the contract actually not written well or was the right things not asked for in procurement? So I guess I was surprised at how you drew that line so clearly. Is there not a role for Procurement to say, “Hey, this is not going to work”? That is what I was pondering before.

Ms Stephen-Smith: I was reflecting on some of the things Ms Carrick had talked about in relation to consultation with the community and decisions about go live. That is clearly a project delivery element. But I did say that Procurement ACT and CMTEDD can provide advice. Also, of course, as you would be aware, the Government-Solicitor provides significant advice in relation to contracts and how those are written. It is a joint responsibility, but it is primarily a responsibility of the responsible officer, as Mr Campbell has talked about, the Director-General or their delegate, to ensure that the contract is appropriately scoped and written and that that risk assessment that you talked about, Ms Carrick, is undertaken, that risks are identified and that the risks are appropriately—and I am struggling for the right word—allocated between the territory and—

MS CARRICK: Mitigated.

Ms Stephen-Smith: Mitigated, but also, to the extent that there are remaining risks within a project delivery, that it is understood within the contracting arrangements who bears those risks—does the territory bears those risks or does the provider bear those risks? All of those should be worked through in a contracting process. But it will not only be Procurement ACT that is supporting that process; it will be the Government-Solicitor and Treasury that are supporting those processes.

Then, when it gets to the point where we have got the contract, we are delivering the project and we are working out who we consult with, when we go live and whether or not within that contract that has been concluded the milestones that are set out within that contract are being delivered, it is the responsibility of the agency—in this case, Transport Canberra.

MS CARRICK: Assumedly, when they come to you, they come to you with a procurement plan and then you would discuss with them the procurement plan and where there might be some areas for improvement in the procurement plan. One part of the procurement plan will be the governance arrangements and to ensure that there are the right experts on the governance, on the board, managing the project. Assumedly, you talk to them about having the right people to do the job. Do you then go back and check whether there is compliance with the procurement plan and they actually do have the right people?

Ms Stephen-Smith: I think there is a difference between the governance of the project and the procurement plan. Mr Campbell would probably be best placed to speak to that.

Mr Campbell: I will hand to my Procurement colleagues but, fundamentally, you are asking incredibly useful questions but they actually do relate to the management of the project.

MS CARRICK: So the procurement plan does not mention how the project will be

governed?

Mr Campbell: Not to that level of detail.

MS CARRICK: Surprising.

Mr Campbell: The procurement is about the going to market and asking for various specifications. So the procurement process will have quite detailed specifications which will largely be developed by the agency, because they have the expertise saying what transport system they currently have, what they need to change it to and all of that. But, as to how you set the governance around the delivery and the monitoring of the contract and how the supply is going against contract—all critical things—is not part of the procurement plan. If you want to clarify, please do.

Mr Visser: A typical process has the plan stage, a source stage and a management stage. Procurement ACT, depending on the scale, scope and the dollar value, will engage with the procuring entity at certain tier service levels, depending on those. Your plan stage will typically include identifying the need, considering the lessons learnt, determining the estimated procurement value and the risk value, determining which related policies and requirements apply, considering whether it needs to go to the Government Procurement Board, determining the procurement methodologies that can be used, establishing a valuation team and then preparing approach to market documentation that will go to the market. The source stage is when you research the approach to market.

MS CARRICK: It is okay; we do not need to through it all.

THE CHAIR: I have a couple of supplementaries building on this, but I wanted to go right back to the start of the line of questioning from Ms Carrick. She asked whether you have a risk management plan, and we did not quite get an answer on that specific question.

Ms Sambasivam: I am happy to jump in there. Typically, for a procurement, there will be a procurement risk management plan that is prepared. That will be customised to the relevant procurement and will cover off things like probity risks as well. That is typically done on a procurement-by-procurement basis—ultimately, the responsibility of the procuring entity.

THE CHAIR: But do you have any risk management plans, including looking at the broader approaches to procurement across government, or do you not do risk management?

Mr Campbell: As part of the procurement process, yes.

MS CARRICK: No; your entity.

THE CHAIR: The organisation.

MS CARRICK: Procurement ACT, do you have a risk management plan for your entity?

Mr Visser: Related to which topic?

MS CARRICK: Relating to your work—what you do; the reputational risk to Procurement ACT and the government when things go pear-shaped?

THE CHAIR: Do you have any risk management plans?

Ms Stephen-Smith: Yes. Every agency has risk management plans.

Mr Campbell: In terms of have we got the right staff and the right focus of the officials on the right things. In terms of procurement itself, though, the main risk management tool is through the Government Procurement Board, because that is where we are identifying the riskiness or otherwise of particular projects being drawn forward for assessment. You have general risk management, which—

MS CARRICK: Does the board have a risk management plan?

THE CHAIR: I think one of the big challenges in this discussion is that, each time we ask about a risk management plan, we get told, “This is how we are managing a specific risk.” But that does not tell us whether you have a plan that has gone through and identified other potential risks to the general way that the government is doing procurement. I think it is fair to say that there have been a few procurements that have resulted in projects that have not achieved exactly what the government was looking for in the project delivery phase, as we have just been discussing.

Ms Stephen-Smith: The basis of the whole reform program was a review of procurement experience to date, some of the challenges that had been identified, working through the underlying issues on those procurements and then coming up with a plan, which has been the Procurement Reform Program, to address those identified risks. At a high level, that is absolutely risk identification, an action plan to address the identified risk and implementing that action plan to address the identified risk, and now there will be an ongoing monitoring process.

THE CHAIR: So it is built into the reform process?

Ms Stephen-Smith: Yes.

THE CHAIR: The other question I have—and it comes from this discussion of MyWay—goes to the point at which you buy out of the process, essentially. It sounds like what you have said is that, once a contract is signed then it is the procuring agency’s problem to manage it, make sure it is delivered and all of the objectives are achieved. Presumably, the role of Procurement is to make sure you get the thing that you wanted in the first place. Do you ever go back and review these projects that seem to have gone pear-shaped, as Ms Carrick said, and see whether there was any issue with the procurement stage or any action that you could have taken in the early stages to prevent that happening?

Ms Stephen-Smith: I am not sure that it is necessarily the role of Procurement ACT to do that. Where there has been a poor outcome in the delivery of a project, that poor

outcome, you would expect, would be reviewed holistically. If there were issues that were identified that went right back to, “Well, actually, we did not do the procurement process very well,” or “We had the wrong type of procurement process,” that would come up in a broader review and then that would be addressed. Again, that is one of the things that led to procurement reform program. You have to look at the project as a whole, but, to the extent that there are then issues that are identified that relate to the procurement phase of the project, Procurement ACT would have a role in having that conversation and—

THE CHAIR: But it sounds like you are relying on someone else to make the conclusion that the procurement stage was the cause of the problems. Do you proactively look at any of these issues or proactively monitor what happens after the procurement is done, or is it just handed on and it is someone else’s problem?

Ms Stephen-Smith: Maybe it might be helpful to understand from officials how many procurements are undertaken every year. You would take from this conversation—

THE CHAIR: That is not the question.

Ms Stephen-Smith: I am not accepting the characterisation of MyWay+ as pear-shaped, either. I used light rail for the first time recently. It was very straightforward to use my credit card to tap on and off. We never used to be able to do that. It is actually working beautifully for most people, who are—

MS CASTLEY: That is one element, though. That is just one element.

Ms Stephen-Smith: And everyone in front of me was also using their credit card to tap on and off. That is a capacity that we never had to—

MS CASTLEY: Because they cannot use the app.

MR RATTENBURY: You cannot use the app.

Ms Stephen-Smith: I am sorry?

MS CASTLEY: They cannot use the app. That is why everyone is using their credit card.

MS CARRICK: And the journey planner.

Ms Stephen-Smith: That was a priority deliverable for this project, and it is not something that can happen in every jurisdiction in Australia.

THE CHAIR: If we can stick to the—

Ms Stephen-Smith: There are thousands and thousands of procurements that are undertaken every year across ACT government so—

THE CHAIR: We understand that there are lots of procurements, but that is not the question.

Ms Stephen-Smith: You were asking, Mr Cocks: does Procurement ACT proactively go and have a look at issues in procurement? How would they choose which outcomes to look at of the thousands and thousands of procurements that are undertaken. Proactively—

MS CASTLEY: Of the ones that take millions of dollars.

THE CHAIR: It sounds like the answer is no, they do not, and that is because you have got too many to—

Ms Stephen-Smith: No; that is absolutely not what I said, Mr Cocks, and I would really appreciate it if you did not just misrepresent what I am talking about.

THE CHAIR: No; I am saying what it is sounding like. I am trying to understand whether there is any—

Ms Stephen-Smith: I am asking: how would they, without the involvement of the agency that undertook the procurement? Procurement ACT does not undertake procurements; it provides support to the agencies that are responsible for undertaking the procurement. Without feedback from those agencies, without them identifying that something went wrong, how would they? I suppose there could be a spot-checking process, but what would be the point if the vast majority of projects are going off without a hitch and the agencies are not concerned about the outcome they have delivered and neither is the public? It would be when an agency identifies that something has gone wrong that the whole process would be reviewed, including the procurement. But if nothing has gone wrong, I do not understand what you are expecting Procurement ACT would be able to do there.

MS CASTLEY: Has Procurement ACT looked into MyWay+?

MS CARRICK: Often organisations have an audit and compliance program.

Ms Stephen-Smith: They do.

MS CARRICK: So it is just good practice to go back and take a sample and you can assess—

Ms Stephen-Smith: It is not often; all of our agencies have an audit and compliance program.

MS CARRICK: But you do not have one for this?

Mr Austin: Just adding to the minister's point, the Audit Office undertake audits of projects and programs. That is probably appropriate, because they can take a broader view and across-government view and, if there were recommendations relating to Procurement ACT, we would deal with those. That is part of the system, I guess.

THE CHAIR: Do you assume that everything has gone well and there were not any problems with the procurement unless you hear something back that says otherwise?

Mr Austin: There is not a process of going back and looking at a project that has been implemented. There is a framework and, as has been said before, it is up to the CEOs or the relevant delegates to make sure the procurement framework has been implemented correctly. There is a tension here between managing a procurement framework and, as has been said before, managing the individual projects.

THE CHAIR: Thank you.

MS TOUGH: I am hoping this question is going to be quite useful to what we have been talking about. I am interested in an overview of what a typical procurement might look like under the framework? What is the actual procurement process for a typical procurement?

Mr Visser: I am happy to take that. A typical process will have a plan stage, a source stage and a manage stage. If you look at the plan stage, your major component are to identify the needs and analyse the plan. Then, of course, there are considerations under that. So you will identify the need for the relevant goods and services and undertake the market research as relevant. You will see if there are any lessons learnt from previous engagement in similar contracts.

You will then determine the estimated procurement value and the risk level of the procurement—that is quite important because our tier service delivery engagement is based on the dollar value, the consideration of the total procurement and the risk level—and then determine any procurement-related policy requirements that apply to the procurement. You will see if there is a threshold reached to go to the Government Procurement Board, and you will include that in your planning. You will also consider the issue of advanced tender notice. You will establish an evaluation team, and then you will prepare the approach to market documentation, including the evaluation material, terms of conditions and documentation. That is all under the plan stage.

Then there is the source stage. You will release the approach to market documentation. If relevant, you will conduct an industry briefing or have a site inspection. Then the participants may have questions. There may be some clarifications that are getting published. You might issue a tender. If there are questions from the participants, you will evaluate a response, typically in accordance with an evaluation plan. You will have the evaluation team for that. The evaluation plan itself has typical phases and content that you will go through. Do you want me to go into all the detail of that?

MS TOUGH: No, because my follow-up is: when you get to the assessing tenders stage, who is responsible for that part and what is the criteria applied to the decisions? That probably fits in with the next part of what you were going to talk about.

Mr Visser: Yes.

Ms Sambasivam: Really I think what I think you are asking is around the assessment of value for money. The evaluation criteria used in each procurement will differ based on the nature, scale, scope and risk of that procurement. Evaluation criteria depends on what you are buying and what the other characteristics of that procurement are.

Determining value for money is something that is very clearly defined in our legislation. Value for money under the act means the best available outcome for the procurement that maximises the overall benefit to the territory. One of the key things to keep in mind there is that value for money is not simply the lowest priced offer and neither is price the sole factor when we are determining value for money. Assessing value for money involves a consideration of all relevant financial and non-financial benefits.

Our legislation also specifies the specific decisions and functions that must achieve value for money. These are selecting an entity to supply goods or services; authorising or committing the territory to the expenditure of any money; entering into a procurement contract for the procurement; spending any money; amending a procurement contract and anything else prescribed by the regulation—though nothing is prescribed at this time; and to be satisfied that value for money has been achieved.

The responsible CEO of the territory entity must be satisfied that that decision or the exercise of their function uses public resources in an efficient and effective manner, manages risks appropriately, is undertaken by the territory with probity and otherwise complies with the Government Procurement Act, and that includes any directions about government procurement practices given by the minister under section 43. Currently, the charter of procurement values and the ethical treatment of workers, evaluation and direction are issued as those practices under section 43.

MS TOUGH: So the responsibility sits with the territory directorate or body that is doing the procurement?

Ms Sambasivam: That is right; the responsible CEO of the procuring entity.

MS CASTLEY: You said that the CEO of the entity must be happy about whether it has achieved value for money. Do you know how they measure that? How do they determine that it was the best value for money?

Ms Sambasivam: They would make that assessment based on materials that are before them. Typically what would happen in an evaluation process is the evaluation team would conduct its assessment. It would typically prepare a report for that responsible CEO or delegate, outlining a recommended course of action. Then the person responsible for making that decision would have to make the determination, taking into account these relevant elements.

Ms Stephen-Smith: I can give a couple of examples of the kinds of things that might be taken into consideration. We mentioned earlier that agencies would often do some market research in order to inform their business case and before they undertook the procurement process. If every response to a tender process, for example, came back well outside the expected range of costs, that would be a trigger for the procurement assessment team and the delegate to say: “We were expecting to get this service for this amount of money. We do not think it is going to be value for money for the ACT taxpayer to pay one and a half times what we expected for the same scope of service.” That might be an example where a procurement is concluded without an outcome, because the delegate either does not have the financial delegation to sign off on it because there is no sufficient funding available or they have concluded that it is not going to deliver value for money. That is just one example of something that would be

taken into account.

MS CASTLEY: How often does it happen that you determine that it is not value for money and the project is—

Ms Stephen-Smith: We have taken on notice in the other hearing—and it is probably more appropriate to take it on notice in this hearing—to provide an answer to Mr Cain on the number of cancelled procurement processes. They would be cancelled for various reasons, but a recent example that I have spoken with Ms Carrick about is the detailed design work for the Woden Community Centre that came in well above the budget that had been allocated and the expected cost of that work. So that procurement was paused and then cancelled while we considered what next steps we should take in relation to that.

MS CASTLEY: You might have to take some of this on notice, but can you tell me how many projects have been awarded where the selected proponent was not the cheapest option? I know there is a reason why you do not go with the cheapest option, but I am wondering how often the ACT government goes through with procurement where it is not the cheapest option.

Ms Sambasivam: I do not know that figure off the top of my head.

MS CASTLEY: Can you take that on notice?

Ms Sambasivam: You would need to look at every procurement that is conducted, big and small, including those ones under \$25,000 and do a manual assessment of where that is—

MS CASTLEY: Are you taking that on notice?

Mr Austin: Would we have that information or would it be with the agency?

Ms Sambasivam: Most of that would sit with the territory entities themselves. Procurement ACT would not hold that information for every procurement.

Mr Austin: We would know about the successful tenderers but not about the ones that were not successful. There are probably commercial-in-confidence reasons for not disclosing that information as well.

MS CASTLEY: I am just after a number. Is it 10 out of 50? Would I have to go to each department?

Ms Sambasivam: Yes, it is a question for each territory entity.

MS CASTLEY: So when a tenderer is unsuccessful, that sits with the department.

Ms Stephen-Smith: I would just provide a bit of context around the officials' answer in relation to where it might not be the cheapest option. Again, this is a hypothetical example, but Canberra Health Services procures equipment and consumables—millions and millions of dollars in lots and lots of different contracts and procurements.

It may be that they procure the same type of consumable that they already hold in stock, even though it is slightly more expensive because—on paper—it means they do not have to retrain people or they do not have to have two different types of thing in stock. So there would be a whole range of reasons why directorates might, on an individual procurement basis, choose something that does not look the cheapest on paper but actually represents the best value for money because it has better conditions associated with it.

MS CASTLEY: Minister, I understand. It has been explained pretty clearly. I get it. My question was: how often does this happen?

Ms Stephen-Smith: But the point is that you would be asking officials to manually go through thousands of procurements. That is a lot of work. Is that the best use of the taxpayers' dollars for our officials to be trawling through thousands of procurements when there is a—

MS CASTLEY: I think when our budget is in the situation that it is in, we should be looking at better ways to procure things. We have to be making sure that every contract we are signing off on is not wasting more money.

Ms Stephen-Smith: Officials are legally obliged under the Financial Management Act and the Procurement Act to ensure that they are assessing value for money and delivering value for money. If you have an example of where you believe that an official has made a decision that does not represent value for money, then raise that example.

MS CASTLEY: Okay; I will. Thanks.

THE CHAIR: Minister, just quickly on that, it sounds like you are saying that it is something that is not routinely tracked, and officials would have to go through and review every contract to come up with an answer.

Ms Stephen-Smith: It would not be routinely centrally tracked, no. I do not know even within different agencies whether they would be—

Mr Campbell: You would have to go back to individual contracts.

Ms Stephen-Smith: And what difference in price are we talking about? Are we talking about a \$10 difference or is there some threshold where—

THE CHAIR: Actually, that is a good question. Is there a threshold where it would make sense to be tracking it and going back and making sure you are keeping within a reasonable—

Mr Campbell: Part of the challenge, though—and this is why it is not just a price alone assessment—is that you can have a whole set of criteria about capability, experience, international connections and previous experience in a project, but you would want to satisfy all those things in terms of capability of delivery of the thing before you then said, “If we have two people who can do that, then we go to price”. Clearly, you would go to the lowest price if that lined up together. But having someone simply saying—

THE CHAIR: I assume you use weightings within your system.

Mr Campbell: Absolutely. That would be part of the evaluation.

THE CHAIR: That is what I would expect.

Ms Sambasivam: There are different criteria that apply. So there are different categories of criteria. There are threshold evaluation criteria, which typically will not be weighted—but then there are weighted and non-weighted criteria as well.

THE CHAIR: I have survived plenty of commonwealth procurement processes.

MS CASTLEY: The government lists about 12 whole-of-government panel arrangements on the Procurement website. These are for the supply of goods and services. It could be uniforms, electricity supply and metering. I believe at least eight of these panels clearly outline that the panel is closed to new suppliers for the term of the arrangements. Some of these terms are between five and 10 years. Can someone explain to me how it is decided which whole-of-government panel arrangements will be closed to new suppliers and which ones will be open?

Mr Visser: Thanks for the question, Ms Castley. We have whole-of-government arrangements and some of them are territory owned and some are interjurisdictional where we use the benefit of buying power et cetera from other jurisdictions. Could I just ask you just to clarify the question again?

MS CASTLEY: How is it decided which whole-of-government panel arrangements will be closed to new suppliers and which ones are open? How do you get to that decision across the 12 whole-of-government panels if eight are closed?

Mr Visser: When you set up a panel, it will be made up of successful suppliers to be added to that. Every panel will have its own rules around when you do panel refresh, and it will be specific to those when it is open to new participants.

Ms Sambasivam: Just to add to that, it is a case-by-case basis, subject to a due diligence consideration of what is appropriate for that panel. Is there a specific panel that you had in mind?

MS CASTLEY: I am wondering why a panel could possibly be closed to new suppliers for five to 10 years. That is a very long time. Why are we not allowing new suppliers?

Ms Sambasivam: It could be for a number of reasons. For example, there might only be a limited number of suppliers. It might be a question of what is fair and reasonable to the members who run the panel and have taken the time and effort to apply for that panel. It is case-by-case analysis. As much as possible, we aim to make them accessible—the ones that are managed by PACT—but there are reasons why that would not be open all the time. There is also consideration of what it takes to evaluate new members on an ongoing basis. A range of considerations would apply to each panel.

MS CASTLEY: Do you know which panels are closed for five to 10 years?

Ms Sambasivam: We could take that on notice and probably let you know by the end of the session.

MS CASTLEY: I do not think I have a good understanding as to why we are not encouraging new suppliers for a period of 10 years. As an example, whole-of-government vehicle leasing and fleet management has been closed to new suppliers for its entire term. It was initiated in 2015. The expiry has been extended to June this year. This is over more than a decade. In that time, if a provider has entered the market that could possibly manage the government's vehicle fleet at a lower cost, is it reasonable that they cannot enter that arrangement or even be considered?

Ms Stephen-Smith: Ms Castley, I think we should take on notice providing some more substantive information about each of the panels that are closed and what the justification for that is. In that particular example, I can quite easily imagine that we would have been able to get a much better price for the panel members by saying, "This is going to be a closed panel for 10 years." I do not know how many members are on that panel. They would actually give us a better price when they know that there is not going to be another provider entering that market. They may give a better price for that. That is often why we enter into longer term agreements, because we can negotiate a better per unit price if we do that.

MS CASTLEY: But 10 years is a long time in the car industry.

Ms Stephen-Smith: You may think that, but, if we got a 50 per cent discount because we said 10 years rather than five years, that is a value-for-money assessment. We will take on notice all of the closed panels and why that decision has been made in relation to those panels.

MS CASTLEY: I have one more question, if I may. Of the eight panels that are closed to new suppliers, four have had their expiry date extended beyond what was initially agreed. I would imagine that, at that point, no new suppliers were allowed to come in. What factors determine whether the term of an arrangement is extended?

Ms Stephen-Smith: Given that there will probably be different factors for each one, we will take that question on notice as well.

THE CHAIR: It sounds like what you are saying is that, by locking new entrants out of the market and reducing competition, you expect to get lower prices?

Ms Stephen-Smith: Mr Cocks, it is a reality of some markets that, if you provide a longer term contract, a provider will offer a lower—

THE CHAIR: But we are not talking about contracts; we are talking about locking people out of being able to be approached for contracts.

Mr Campbell: There are two things here. We will come back to you with more detail on particular panels, but the other thing to remember is that a panel is one vehicle through which you can be selected as a supplier. When you say it is excluding—

THE CHAIR: It is usually the most convenient way for officials.

Mr Campbell: We also have exemptions in the act which talk about local supplier businesses and Aboriginal and Torres Strait Islander businesses. There are different thresholds now which actually make it easier for SMEs. The threshold is now up to \$500,000. There are a lot of things going together that make it more attractive, and I think making it easier to go direct to three quotes from a local provider is a pretty important step forward from the recent reforms that went through. On the specifics, we will come back to you about the particular length of the panel and why, and whether it is because we have partnered with the commonwealth, where the buying power thing will dwarf every other value-for-money proposition.

THE CHAIR: Can you give me any example? We are not talking about contracts; we are talking about panels. Can you give me any example where reducing the competitive landscape and preventing new entrants who could potentially provide services five years later at a lower price, because of technological developments—any example where locking people out of the market for a decade would improve the competitive landscape rather than make it more difficult?

Ms Stephen-Smith: That was an example that I gave that might be a consideration.

THE CHAIR: You suggested we might get a 50 per cent discount on vehicles.

Ms Stephen-Smith: I was giving a hypothetical example because Ms Castley seemed to be suggesting that there was no possible reason you could ever want to do this. Clearly, if you were going to get a significant discount as a result of doing it, that would be a reason for doing it. But we have taken it on notice and will come back in relation to each of the closed panels and provide a reason that decision has been made. Now I have forgotten—

MS CASTLEY: And also why the four have had extensions. You were taking that on notice as well.

Ms Stephen-Smith: And also why the four have had extensions. The other factor that officials have already raised is: what is the process and cost for assessing new entrants to those panels, and does that cost outweigh the benefit? There are a number of factors. We have taken it on notice and we will come back and explain what all the factors are for each of those panels. I do not think we will then need to go into a whole lot of hypotheticals. Maybe I made an error in creating that.

THE CHAIR: You will come back on notice with what you have just outlined?

Ms Stephen-Smith: Yes.

THE CHAIR: Thank you. I will turn to a different issue. I gave you a bit of a heads-up that we would move in this direction yesterday: funding agreements versus service contracts. We heard from all sorts of community service organisations earlier this week that many of them are holding both contracts for services and funding agreements related to grants. When you look through the budget, HCSD saw a 172 per cent variation in expenditure on grants and purchased services. Because we are at a jurisdictional level, it means we deal much more in government provided services. I am trying to

work out how you work out what should be a grant versus what should be a procured government service.

Ms Stephen-Smith: As we talked about yesterday, Mr Cocks, directorates and agencies receive advice from Procurement ACT on whether something sounds like it has to be a procurement or it could be a grant. But we also acknowledge that there is a grey area, particularly in some spaces where we have moved from a procurement process to a grants process. The example I gave yesterday of something that would quite legitimately be a grant and might have previously been funded under a procurement service funding agreement was to do with an organisation like Karralika, which is mission-driven around providing alcohol and drug rehabilitation services. You could very easily say that grants are about supporting an organisation to deliver on its mission—that the service funding can be transitioned to a grant. On the other hand, I expressed yesterday that I have some concern about moving a lot of our longer term community organisations onto grant funding, because I think having contractual relationships under a procurement process might be a better way of doing it.

To go back to the basis of your question: how do you determine what is a procurement and what is a grant—

Mr Visser: Thank you, Mr Cocks. First of all, we need to look at the Government Procurement Act, which defines procurement. There are clear definitions. Also, the act defines when something is not a procurement, and one of those items is when it is a grant. Coming to your question, we help territory entities distinguish. We have published a fact sheet that takes them through considerations, so that they can make informed decisions about whether it is a procurement or a grant. I am happy to go through the fact sheet.

THE CHAIR: I do not need you to go through it in detail. I am happy to refer to it. Is that fact sheet publicly available?

Mr Visser: Yes.

Ms Stephen-Smith: It is publicly available on the Procurement ACT website.

THE CHAIR: If it is a grant, it sounds like it is slightly easier for officials to work through the process, in that they do not have to go through a procurement process.

Ms Stephen-Smith: To be really clear, officials are still required to assess value for money. The grants process is still quite robust.

THE CHAIR: Is it value for money or value with money, in the case of a grant?

Ms Stephen-Smith: Value for money. Officials are required, under the Financial Management Act, to ensure that—

THE CHAIR: Federally, there is certainly a distinction. That is why I ask.

Mr Campbell: The term “value for money” is used differently in the contexts of procurements and grants, but the objective that we are trying to achieve is the same. It

is triggered by the Financial Management Act in relation to a grant.

Mr Austin: The language of the Financial Management Act is “efficient and effective use of resources”. It is a broader concept.

THE CHAIR: For example, if there is a direct approach because a party has made a commitment to a specific organisation in the lead-up to an election, there would still need to be an assessment before a grant were provided?

Ms Stephen-Smith: Yes. That goes to the efficient and effective use of resources.

THE CHAIR: In that context—commitments that are made to specific organisations before an election—are they always grants?

Mr Campbell: It would depend on the commitment. Do you have a particular—

THE CHAIR: There was a range of organisations where various parties made commitments to providing money specifically to an organisation for a specific purpose before the election. I am trying to think of the names of some of them.

Ms Stephen-Smith: I think we all committed funding to Roundabout. I know that the Canberra Liberals committed funding to Fearless Women, which we have now delivered through the budget process.

THE CHAIR: Yes; that is right. I am interested in whether those are all considered grants when that occurs, because a decision has been made before a procurement process has proceeded to provide funding to an organisation.

Ms Stephen-Smith: We might take on notice whether they are all grants processes. There may be justification in some circumstances for a single select tender process if everybody has said, “We’re going to use this provider because it’s fundamentally the only provider in the ACT market.”

THE CHAIR: I am happy for you to take it on notice and provide examples, without hypotheticals. A lot of the things that these organisations do in the community sector in the ACT are very much about service delivery. I am very curious to know: when you provide funding to these community organisations, do you consider them to be government services or are they services by a private provider that the government is funding, when it is under a grant?

Ms Stephen-Smith: If it is under a grant, that is the definitional difference. Fearless Women is an excellent example—as is Roundabout—of a service that has been established without any government funding to deliver on an objective that was set by the community and the philanthropic sector, and the government is now providing funding to deliver on that objective. It was not an objective that the government established and then said, “We want someone to deliver this service on our behalf.” The other example I used yesterday and earlier was out-of-home care. Clearly, we have a statutory responsibility to deliver out-of-home care, and that is not going to be a grant.

THE CHAIR: What about the other side of the equation? Have you talked about any

services that are moving from a procurement to a grant? Presumably, that is about providing funding for services that are not government services; it is more about the organisation's services. Are there any instances where you have gone from grants to a contract for services and you now consider them to be the government's services?

Mr Campbell: I think that would only emerge if the government has decided that it is going to effectively insource. That is the clearest example of that. You have insourcing and commissioning, which is almost a hybrid model. Going right back to grants, we are largely talking about territories giving funds to the recipient to let that recipient achieve its own goals and objectives that are consistent with government policy. We are sort of dancing on the head of a pin a bit about what we are talking about.

THE CHAIR: We are. There was a concern from, I think, some environmental groups—

Ms Stephen-Smith: Could I just say that we will take on notice the question about whether we have transitioned anyone from grants to a service funding agreement. I think it is a good question and I would actually like to know the answer.

THE CHAIR: The concern was that it raises questions around intellectual property as well, particularly for some of our environmental groups who have spent a long time developing particular programs and now feel the government is going through a procurement process for a program that they own. I would be very grateful for any advice you can provide in that respect. Indeed, the other question I have is whether there is any effort to consolidate the number of funding agreements or contracts for services that some of these organisations have, because they end up reporting on a whole bunch of different contracts. It seems extraordinarily inefficient.

Ms Stephen-Smith: Yes. On the first question, in relation to intellectual property, we will take that on notice. I have certainly heard, over time, similar concerns raised in the human services sector, on at least one occasion by Aboriginal and Torres Strait Islander organisations working in the justice space, where programs have gone out to a procurement process that look very similar to programs they have been delivering. Again, it is something that they started without government funding and they received some government funding for it, and then it ended up in a procurement process. I am familiar with the concern and I think it is legitimate, but it also raises issues for public servants. There is a bit of a conflict because, on the other hand, they are being told, "If you're going to continue to spend this money, you have to go through some kind of value-for-money assessment process," and, if it appears that multiple providers in the market could deliver that service—and they would argue that they have created the intellectual property, but somebody else could deliver the service—to continue funding that one provider creates a challenge for public servants.

THE CHAIR: And there is the question of whether it is a grant or whether it is a government service being funded.

Ms Stephen-Smith: Yes.

THE CHAIR: I would be grateful if you could come back on that.

Ms Stephen-Smith: I cannot remember the second part of your comment.

THE CHAIR: That is okay. I am happy to come back to it. Ms Carrick has a supplementary.

MS CARRICK: We started talking about this yesterday too: when this happens and you go to tender and somebody—it could be a Landcare group—has built up the volunteers and the stewardship over their Landcare area. In the procurement process, when you want to test value for money, do you include some sort of criteria that recognises the stewardship that locals have built up over a long time and their relationships with other organisations, where they could ring somebody and get things done?

Ms Stephen-Smith: That is an excellent question, Ms Carrick. And, Mr Cocks, I have remembered what your second question was about. I will come back to it.

Again, this is more in the human services space. It is something I am more familiar with. Through the commissioning process, they have tried to understand mapping the landscape of services that exist, both government and non-government services in a particular sector—I think this comes back to whether it is a grant or a procurement—and building into the criteria that responses will be assessed against local knowledge and networks. Ms Rule talked about this yesterday. One of the things that bringing health and community services together will help us do from a human services perspective is to be more consistent about how we understand those things—the connections that organisations already have; the capacity and the social capital I talked about yesterday that they already have.

I imagine that would be similar in the environment space as well. It also comes back to the demonstrated capacity to deliver versus talking a big game. Often, on the human services side, we see this in procurements. Some of the larger national organisations bid for services and they sound really great, but the reality is that they do not have any local connection. They have a lot of experience in delivering a particular service, but not in the ACT, which is a unique environment.

Mr Cocks, your second point was about multiple contracts, grants and reporting mechanisms. Again, I think Ms Rule talked about this yesterday—bringing Health and Community Services together and, on the other side, bringing City Services and the Environment together. I am not sure how much crossover those organisations had in terms of NGOs, but we hear this all the time from our NGOs. We are really cognisant of needing to get more streamlined in reporting, and, from a procurement perspective, working through ensuring that we have the capability to understand the organisations we already work with across government—having a more “tell us once” approach. That is obviously a work in progress. Do you have anything to say about that?

Ms Sambasivam: We are continuously looking at how we can make things easier for suppliers. As the minister said, it is an ongoing piece of work, but we are looking at: “How can we reduce having to respond to different things?”—different pieces of paper and that kind of thing when they are responding to a procurement process. That is an ongoing piece of work for us.

THE CHAIR: It sounds like it is part of a continuous improvement type of approach or—

Ms Sambasivam: It is about continuous improvement. As we continue to hear that from our people as well as suppliers and industry, we are looking for continuous improvement, particularly streamlining in terms of how we can make things easier for suppliers responding to procurements.

THE CHAIR: Are you monitoring or tracking performance on that? Are you tracking progress on that at all?

Ms Sambasivam: On what specifically?

THE CHAIR: On reducing duplication and multiple contract arrangements.

Ms Sambasivam: Yes; absolutely. There are some steps that we have already taken—for example, in terms of streamlining the templates that are used to conduct procurements in the territory. We now have a streamlined suite that is available across the ACT government. That adds a level of consistency to all procurements that are being conducted across the territory, and it gives suppliers a more predictable experience as well. Those templates are customisable and they are customised. That is an example of how we are making things a little easier.

THE CHAIR: It sounds like you are not tracking the extent of the number of organisations that have a multitude of funding arrangements at a whole-of-government level.

Unidentified speaker: Not at a whole-of-government level.

MS CARRICK: When you are contracting out government services, what is your policy for ensuring that some administrative overheads are included in the contract?

Ms Stephen-Smith: This is an ongoing conversation about human services. The expectation is that respondents to grants or tender processes will include the full cost of service delivery. This is an ongoing conversation with the non-government sector, including in response to the *Counting the costs* report. Because of a period of, I think, both federal government and previous ACT government tender processes encouraging competition—lowest cost competition—there is a tendency to underbid and then hope that money will come from somewhere else to cover other costs and be able to fully deliver a service. We are in an ongoing conversation with the sector about how we ensure that organisations feel confident to bid at full cost of service delivery and be able to explain what that cost is made up of, and that they will not be penalised for that. That is one element of it—that the administrative costs should be covered to the extent that they relate to that service.

We also know that, for a number of our non-government organisations, where they have multiple grants and contracts, none of them necessarily cover the basic administration set-up costs of the organisation. That has come up in the *Counting the costs* report. It is an ongoing conversation. Some of those organisations are separately funded for their peak body work or their core activities, and they get additional grants on top of that. I

would expect that they would be bidding for those grants or contracts on a full-cost basis. But there are some organisations where their entire organisation is based on delivering one thing for one directorate, and that covers their overheads as well. If they did not get that contract, they would no longer be a viable organisation.

That is all part of the ongoing conversation with NGOs. I do not have a simple answer for you about it, because it is not simple. It is very much organisation by organisation. A number of our local NGOs are also funded through commonwealth government contracts and programs. Some of their overheads are funded from them; some are funded from us.

MS CARRICK: Thank you. Do you benchmark salary costs for the NGOs or the non-governmental organisations and the overheads? Do you benchmark them with the ACT government, particularly their salaries?

Ms Stephen-Smith: Salaries are based on the award—the SCHADS Award—and the indexation rate that is now applied to community sector indexation reflects annual award increases. It used to be a combination of 80 per cent WPI and 20 per cent CPI. In the last couple of years, WPI has been significantly below the SCHADS Award increase amount, which is determined by the Fair Work Commission annually. That WPI component was replaced with award increase components to ensure that NGOs were able to pay that award increase and were compensated for that.

MS CARRICK: Thank you.

MR RATTENBURY: My questions probably follow on a bit from this. I am interested in asking about exceptions to the procurement thresholds. Part of government procurement regulation allows for exceptions to an open tender procurement above \$500,000. An example would be where a supplier has specialist knowledge. This is contained in division 2.3 of the regulation. Could you provide some examples of when exceptions to the procurement thresholds for open tender have been used? The reason I am interested in this is to understand the style of things. I want to understand the types of examples that might meet elements of the regulation.

Ms Sambasivam: An example of that might be a consultant who has expertise in a particular ICT system or product that the territory uses, or some level of specialist knowledge that is not generally available. Another example might be a medical device for which there are only a few providers in Australia, and fewer providers who are capable of, say, servicing those machines—that kind of thing.

MR RATTENBURY: We have just been having a discussion about community organisations with intellectual property; would that particular expertise or geographical connection also potentially fall into that area? I realise these are ones for judgement; I am trying to get a sense of the parameter.

Ms Sambasivam: Could you explain that question again?

MR RATTENBURY: We were having a discussion earlier about particular environmental groups who have worked up programs that they say involve a degree of intellectual property; they have particular geographical expertise, for example.

Ms Sambasivam: That could be relevant. You would need to look at what that expertise is; or where there is a need to use intellectual property, whether there is a need for that particular intellectual property to be used.

Mr Campbell: That would be the test, I think. It would be a pretty high threshold just to do it on the basis of a particular person having a particular set of intellectual property. If you have an outcome which you can get to from three different ways, it would probably be more likely to be part of the capability criteria; you might give a different weighting, because two pathways might get you there, with two different types of intellectual property. You might give a greater weighting within the evaluation to a local because there are other connections. It would be a pretty high threshold to completely exclude.

Ms Sambasivam: It is a high threshold. The other thing I would note is that, even when you use an exemption, there is still a requirement to be satisfied that it achieves value for money. That would have to overlay whatever decision there would be to use that exemption in the first place.

MR RATTENBURY: I also want to ask about whether all service funding agreements are published on Tenders ACT. Is a service funding agreement a notifiable invoice? The reason I am asking is that I have been able to find the service funding agreements for organisations like the Conservation Council and the Ginninderra Catchment Group that expired in 2019, but these organisations are now on new funding agreements and I cannot see them on the contract tenders register or in the notifiable invoices list on Open Data ACT. That is what I am trying to explore.

Ms Sambasivam: The requirement to publish notifiable contracts relates to procurement contracts that are notifiable. They would appear on the register if they have resulted from a procurement and they are notifiable. There is a lead time. The legislation allows 21 days for the publication of notifiable contracts.

MR RATTENBURY: It would be outside that period.

Ms Sambasivam: It may be that they have not resulted from a procurement process.

Ms Stephen-Smith: If it has been funded through a grants round process, it would then be reported. Agencies report grants in their annual reports, so you would be able to find it there, recognising that that is not as timely as—

Ms Sambasivam: Service funding agreements may or may not be procurement contracts.

MR RATTENBURY: I think that is the central part of my question. Thank you.

MS TOUGH: Going back to Mr Rattenbury's first question, does the type of template used for a procurement change depending on the complexity or what kind of procurement it is, or is every procurement, no matter the size or type, required to fill out that same procurement template?

Ms Sambasivam: Your first response is correct. We broadly refer to them as approaches to market. When we talk about approaches to market, we talk about RFTs, requests for tender, requests for proposal, RFPs, REOs, requests for expression of interest, and requests for quotations.

Which template is appropriate depends on the nature, scale, scope and risk of whatever it is that you are trying to procure. Typically, for lower value, lower risk procurements, a request for quotation template will be used. We do make internally available on our procurement hub two versions. There is a short-form RFQ for things that are very simple, and there is a more substantive RFQ. Typically, in the territory, we would use a request for tender document for higher value, higher risk procurement.

MS CARRICK: In that same vein, we have been talking about risk. How do you allocate risk? Some contracts are pretty big, so how do you decide who is going to bear the risk in a contract? For example, there is a lot of risk involved with light rail. Can you provide more information on how that is managed?

Ms Stephen-Smith: It is very much project by project, and it depends on an up-front assessment of what the risks might be. Particularly in construction contracts, for example, there is a very clear delineation of who is bearing what risk.

Mr Campbell: This largely will go to the advice that agencies will get from GSO about where that risk should be sitting and what the exposure is, by agreeing to particular terms and conditions. I do not think you could say there is one way of doing it.

Largely, the thing that you care about would be the quantum attached to the particular line item. That would be the biggest focus. If I was a commissioning agency, I would say to GSO, if they are quoting this amount against the whole contract to this particular line item, “We don’t want to wear the risk of failure here.” It is a matter of how we can make the contract terms tight enough so that we have some recourse to go back and say, “Actually, you haven’t satisfied that part of the contract.”

As a general set of risk principles, I do not think you can go much beyond: is it novel? Is it something that is new; therefore, is it hard to assess risk? Government will need to determine how far it wants to go down the path of owning that risk, if it is a novel idea, a novel component, having regard to the value of it.

I suspect we would look at capacity to replace quickly, if there was failure. Let us say you have picked a particular delivery mechanism for something and, if there are no other suppliers, government might need to take more of a risk there. If there are other suppliers, you would say, “No, the original proponent wears all of that risk, and if they fail then we have the option to undertake recourse or find another supplier.”

Ms Stephen-Smith: You mentioned mitigation earlier: who has the capacity to mitigate the risk? In terms of allocation of risk, that is a relevant factor. In addition to the Government Solicitor, for complex projects that we do not procure often, we will also use independent consultants who have expertise in that particular space to assist the agency to understand the risks associated with that particular type of procurement and work with the Government Solicitor to help to do that risk assessment.

MS TOUGH: I am interested in the involvement of small and medium businesses in the ACT in procurement. How do Procurement ACT and other directorates reduce barriers for small and medium businesses to engage in the process, to ensure it is not just going to larger businesses with more resources?

Ms Sambasivam: Thank you for the question. There are a number of ways that we do that. Through our legislation, the amendments that we made last year, as the minister mentioned earlier, lifted the quotation and tender thresholds. In part, that was based on supplier feedback, including from SMEs, which noted that the costs and resources associated with tendering for what was relatively low work was felt to be higher than it needed to be. The increase in those thresholds reduces that burden on suppliers and allows them to respond to quotations, rather than a public tender, for a greater range of opportunities to work with the ACT government.

We also have our procurement values. The framework incorporates the charter of procurement values, which requires territory entities to consider, for each procurement, how they can achieve one or more of six procurement values. The ones that are relevant here would be the Aboriginal and Torres Strait Islander economic participation procurement value, as well as business development and innovation.

Our government procurement rules, which were introduced late last year, also assist with insurance. They now specify that, to help manage insurance costs for suppliers, suppliers should generally not be directed to take out insurance until they are selected as the preferred supplier in a procurement. Again, it reduces that cost for suppliers in engaging in procurement.

We also deal with it at a policy level through our Aboriginal and Torres Strait Islander Procurement Policy, as well as the Canberra Region Local Industry Participation Policy, which we refer to as the LIPP. The Aboriginal and Torres Strait Islander Procurement Policy contains an exemption. That is now codified in legislation, and it allows territory entities to seek approval for a direct approach to a certified Aboriginal and Torres Strait Islander entity or a local SME for goods and services in the limited tender threshold. That is between \$25,000 and \$500,000 for goods and services, and for construction procurements it is between \$25,000 and \$1 million. As we discussed earlier, that also sets that addressable spend target for each territory entity to meet.

The LIPP requires the submission of either an economic contribution test for procurements over \$200,000 or a LIPP plan for procurements over \$5 million. That is aimed at requiring suppliers to consider local capability and economic benefits that might be delivered to the Canberra region.

We do this in a number of ways. We have already talked about the streamlining of our templates, which supports consistency across procurements, big and small. We also provide extensive guidance on the Procurement ACT website on how to supply to government. With our Tenders ACT website, Tenders ACT is the platform that we use to release open tenders and receive responses to those tenders. That contains e-learning which assists suppliers to learn how to register and use that platform. They can also, through that platform, access notifications about upcoming opportunities. They can view current opportunities. They can respond to opportunities that are alive. They can also see information about notifiable contracts and invoices.

In addition to all of that, we have direct engagement with suppliers. We take those opportunities where we can, particularly where they concern SMEs. For example, in addition to running our own training, a few months ago we engaged with Aboriginal and Torres Strait Islander entities through the Badji program. That is conducted by our economic development colleagues. We attend events, like the CBR Small Business Expo that was held in mid-2024, so that we can have that face-to-face contact with suppliers, and they can ask us questions.

We have a service desk that is available both to our people internally and to suppliers. We get questions from suppliers on various things, including the specs for our procurement framework and understanding how various parts of the framework works. That allows us to provide them with customised advice, by either telephone or email.

MS TOUGH: That covers what my supplementary question was going to be about—how SMEs are consulted and worked with, to improve the process. It sounds like there is some pretty good engagement with SME suppliers in the process.

MS CASTLEY: Do you track the figures for how many Canberra businesses do not win, as opposed to out-of-town businesses? Do you track that information?

Ms Sambasivam: Procurement ACT does not track that.

MS CASTLEY: But you have mechanisms in place to make sure that directorates go to ACT businesses. Do I have to ask each individual directorate how often they pass over an ACT business for someone out of town?

Mr Campbell: I am not sure that anyone would collect it, to that level of detail. Again, it would be contract by contract for each of the directorates. To do that, you would have to go into the contract, identify the headquarters and nature of the actual firm that had applied, and you would have to get every single evaluation panel review, to determine who actually received the approval. Not only do we not collect that, but I doubt whether any directorate would have that to hand.

MS CASTLEY: At the beginning of the answer to Ms Tough's question, you talked about different ways that you encourage people to use Canberra businesses, but is that just a line in a policy somewhere that people do not actually have to adhere to?

Ms Stephen-Smith: I do not think that is accurate. The local industry participation policy is implemented.

MS CASTLEY: How do we know that we are actually getting ACT businesses involved in ACT government work?

Ms Sambasivam: Ultimately, some of the settings that we apply in the procurement framework are designed to encourage that engagement. It is a decision for the procuring territory entity as to how they go about achieving the various requirements. I can give you one statistic on our whole-of-government procurement—specifically, our professional services panel. That indicates that the majority of suppliers on that panel are SMEs, and that they are converting opportunities into work. As of 2024, more than

65 per cent of the work orders went to small and medium enterprises. That is one way that we track that statistic. Other territory entities may choose to track those statistics in a different way.

MS CASTLEY: But not to the point of whether it is an ACT-based small business, basically? You just track that 60 per cent of them go to small businesses, but not necessarily whether they are Canberra based?

Ms Sambasivam: We would be able to track that. Again, it would mean going back and having a look at those work orders that were entered into.

MS CASTLEY: Is that something you can take on notice?

Ms Sambasivam: We can take that on notice. Is there a specific period which you are—

MS CASTLEY: A few years would be great—the last couple of years.

Ms Sambasivam: Two years? We can do that.

MR EMERSON: You talked about special consideration for local SMEs and for Indigenous businesses. Is there special consideration for local Indigenous businesses?

Ms Sambasivam: Not specifically in that combination, although it is often the case that Aboriginal and Torres Strait Islander entities are SMEs as well.

MR EMERSON: I am not so much concerned about the size of the business, but whether or not they are Canberra based. I hear from local Aboriginal-led SMEs who say, “We’re losing contracts to businesses that aren’t based in Canberra.”

Ms Sambasivam: The Local Industry Participation Policy, the LIPP, is very much about Canberra region businesses. That would be a policy that supports those entities, in particular. I also note that, as a general part of a procurement, there is an opportunity for a debrief at the end of a procurement. That is an option that is available to entities, to suppliers, whether they are successful or not. That can often be a very valuable vehicle to get some customised feedback in response to a particular procurement. The purpose of that ultimately is to help suppliers to submit a more competitive response for the next procurement.

MR EMERSON: Does that policy test whether a business is headquartered in the ACT?

Ms Sambasivam: Yes. It contains a definition of what the Canberra region is. It examines what benefit is coming into the Canberra region. So if an entity—

MR EMERSON: Going specifically to that question, though, does it define what is local—a Canberra region business? Often we hear that maybe a larger company from interstate comes in and wins a contract here. They might use some local subcontractors, who probably think they could have won the contract themselves, but it is actually headquartered in a different jurisdiction. I am wondering whether there is any definition of a Canberra-based company, as opposed to a Canberra region base, that has been used

in the procurement framework.

Ms Stephen-Smith: There is an entire 14-page outline of the Canberra region local industry participation policy. I am looking to see what it says about that. The short answer is yes, there is an understanding that a national organisation that just happens to have a presence in the ACT is not a Canberra region business, but we can take on notice some further detail around that, in terms of enabling those small local businesses, Aboriginal and Torres Strait Islander or otherwise, to compete effectively in the market. Some of the recent changes that have been made have supported that. For procurements with a total estimated value of \$5 million and above, there is a requirement to submit the local industry plan. For smaller procurements, there is a capacity to preferentially approach local and Aboriginal and Torres Strait Islander businesses.

Ms Sambasivam: I looked up that definition. There is a definition of an entity that is based in the ACT or surrounding regions.

THE CHAIR: I am conscious of the time. Is that a definition that is easy to provide on notice?

Ms Sambasivam: That is in the regulation. It is publicly available.

MR EMERSON: Take it on notice, if you want to save some time.

THE CHAIR: Are you able to provide it on notice, in the interests of time?

Ms Sambasivam: Of course.

MR EMERSON: And whether, with local businesses, there is any provision for local Aboriginal businesses.

Ms Sambasivam: We can cover that on notice.

THE CHAIR: Thank you very much. In this discussion we have talked about the procurement legislation, the procurement framework, the charter of procurement values, local industry participation, policies for small business, policies for Aboriginal and Torres Strait Islanders, and you have things like the local jobs code. How are officials supposed to balance all the different policies? Is there a structured approach or does it come down to art over science?

Ms Sambasivam: We do that in a number of ways. Our website contains a number of fact sheets. There are practice guides, which are available to the public as well as our own people, on navigating the framework and understanding the framework. We also conduct training, both for suppliers and for territory officers, to understand aspects of the framework.

We have 13 or so e-learns that are available to territory procurement practitioners to help them to navigate these various requirements. We have templates that help them to draw together the elements that would be relevant to their particular procurement. We have a service desk that is available as well, and that can assist them with these sorts of questions.

THE CHAIR: What I am getting at, and it follows on from Mr Emerson's question, is: how do you balance local versus Aboriginal and Torres Strait Islander versus any one of the other elements? Is there something simple or is it the case, as the discussion has shown with a lot of these, that it depends?

Mr Campbell: It does depend.

MS CASTLEY: On 30 May, the *Sydney Morning Herald* reported that the Safe Hands Group, founded by the Finks outlaw motorcycle gang, has been providing subcontractors for ACT government-funded programs. Does ACT Policing currently provide background checks on companies as part of procurement processes?

Ms Stephen-Smith: I do not think that Policing providing background checks as part of a procurement process would be standard practice. However, depending on the sector in which a procurement took place, construction-related contracts, obviously, are required to comply with the Secure Local Jobs Code, which has a range of requirements. There is also a labour hire licensing framework in relation to labour hire, which has quite strict requirements in it. Some of your question is more likely to be relevant to the agencies undertaking the procurement than Procurement ACT, but I will hand over to officials to respond.

Mr Visser: If it is in the works space, that should be under the remit of Infrastructure Canberra, because Procurement ACT supports goods and services unrelated to works.

MS CASTLEY: Given the revelations that were reported in the *Sydney Morning Herald*, are you aware of any measures that the government is putting in place to ensure that companies with links to outlaw motorcycle gangs are not part of procurement in the ACT?

Mr Campbell: We will take that on notice, in consultation with iCBR. I know, having spoken with the director-general there, that they are fully aware of this issue. It might be best left for that session.

THE CHAIR: Given the discussion we had earlier around risks across whole-of-government procurements, is this something that has been identified? Is criminal activity, or involvement of people with criminal backgrounds and involvement in organised crime, dealt with in any risk management plan or strategy that you have?

Mr Campbell: The Secure Local Jobs Registrar branch would be looking at suppliers for a range of factors. We can take it on notice and make sure we cover off what might be required in relation to that question.

THE CHAIR: The committee can discuss whether we need to come back for another session on this area. For now, we might wind up. 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 will now suspend the proceedings for a break.

PROOF

Hearing suspended from 10.59 to 11.17 am.

Appearances:

Access Canberra

Rynehart, Mr Josh, Acting Head

ACT Gambling and Racing Commission

Mangeruca, Mr Giuseppe, Chief Executive Officer

Beacroft, Ms Laura, Chair of the Board

THE CHAIR: We welcome representatives from the ACT Gambling and Racing Commission and Access Canberra. Please note that, as witnesses, you are protected by parliamentary privilege and bound by its obligations. You must tell the truth. Giving false or misleading evidence will be treated as a serious matter and may be considered contempt of the Assembly. As we are not inviting opening statements, we will proceed to questions. We will start with Mr Rattenbury.

MR RATTENBURY: Thank you. I want to ask about the memorandum of understanding between the GRC and Access Canberra. Can you tell me how much money goes into Access Canberra as part of the MOU and where that money goes within Access Canberra?

Mr Mangeruca: The MOU with Access Canberra is for the purchase of services, with \$5.9 million set aside for the 2025-26 financial year for the purchase of those services. I will hand to the official from Access Canberra to take us through the services.

Mr Rynehart: On the services provided by Access Canberra to the GRC, that funding is disbursed through work in relation to licensing, compliance, enforcement, research, secretariat support to the board and financial and administrative functions that support the operations of the commission. We are currently working through a process to review the MOU, and part of that work, we expect, will provide, with a reviewed MOU, a clearer breakdown and a clearer statement of where the deliverables for Access Canberra will be to the GRC.

MR RATTENBURY: Thank you. You started to touch on some of the subsequent questions, but I am interested in how many FTE provide services to the GRC. Do you have a measure of that?

Mr Rynehart: Currently it is a little difficult to provide a specific number. The work is dispersed throughout Access Canberra and is often parts of people's roles. For example, within our compliance team, those officers provide both fair trading and gambling compliance activities. One of the things that we are looking with the MOU is how to provide greater transparency. It is somewhat dispersed throughout the organisation.

MR RATTENBURY: How are the staff that work to the GRC managed in that sense then? Is there a team leader of it? Do they meet as the GRC related team? How does that work?

Mr Rynehart: Traditionally, a large part of that has been through the commission board and providing updates and the prioritisation of the work, if you are referring there to

how we actually prioritise and account for the work that is undertaken. The actual structure of the organisation has team leaders, managers et cetera. We have broad-based activity. We have our compliance teams and our licensing teams, and they work within an ordinary structure.

MR RATTENBURY: Perhaps my next question is for Ms Beacroft, as the chair of the board. What awareness does the GRC have of the work that Access Canberra does for them, and how do you measure those outputs?

Ms Beacroft: The MOU that is currently in place is the first MOU that was put in place when the GRC was integrated into Access Canberra. We now need to go to another version which gives us more detail. So, at the moment, the board does not have sufficient detail of how the money is spent. What the board would wish would occur—and this is really amplifying what my colleague from Access Canberra has said—is that we move to an MOU that is more like a service agreement, so you do have sufficient information. Whether it goes to the FTE level, from the point of view of the board, is not so much the point. It is about whether our outputs and outcomes are being achieved and how much that is costing.

At the moment, there is a very broad-brush formula that is applied to how the money is divided up between the various teams. That is what the new MOU negotiations is looking at. Obviously, that can be a relatively complex task, because we do not want to have all the teams spending all their time trying to report back on how they are spending their time. We want them doing the actual work.

MR RATTENBURY: I take it from what you have just said that there are no specific KPIs in the current MOU to track Access Canberra's work for the GRC?

Ms Beacroft: Not in the MOU. We are dealing with, I think, objectively, a fairly complex model. There are economies in shared services, and we are a small jurisdiction and we need to find those economies. It is a complex model, because you are dealing with what you might call a matrix-system, as my colleague has outlined. The way of managing that is to have integrated planning and good induction processes, so that when a staff member within Access Canberra is doing GRC work it is very clear that they are doing it, they understand that and they understand the requirements. If they are wearing many caps, the requirements can change depending on the statutory framework they are working within.

We now have an induction process, which the CEO has rolled out, and we also have done integrated planning, which is just concluding now, so that team members, through the teams up to the board level, are all on the same page, so to speak, about what we expect from them—and having been informed what they realistically can do and understanding their processes, so we are not asking them to do impossible things. I think that is the solution to what is a fairly complex model. It is not just about the MOU; it is about making sure that we have that integrated planning which is constantly refreshed, so any individual team member and teams are integrated with what the board is expecting from them. That is the next layer down, but we have already sort of jumped to that, if you like.

MR RATTENBURY: Obviously \$5.9 million in the ACT government context is a

significant service payment. From the board's point of view, have you been satisfied with the service or the return that the GRC has received from that? Do you think it would be better if the GRC used its resourcing as an independent agency to essentially run its own team rather than run it through Access Canberra?

Ms Beacroft: There are many ways that you could set up the GRC. At the moment, we are set up to be integrated with the directorate. If you brought a consultant in, no doubt there would be many options put on the table. But we are a small jurisdiction, and I think that is just a reality we have to deal with. My personal view—and I think it is the board's view—is that we can make this work but there have to be extra pillars put in place moving forward to make sure that the strategic objectives of GRC are met as every individual staff member does its work, because there is complexity in having an integrated service.

There is a lot of corporate knowledge and skill within Access Canberra. But, if things are not coordinated, you do not always get the outcomes you want. That is the comment I make having been the chair for a bit over a year now. It is a lot about making sure that we are all on the same page and that, to the extent that teams need support, the board makes sure that is available. As a simple example, there are—and this is relatively public knowledge—significant IT issues that have to be dealt with. That sort of backroom stuff has to be dealt with, and that is important to GRC achieving its outcomes.

I think moving forward what the board is committed to is negotiating an MOU which meets our contemporary needs, doing the integrated planning, which we have done, and making sure that the board supports and vigorously drives that integrated planning, which is partly reflected in our new statement of intent, but of course, there is a lot of detail that underpins that which the statement of intent cannot capture. We have a new statement of expectations, which is going to come out shortly. You will see in the statement of intent that that is one of the accountability indicators we have. That statement of expectations has been totally redrafted and is reflecting the higher level outputs and outcomes we are trying to achieve through our integrated planning, which will then inform the new MOU.

MS CARRICK: Do any Access Canberra people report to the CEO of the GRC? Are there any direct lines of reporting to the CEO?

Mr Mangeruca: In its current format, given some recent management decisions that were made, there are no direct reports to the CEO. Previously, the CEO position was held by the executive branch manager of corporate support and capability. Under that, many teams that provided services to the GRC reported through to the CEO. Was there anything that you would like to add, Josh?

Mr Rynehart: Just to add that the structure of Access Canberra and the way that it operates is that many of the statutory positions sit at the executive branch manager level. There is the executive branch manager who is accountable for licensing, another one who is accountable for compliance and enforcement, one for customer services et cetera. So, while they are not a direct report to the CEO, within the structure of Access Canberra, the staff report through their management lines, and then the accountability sits with the CEO, even though not directly managing the staff. Mr Mangeruca works

with his colleagues to ensure that services are delivered.

MS CARRICK: So the executive branch managers do not report to the CEO either—they work with them but there is no direct report?

Mr Rynehart: All the executive branch managers report to me as the head of Access Canberra. This is not an uncommon structure that we have in the organisation. It is something that I expect will form part of the conversation with the renegotiation of the MOU and about how we provide the services in the most efficient and effective way. But the executive branch managers report to me and, through that, the organisation providing services comes within the collective executive group.

MS CARRICK: That is interesting—it is a fact that the CEO of GRC does not have any direct staff.

Mr Rynehart: Currently, that is the case. That is essentially because what we have recently done is establish a short-term position specifically so the CEO can focus on the GRC function in the work and some of the improvements and forward-leading activity that we are going to do. I think the conversation over the next couple of months will settle the best way that we can move forward to deliver the services.

MS CARRICK: When you say that there is a matrix and that staff do multiple things, are there any staff that are dedicated to GRC so that they can support those that are doing part of their duties on GRC?

Mr Mangeruca: There are many staff that, as part of their duties, are completely dedicated to the GRC work. An example of that is the gaming licensing team, which administers the gaming laws as defined under section 4 of the Gaming Racing Control Act. They administer that legislation. That is their sole responsibility. Another example is the gambling and harm prevention team, which looks at some of the gambling harm initiatives as well as the procurement activities as they relate to, for example, training of gambling contact officers or procurement activities related to the gambling helplines et cetera. They are a dedicated resource for the GRC.

MS CARRICK: How do those teams get to the board? Do they report?

Mr Mangeruca: I will start, and then maybe Laura may add something. The board meets at least once a month through a dedicated board meeting. At those board meetings, teams provide briefing papers on specific items as well as provide activity or output reports about what each team is doing within that particular time period. As an adjunct to that, I, as the CEO, will brief the board on a weekly basis in relation to the outcomes that Access Canberra is generating on their behalf. There are other ad hoc meetings between myself and the leaders of key operation areas, which help facilitate the operations of the GRC. Those are a few kind of mechanical mechanisms to bolster and bring forward GRC work. I will hand over to Laura, if she has anything to add.

Ms Beacroft: Just to amplify some of what has been said and perhaps provide a bit more information. As I said, it is a complex model. There is no doubt about it. In some respects, it is simpler to just have a separate organisation with dedicated staff and direct reports. But that is not what we have. I do think, as I said before, that there are

advantages to staying in the current model, but the complexity needs to be very well managed by the board. I think the key structural point for the board—and, again, this would not be a surprise to anyone—is the CEO's position.

We are going through changes, as you know. So that offers up opportunities for this to be looked at. The three-month temporary situation is we have a CEO who is largely dedicated to GRC work, which we are grateful for. Going forward, even if it cannot be a dedicated CEO, we would want a CEO at level—they need to be at an SES level, because this is very complicated work—and to have significant time they can devote to GRC, apart from anything else, because they are the conductor of an orchestra, if you like, where you have got all these talented people. But I come back to my point: if it is not coordinated and integrated, you do not get to the destination. So that is the critical thing from the point of view of the board, and this is something that I know is being very carefully considered now that we have the CEO's position at the appropriate level and with the right amount of time dedicated to GRC work.

THE CHAIR: I am struggling with the concept that you have a CEO that does not have any staff directly reporting. So there is no reporting line from any of the staff doing the work to the CEO. How can a CEO be effective when there is no relationship accountability wise to the staff that are supposed to be doing the job?

MS CARRICK: Can the CEO direct the staff?

Mr Rynehart: The approach within Access Canberra is that we have an executive team who work together. While I suppose it is absolutely simpler to look at it from a direct standard control or reporting line, it is more of a collaboration and piece of work that the executive work together on to ensure that the outcomes happen. So the staff have a reporting line, from an HR and a management perspective, but the CEO remains accountable for the outcome. So the executive work together to ensure that those elements are delivered.

THE CHAIR: How is the CEO accountable for the work of staff that do not report to him? An observation common in management circles is, "If everyone is responsible for something, no-one can be accountable." It seems to be a pretty clear risk in this instance.

Mr Rynehart: Certainly something that we are looking at as we move forward is the best way to structure all of our statutory functions. That is part of the conversation. As I said at the beginning, it is not an uncommon structure within Access Canberra that the statutory officer sits at the band 1 level and has direct responsibility for certain parts of delivery and one of the executives has responsibility for another part of the delivery of the services. That is a model that we have been applying for a number of years, but it is something that we are currently having a look at.

MS CARRICK: Can the CEO direct the staff to do anything? If the staff are not reporting up, can the CEO direct down to the staff?

Mr Mangeruca: In terms of HR purposes, I cannot direct across the matrix. However, as part of the integrated planning process that we have just undertaken—which includes the redrafting of the statement of intent and statement of expectations, which has clear KPIs in it as well as integrated planning with the operational teams within Access

Canberra, which includes clear KPIs being articulated—there is an ability to deliver within that system a clear understanding of what is required under both those documents and the MOU, which is currently being renegotiated. It creates a clear mechanism whereby there are clear reporting lines and there is a clear understanding of what must be delivered and, if something is not delivered, there are clear mechanisms with how that might be dealt with.

Mr Rynehart: Possibly the simplest way to describe this is that Mr Mangeruca's and his colleague, the other executive branch manager, are accountable to deliver to the GRC those elements that are articulated in the delivery of the KPIs within that structure. So it is not a direct staffing management approach but there is accountability at the executive level to ensure that the outcomes are delivered.

MS CARRICK: I want to ask about the community club contributions. Does the GRC check the contributions that the clubs make to the community to check that they are compliant with the law and that they are meeting the needs of the community?

Mr Mangeruca: The Community Contributions Scheme is administered by the GRC. As part of our rolling compliance programs, review of accountabilities under those schemes and requirements under legislation are checked as part of proactive compliance programs. As part of our 2024-25 *Statement of expectations*, community contributions was identified as one of the key areas of interest. A compliance program is currently underway—so I cannot actually speak to the outcomes of that program—and should be finalised within the first quarter of this financial year.

MS CARRICK: Will there be a report that is made public about compliance?

Mr Mangeruca: In terms of our *Statement of intent*, one of our key objectives that we have outlined in there is a move towards greater transparency where that is possible. The intention is that the outcomes of the program are published on the GRC website, and industry are made aware of key findings through a new initiative of the commission whereby we have a quarterly newsletter. So the outcomes will be published in, I suppose, the most appropriate newsletter that is due to come out.

MS TOUGH: The prevention and reduction of gambling harm are core objectives of the GRC. What measures are being implemented to ensure businesses comply with trying to reduce gambling harms?

Mr Mangeruca: This is a key area of work for the commission. You can look at it as a bit of a two-prong process. You have the front-end work that is done in the gambling harm prevention space, where we fund training for gambling contact officers. We also fund research out of the Gambling Harm Mitigation Fund and fund programs out of that gambling mitigation fund as well. One of our recent examples of such a program is the education program that we have recently rolled out to schools. That offers TQI approved training, where teachers are able to take the resources that we have provided and use those to teach lessons within the school framework. I suppose that provides a bit of the front-end, top-of-the-cliff kind of activities of the commission.

The other aspect of that is ensuring that gaming machine licensees and others that are licensed under the gaming laws are held to account. We do that through a series of

mechanisms. One of those is through our proactive compliance programs. We recently finished a gambling harm prevention compliance program where we visited all licensees and checked the compliance in relation to the harm initiatives mentioned in the legislation. That might include signage; making sure that there are materials available; ensuring that the machines are operating as they are intended to; that the return to player is correct; that the ticket-in and ticket-out machines are operating as required and that the greater denominations that is allowed is not being put into those machines; as well as ensuring that we have looked at a percentage that is representative. I think we looked at 620 machines within that, which accounts for about 18 per cent of machines across the territory.

I did mention that the community contributions program that we are doing. As part of this integrated planning that we are currently finalising, we have a rolling program of proactive compliance programs which speak to that risk. We also do reactive compliance activities. Where we might receive a complaint, we will investigate those, and make certain findings that may result in no further action in education—in the licensee being educated—or enforcement action being taken.

MS TOUGH: Are those prevention methods able to keep pace with the rapid growth of online gambling? I imagine the education process has a bit about online gambling in schools. But, with the regulating of it and minimising harm, how is it able to keep up with online gambling?

Mr Mangeruca: The online space is a bit of a vexing space. While we do have a role in it when it comes to education and ensuring that people have the help that they are required through the gambling support services, the direct regulation of it sits with the commonwealth through ACMA. That being said, it is something that was looked at as part of our recent 2024 gambling harm survey, which indicated that the online space was a particularly active space. But, titrating the data down, it looks like about 20 per cent of that is online lotteries and Kenos, which offer a lower kind of harm threshold for participants. But there are concerning trends for young men moving into sports and race sports and bookmaking online. So it is a space that is of interest, but our authorising environment is limited.

MS CASTLEY: I would like to ask some questions in relation to the Auditor-General's report on the gaming machine licence regulation that came to the Assembly on 25 June. I am interested in the compliance and enforcement section of the report and note some of the concerns that were raised. According to the report, there are a total of 129 obligations for the commission to fulfil under gaming laws and that the commission could not be expected to provide assurance as to its compliance with 66 of those obligations. That is quite surprising given it is more than half of the obligations under gaming laws. I am wondering what some of those 66 obligations are and why the commission could not provide that assurance?

Mr Mangeruca: The GRC recognised the value of the order. Since the discovery phase of that order, which ended in about November 2023, the GRC, of its own initiative, has implemented a range of new measures which speak to those risks identified within the order. That included—and I have mentioned some of them before—reviewing and improving governance of existing processes; undertaking an end-to-end review of the strategic governance planning; conducting integrated business planning and risk

assessments; as well as improving transparency through publishing more information on the website and through other initiatives. We are currently working with government to produce a response to that order report. In terms of any particulars, there is a limit to what I can discuss. Laura, did you want to add anything?

Ms Beacroft: Yes. I would just provide a little bit of context for the matter you have just raised. What the auditors are talking about there is they quite rightly did a search of all the legislation and looked at where GRC and “must” came up, and they created a register, if you like, of where GRC and “must” come up. They are the requirements we are talking about. Of course, they vary from matters of great significance, significant risk and consequences if they are not met right down to something that you might say is at the other end of the continuum.

When we do a compliance program, we generally are looking at matters where, if you like, the risk is higher or the consequences are greater. But, having said that, once we were provided with that register, which is very useful and we are keeping it up to date—we might call it a statutory requirement register rather than a compliance register—each of the teams that have any involvement with that statutory requirement register. As part of our integrated planning, we look at that register to advise which ones they have looked at or are looking at—to do a gap analysis, if you like—but also we have to apply our risk lens because we cannot do everything. For example, if we are weighing up a community contributions compliance scheme, which probably captures quite a few of those statutory requirements, with something else that we would see as a lower risk with lower consequences, we have somehow got to work out which one we do.

So, in the end, one would hope that we would look at all of them over a period of time—not every year though—or some of them might be caught up through indirect means through another compliance program. That is the context of the data that is in that audit report, which the board understands because we went into it with the auditors. That register going forward will kept up to date and used as more of a gap analysis. But, like all regulators, the range of requirements we are looking at does vary a lot in terms of the considerations I have just mentioned and, therefore, what you focus on—what you spend your money on.

MS CASTLEY: So, there were also 32 obligations for the commission which it can provide partial assurance of its compliance with the obligations. Can we get on notice a list of what those 32 commission obligations are that they can provide partial assurance on?

Mr Rynehart: Ms Castley, I think appendix C of the Auditor-General’s report lays those out.

MS CASTLEY: Is it in there?

Mr Rynehart: Yes.

Ms Beacroft: Yes, I think it is right out at the back.

MS CASTLEY: Of the 91 licence obligations under gaming laws, the report identified that under the commission’s current regulatory activity you could not be expected to

provide assurance about compliance of licensees on 14 of those obligations. Is that also in the Auditor-General's report, the 14 licensee obligations?

Mr Rynehart: I believe so.

Ms Beacroft: I think it is in the appendix, yes.

MS CASTLEY: Yes, and further to this, the report outlined that only partial assurance can be expected from the commission on 40 of the 91 licensee obligations. Are those 40 also in the appendix?

Mr Rynehart: Again, I believe so. Just looking through the list there, the Auditor-General appears to have listed no documented processes and it appears that the appendix covers all of those.

MS CASTLEY: My last question is about the harm incidents that the report identified. There were 3,572 incidents or gambler self-exclusion breaches, either reported later or that had their date incorrectly entered into the ACT gambling exclusions database. I am wondering what the commission is doing to improve time and reporting of incidents in the database and what analysis does it undertake of all the data to better monitor those incident trends?

Mr Mangeruca: It is certainly something that we are looking at and we are looking at our current processes and procedures to see if there is room for improvement. In terms of the issues identified in the audit, that amounts to about 90—so, it amounts to about a four point something per cent of incidents. So, it is a relatively small percentage when compared to the number of incidents that are reported through the database. But that being said, it is something that we are looking into and looking at ways to improve our process and work with licensees to get compliance.

MS CARRICK: The audit report that Ms Castley has been talking about says:

The management of complaints about compliance with gaming laws is poor . . .
The management of investigations into potential non-compliance with gaming laws has been poor.

So, presumably, in your review you will be looking at how you fix this compliance around complaints and looking into how you manage investigations?

Mr Mangeruca: Yes, that is certainly something that we are looking into. Since the new chair started in December 2023, the commission board has been particularly active in that space and improvements have already been made in relation to the reporting and the tracking of complaints and investigations through the GRC board process, but they are certainly something that will form part of the government response.

MS CARRICK: By the end of the session, can you tell me what you think are the top three things that you need changed in your new statement of intent, in your new arrangements? Like, maybe not now because we need to move on, but by the end, top three.

THE CHAIR: Well, we are over time now.

MS CARRICK: Yes. Well, maybe we will take that on notice?

Mr Mangeruca: I am happy to take that on notice but given that the statement of intent was quite recently drafted, I suppose the three objectives that are articulated in there and the actions outlined in there are our areas of interest for the next period. In terms of the objectives, they were compliance with gaming laws, ensuring compliance with gaming laws, and—I summarise these, but compliance or reducing gambling harm and a movement towards more transparency. These are things that came out of the audit as well and feedback that we have received from both the community sector and industry.

MS CARRICK: That is okay. I will ask a question on the notice about how you get there, like how you get to those outcomes.

Mr Mangeruca: Sure.

MR EMERSON: The budget papers indicate higher than expected revenue due to higher than expected gambling activities in this last financial year. Is that an indication that the government's gambling harm reduction strategies are not working?

Mr Mangeruca: It is difficult to draw conclusions and I have nothing that would point to that, which is probably the highest I can put it. I think the higher than expected revenue was in relation to gaming machine licensee revenue and casino revenue. Yes, there is nothing I can point to that would suggest why that trend occurred. Would you like to—

Ms Beacroft: Well, if I could just—I mean, this is an issue obviously the board is dealing with all the time, and if we think about the anti-smoking campaign, smoking is a legal activity—well, in most contexts—gambling is a legal activity. It is a long timeline to get it to reduce and there are many contributors. Commonwealth government—we know online gambling is increasing, so we have all got to do our bit. I think the point that the board takes from this—the point you have just raised, that the revenue is raising—and a lot of other evidence, including our own survey, is that the way that we tackle gambling harm has to get smarter and smarter, has to be very tight. We do not want to spend money on general programs now. We have to target the activities and the cohorts that emerge from the evidence as being the ones who are suffering the most gambling harm and who are spending the most money, and our survey has a lot of information about that which helps us.

MR EMERSON: Yes, I found the survey really interesting. I suppose in this case we have a projected revenue for a year and there is more gambling activity in areas where quite clearly we could probably have the biggest impact. To me that suggests we are not on track for where we are aiming with current policy settings, if more people are losing money than we had anticipated.

Mr Mangeruca: I suppose questions about the policy are better directed to the minister, but we can talk about our strategy.

Ms Beacroft: Every survey gives us new evidence and there is a lot of other material. As you know, we fund research and there is a lot of evidence coming from across

jurisdictions. Our survey shows, perhaps not surprisingly, that what we have is an intensification of gambling harm. The group within Canberra that is experiencing the most significant harm has not grown a lot, but they are experiencing more harm, and there are different ways of gambling, online gambling is now a contributor. So, going forward we have to make sure our gambling harm strategies focus on that.

We also know that there are various cohorts that emerge from the survey that we have to target. We have evidence that our help services are relatively well known in Canberra, but whether those precise cohorts know about them and are using them, from the board's point of view, that is the issue. So, we just have to make sure we work on that.

MR EMERSON: Is this a proxy that you use for gambling harm within the commission, gambling revenue?

Ms Beacroft: We certainly look at it, yes. There was a report, as you know, done by ANU which looked at the history of revenue, but it is not the only—it is not necessarily the best proxy because there are many other factors at play. I mean the intensification issue is an example there. Is it that the same people are spending more money?

Mr Mangeruca: I might add that it is probably the gambling survey that provides us the best information in relation to gambling harm. Spend is one factor, but one cannot really get behind that data and understand what is driving that. Many people do consume gaming products without having a problem gambling response. So, there is a limit to what we could say that data is indicative of.

THE CHAIR: We might wind it up there then. 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*.

Short suspension.

Appearances:

Orr, Ms Suzanne, Minister for Aboriginal and Torres Strait Islander Affairs, Minister for Climate Change, Environment, Energy and Water, Minister for Disability, Carers and Community Services, Minister for Seniors and Veterans

Health and Community Services Directorate

Rule, Ms Catherine, Director-General

Evans, Ms Jacinta, Executive Group Manager, Strategic Policy

Stathis, Mr Nick, Executive Branch Manager, Disability, Seniors, Veterans and Social Recovery

THE CHAIR: We welcome Ms Suzanne Orr, the Minister for Disability, Carers and Community Services. We also welcome the officials in attendance. We have many witnesses for this session. Please, note that as witnesses you are protected by parliamentary privilege and bound by its obligations. You must tell the truth, giving false or misleading evidence will be treated as a serious offence and may be considered contempt of the Assembly. As we are not inviting opening statements, we will proceed directly to questions.

MS BARRY: Welcome, officials. My first question is around the Integrated Service Response Program. I wanted to find out what funding was provided in 2024-2025 for its implementation and what funding has been provided in 2025-2026.

Ms Orr: I have read and acknowledged the privilege statement.

THE CHAIR: Just to be clear we have covered the privilege statement in the opening.

Ms Orr: Sorry. I promise I was listening, Chair. What I might actually do Ms Barry is hand straight to Ms Rule to answer the detail of your question.

Ms Rule: And I am going to hand straight to Mr Stathis to answer that question.

Mr Stathis: I have read and acknowledge the witness statement. The Integrated Service Response Program has funding for three full-time staff and had a budget in 2024-25 of \$539,000. That funding is ongoing so the figures will be similar this year. I do not have the exact figures, but they will be ongoing.

MS BARRY: My next question is, does the ISRP have priority access to other services and if so, what are they?

Mr Stathis: So the ISRP is a crisis service for people that are on the NDIS in the ACT. They are not case management, but what they do is they work with mainstream service providers, the NDIS and also other departments within ACT government, such as education and health, to help basically bring together everyone in the background to help people in crisis. So they do not have priority access, but they work—you know, they have good relationships across ACT community services and with NDIS supports, to help people. We also have an escalation process with the NDIS. So if someone is waiting for an assessment and is in urgent need of that to happen quickly, we have an escalation process with the NDIA, to try and move those along. So we do have priority

access to the NDIA.

MS BARRY: And would you have access to housing?

Mr Stathis: Sorry?

MS BARRY: Would you have access to housing as well, housing services as well?

Ms Orr: Housing ACT.

MS BARRY: Housing ACT. Public housing.

Mr Stathis: Yes, yes, Housing ACT falls within the Health and Community Services Directorate. We often work closely with them to try and help people with accommodation.

MISS NUTTALL: I am keen to chat about foundational supports. We have heard previously that getting foundational supports up and running in the ACT is quite dependent on timing from the commonwealth. Could you please clarify for the committee, what is the exact thing we are waiting for the commonwealth to do? And when do we actually expect to see action from the commonwealth government?

Ms Orr: I think it is a one-sentence question but I think it is quite a complex answer because there is so many moving parts within this ongoing discussion. I think quite a bit of it is on the public record insofar as the negotiations that are happening around foundational supports but how that also ties in now with the health agreement and the other complexities there that we are working through. I think in going to your question I think that the core of it is when will we start to see foundational supports in ACT. I think that is, essentially, the question.

MISS NUTTALL: Yes, that is certainly part it.

Ms Orr: Yes, so rather than running through the minutia of complexity of the negotiation agreements, I might actually focus on when we might expect to see foundational supports. I have heard from a lot of the sector too just wanting to stay updated on the timing and so forth. I always point them to the disability ministers' meetings communiques because they have updates as to where things are progressing as far as the disability ministers' are concerned.

We are one component of that broader negotiation. It is something that we are working through with not just the federal government but all states and territories. So there is a level of every jurisdiction is different and we are working through how to come up with a response for everyone's different paces. But ministers are committed to work on the design and to bring that back. So we are looking at the design of foundational supports. That is something that I have been working through with the directorate. We are working in the commonwealth with that, and it is also something we are working with the disability community on and looking at how we can bring their voices into the conversation too around their expectations on foundational supports here in the ACT and aligning all the different components.

As to the actual date as to when you would expect to see foundational supports, I am hesitant, given that there are so many factors within this reform that are outside of my control, to put a date on it. That is not trying to sidestep or avoid the question. It is more I do not want to—I do not have a high enough confidence that I could say it will be this date and I do not want to set an expectation that is going to disappoint people. I would rather be honest and say it is complex; we need to work through it but we are working through it, and continue the conversation, than say it will be this day and there is nothing more to see here.

MISS NUTTALL: Has there been an effort to get that kind of timeline from the commonwealth?

Ms Orr: I think that is fair to say, even predating me, there has been a lot of effort around this but certainly in my observation, since coming into the portfolio and taking responsibility for this aspect of it, this is complex and it is one of the biggest reforms, and, as the community has even noted, this is the biggest change since the NDIS was introduced. I think you start these things saying, here is what we have identified as what we need to do to get to where we want to go, and then as you work through something this big there is always additional complexities and things you have not anticipated that you then need to go away and do a bit more time on. So I think there is a general understanding that we just need to keep working together and we need to keep working through the complexities in getting to the outcome we all want.

MISS NUTTALL: I am interested in when you said. “Working with the disability community through the design process,” could you outline what that actually looks like in practice?

Ms Orr: So I meet regularly with the Disability Directed Advocacy Caucus, and they provide me feedback on a range of matters including this. Certainly, I do not think it would be unreasonable to say that foundational supports are a big focus for the disability community, and it is something that they often raise and provide input to. I am very open to hearing that input and have said to them, “Anything you want me to know, let me know, so that as we go through this conversation, I am aware of it, and I can factor that in should it come up at any point in time.”

MISS NUTTALL: We have heard that targeted foundational support is shaping up to focus on children nine-years-old and younger, but we have heard pretty consistent feedback, certainly from our end, from the sector, that it does need to be broader than that. In particular, they are looking at more support for life skills for the entire age range of people with a disability from zero to 120. What is being done to cover these gaps that disability advocates have identified? Where do you see those gaps fitting in with the foundational supports?

Ms Orr: Miss Nuttall, could you help me out. There is actually a lot in that question. There are a few different ways I could answer it, so it would just help me to have more information in the sense of—you said you have heard from people: could you tell me who you have heard from, or what they have said, because then I have a better understanding of the issue they have raised.

MR RATTENBURY: I think it is about the policy question. The policy question was

clear.

MISS NUTTALL: Specifically, I am interested in why it would focus on children nine years and younger and what supports might be in place for young people nine and up?

Ms Orr: Within the foundational supports discussion there is certain focuses around targeted supports. I think if your question is going to more general supports and broader supports outside of foundational supports, there are a lot of different areas that that could go to. Now, I think Ms Rule is dying to jump in. That is my sense.

Ms Rule: Thank you, Minister. I think it is probably important just to go back a couple of steps about where foundational supports have come from. There was a review initiated by the commonwealth of the NDIS because of concerns at the commonwealth level about the unchecked growth, if you like, in the expenditure attached to the NDIS.

So, in 2023 disability ministers agreed to a NDIS review being undertaken. One of the things that review said was there should be a system of supports outside of the NDIS to cover gaps that have been created by the process whereby states and territories gave all their disability money to the commonwealth for the NDIS and there is kind of nothing left, in the broad. We have probably had more left than many other jurisdictions. So, national cabinet agreed to foundational supports and a 50/50 funding deal within some set parameters. So, foundational supports are not really about covering every gap at this stage. It is about trying to check the growth in the expenditure of the NDIS.

The NDIS is still the primary service system for people with disabilities. So, when you talk about people zero—actually NDIS is zero to 65, but that is a different policy discussion. When you talk about supports to people with disability, the NDIS is the primary system and foundational supports are being negotiated to try and cover some of the gaps where, in particular, there is a view that if you undertake early intervention activities for the zero to nine cohort—who at the moment are going into the NDIS and never coming out again, and that was never what the system was modelled on—if you do early intervention in different settings with those young people, then you can keep them out of the NDIS and there is a whole cost issue there.

So, there is a whole range of things here that are outside of our control, but foundational supports are not supposed to cover all the—it is not supposed to be a kind of parallel NDIS. It is supposed to be a way of covering some cohorts who might end up in or out of the NDIS in the future, but where there is a service gap right now. So, I think that is important just to know.

Part of the discussions with the commonwealth and states and territories has been to explore where the money that has been put on the table—it is not a bottomless pit of money, so where the money that is been put on the table could be best spent. The view collectively is that that zero to nine cohort is a really great place to start in terms of the use of that money. But no one really knows what the demand is going to be like. We have not yet agreed collectively what the scope of that spending will be, so there is a whole range of parameters that make it very hard to kind of talk about it in the broad, but it is quite targeted deliberately, because of all those factors that I have just walked you through.

MISS NUTTALL: If you are not on the NDIS and you are not in that zero to nine cohort, but you do have a disability and the needs associated with that, what is the government doing to support those people?

Ms Rule: Well, I think there are a range of other supports—depending on what the disability is and what the needs are—where mainstream programs should be providing support to people with disabilities. So, things in our health care system. When I think about things that I know about, public housing—we build every public house to Class C Adaptable Standards to accommodate people with disability. Education has a range of programs around young people with disabilities. So, I think mainstream systems should still be providing services to people with disability—be that health, housing, education, whatever other systems that government provides—should still accommodate people with disability.

MR RATTENBURY: So, a quick follow up, Minister. As you were describing the sort of steps to get to a point of agreement with the commonwealth you talked about, if I heard you correctly, an ACT design phase to then go back to the commonwealth. Am I correct in understanding that?

Ms Orr: Yes, I do not think you are quite correct.

MR RATTENBURY: Or an ACT model?

Ms Orr: Well I would not call it phasing and so forth. What I have said to—I think this is referring to my comments as to what I said to the community—I said if you have got views please put them forward to me so I am not unaware of them and I can factor that into the discussions we have had. We have undertaken, I think—or it might have been—was it the comment around the communique and that the ministers have—?

MR RATTENBURY: No, I thought you said you had to go—Miss Nuttall asked what are the steps to get an agreement in place, and I thought you said the ACT was to do some design work to go back to the commonwealth with.

Ms Orr: So yes, I think this is in reference to what I said in the communique, where it says we have committed to work with the commonwealth to continue to design the NDIS. I would not necessarily equate that to: “Here is the process that I will outline for you straight now.” The discussions are ongoing.

Ms Rule: The way I would describe it broadly is that we are working with the commonwealth on what foundational supports are, and then we will have a design phase on how we will deliver those things to the cohorts in a way that suits the ACT context. Every other state and territory is in the same situation. Delivering services to, for example, zero- to nine-year-olds in Canberra is different to the NT or wherever. I think it is that. We are in the process of working with the commonwealth on broadly defining what foundational supports are. Then we will have our own exercise here about how we deliver those supports.

Ms Orr: You could call it design; you could call it—

MR RATTENBURY: That is fine. I understand more clearly now. Thank you. Is there

a deadline—one of the ministerial meetings or some other process—to agree to the “what”?

Ms Rule: No; not specifically.

Ms Orr: I think this goes back to my comment. I am hesitant to put a date on anything.

MR RATTENBURY: That is all right. Ms Rule has answered my question: there is no deadline.

Ms Orr: When you have eight different perspectives at the table and everyone has different challenges and views, you can set a deadline. Whether everyone keeps to it is another matter. We will just keep working through it.

THE CHAIR: Could I clarify: has a deadline been set, but it is not clear whether people intend to keep it?

Ms Orr: Mr Cocks—and this predates me—I think the original agreement set 1 July as a deadline, and that has clearly not eventuated. I could not tell you why that did not happen.

THE CHAIR: Has any subsequent deadline been applied that is not being—

Ms Orr: The experience of the 1 July example probably indicates why everyone is a bit hesitant to say, “We’re going to have this deadline” and set everyone’s expectations, rather than work through the complexities.

MR RATTENBURY: I think the reason we are focused on the timeline is that, as I understand it, changes have already happened in the NDIS, but the foundational supports are not in place. People are starting to presumably fall through the gaps. That is why the question is quite focused on a timeline.

Ms Evans: I have read and acknowledge the privilege statement. Thank you for the opportunity to talk a bit more about this. It is a complex area. Quite a significant amount of work is going on with the commonwealth to set up some principles which all states and territories would work to for foundational supports. We expect that work to be completed in the second half of this year. That is being led by consultants. States and territories have given feedback on the principles or standards—not standards in the sense of regulation but standards for what we would deliver for that zero- to eight-year-old cohort. That is one timeframe, if you like.

In terms of further timeframes around foundational supports, I can say that we are all collectively really eager to get moving. Each state and territory is doing their own design work. We are waiting on the commonwealth around a few pieces of information, and one of the most critical is to define the scope for children aged zero to eight. If you think broadly about what a child might need in that age range, we need to be really clear about the point that they potentially enter into the NDIS, so that we can design around that. As Ms Rule has already mentioned, we are not looking at doing a sort of shadow disability service in the background. It has to be a separate and quite distinct set of services to support families. We are quite ready to go. We would be hopeful of starting

as soon as things are settled at a national level around funding agreements.

MR RATTENBURY: What happens to people in the meantime, given those changes to the NDIS have already been rolled out? What is happening with people who are now finding themselves caught between?

Ms Evans: We are also hearing that things are changing and we are regularly bringing that up with our commonwealth colleagues. What we are being assured of is that none of the rules or legislative changes that are being consulted on have actually been rolled out. What the commonwealth are describing to us is work that they are doing to bring the scope of the scheme back to its original intent, which in some cases means people's plans are being reviewed to ensure that they fall within the original intent of the scheme. The rules that would, in fact, impact a person's access to the scheme are not yet live. So, while we can challenge that and say, "We have families or individuals telling us that things have changed for them," the commonwealth assure us that it is only within the regular scope the scheme.

Where people are finding that their packages have changed—and the minister may sometimes receive some kind of representation from those people—we are supporting them to go back to the NDIS and talk about how that is affecting them. There are actual processes by which they can engage with the NDIS to have their plan reviewed, if that is what would be necessary. Certainly, that support is available to them, but it is outside the scope of what we can influence. We are certainly strongly advocating around those people.

MR RATTENBURY: Thank you.

MS CARRICK: The 50-50 foundational support will come online and the mainstreams provide support to people, but, throughout this whole process, have you done any analysis about what the service gaps are for people with a disability in Canberra, whether they will be picked up by the foundational supports or whether other programs need to be developed in Canberra?

Ms Orr: I will let Ms Evans answer in the first instance, and, depending on how she goes, I might add some stuff.

Ms Evans: Thank you, Minister. That is much appreciated.

MR RATTENBURY: A live performance review by the minister!

Ms Evans: I like to think we are a good tag team. That is how I would like to frame that. The ACT Disability Directed Advocacy Caucus the minister mentioned earlier have been providing the minister with advice and have certainly contributed to the consultation that we have done with sector partners. They have come back to us with some principles to guide design and foundational supports in the ACT. That goes to what they are seeing as the gaps. One of the things that they have mentioned is that any design work that is done needs to really focus on local accessible service design. People would be involved in the resources for people with disability in an authentic co-design process. There needs to be greater capacity around that design and implementation. There needs to be investment around the scope of the current disability reforms. They

are seeing a range of things as principles for how we would approach it.

The gaps are exactly the gaps that we have known about since the NDIS came into place. From the point of view of children aged zero to eight, we know that we have a far reduced early intervention service from what we had. We hoped that those services would be captured through an early childhood partner in the ACT or through the early childhood pathway into the scheme. We know that is probably not as effective or as sufficient as we would have hoped.

The other services that we are aware of, and the reason for the NDIS review, in fact, go to things like psychosocial disability, where people are not getting the supports and services. Again, that goes to arrangements governments made to cash out certain services when the NDIS commenced. We are quite aware of that. They are listed quite clearly in the NDIS review, and that review is the result of consultation with, as you know, hundreds of people with disability. We are looking at the gaps identified in the review as we go forward.

Ms Orr: That is very good. Ms Evans passes her performance review!

Ms Evans: Thank you!

Ms Orr: But I will add a little bit to it. I asked the caucus for those principles to inform me as we work through this discussion. Sometimes you are at the table having a discussion and something comes up, so I wanted something on the perspective I take forward on behalf of the ACT to those discussions. I see these very much as the things that can inform how I work through the ongoing discussion.

In some respects, it is about how you define gaps as well. There will be gaps that the foundational supports address, which Ms Evans spoke about. There will also be other areas where people would say, “This is a gap.” Foundational supports are not the only service provision within the system. The NDIS is not the only service provision for people with disability, even though it is a huge component of it. In having the discussion, I am always reminding myself to be cognisant that there is quite a large ecosystem. It is not just the NDIS and how we look at that. Also, when we talk about gaps, it is not necessarily that the service is not there; it is about the way it is designed and perhaps it does not meet the need.

If we go back to those aged zero to nine and developmental delays—and, if I get this wrong, Ms Evans, please provide me with my performance review—one of the issues is that, when you are a young child, you do not necessarily have a disability; you have developmental delay. Defining that delay as a disability makes it very hard to get entry into the NDIS and get supports. One of the things that are at the forefront of everyone’s mind as we work through this discussion on what we are looking for with targeted foundational supports for that group is: how do we have a system that provides for the need when the need is not necessarily easy to demonstrate or confirm, given you cannot necessarily diagnose a child with a disability under a certain age? They have developmental delay, which indicates it could be a disability.

MS TOUGH: We heard from ADACAS on Tuesday about foundational supports and the NDIS review. It looks like services have been pulled back. I want to know how the

government is supporting ADACAS and other organisations while we are doing that foundational supports piece, with the review and services changing?

Ms Orr: It is broader than just foundational supports. ADACAS does a lot of work, not solely on foundational supports. How we support people with disability in our community is the question. Ms Evans and Mr Strathis seem to be furiously looking up the detail on what we fund ADACAS to do, so I can get them to run through that. Again, I am happy to add to it, should I feel the need to.

Ms Evans: Thank you for the question. We were listening and very cognisant of the issues raised by ADACAS. Of course, funding in this area is a defined resource and we try to support across the range of services. As I understand it, in terms of funding for ADACAS, they are supported by the ACT government in work that they do around the Disability Justice Strategy to support decision-making activities for people with disability. They also receive some funding around individual advocacy support. We provide some funding for them under the mental health policy and the strategy on health. In the previous year, that was around the provision of individual advocacy for people with mental illness. There are some additional supports and services that they also provide and are funded for around community assistance and temporary supports, which is a health related service for people who are exiting hospital and need in-home support and that sort of thing. The total is fairly significant. Those numbers are recorded through our annual reports, as you would appreciate, and those contracts can be reviewed.

We acknowledge that ADACAS, along with all our other service providers, experience more demand than they are potentially funded for. We provided some additional funding for systemic advocacy recently. Women with Disabilities received funding and AFI received some funding for systemic advocacy. We seek the commonwealth to step in, in terms of ILC funding, to support these organisations as well, because that is part of the broader system response to the NDIS. Again, we acknowledge that demand can be greater than the funding.

MR EMERSON: I understand that \$90 million has been provisioned over five years for foundational supports, but I cannot find that anywhere in the budget papers.

Ms Orr: When this provision was first announced, it was a new budget initiative, so it had its own table and its own page in the budget. My understanding—and this is a question for the Treasury, so please forgive me if I do not get this 100 per cent right—is that it is now not a new initiative; it is an existing initiative, so it is in the central provision. Please check with the Treasurer because I am not with the Treasury.

MR EMERSON: Is it the expectation of the commonwealth to match the \$90 million that has been provisioned?

Ms Orr: Again, this predates me, so, if I get this wrong, could someone please jump in and correct me. My understanding is that, when the initial agreement was made through the first ministers, it was matched 50-50.

Ms Rule: That is right. It was agreed by national cabinet—a 50-50 funding deal.

MR EMERSON: That was in December 2023?

Ms Rule: Yes; that is right.

MR EMERSON: Negotiations are ongoing. Are there any plans if the commonwealth does not come through to cover that gap? Are there any contingencies in place or are we waiting to see how things unfold?

Ms Orr: Answering that would be purely speculative and I do not think it would help negotiations if I started speculating on that sort of thing.

MR EMERSON: I am asking if there are currently any contingencies in place, essentially in the budget, to cover the spread if we need to.

Ms Rule: The budget provisions a certain amount. That is what we have available. The funding deal with the commonwealth is a 50-50 funding deal. It would be up to treasurers and first ministers to revisit that if the commonwealth walked away from the deal. The money that is provisioned is the money that is provisioned.

MR EMERSON: I think it is fair if the answer is no. You have a national cabinet—

Ms Orr: In answering your question, if it is a case of whether we have a contingency plan if it all falls apart, I think it is fair to say we are focused on working through delivering foundational supports and we have not gone to the doomsday option just yet.

MR EMERSON: Has funding been put to the work being done to prepare for delivering foundational support services?

Ms Orr: That goes back to what we were talking about with the design phase and, at this point, coming up with the design brief. Ms Rule or Ms Evans, or whoever would like to, can talk a bit around the ACT government directorate that is working with the federal government and what we have in place to progress these matters.

MR EMERSON: We do not need to cover territory that has already been covered, if you feel that is what is happening. I am asking whether there is any funding specific to that or if it is just happening within existing—

Ms Evans: Thank you for the question. Just to be clear, we have a disability reform taskforce which is funded by contributions across government, acknowledging this is a whole-of-government matter. It is a small team of about five FTEs and it has additional executive input within my area. The taskforce is looking at progressing the initial service design and delivery in response to the NDIS review, but also the royal commission into people with disability. It was funded for \$2.1 million to \$6 million over two years. We are in the second year at the moment.

The kind of work that we have been doing is responding to the NDIS rules work that I mentioned a bit earlier. There is quite a significant amount of legal analysis and response to the commonwealth around that. The work also goes to the stakeholder consultation piece, but also the service design element that we have been talking about: understanding the gaps, looking at what services currently exist, contemplating how

they could be built upon, and being prepared for the next steps. In summary, that would be the work that is being done.

MR EMERSON: As part of that work, are you aware at this point how many people in the ACT are currently eligible for the NDIS and will no longer be eligible under the restructure?

Ms Evans: No; we are not.

MR EMERSON: Is that something that you are trying to develop an understanding of?

Ms Orr: That answer comes through the design. As you work through the design parameters and what goes in place, the answer changes depending on the variables.

Ms Rule: I think it is a more nuanced picture than that. Some people will continue to be eligible for the NDIS and receive foundational supports. It is not a case of either/or. The setting of the eligibility criteria for the NDIS, whilst it is a matter for the commonwealth in legislation, largely requires the agreement of all state and territory ministers through the disability ministers council. Changing the eligibility is not the same thing as establishing foundational supports.

MR EMERSON: Ms Evans indicated that the taskforce is working on the implications of the NDIS review. Obviously, the main implication is that fewer people will be eligible for the NDIS with the changing criteria.

Ms Rule: That is not necessarily true. What the commonwealth has committed to is reducing the rate of growth of the NDIS. There has not been a discussion about the number of people in or out of the scheme. It is about the types of supports that people might get, the size of their packages and the length of time they might be in the scheme, which is why the minister is referring to the many variables that go into this. There is no target group that will be out of the scheme and into foundational supports. As I said, it is a more complicated picture.

Ms Orr: There is also a question as to whether, at some point, foundational supports might be the right service response or it might be the NDIS, but those are nuances that we are still working through. There could be a scenario where people move in and out between the two. Does that mean they are suddenly off the NDIS? Not necessarily. The other part of it is that it is not necessarily just about people in the NDIS; it is also about people who cannot get into the NDIS and have a need that is not currently being met. That goes back to the example I gave about those aged zero to nine—that, when you are a child with a developmental delay, it is not always clear that a disability is the cause of that delay. Until you can get the diagnosis, you cannot get into the NDIS, but how do you support the child in the meantime? That is the sort of stuff that foundational supports are looking like. It is not as simple as saying something is in or out; it is actually about the best service response for an individual.

Ms Evans: Mr Emerson, I have one more nuance around that. The Commonwealth are very keen for us to understand that, in capping the growth of the scheme, they are not looking at pushing people off the scheme; they are looking at being very clear around parameters for entry, the package of services and the length of time. If we are too black

and white about it and say, “They will have to get rid of 20 per cent of people to make this work,” that is probably not the approach that is being taken.

MR EMERSON: The service is better delivered in a group context than for an individual—

Ms Evans: Yes.

MR EMERSON: Is the main reason that negotiations with the commonwealth are taking so long that there is concern that the consequence for the territory will be that more people will be pushed into potentially unsustainable growth areas for the territory budget, if the commonwealth is attempting to avoid unsustainable growth in its budget?

Ms Orr: I would not say I have ever had a thought that would go to those words. It goes back to the comment I made. As you start these reforms, the complexities come to the fore and you have scenarios, variables and issues that you perhaps did not anticipate in the first instance, and you have to work through those. Even in this conversation, I have said one thing and then everyone jumped in with a different perspective. That is essentially what happens when all the officials get together and have their meeting. You have all these things coming forward and you have to reconcile them; otherwise, how do you design a service for it?

MR EMERSON: It sounds like we are really early in the process.

Ms Orr: Yes and no. We are further along than we were when we started.

THE CHAIR: We will have to keep moving. I have a few clarifications. There was a discussion earlier about the driver for the foundational supports from the commonwealth. I think it mentioned concerns from the commonwealth about unchecked growth in the NDIS. I think it is fair to say that, regarding anyone who worked in a related commonwealth area, in my experience it was in relation to psychosocial disability supports. There was certainly a concern that, when the NDIS was introduced, states and territories walked away from services that the commonwealth had expected states and territories to keep providing. Has there been, at any time between the introduction of the NDIS and now, a review of or agreement around what states and territories were supposed to provide?

Ms Rule: One of the objectives of the NDIS review was to look at that. Much of that has been lost in the mist of time and the negotiations that took place at a bilateral level between governments at the time of the scheme. Everyone did something slightly differently and packaged up money and services to hand over to the commonwealth. In the ACT, we probably maintained more service delivery than some other jurisdictions did. The fact that we still have ISRP and other things in the ACT means that we maintained some services, but certainly not what we had before. Those decisions were made at the time. I do not think there is anyone at the table who can talk in detail about what those decisions were. The NDIS review was not a finger-pointing exercise about whether the states, the territories or the commonwealth dropped the ball; it was actually about building a new system for the NDIS. It has had some really great outcomes, but, further down the track, we can now see that the implementation of the scheme has solved some problems but created some others, so how do we now solve those

problems?

Ministers at the Disability Reform Ministerial Council were very keen to avoid getting into: “You’ve done this and you’ve done that,” “Who’s dropped the ball?” and “Who’s withdrawn the money?” They want to actually look at how it goes forward. That is what the review was based on: assessing where the systems are up to now, where the gaps might be, and the best mechanism, collectively, to deal with those gaps.

THE CHAIR: I think I know the answer to this. Regarding the assessment process, do we yet have a view that states and territories should be responsible for this and the commonwealth should be responsible for that, or are we still in the process of sorting all that out?

Ms Rule: That is part of the negotiations around foundational supports. One of the key principles that is emerging is that we have done away with block funding and funding of services in group settings. The NDIS is a package based system. That is something that has created some gaps. The states and territories are better able to fund in the way of block funding or program based funding or group settings, or whatever it might be. There are some efficiencies in that versus packaged funding. That is one of the learnings. It is almost at that sort of level, rather than service X, Y or Z. It is actually about how you set up and fund services where there are some gaps.

THE CHAIR: In the space of psychosocial disability, we touched on people who are falling through the cracks already. That is one of the areas. Over a long time, people have been falling through the cracks, at a commonwealth level and state and territory level. There seem to have been widening cracks, not a reduction. What is being done in that space to try to help those people in the meantime—specifically in the psychosocial area?

Ms Rule: As I said earlier, we have some programs still remaining in the ACT—ISRP and other things. The mental health system and service systems within the ACT should be providing some support to those people, but I think it will absolutely be a focus of the further discussions on foundational supports.

THE CHAIR: But it is largely about things that are continuing, not anything that has been brought in.

Ms Rule: That is right. There is an ongoing discussion about how to make sure that people with psychosocial disability are getting supports in the right service system.

THE CHAIR: I think this was in response to one of Mr Emerson’s questions. There was mention of funding that was provided in a previous year and is now in the central provision.

Ms Orr: That is the provision of the \$90 million, which is part of the original agreement.

THE CHAIR: That is right. Is there no discrete tracking of that amount outside of the central provision?

Ms Rule: We have not spent it yet.

Ms Orr: That is the money that is—

Ms Rule: It is our 50 per cent.

Ms Orr: Yes—from the national cabinet decision—

THE CHAIR: No—within the budget. There is now no way to identify that separately going forward into years—

Ms Rule: It is just a provision. As the minister said, it sits within that central provision. How it is represented on the books is probably a technical question for our Treasury colleagues.

THE CHAIR: That is right. What I am trying to work out is whether we will be able to track and watch what happens to that money over time.

Ms Rule: I would expect that, once foundational supports are established and we start needing to call on that provision, it will actually be allocated to HCSD and will sit in our budget statements and will therefore be transparent in terms of how much money and what our actuals are against that money.

Ms Orr: Yes. This was before my time, but my understanding is that it was provisioned, given the agreements that we made. There was an understanding that we would act on that. Therefore, we might as well be prepared from a financial point of view. The final use of that money is also subject to a funding arrangement with the commonwealth, which is part of these negotiations. It would not be spent until you have the appropriate agreements and governance in place. It is a provision that will continue to sit on the books until we have those agreements in place. As Ms Rule said, the money will be used as per—

THE CHAIR: It will be allocated at that stage to a discrete line within the budget?

Ms Orr: That is how these things work. Until someone tells me this suddenly works differently, that is what I would assume.

THE CHAIR: I note that there are about four minutes left in the session and we are wrapping up the second question. Ms Carrick, is there a question that we can deal with in the time remaining?

MS CARRICK: I have one about funding for advocacy. Is there any intention to provide more funding for our disability advocacy organisations? We hear that they do not have enough for advocacy, to do the work around VAD and various other things.

Ms Orr: We have the same discussion. There is funding in this budget specifically to disability organisations around discrete projects to help them form their view and provide input to financial supports in some of the broader reforms that are in train. There is also funding within the budget to our disability organisations to start to put together a consultation panel. That is in response to a lot of the feedback we have heard

from the organisations on behalf of the community. There is so much reform going on that people are getting a bit of consultation fatigue, so we could do it in a bit more coordinated way without people being overwhelmed. We will be working through allocating that funding and getting that panel up and running.

There is also some funding to work with the disability service providers, to look a bit more at some of the challenges and needs that they are facing so we can better articulate that in the ACT example. I cannot remember the exact name of it, but it is in the disability inclusion initiative. There are a few other bits in there too around the Disability Inclusion Act and some stuff is in place for that.

MS CARRICK: When will there be a framework around assessing the outcomes of the disability strategy—or a report on it and an assessment?

Mr Strathis: The minister, in April, released a media release that outlines some of the outcomes of the Disability Strategy and the achievements from the first action plan. An annual report will be tabled in cabinet and that tells us how we have gone in the first 12 months. Over the course of the strategy, we have agreed that we will develop an evaluation framework, and we are currently looking at how we might do that.

MS BARRY: What is the budget allocated for that? There were conversations about a disability strategy governance group. Is there a budget line item for that?

Ms Orr: That is an ongoing—

Mr Strathis: Last year's budget allocated \$5.5 million over four years to the Disability Strategy to fund a range of activities within that. That is a four-year budget commitment of \$5.5 million.

MS BARRY: That includes the governance group specifically as well?

Ms Orr: I think it is fair to say that there are a lot of initiatives across government through various strategies and plans that could be funded from various parts of the budget and at different points in time. Identifying the exact budget line item for every single bit is not necessary. There is not just one that we could point to. There will be multiple—

MR RATTENBURY: I think we are just seeking clarity, Minister. Is there actual money for the disability stakeholders to do advocacy work, and how much is that? I think that is the question.

Ms Rule: We can take that question on notice. There are two parts to that. There are various governance groups that have roles to provide advice to government, and we also grant fund a number of advocacy organisations. We can take that question on notice, as to who we fund and how much we fund them for.

MS BARRY: Thank you. The action plan says it will fund a governance group, so can you also take on notice what—

Ms Rule: Yes; we can.

MS BARRY: Thank you.

Ms Evans: Sorry for the confusion, Ms Barry. We have \$53,000 allocated for governance, and that goes to the Disability Advisory Council. That recruitment is underway and there will be appointments made through cabinet later this year. We may not need to respond to that one on notice. There was just some confusion around the question.

THE CHAIR: If you could still confirm on notice, that would be very helpful.

Ms Evans: Yes.

Ms Orr: What Ms Evans is referring to is the Disability Reference Group, which, now that the Disability Inclusion Act has officially commenced, will be transitioning to a ministerial advisory council.

MR RATTENBURY: The concern we have received from the community groups is that the government funds the council. They are expected to turn up, but they do not get funded to do that role.

Ms Orr: Yes. This is specifically going to the disability advocacy groups. We look specifically at that. My understanding is that there is funding that the ACT government provides. Also federal funding is provided for different components of individual and systemic advocacy. We can get you the details of that on notice, I think. That also goes to the projects that I pointed to. The advocacy that they have put forward to me in the lead-up to this budget is that those are the things that they would specifically welcome funding for, and that is what has been responded to in those initiatives I outlined.

Mr Strathis: We fund AFI and Women with Disabilities ACT for systematic advocacy. We also fund Carers ACT for advocacy for carers and people with a disability, and we also fund National Disability Services as the peak body for service providers.

MR RATTENBURY: Thank you.

THE CHAIR: We will wrap up. I thank members for their patience as we worked through a very lengthy line. Given we did not get to questions from many members, the committee will consider whether there is a need for a call-back session, but I do not want to keep everyone here for extra hours and lose everyone's lunch break. On behalf of the committee, I thank you for your attendance today. If you have taken any questions to notice, please provide your answers to the committee secretary within five business days of receiving the uncorrected proof *Hansard*.

Hearing suspended from 12.54 to 1.52 pm.

Appearances:

Parton, Mr Mark, Speaker of the Legislative Assembly

Office of the Legislative Assembly

Duncan, Mr Tom, Clerk

Skinner, Mr David, Senior Director, Office of the Clerk

Shashika, Mr Don, Chief Financial Officer, Business Support Branch

THE CHAIR: We welcome the Speaker of the ACT Legislative Assembly, Mr Mark Parton MLA. We also welcome the officials who are in attendance.

For the officials, please note that, as witnesses, you are protected by parliamentary privilege and are bound by its obligations. You must tell the truth. Giving false or misleading evidence will be treated as a serious matter and may be considered contempt of the Assembly.

As we are not inviting opening statements, we will proceed directly to questions.

MS CASTLEY: Mr Speaker, earlier this year the government claimed privilege over a number of documents that the Assembly had ordered it to produce. It meant that an independent arbiter was engaged to review the government's claims. Can you confirm that it was OLA who engaged the arbiter, and is it possible to provide us with the total cost?

Mr Parton: The total cost of that exercise earlier in the year?

MS CASTLEY: Yes.

Mr Parton: Yes, it was the Office of the Legislative Assembly. My understanding is that we would be talking about a figure that is a little in excess of \$7,000 for that, including the report, airfare and accommodation—\$7,000-odd.

MS CASTLEY: Do the Clerk or the Speaker have a role in this, such as offering advice to the Chief Minister or the Head of Service about whether a privilege claim is likely to be upheld or provide value for money?

Mr Parton: No, absolutely not. It is not for us to make any judgement on that. No, the only role that we play is with the appointment of the legal arbiter and making sure that that process goes through in the easiest possible way for everybody. No, we are not here to give advice on the merits of any argument.

MS CASTLEY: Is the cost of engaging an arbiter met from the Assembly's own resources, or are OLA's expenses reimbursed by the government?

Mr Parton: No. I think you have to accept that that process is separate from government, and it is a part of what the Assembly does. It is a part of the parliament. So it is met by the Office of the Legislative Assembly.

MS CASTLEY: Are we worried about this becoming a financial burden, if it continues

to go the way we have seen in this last year?

Mr Parton: I will call whichever official wants to get on the *Hansard*. We have seen this standing order utilised more in recent weeks than it ever has been. If it was continually utilised in that fashion, would that stretch the budget in this area? I think the answer is that, yes, it would. But in that case, through the budget process, for the next budget, when we go into the big, secret room down there, we would have to say, “This is happening more and more, and we’re going to need some more money to pay for it.” Is that a fair assessment?

Mr Duncan: Yes. Ms Castley, we have had seven occasions, I think, since the standing order was introduced in 2013, when we have had to engage an independent legal arbiter. It has roughly been about the amount that the Speaker said on each occasion. It is very hard to predict, because I do not know what the Assembly is going to do, and I do not know whether the executive is going to claim privilege. I also do not know whether a member is going to dispute the claim of privilege. If it became a thing, and if it appears on the record that it is going to become a thing, certainly, we will be lodging a budget submission to the executive to say, “Hey, we’re going to need some extra money for arbitration, because it’s becoming a regular feature of the operations of the Assembly.” But at this stage it is not.

MS CASTLEY: There has been no conversation with the government at this stage to say—

Mr Duncan: Not at this stage. Certainly, I will be keeping an eye on it and, if the Assembly starts passing orders for the production of documents every day and there are disputes every day, and the Speaker has to engage an independent legal arbiter once a week, I will be approaching Treasury for extra money.

MS CASTLEY: The concern is that there have been two now; that is my understanding. With the first one, the response has come back, and it did seem to be a fruitless response from the government. Have you had any conversations or are we concerned at this point? I am hearing, “No; we’ll just wait and watch.”

Mr Parton: Yes.

THE CHAIR: Within the course of a year, if you were essentially to run out of money within the budget that is allocated for that function, how would you deal with that?

Mr Duncan: I might cross to the Chief Financial Officer. Unlike other agencies, we do not have to return our unspent appropriation, which means that you will see in the financial statements in the budget papers that we do have reserve money there, an amount that covers liabilities. As the CFO tells me from time to time, it is there for a purpose. We have more than enough to cover our liabilities, and it is for those sorts of things. With the Assembly budget, we cannot predict how many committees will be created. We cannot predict how late the Assembly will sit. We cannot predict how many orders for the production of documents there will be. The Assembly is the master of its own destiny. But we can budget on past performance and past occurrences, and that is what we do.

THE CHAIR: Essentially, we would start tapping those reserves?

Mr Duncan: Absolutely, yes.

Mr Shashika: At the moment we do not see budget pressure from that side, given the low occurrence of those requests and appointments. As the Clerk mentioned, we can utilise the reserves in the first instance. If it becomes a recurring issue then we will request more funding in the budget.

MS TOUGH: How much is in the cash reserve for things like this?

Mr Duncan: Don, do you have the figure there?

Mr Shashika: Yes. Currently, with the budgeted figure for 2025-26, we have about \$3.7 million in cash. But we note that we will have about \$2.5 million worth of employee liabilities to be reserved and set aside. That will leave us with about \$1.3 million worth of cash reserves at the moment, which the office utilises for projects. For example, if we want to introduce a new system, if we want to do the initial work prior to going for a budget bid, we utilise that funding.

MS TOUGH: Following up on that, that is being held in reserve in case there are future projects, rather than being used in the day-to-day operations?

Mr Shashika: It is kept in a Westpac special bank account that attracts a higher amount of interest. We receive interest income, and the reserve is available in that bank account for emergencies.

Mr Parton: One of the other components is that we do not know what inquiries committees will undertake. They may have to go to various parts of Australia to examine things. There are a lot of variables that we could not possibly know. It is a wonderful situation that we have the ability to cope with whatever comes our way, on the basis of those cash reserves.

MS TOUGH: Thank you.

MR EMERSON: If someone in the building asks for training for their staff, would the funds come from that same place, or are there separate reserves set aside for that—if it were approved, of course, by the Speaker?

Mr Duncan: Mr Emerson, we put aside a notional budget for training for members' staff. We try to make sure that every member gets the same amount of training. We have a one-seventeenth rule, in that everyone gets the same office and the same training. It used to be similar for staffing, but staffing has now changed a little bit. If there was a demonstrated need for extra training, it is certainly something that we could tap into. That would be a decision made by the admin and procedure committee and the Speaker.

MR EMERSON: My office has been inquiring about doing an Aboriginal and Torres Strait Islander cultural awareness workshop, to ensure that my team and I are equipped to engage with First Nations community members in a culturally safe and competent way. Has any consideration been given to making that kind of cultural awareness

training mandatory for staff and members?

Mr Parton: Certainly, I have not been privy to any conversations of that nature. Obviously, I have only been in the role since November. As would be the case with pretty much any request that comes forward in this space, it would be assessed on a case-by-case basis.

Mr Duncan: We have not actually considered that. I do recall a recommendation by a committee in the previous Assembly which looked at Aboriginal traineeships across the territory. There was a recommendation that both the office and members engage Aboriginal and Torres Strait Islander people in their offices and employ those staff. I do not know what happened with that recommendation.

Certainly, in terms of training, it is not something that has been on our radar yet. Again, if this was raised in the admin and procedure committee, and it was seen to be a gap in our training regime, we would take steps to try and arrange that. If there was a demonstrated need across the membership of the Assembly, we would certainly take steps to try and arrange that.

MR EMERSON: I understand, Mr Parton, that you have been in the role for less time than the Clerk. Mr Duncan, since you have been here, 35 years, it has not been on the radar? I am just checking.

Mr Duncan: We do—

MR EMERSON: No-one has put it forward and said, “This should be part of the OHS stuff that we all do when we’re inducted”?

Mr Duncan: We do security training and OHS training; we do procedural information training and a whole range of certain training. As new things arise, we will certainly look at that. If there seems to be a gap in our training, we will certainly take that on board and develop something, if there is a need.

Mr Parton: With respect to the only instance that I can think of, regarding specific training that was in the Aboriginal and Torres Strait Islander area, when I took on the role of Deputy Speaker, I went through the process, in conjunction with Madam Speaker at the time, to engage elders from the Ngunnawal community and a linguist so that, on the occasions when I read the opening to proceedings, I knew exactly what I was saying, and I knew exactly how to say it. The Speaker panel at the time undertook that training. That is the only training that I can think of in that space.

MR EMERSON: Yes, and you do it well. I think we were at an event recently when someone did it in language, and I was nodding along, going, “Yes, that’s familiar.” Thank you.

Mr Parton: Thank you.

THE CHAIR: How much of the training that is available is mandatory for staff? What sort of process, outside the things that are legally required, would you usually expect before a specific course became mandatory for all members of the Assembly and their

staff?

Mr Duncan: I would have to take that question on notice. There have been occasions when we have done occ health and safety training. The only way for it to be mandatory is when we take it to the administration and procedure committee and that committee agrees. I cannot force members' staff. I am not the employer of members' staff. There are 26 PCBU's in this building and they each have to decide what training is appropriate for their staff. I have the office staff.

Where we think it is worthwhile offering mandatory training, we get the endorsement of the admin and procedure committee; then we write to members saying, "The admin and procedure committee has suggested that this is mandatory." I will take the specifics of your question on notice and get back to you about which ones are mandatory. I do not think there have been too many mandatory ones.

THE CHAIR: No, not that I recall.

Mr Duncan: We certainly offer training on a regular basis. With the take-up, I have to say—and I think Ms Turner would back me up—sometimes it is not high, when we do offer training. But it is certainly offered regularly, on a whole range of those security and occ health and safety things.

THE CHAIR: The admin and procedure committee, of course, would have the option of suggesting training without making it mandatory as well, wouldn't they?

Mr Duncan: Yes.

MS TOUGH: I am interested in going back to the financial position of OLA, but more broadly than just the cash reserve. In the budget there are persistent operating deficits across the forward estimates. It appears that there is no clear plan to address that. Why not, and what is the main source contributing to the persistent deficits?

Mr Shashika: Thanks for the question. With the operational deficits, if you look at the expenses line items, there is a large depreciation element in it, which is a non-cash expense. That is part of the reason why there is an operational deficit showing up. As you can see, the office has been managing its cash and operations in a prudent manner. That is why we have a reserve built up. The depreciation expense is \$385,000, roughly, in 2025-26, out of the \$554,000 deficit forecast. That is the main reason.

MS TOUGH: When was the last time that OLA had an operating surplus?

Mr Shashika: I cannot recall. In terms of the cash position, even in the current financial year, we have a cash surplus, which shows that some of the expenses are not cash.

MS TOUGH: Could you take on notice when the last operating surplus was?

Mr Shashika: Yes.

MS TOUGH: It talks about OLA earning interest. I am assuming that is on the cash reserve that we just spoke about. Is there anything else that OLA is earning interest on?

Mr Shashika: No, just the cash balance.

MS TOUGH: What sort of grants and contributions are part of OLA's income in that line item?

Mr Shashika: That is mainly resources received free of charge from various ACT government entities, like the ACT Government Solicitor's Office, legal drafting services, and ICT services received free of charge through DDTs. Those are the key ones.

MS TOUGH: I have another line item question. What is the other income that is listed? I understand that, in previous years, going back to 2023-24, it was much higher, over \$300,000. But this year it is \$49,000. Over the estimates, it is really only between \$50,000 and \$60,000. I am wondering why there is that big drop-off.

Mr Shashika: Other income is mainly any room hire revenue that we get from renting out the Assembly rooms; also, the interest income that we get from the bank account. We are forecasting interest rates to come down, and room hire revenue is not necessarily predictable.

MS TOUGH: I know there was an asset renewal program back in, I think, 2023-24, but some of that fund has now been rolled over. Were there particular assets that were not renewed or were there reasons why not all of that money was used at the time?

Mr Shashika: The asset renewal program is mainly for the upgrading of the Assembly building, which is a territorial asset. With the asset renewal program, if you look at table 33 on page 48, it is part of other territorial-based funding. That is currently being utilised. We had a total of \$82,000 left over from the prior year, which we rolled over. Most of it was spent on upgrades in the 2024-25 financial year.

MS TOUGH: With the increase in non-executive staff in this Assembly, how has OLA adapted to this increase in staff? What effect has it had on the ability to provide non-executive staff, or even OLA staff, with services like IT? Is this having an impact on the budget?

Mr Parton: A good question.

Mr Shashika: Ms Tough, we went forward with a budget business case, noting the expanded costs of the Eleventh Assembly, which included budget funding for members' and staff salaries, and some administration expenses. That was approved for the 2025-26 budget, and we have new funding.

MS TOUGH: That will make it easier for non-executive staff and OLA staff to get property as they need it, and those services?

Mr Shashika: Yes. We did not get funding for OLA staff, but we managed to get funding for the territorial side, which is members and members' staff.

MS CASTLEY: I would like to talk about security policy. Who has access to the logs

of people who sign in to the Assembly? Is there someone, other than an OLA employee, that would be able to access these logs?

Mr Parton: Not to my understanding. The platform that we use has been in place since 2022, and I think it works quite well. The system itself does retain all of that information. It is my understanding that all of that information would be within the system.

In terms of access to that data, could I get someone—

Mr Duncan: The manager of security and building services, the assistant manager of security and building services, the principal attendant and the facilities manager are the only four staff that would have access to that data information. It would be on a needs basis, by the way. They would have to be asked to have a look at it. I do not think they are trawling through it every day, looking at that information.

MS CASTLEY: Public service staff members can be confident that any visits to the Assembly here, outside their official business, would not be disclosed to the Assembly or employers?

Mr Parton: Confident in that this is not as big a parliament as the one up on the hill, and it is just a fact of life that, if you are visiting someone in this building—

MS CASTLEY: There is every chance you will be seen.

Mr Parton: it is quite possible that, just in general passing by, someone from another office may note, “I see Tom Brown’s here to see Leanne Castley.” There is no way that that information is coming from any source other than anecdotally.

Mr Skinner: There is what we call a workplace surveillance policy, which is required under the Workplace Privacy Act. It is fairly stringent as to the conditions by which that sort of footage or logs could be released. It also has a note around making sure that we do not run afoul of parliamentary privilege or contempt. For the office to be handing out the identities of people visiting non-executive members, for instance, and relating information about something happening in government, *prima facie*, it would be a contempt of the Assembly. We are very live to those issues. That might provide a bit of additional comfort.

MS CASTLEY: Indeed, it does. On security, rather than building security, what are the circumstances where an individual’s files or emails can be accessed by anyone other than the user?

Mr Parton: My understanding is that there is not a circumstance.

This falls with you, Tom?

Mr Duncan: Ms Castley, if that were to happen—and I cannot recall it happening—it is probably in the same category as security footage vision. There is a provision that, in certain circumstances, if the police come along and want to get security vision of the laneway because there has been an alleged crime or something like that, I am authorised

to release that vision to them. A similar regime would be in place here. If someone other than the member or the staff member wanted access to people's files or access to their records, the Speaker has an MOU with the Chief Minister. All of members' data is held on government files. To make sure that they are held securely and without interference, there is an MOU with the Speaker. It is due to be updated for the current Speaker. It has been in existence for 20 years. That MOU is designed to ensure that, even though the government holds the data, on behalf of members, they cannot use it in any way, shape or form without strict provisions and strict conditions. I think you can be fairly confident.

As I said, I cannot recall in the last 10 years, and I will come back if it is not correct. I do not think there have been many occasions when I have authorised this. If a member leaves office and wants to get access to something, there might have been such occasions. It is very rare.

MS CASTLEY: There would be, obviously, a disclosure protocol, if it has happened. But it sounds like it has not.

Mr Duncan: I am sure there would be, yes.

MR EMERSON: Maybe an Integrity Commission investigation?

Mr Skinner: I do not administer this, but I am familiar with the policy. Much the same provisions as I spoke about in terms of surveillance of the logs would apply in these circumstances. Yes, there are things like Integrity Commission investigations, AFP investigations, intelligence investigations and court orders. There is a range of things that may mean an application to see certain things could be granted. But it is not necessarily the case that they will be. It is just that they are considerations that the Clerk could take into account.

There may be circumstances where that access would not be disclosed to a person, to maintain the integrity of an investigation, for instance. In the Integrity Commission Act, you will notice that there are some very particular provisions around how Assembly information, which is a phrase that is used in the act, is to be handled. It is very carefully laid out about the provisions that apply there.

MR BRADDOCK: I am interested in the Infrastructure Canberra property group's changes in this budget. I am seeking some reassurance in terms of how the independence of the Assembly is maintained, with the Speaker's control, given these changes. Particularly, as we saw last term, and the executive managed to close down this Assembly for a week, how do we ensure that the independence of the Assembly is maintained?

Mr Parton: I am not sure that I fully understand the circumstance that you are talking about, in regard to potential challenges to the independence of the Assembly.

Mr Duncan: From time to time, there are whole-of-government decisions made at the director-general level. I do not sit on that board, but there are some whole-of-government decisions that are made that have financial consequences.

Don can correct me if I am wrong; there were some recent decisions about the ICT budget, which was funded centrally. There are some changes that are reflected. There are times when I do pull out the fact that we are the legislature and that it is probably not appropriate for us to be part of this. By and large, we share the same ICT system regime. We utilise those services through government. We could go out on our own, and sometimes we do go out on our own. With a lot of things, we usually follow the lead and take advantage of the size of the ACT government and the efficiencies that brings to certain things.

We are always mindful of the independence of the office and making sure that the Legislative Assembly is not compromised. If you are referring to those adjustments in the budget which were whole-of-government decisions, I do not think we saw them as infringing. But we would be happy to be told otherwise.

MR BRADDOCK: As long as you do not perceive that to be an issue, I am comfortable with that.

Mr Duncan: I do not think we did, on this occasion. But we always consider it.

MS CARRICK: It says in the budget statements that you are going to review the Latimer House principles. How often is that done, and what is the need that drives that?

Mr Duncan: That is done every eight years. It used to be every Assembly, but the previous Assembly decided that it was enough to do it once every eight years. The requirement for that is in a continuing resolution; I cannot remember the number. It is the Latimer House principle continuing resolution. That requires the Speaker to appoint a suitably qualified person to undertake that review.

That will probably be happening towards the end of this calendar year. The Speaker will appoint someone, and that person will do a review of the Latimer House principles. They will talk to the judiciary, the executive and the legislature, and then they will prepare a report for the Assembly. That report is tabled by the Speaker.

The admin and procedure committee is required to do an inquiry and report on that report. So there will be the report from the Latimer House review, and there will also be a report from the admin and procedure committee. There will be numerous opportunities for members to contribute to both the review and the subsequent inquiry that the admin and procedure committee will undertake.

MS CARRICK: Have previous reviews resulted in changes to the standing orders or the principles?

Mr Duncan: Certainly, with the first two, they suggested that, for the Assembly, having 17 members was not sufficient to be able to conduct its activities. As a result, we now have 25 members. I am not sure what effect that had on us going to 25, but they certainly remarked upon that.

The last review noted the fact that bills being referred to committees should be a normal thing. Subsequent to that, the Assembly decided to refer bills. They are just two changes that I can think of, off the top of my head. I am sure there are other recommendations.

PROOF

And that is just for the Assembly. Bear in mind that they make recommendations for the judiciary and the executive that they may have implemented that I cannot really speak for. Certainly, the Assembly has taken note of some of those recommendations and acted upon them.

Mr Parton: Nothing in there about wearing ties at this stage!

MS CARRICK: At this stage.

Mr Parton: Maybe it will come up this time!

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*.

Appearances:

Stephen-Smith, Ms Rachel, Minister for Health, Minister for Mental Health, Minister for Finance, Minister for the Public Service

Chief Minister, Treasury and Economic Development Directorate
Druhan, Ms Sally, Executive Group Manager, Chief Finance Officer

Digital Canberra

Konti, Ms Bettina, Director-General
Dutta, Mr Rishi, Executive Group Manager, Customer, Data and Technology
Rooney, Mr Eamonn, Executive Group Manager, Planning, Design and Digital
Kaufmann, Mr Holger, Executive Group Manager and Chief Information Officer,
Digital Solutions

THE CHAIR: We welcome Ms Rachel Stephen-Smith MLA in her capacity as the Minister for the Public Service and the Minister for Health. We also welcome the officials in attendance. Please note that as witnesses you are protected by parliamentary privilege and bound by its obligations. You must tell the truth. Giving false or misleading evidence will be treated as a serious matter and may be considered contempt of the Assembly. As we are not inviting opening statements, we will now proceed to questions. I will kick things off.

Digital Data and Technical Services was part of CMTEDD until the recent machinery of government changes. I understand it has now been made into its own entity as Digital Canberra. What were the factors that led to that decision?

Ms Stephen-Smith: I will start but then I might hand over to Ms Konti to expand. As you would be aware, ICT projects are becoming more foundational, more complex and more frequently engaged in at larger scale by governments across the country and around the world, and particularly by the ACT government. We have clearly had some challenges in relation to some ICT projects in both procurement and project management.

DDTS has been building up expertise—as have other directorates—in the management of digital projects but also taking responsibility for whole-of-government ICT projects and service delivery over some time. Given the risks associated with ICT as an underpinning platform for the delivery of ACT government services and enabling residents in the ACT to interact with the ACT government, bringing that expertise together in one place, we found—and this was a recommendation from the ACTPS Taskforce report—would enable us to build a critical mass of knowledge and capability that is able to be deployed across major ICT projects and have some consistency in that but also have visibility across different directorates' needs and projects to ensure that there is consistency in the way ICT is being procured and implemented across government.

Again, this relates back to the value for money conversation we were having this morning. If we have an existing platform for customer relationship management, for example, in one directorate that is a state-of-the-art platform and another directorate wants to set up a CRM, having that knowledge across government of what we have,

what its capability is and how we can deploy that is useful. I will hand over to Ms Konti to speak about how that has been articulated in the context of what Digital Canberra is and what it is doing.

Ms Konti: Thank you, Minister. The directorate is made up of what used to be called Digital Data and Technology Solutions from CMTEDD as well as the Digital Solutions Division from the former ACT Health Directorate. Those two areas actually represent the largest areas of ICT capability across government. We have been working for some time on—you could call it—continuous improvement in the way in which we manage our business-as-usual for ICT as well as the design, development and implementation of IT projects with technology components. That started back in May 2022, when we developed best practice design and delivery guidance, which was focused very much on helping our own staff and directorates understand the value of planning and design when there was a project that needed to have technology either be changed or purchased new.

In September 2023, the government agreed to some changed ICT governance arrangements, which we have implemented for all projects that are of a certain size and scale—so tier 1 projects—which talk about the governance arrangements that need to apply to those. In September 2024, in response to the HRIMS Auditor-General's report, we embedded best practice, program and project management principles into our best practice design and delivery guidance.

Then, in June 2024, the government agreed to the Technology Investment Plan. So, rather than fund technology implementation on a program-by-program basis, if there is a particular program that government deems is a priority and invests in, the Technology Investment Plan is meant to guide how the technology to support that particular policy outcome should be developed and implemented. It is based on making sure that, where we do have strategic fit-for-purpose technologies, those are reused across government rather than necessarily buying a new product from the market.

THE CHAIR: It sounds like there is a pretty heavy focus on an advisory type role, engaging with other directorates and other organisations across the ACT public service. To what extent is it to play that advisory role versus actual procurement or development of systems?

Ms Konti: The answer is that it depends.

THE CHAIR: It is not the first time I have heard that today.

Ms Stephen-Smith: You will be shocked to hear.

Ms Konti: We have a role in the budget process where budget bids that have technology components related them actually come to a certain section and we provide advice—

THE CHAIR: Similar to the federal arrangements?

Ms Konti: Very similar to the federal arrangements, yes. We also provide advice to directorates on their projects or their priorities that are not requiring budget funding. DDTS and DSD for the public health system are almost always involved to some extent

in every project with a technology component. DDTS, in addition to supporting some corporate whole-of-government software services, also runs the infrastructure and operating system and desktop for all of government. Usually, there is some component of work that we would need to do in order to support a directorate upgrading their business system, and certainly when there is a purchase of a new business system that needs to be available through our network we are involved there too.

THE CHAIR: It sounds like this overlays somewhat on the visual capacity within other areas. Is there an increase in costs from the staffing perspective, putting aside the actual procurement costs of different systems? Is there an increase in staffing costs overall as a result of this work?

Ms Konti: Of Digital Canberra, do you mean?

THE CHAIR: Of Digital Canberra.

Ms Konti: No. Prior to Digital Canberra, the former Digital Data and Technology Solutions area would still have a role in many of the IT projects to do some of the work that we would need to do in relation to making that project work. Similarly, if we are talking about particular needs of the public health service in relation to projects that require public health implementation, the Digital Solutions Division, which is now part of Digital Canberra, also would have some work to do in relation to changing some of their systems or incorporating other aspects.

THE CHAIR: Thank you. The operating statement for Digital Canberra, table 12, page 209, outlines a negative operating balance for every year over the forward estimates. Is there an intention to bring Digital Canberra into an operating surplus?

Ms Konti: My understanding of that total, comprehensive result is largely that we are not funded for depreciation.

THE CHAIR: Okay. We have had similar explanations. I would be keen to understand what the depreciation is coming from.

Ms Druhan: Agencies are not appropriated for the depreciation line that you can see in that table. It is an accounting entry, basically, to take the cost of capital and amortise it over the time. You could think of the funding for that line is really the infrastructure table and the funding that we get for capital programs. The operating loss that you see there is a construct of funding arrangements for directorates.

Ms Stephen-Smith: The depreciation and amortisation line is separately spelled out in that table. So it is taking that away.

THE CHAIR: Yes.

Ms Stephen-Smith: Or adding that it into the loss.

THE CHAIR: I understand. It sounds like there is an assumption that having Digital Canberra there should lead to some savings across government by avoiding unnecessary digital work. Is that correct?

Ms Konti: Yes; you would put it in the category of “future cost avoided”.

THE CHAIR: Thank you.

MR BRADDOCK: Going back to the ICT procurement aspect of your questions, Chair, I just want to unpack a bit more where we have the balance of outsourcing and insourcing of skills for ICT projects right. We have seen some outsourced projects, let’s just say, not achieve budget scopes or schedules. Can you give me some assurance in terms of: are we looking at the level of skills we have in-house and whether that needs to be expanded to give us that knowledge and expertise?

Ms Konti: The short answer, Mr Braddock, is yes, we are. We have, across ACT government and in Digital Canberra, at the moment a wide range of skills. We have skills in older and aging systems. We have skills in infrastructure and maintenance of operating systems and desktops. We have some, but not enough, skills in procurement, project program management, business analysis and design and configuration of solutions on certain platform products. That is just an example of areas where we would want to be able to grow our skills in-house, so that we have less dependence over time on consultancies.

MR BRADDOCK: What are we actually doing to build that skill capability in-house?

Ms Konti: We are working on ways in which we can identify staff who are looking to learn those skills and have them actually come on board and learn those skills as part of becoming part of the project teams as we stand up the major projects.

MR BRADDOCK: Do we have any career structures or pay structures that allow that staff to be retained in-house?

Ms Konti: We have the pay structures at the moment that the whole of the ACT public service has. It is something that we will look at as we mature as Digital Canberra. Because it is a concentration of our staff and skill in various components of the information technology sector, there may be ways in which we could look at structuring those better to better attract and retain those skills in the ACT public service.

MR BRADDOCK: Will there be specialised training and development to allow those people to stay in-house to develop those skills?

Ms Konti: Yes.

MR BRADDOCK: What is the workforce plan you have for that?

Ms Konti: There is a need for us to reconsider our workforce plan now that we have got two areas that have come together. There is training available at the moment that used to be managed in what used to be called Digital Data Technology Solutions and training that we have available to staff in the Digital Solutions Division in Health. Those training opportunities continue to be available. But we do recognise that we are going to need to take a look at that and bring it together.

MR BRADDOCK: Is there any planned expansion of FTE for ACT public servants in order to have this workforce to be able to do this function?

Ms Konti: We can only expand to the extent that we have budget available. We do anticipate that, year on year, there will continue to be projects with technology components that will get funded through the budget. That is the way in which we plan on building those skills.

MR BRADDOCK: So no plan to transition, contract or workforce to ACTPS FTE?

Ms Konti: There are activities that we undertake today and have been for a few years where contract staff have the opportunity to become ACT public service staff and get converted that way. Over the last few years, I think we have converted a number of contract staff to ACT public servants. But there are some challenges in doing that. Market rates for certain skills sets do not lend themselves easily to the public service classification structure. But there are mechanisms, such as ARins, that we can utilise as a way to be able to be a bit more commensurate with market rates for certain skills.

MR BRADDOCK: Thank you.

THE CHAIR: I just want to go back to the insourcing-outsourcing question. Something I neglected to ask about was: in your efforts, are you looking at increasing the use of off-the-shelf products or products that are developed by other jurisdictions—for example, compared with insourced development of something new or outsourced development of something new?

Ms Konti: I can answer that question, but I need to be careful to make sure that I explain this really well.

THE CHAIR: Please do.

Ms Konti: Technology and the pace in which technology changes today does not lend itself for the ACT to be able to keep up with all of the things that we need to consider when we are building bespoke solutions. So that is not an area that we are moving into. Where we are going is onto platforms and being able to configure product on platforms. That configuration work can be done by consultants, contractors or people that are trained in being able to do that configuration on platforms. But building our own bespoke is not part of our future direction. Also, buying off-the-shelf commercial software will actually depend on whether or not we have a gap in capability in ACT government.

THE CHAIR: Thank you. That is very helpful.

MR CAIN: Ms Konti, you would be aware of an IT news article published this morning which made reference to several questions on notice from me, Mr Emerson and Mr Braddock. It notes that since July 2014 there have been 35 people and 21, minus one, over-boarded from the contract staff force and that, in October last year, eight on labour hire agreements were let go on the one day. Do you have a problem with workplace culture in dealing with contracted staff or on-hire staff?

Ms Konti: No, Mr Cain. There is a big difference between a business-as-usual operation of an information technology operation and working on major programs. Major programs, by definition, are time-limited pieces of work that are actually looking to make rapid change to information technology products, the business processes that the staff use for those products and so on. So it is not unusual at all for those kinds of rates of turnover to be experienced in a major program.

MR CAIN: Were the majority of those prior to the completion of the actual contract with those individuals?

Ms Konti: My understanding, Mr Cain, is that there was one company that we contracted with that we ended early. They were contracted for a number of deliverables. They had delivered the bulk of those deliverables—all except for two. In relation to those two deliverables, it was agreed within the program and with the company that it made more sense for those deliverables to be done towards the end of the program—

MR CAIN: Was that due to an absence of good planning to realise during a contracted arrangement, “Oh no, we will do that later,” so you let on-hire staff go? Is that what has happened here?

THE CHAIR: Mr Cain, I think we are moving a bit away from the original line of questioning.

MR CAIN: I am happy for Ms Konti to take the question.

THE CHAIR: I am happy if she wishes to take the question on notice, but then we might wrap up that. Is that something you wish to take on notice?

Ms Konti: It is not a lack of planning, Mr Cain. Often in projects, when you actually lift the covers off particular technology pieces or you understand better the business that you are delivering the technology for, you need to change plans. That is at the micro level, not at the macro level. That is actually a factor of good planning.

MS CARRICK: My question is about the investment in assets in your infrastructure program. You have new works and you have works in progress, and it does tend to drop off. So I am just wondering about the planning for the infrastructure program and why it drops off—the new works and the work in progress? Will new projects come on board as we progress through the years?

Ms Konti: Ms Carrick, can I just check that you are looking at page 207—

MS CARRICK: Correct.

Ms Konti: These mainly represent large programs. If we take the payroll capability and human resource management program—which is at the very top there—it does drop off, and that is because we anticipate that the whole program will be complete by June 2027.

MS CARRICK: Okay. Do you have a program of works that goes for a number of years? IT is ongoing; it never ends. There are always upgrades and there are always

new things needed. Do you have a plan of your infrastructure program of works over a period of time?

Ms Konti: Yes, we do. If I could draw your attention to the appropriation tables on the page before—actually that is not right.

MS CARRICK: I did look at the appropriation bills, and you get \$306 million, I think it is.

Ms Konti: That is for our ongoing operation, Ms Carrick. The infrastructure program is really the projects that we would look to deliver in a particular timeframe. They are usually a combination of government priorities and support that we would provide to manage the technology changes to systems to support election commitments and other things.

If we are talking about particular ICT infrastructure, there is an ongoing program of work that gets refreshed from time to time. Perhaps not in this building but in other ACT government buildings, there is lots of ICT infrastructure that needs to be upgraded because the equipment is kind of getting old and those kinds of things. We also have a refresh program for the desktop equipment as well. That is an ongoing program of work that typically gets funded every few years for a block of time for us to be able to do that.

Ms Stephen-Smith: As part of the establishment of Digital Canberra, we will making decisions over the next six to 12 months about major projects that will transition from ownership within other directorates into ownership in Digital Canberra. So, in terms of the major projects that are currently underway, those major ICT projects will be reflected in every directorate that currently has ownership of those.

Also, in terms of process, we do have a sort of forecast pipeline of ICT projects that we expect will come onto being funded projects in the future. But they will not be reflected in the budget. What usually happens is there is initially a bit of funding to do the scoping work for the project and then there is another short-term bit of funding to get it to the point of being able to go to market. Then there is the funding for the project. The projects themselves usually only take two or three years. So, for each project, the project funding will look like it is quite a short-term piece of funding, but there has probably been two iterations of funding before that to get to that point where cabinet has agreed to sign off on, “Okay; we are confident now that this is how much the project is going to cost. We are going to sign that off in the budget.” Then, there is often a comeback around sustainment of that capability into the future, after the major project piece is done. Sometimes that will be built in upfront and sometimes that will be a comeback.

MS CARRICK: Okay. Do you talk about provisions a lot? Not only in this area but in all the sessions that we have had, there always seems to be some provision. How do we see those provisions? The appropriation bills just have a big bucket of money for each directorate. How do we know what the provision is? In our previous session, we were talking about disability—and they were going to draw on the “provision” and “The \$90 million for foundational supports is in a provision somewhere.” I just keep hearing about these provisions.

Ms Stephen-Smith: Most of those provisions are actually spelt out somewhere in the budget papers. Again, this would have been a good question for Treasury in terms of the visibility of those. For example, there used to be a health central provision. We have restructured and that does not exist anymore. But it was clearly spelt out in the budget papers what the amount was. Sometimes provisions will be not for publication, because there is a commercial sensitivity—and I think you talked about this with someone the other day in these hearings and said that you understand the reasons for not-for-publication numbers. So those will not be visible. But, where there is a provision that we are happy to say what it is, it is included in the budget papers.

MS CARRICK: Okay. I appreciate that, with the outyears, they are not appropriated. Only one year is appropriated at a time. At the moment, the appropriation bill is for 2025-26. The rest of them are forecasts; they are estimates of your program of works. But the numbers are not there. As I mentioned in another session, if the forecast of your program or the estimates of the cost of your program going forward are not in the forward estimates, that means that they are not reflected in the borrowings and not reflected in the interest payments, and those things are in fact understated at this point in time.

Ms Stephen-Smith: Again, it probably would have been a good question for Treasury as to how they include provisions in future years for the growth in the ACT government generally. That would incorporate some of what you are talking about. But we cannot include numbers in the budget that we do not have. There is an ongoing—

MS CARRICK: They are all estimates.

Ms Stephen-Smith: The question is about whether you have business cases for every single dollar—business cases to the nth degree for every single dollar that you are spending—before you include it in the budget.

MS CARRICK: No; they are estimates. I did come from a very big program from the federal government and there were forward estimates—there were estimates for that program.

Ms Stephen-Smith: For all of our ongoing activity, that is exactly what we have got. If we are committed to ongoing activity and ongoing programs, then the budget will reflect that through the outyears. But project by project, we do not know what the answer is.

MS CARRICK: Okay, but I have made my point that it is underestimated.

THE CHAIR: I just want to ask for a quick clarification—and I hope you can answer it from your responsibility rather than looking at the Treasury perspective. My understanding is that the effect of those forward estimates, even though we are looking at it year by year, is that for multiyear contracts, multiyear projects, you would still be able to procure the full period where you have an ongoing cost and there is no barrier to that.

Ms Stephen-Smith: That is right. If we know that there is going to be an ongoing cost then we will have built that into the budget.

THE CHAIR: Sometimes it forms part of that appropriation.

MS CARRICK: You are allowed to commit.

Ms Stephen-Smith: Yes. There has been a lot of discussion about the Digital Health Record, but I think it is an example of where it became apparent through the project what the ongoing cost of maintaining the training and the 24-7 support et cetera was going to be. So funding was added in future years that had not been factored in. So some funding had been factored in and other funding had not been.

THE CHAIR: Yes. But, for example, you can sign an ongoing contract that lasts multiple years.

Ms Stephen-Smith: Yes. But, if you were going to do that, you would want to know that you had authority to do it.

THE CHAIR: Yes; correct.

MS TOUGH: How does the budget support the ongoing delivery of the Digital Health Record?

Mr Kaufmann: The budget for the next financial year includes all of the forecasts that we have made for the ongoing delivery of the Digital Health Record. It includes our forecast for infrastructure and infrastructure growth, storage growth and the staff that are required to deliver the current known business that we are supporting. It includes the current activity numbers that we have in health care, because these are cost factors and some of our licences are activity based. So, if you get more patients coming into the hospital, you might hit another cross tier and have to pay higher licensing fees. So that is all included.

We are expecting that we are fully funded for what we need to support the DHR in the next 12 months, with the minor caveat that CPI increases are typically negotiated with each one of the vendors. We need to see if we have enough money in the budget for the expected CPI increases. We probably have to negotiate quite hard.

Ms Stephen-Smith: The budget itself provides just over \$48 million in expense funding and just over \$2 million in capital funding for the continued delivery of digital health services, including the Digital Health Strategy. That is the specific budget allocation.

MS TOUGH: Thank you. How many Canberrans are now using the MyDHR aspect?

Mr Kaufmann: It is over 250,000.

MS TOUGH: Wonderful. I notice in the budget that the number of MyDHR accounts has become a strategic indicator. Is there a reason that has become an indicator this year and has not previously been there?

Mr Kaufmann: It has been a strategic indicator for ACT Health in the past.

MS TOUGH: It has. Thank you; sorry about that. How has DHR, and the MyDHR aspect, streamlined the existing digital systems, and how is that supporting clinicians and other healthcare workers?

Ms Stephen-Smith: We can give some examples. I have got some examples, and one of the ones we hear about a lot in relation to MyDHR is people getting their pathology results really quickly. Occasionally, that is problematic, but generally speaking, people really appreciate getting their results, and 84 per cent of results were released to MyDHR within one day over the past year. Sometimes results are deliberately delayed so that people have an opportunity to speak to their health professional.

One of the other things is that combining a range of technologies is enabling the addition of a blood test to a sample that has already been taken and is already sitting with pathology. Within MyDHR, a clinician can say, “Oh, it has been tested for this thing, but we also want that sample to be tested for something else.” So rather than having to do a new draw, and writing up a new thing, it is a very quick process, and more than 219,000 patient draws have been saved by adding tests to existing lab orders. Now we have an incredibly well-automated system in pathology as well, so that is a very efficient process.

Then for staff themselves, one of the things that it enables is that patients will have a wrist band that includes a barcode and that can be scanned when they are taking vital signs and those kinds of things. Eighty-three per cent of patients were scanned to verify the administration that they had the correct patient on medication, so that is significantly reducing the risk of medication errors by automatically ensuring that they have got the correct patient. You still have to give your name and date of birth about a bazillion times when you are in the hospital, but it is another check for that. Those are the kinds of things.

Mr Kaufmann: We could talk about the benefits of the DHR probably for hours if we wanted to!

MS TOUGH: As much as I would like that, I think the rest of the committee would get upset with me!

MS CARRICK: I think you said that the MyDHR had about \$2 million in capital funding and quite a bit in expense funding. Can you tell me where the capital funding is? Shouldn’t it be on page 207 of budget statement B? It talks about the Digital Health Strategy but that potentially is different to MyDHR—the digital health record.

Ms Stephen-Smith: No, it is the Digital Health Strategy initiative.

MS CARRICK: Is that one and the same thing?

Ms Stephen-Smith: That is it, yes.

MS CARRICK: Presumably there is ongoing investment in upgrades and patches or enhancements, and there are going to be improvements to the system for some time, I would think—probably forever.

Mr Kaufmann: That is correct, yes.

MS CARRICK: So why would there not be ongoing amounts for that?

Ms Stephen-Smith: There are. That is already built into the budget.

MS CARRICK: Is it? It is not in the work in progress?

Ms Stephen-Smith: No, because it is business as usual, so it is not an infrastructure work in progress.

MS CARRICK: It is not capitalised?

Ms Stephen-Smith: No; that ongoing support is not capitalised. Some elements might be, when we have to invest in particular things but the ongoing support—

MS CARRICK: That is what I mean. The improvements, I would have thought, would get capitalised when you improve the system, as opposed to maintaining the system.

Ms Konti: Ms Carrick, if you have a look at page 205 of—and please, CFOs, tell me if I have got this wrong—the very last line item there says, “Digital Health from ACT Health Directorate 44’, 43’, 44’ and 45’ ” over the forward estimates. That is the ongoing business as usual. We would include keeping systems up-to-date, upgrading versions and doing patches for things like security as all part of business as usual. Making changes to the functions within the system would be improvements.

Mr Kaufmann: I will add to this that part of our support contract gives us the right to ongoing improvements that the vendor adds to their system. When we ask specifically for bespoke additions that we need just for the ACT, this would be a capital budget.

MS CARRICK: Thank you.

MR BRADDOCK: In an FOI pack—and I will just give you the number so that you have got it on record: CMTEDD 2025, 088, binder 2, page 82—it talks about a data breach from a food provider in the health system. I wanted to get a bit more understanding in terms of how that breach was resolved. Were any patients who were impacted by that breach notified? What was the process that was followed for that?

Mr Kaufmann: I would have to take this on notice.

MR BRADDOCK: Fair enough.

Ms Stephen-Smith: I know what you are talking about, Mr Braddock, but I am not sure how much information we can provide at this point.

MR BRADDOCK: Is it the case that I should put it on notice or maybe seek a private briefing?

Ms Stephen-Smith: We will take it on notice. We do not have the level of detail on us.

MR BRADDOCK: So it is not the case that you cannot provide the information in regard to—

Ms Stephen-Smith: No.

MR BRADDOCK: Okay, I just wanted to clarify that.

Ms Stephen-Smith: Yes.

MR BRADDOCK: Moving onto the broader question: in light of some of those breaches, how have we strengthened the systems to ensure that no further breaches occur within the health system?

Ms Stephen-Smith: My understanding, if we are talking about the same thing, is that that that breach related to a third-party provider, not an ACT government system.

MR BRADDOCK: And how do we ensure the privacy of patients' information where it may be provided to third-party providers?

Ms Stephen-Smith: This is why I want to take it on notice, Mr Braddock. My office may be able to get me some further information before the end of this hearing, but I do not have in front of me the degree to which patient information may have been compromised. Obviously, we continue to work with third-party providers of all kinds of services and require them to have their systems up-to-date. I do not know if we have got any specific thing to add about that.

Ms Konti: From a whole-of-government cyber-resilience perspective, when there is a third-party provider that notifies us of a breach, we work with that provider to understand the data that might have been taken, whether it was in fact taken or whether it was just seen, and to look to ensure that that provider is doing everything they need to do to be informing their customers of the breach and providing advice as appropriate about what they might need to do.

MR BRADDOCK: Does that include the notification to patients that any of their private information had been disclosed?

Ms Konti: Again, I think this is why the minister wants to take this on notice, because in the one that you have referenced, we do not know whether it did.

Ms Stephen-Smith: Someone knows; we just do not have that information with us at this point in time.

MR BRADDOCK: Fair enough. I will stop the questions there then; thank you.

Mr Kaufmann: For a third-party provider, the provider would need to notify the patients.

MR BRADDOCK: Thank you.

THE CHAIR: Because we are running short on time—

MR CAIN: I have a substantive, Chair.

THE CHAIR: I understand, Mr Cain. I am explaining what is happening. Because the committee has agreed to prioritise questions from committee members and we are running short on time, Ms Carrick has expressed a desire to particularly get to a question. I have got one I particularly want to get to.

MS TOUGH: I have got one. I can take it or leave it, depending on where we get to with time.

THE CHAIR: We will have to see how we go with time.

MR CAIN: A point of order on that, Chair. I am a visiting MLA—

THE CHAIR: Indeed, you are, Mr Cain.

MR CAIN: I think I deserve to have a substantive question in order.

THE CHAIR: Mr Cain, as certainly I let my colleagues know, including yourself, that was a decision of the committee, and I believe it is within the role of the committee to prioritise questions. We will be going to Ms Carrick.

MS CARRICK: Thank you, Chair. I will try and be quick so we can get to more. I know that the pharmacists are trying to increase their scope of services, but they do not have a link to MyDHR, whereas the GPs that are private sector GPs are getting a link so that they can put data into MyDHR. It is about being holistic and not being fragmented and all that sort of stuff.

Will the pharmacists be getting a link to MyDHR as their scope of services potentially increases and they put in more than vaccinations?

Ms Stephen-Smith: We are still working through the GP link process, and we do have a prioritisation of who we want to be able to provide access to with the Digital Health Record. I do not think pharmacists are quite there yet. We are still working on GPs and private sector specialists who have more interaction in terms of referrals and complex patient care.

A pharmacist would not be referring into the hospital, for example. There is a level of visibility that pharmacists already have, about prescriptions particularly and particularly for high-risk prescriptions through Canberra Script. Holger might have more in relation to the link process.

Mr Kaufmann: Thank you, Minister. Firstly, to the question, I cannot really answer that. It is not a technical problem; it is a clinical problem. Where it makes sense to integrate across the health system, we are supporting this with our technology. It is probably more a question for the Health and Community Services or for Canberra Health Services.

MS CARRICK: Thank you.

Mr Kaufmann: On the DHR Link rollout, we are considering GPs as part of the treatment team. I think it is really, really important to strengthen that connection between our acute care and the primary care providers. We have done a pilot of the DHR Link functionality, where GPs get access to the very rich information that we have in our DHR now about patients who enter the public health service. That pilot, as pilots do, raised a number of challenges that we have identified.

The original pilot was with three practices. We have since then extended this to eight practices, and with those new practices, we have found some ways to address some of the challenges, notably around how to facilitate patient consent to the sharing of the data, which obviously from a privacy perspective is very important. Based on those findings, we are now planning to roll out DHR Link to all of our 300 practices here in the ACT over the next 12 months.

MS CARRICK: Over the next 12 months. Thank you.

THE CHAIR: I am pretty keen to ask this question about the Universal McCann contract. The 2023 \$25 million contract with Universal McCann is set to expire in February next year. The \$25 million figure was an estimate of the total value, I think, with the government spending \$5 million a year. Has this contract been moved under the purview of Digital Canberra?

Ms Konti: Did you say, “Universal McCann”?

THE CHAIR: Correct.

Ms Konti: That is not one that I am familiar with.

THE CHAIR: It is not one that you are aware of? I am happy if you would like to take it on notice, if you need to double-check.

Ms Stephen-Smith: We will take it on notice in case we need to double-check, yes.

THE CHAIR: Very good. I might provide my other supplementary questions to that on notice as well, in the interest of time, and we will see if we can get through everyone who would like to ask a question.

Ms Stephen-Smith: I would note that Universal McCann, having just looked it up, is a media and advertising agency, so it would seem likely that that had stayed with the Chief Minister—CMTEDD.

THE CHAIR: It was one that we thought may have shifted. I am happy for you to take it on notice and let us know. Ms Tough?

MS TOUGH: In the 2024-25 budget review, there was over \$8.2 million allocated to a fast-track roll out of Windows 11 across the ACT government devices, because Windows 10 support is ceasing in October this year. Do you have an update on the progress of this rollout?

Ms Konti: Yes, we do. The rollout is progressing very well, and we have got over half of the devices upgraded to Windows 11. We have done a range of testing with a bunch of applications, because we need to test applications to make sure that they are compatible with Windows 11. Just because they are compatible with Windows 10 does not mean that they are necessarily compatible with Windows 11, and we have found a few applications that will need to be upgraded. That is the quick update. For more, I am sure Rishi would love to talk about that project.

MS TOUGH: Yes, particularly any hurdles you have come across and any problems, or if it is really going really well with no hurdles, would be great to know.

Mr Dutta: I have read the privilege statement and acknowledge the privilege statement. Windows 11 is a success story for us. We kicked off the project towards the end of last year. Going through a whole-of-government operating system update, which is what this is, takes a lot of planning. It is challenging in terms of the applications that Ms Konti has spoken about. We have got to test a significant number of applications. We took a risk-based approach in progressing that program, and we have been able to move over 55 per cent, I think, at the moment, to practical completion.

We have got some residual laptops and desktops to update. We expect to have a significant component of those to be completed by October. The October date is important for us because that is the date that we have from Microsoft, before they will start charging us a bit more. Initially we were looking at a bill of up to \$10 million from Microsoft, in terms of how would be charged if we did not upgrade. Now we have got a very small residual component that we are looking at that will be left for us that we will have to pay extended support for.

Ms Konti: And that is factored into the budget that was given.

MS TOUGH: Wonderful. Thank you, that sounds like a great success.

THE CHAIR: Are there any applications you have identified which cannot be upgraded to Windows 11?

Mr Dutta: Yes. We are going through a process. There is a small set of applications that we are progressing, and at this point in time, they are predominantly in the health domain. We are working with health to identify what those applications are. Typically, it will either require an application to be upgraded by the vendor itself, or it will require more work-around for us to look at how we can upgrade the device without having to go through the significant uplift required for the applications.

There may be a scenario, as well, which we are looking into, if we cannot resolve those upgrade issues; there may be a contingent solution that we will have to look at around retaining some of those devices and cordoning them off so that we reduce the risk of vulnerabilities in cyber until we get to a stage where we are upgrading those applications.

THE CHAIR: We are over two years since Microsoft announced the end of life for Windows 10. When did you commence work on identifying all of these applications?

Mr Dutta: The initial piece of work commenced towards the middle of last year in terms of, “What are the applications that we need to look at? How can we have a pathway for us to be able to progress this?” That piece of work was predominantly done as a BAU exercise, and that is when we realised that the enormity of the task ahead of us would not lend us enough time to be able to deliver the outcomes in the time that Microsoft have given us. That is the process that we went through to identify a budget business-case to get some burst capacity, some supplementary project capacity, for us to be able to expedite the delivery of the Windows 11 rollout.

THE CHAIR: You said it will cost a bit more in terms of the cost to keep things on Windows 10. I assume that is to do with the additional cost that Microsoft announced for maintaining the security of Windows 10 for organisations; is that correct?

Mr Dutta: That is correct. We have already provisioned an amount in the budget for the Windows 11 program to see how many devices will be residual that we may not be able to upgrade by the October 2025 date, and we are progressively working towards ensuring we minimise that as best as we can.

THE CHAIR: I believe Windows 11 was announced as far back as, I think, 2021. Is there any reason that it took so long to start planning for the transition from Windows 10 to Windows 11?

Mr Dutta: Any large program, like an upgrade from Windows 10 to 11, will take a considerable amount of planning. We had commenced the work to develop a standard operating environment that would be suitable for Windows 11 when it was announced that Windows 10 would be transitioned off. However, with the enormity of the task ahead of us—when you think about rolling it out to 40,000 devices across the ACTPS—we made a decision that in progressing this program under the BAU remit that we had, we would require the planning and the burst capacity for us to be able to deliver this a pace.

THE CHAIR: It sounds like you did not anticipate the need to do that until the end of life was announced, rather than when Windows 11 itself was very clearly on the horizon.

Ms Konti: Mr Cocks, I have been trying to avoid talking because I am about to cough. From the date of the announcement there was a fair amount of discovery that teams needed to do to understand what Windows 11 is. What is likely to be different and what that might mean for our infrastructure and all of that, and what you might call a discovery and design process, happens first. Then there is the creation of the standard operating environment, which Rishi was talking about, which you have to create on your infrastructure. Then comes the planning about how you might go and roll out. The mid-last-year date that Mr Dutta mentioned was the date that we started the rollout planning, not the date that we started the other planning.

THE CHAIR: On notice, if you can provide a bit of background as to what happened between the announcement of Windows 11 and the start of the rollout plan, and when the different phases happened, it would be very useful.

Ms Stephen-Smith: We can take that on notice, thank you, Mr Cocks. I can also

confirm that the Universal McCann contract for whole-of-government media placement and advice is a whole-of-government contract that sits with the Chief Minister, Treasury and Economic Development Directorate.

THE CHAIR: Thank you very much; I appreciate that. Mr Cain, did you want to get to your question?

MR CAIN: In the time allowed? Are we allowed to go over time a little?

THE CHAIR: We can stretch a little.

MR CAIN: Minister, I refer to your response to my question on notice 433 in relation to the cost to date of the PC-HRM program, where you said that as at 30 April this year, \$19.13 million in expenses had occurred on the program. Minister, is this the actual expenditure in line with what was forecast in the original program budget for this point in time?

Ms Stephen-Smith: I think, Mr Cain, we discussed in the budget review estimates process that there was some funding in the budget review for PC-HRM because the program was ahead of schedule.

Ms Konti: Broadly, Mr Cain, it is in line with projected spend, and as at the end of June this year that expenditure is now \$21.3 million.

MR CAIN: Twenty-one point?

Ms Stephen-Smith: Twenty-one point three.

MR CAIN: Thank you. Also, in that same QoN, 433, you stated that the PC-HRM program has successfully achieved several milestones. Were those milestones met within the original contracted timeframes for the program?

Mr Rooney: I have read and acknowledge the privilege statement. The initial timeframes were met. Some of those initial timeframes included the early projects. The first one was the completion and decommissioning of what was the residual of HRIMS. There was some technical work to be done there and some contracts to be negotiated and phased out. The second part of that was to establish a completely new program team, an organisation and multidisciplinary team. That included bringing together a number of staff members, labour hire contractors, suppliers and consultants to develop the planning and implementation plans for what we call PC-HRM. They were delivered.

The next step in the program was to implement a program plan, including all of the associated material, using our best practice framework, *Guiding Best Practice Design and Delivery*, and also an industry-standard Managing Successful Programs framework that we have adopted. That allowed us to start looking at the overall program end-to-end and to develop individual project plans and tranche planning to break down the project into the respective delivery components. All of that went through the governance boards for agreement, so all of those milestones were achieved.

We have moved on to starting to deliver some of what I call the more technical

capabilities within the program. We have a transition of some of the time and attendance solution users across the whole of government, which had to move from one piece of software to another. We currently have three releases that have been completed, and the fourth release will be completed, or is planned to be completed, in August, on schedule.

MR CAIN: Can you confirm that all the agreed milestones were met within the contracted timeframe? Is that what you are saying?

Mr Rooney: To best of my knowledge, all of the planning that we have done has been met within the timeframe.

MR CAIN: To the best of your knowledge—would you like to take it on notice to confirm that. Thank you.

THE CHAIR: Thank you. We might wrap things up there. 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*.

Short suspension.

Appearances:

Stephen-Smith, Ms Rachel, Minister for Health, Minister for Mental Health, Minister for Finance and Minister for the Public Service

Chief Minister, Treasury and Economic Development Directorate

Wright, Mr Robert, Acting Deputy Director-General, Office of Industrial Relations and Workforce Strategy

Matthews, Ms Emma, Executive Branch Manager, Workforce Governance and Recruitment, Office of Industrial Relations and Workforce Strategy

George, Ms Natalee, Executive Branch Manager, Cultural Transformation Branch, Capability, Culture and Governance Group, Office of Industrial Relations and Workforce Strategy

Young, Mr Michael, Executive Group Manager, Work Safety Group, Office of Industrial Relations and Workforce Strategy

THE CHAIR: We welcome back Ms Rachel Stephen-Smith MLA, in her capacity as Minister for the Public Service. We also welcome the officials in attendance. We note that Mr Michael Pettersson MLA, the Minister for Skills, Training and Industrial Relations, is on unexpected leave, and officials may be able to take questions in his absence.

For the officials, please note that, as witnesses, you are protected by parliamentary privilege and bound by its obligations. You must tell the truth. Giving false or misleading evidence will be treated as a serious matter and may be considered contempt of the Assembly.

As we are not inviting opening statements, we will proceed to questions. Minister, it will be no surprise that I would like to move to a question about potential redundancies. As I foreshadowed the other day, we are still hearing considerable concern from public servants that they expect, once we get through this estimates process, to find that there are redundancies on the way, and that it is due to the current state of the budget. Indeed, some of the media coverage that we are seeing even today around the state of school budgets is giving rise to more concerns.

Table K.1 shows total government agency FTE rising by just 103, yet Canberra Health Services goes up by 98 and education by 23, which accounts for 121 in growth. Would you be able to provide, maybe on notice, the gross FTE gained, FTE lost and the change after machinery of government transfers for each directorate?

Ms Stephen-Smith: Sorry, net—

THE CHAIR: I am looking for gross FTE gained, gross FTE lost, and the net change that results after those machinery of government transfers.

Ms Stephen-Smith: Mr Cocks, can you give me the page number that you are referring to?

THE CHAIR: Table K.1. I do not have the page number written down.

Ms Stephen-Smith: Yes, we can take that on notice, but I do want to provide some reassurance in relation to redundancies. The Chief Minister made it clear, in relation to the machinery of government changes, that there was no intention to be considering redundancies, other than potentially at the SES level. Obviously, we have collapsed effectively four directorates into two, and established Digital Canberra, so that has reduced the number of directors-general, and we have also reduced the number of deputy directors-general. At this point we have retained all of the senior executive below that deputy director-general level.

I think that there is a pretty good explanation at appendix K and on the following two pages for the different numbers of staffing and the explanations for the ups and downs under each of these headings, for the existing and new directorates, where changes are being made. I do not know how much more information we will be able to provide, but I am happy to take it on notice and see whether we can present it in a different way.

THE CHAIR: I hope you can appreciate that, as you look at that table, it is very difficult to see where there are movements to and from, and understand what the overall impact is.

Ms Stephen-Smith: Yes. That is why there are three-and-a-bit pages of explanation following the table.

THE CHAIR: I understand that. Perhaps, as you say, presenting it in a different way will make it clearer. Rather than going into a lot of the detail, which I can put on notice, I might ask: across the whole of the ACT public service, how many voluntary and involuntary redundancies were processed in 2024-25, and is there provision for any redundancies in 2025-26?

Mr Wright: I have read and understand the privilege statement. Mr Cocks, I can get that data for you. I do not have that data in front of me at the moment. Deputy directors-general are responsible for redundancies within their directorates. Within the ACT public service, we only do voluntary redundancies, for which there is a requirement under our enterprise agreement to have consultation with relevant unions. We do not do forced redundancies in a commonwealth style. That is the position that we take in regard to that. I am very happy to get that data for you, Mr Cocks.

THE CHAIR: You will be able to provide that as a whole-of-government perspective. Can I also ask you to provide that broken down by directorate?

Mr Wright: For 2024-25?

THE CHAIR: For 2024-25.

Mr Wright: Yes.

THE CHAIR: At the whole-of-government level, are there any provisions for 2025-26?

Mr Wright: I am not aware of any provisions for 2025-26. But I can certainly look at the 2024-25 redundancies.

Ms Stephen-Smith: Mr Cocks, can I clarify the numbers that you provided earlier? You were talking about an increase of only 100 from 2024-25 to 2025-26. I want to be clear for the *Hansard* record that the increase in FTE overall from the 2024-25 budget to the 2025-26 budget is actually more than 1,100 FTE. A lot of that, obviously, was funded through the budget review. Where there were unfunded FTEs in some agencies, they have in fact been funded through this budget. I want to be really clear about that. I do not want the impression to be left in the *Hansard* that, from budget to budget, the FTE increase was 100.

THE CHAIR: I would assume that the relevant point of comparison for a budget is immediately before the budget, which would have been at the point of the budget review.

Ms Stephen-Smith: Your implication was that somehow we were going to see redundancies. The 30 June number, the estimated outcome, is 29,401, and the outcome for 2025-26 is 100 more than that. Given that the significant increase in Canberra Health Services has been in relation to the funding that was provided in the budget review, I understand the point that you were making, but I want to reassure the public service that we have in fact seen quite a significant investment over the last year.

THE CHAIR: Are there any specialist areas that cannot transfer between public sector agencies? There are a considerable number of movements on and off between different organisations. I have certainly heard some concerns that, for particular specialised staff, their function may disappear or be reduced, and they are not likely to get a generic job in some other area. For example, someone working on infrastructure, who is an infrastructure specialist, is not likely to slot into a job working on the administration of community services.

Ms Stephen-Smith: I understand that. Maybe Mr Wright can talk about it. We have talked in previous hearings about the workload reduction framework and work that we are looking to do across government. That is not about abolishing whole functions. Mr Wright can talk about how we will do that individualised matching and understanding of where people will fit.

Mr Wright: One of the things that we are looking to do is to more effectively manage our workforce through mobility, so that we have career pathways for all our staff. Rather than going out and getting contractors or people to come in and do specific bits of work, we are committed to ensuring that our workforce can move from one project to another.

You made a really good point about people with specific skills. We value those specialist skills. However, over time, with some of the specialist skills, and with changing technology and the like, they may not be required to the same extent that they were. We certainly support staff in training and development to be able to move from one role to another. That is something that we are committed to.

Our enterprise agreement and our good relationship with union representatives mean that we can support staff to be mobile across the service and move from one budget business case to a new budget business case. That will be a key part of being able to

work satisfactorily within budgets and continue to have a thriving ACT public service.

THE CHAIR: There was a business case for the most recent budget, I understand, called “Expenditure reduction options—employee expenses”. Did the cabinet approve this option?

Ms Stephen-Smith: Yes. This is reflected in the budget, and the Treasurer talked about it at the hearing. This is related to reducing the existing growth rate that was built into the bottom line from—I am looking for the right numbers—1.41 per cent, which was built in as indexation of employee expenses, to 0.86 per cent. That is delivering \$143 million in savings over four years. It is about constraining the growth in employee expenses rather than actually cutting employee expenses.

Employee expenses will grow at 0.86 per cent rather than 1.41 per cent. I need to be really clear that that growth in employee expenses assumption that is built into the bottom line of the budget does not reflect the outcomes of enterprise agreements. That is separately allocated. We are in fact commencing negotiations for the new enterprise agreement. The next pay increase for public service staff is due in December this year. Obviously, that pay increase will go ahead before the expiry of our current agreements in March.

This is really about the natural tendency of directorates to see people move into more senior positions, as staff get more senior, giving a bit of flexibility. We are saying that we will reduce that flexibility a little bit and constrain the growth in employee expenses. We also recognise that we are going into an enterprise bargaining process, and the outcome of that process will be funded in future budgets.

THE CHAIR: With that business case, could you please confirm that it did not contain any discussion of redundancies?

Ms Stephen-Smith: I will not go into detail about what may or may not have been put forward in the business case. That is, clearly, a matter of cabinet-in-confidence and detailed government consideration. I can tell you that the decision the government made was to reduce the growth in employee expenses from 1.41 per cent to 0.86 per cent per annum.

THE CHAIR: Minister, before I go through the whole claim of confidentiality piece, would you consider providing that information to the committee in confidence?

Ms Stephen-Smith: Mr Cocks, the government has made a range of claims in relation to budget documents. You are a former public servant; you would very well understand that documents that are informing consideration of government, that are cabinet-in-confidence, are not generally released either publicly or to legislatures. It would be a significant change in the way that the Westminster system operates for that to become routine. I am certainly not going to start talking about the content of various different cabinet submissions and business cases that informed the most recent budget. Decisions were made, and those decisions are reflected in the budget.

THE CHAIR: I understand where you are coming from. I will just work through this. Minister, you have made a claim of confidentiality, and parliamentary privilege

overrides this claim. To manage these situations, the Assembly has passed continuing resolution 8B, which uses a public interest test. Minister, is it your view that it is in the public interest to withhold this information?

Ms Stephen-Smith: Yes, it is.

THE CHAIR: Could you please specify the harm to the public interest that could result from the disclosure of the information or document publicly?

Ms Stephen-Smith: There is one argument you can make that, on a case-by-case basis, the Assembly can seek this information and there can be consideration of it. At a broad level, there is the public interest in public servants being able to provide frank and fearless advice to the executive, through the cabinet process, which is understood to be the most confidential government process, that has restricted access to cabinet documents, even within the government, and is a process by which public servants inform the decision-making of the government.

If it became routine that cabinet documents were going to be requested and released within short periods of time of them being considered by cabinet, or even potentially, in your argument, before they have been considered by cabinet, that would have potentially a very serious detrimental impact on the capacity and willingness of public servants to provide frank and fearless advice, and to provide a range of options for government to consider and determine, particularly in the context of budget processes.

As you are aware, Mr Cocks, having been a public servant, a range of business cases will be put up through budget processes which will not be supported. Throughout the budget process, decisions will be made to not fund something, to change, or to reduce funding for something that has been put up by the public service. If that process becomes a matter of saying, “I’m just going to ask for this; I’m just going to ask for that,” and things become public, or even where things are provided to the Assembly, it will undermine the very capacity of the public service to provide frank and fearless advice and a thoroughly considered range of options for the government to consider.

THE CHAIR: Could you please also explain where the harm would accrue from providing the materials as confidential evidence?

Ms Stephen-Smith: I believe the same kind of harm would accrue because that information being provided to members of the opposition completely changes the political dynamic around that. It would therefore change the way that cabinet operates.

THE CHAIR: I ask members of the committee whether we wish to deliberate in private or whether we are satisfied with the minister’s explanation.

MS TOUGH: I am satisfied with the minister’s explanation.

MS CARRICK: I want to deliberate in private.

THE CHAIR: We will suspend the hearing and deliberate in private, in that case.

Short suspension.

THE CHAIR: We will resume the hearing. I can advise that the committee has resolved to accept the minister's explanation.

Ms Stephen-Smith: Thank you. I really appreciate that. I recognise that I was remiss in not also noting that the document itself, being a cabinet document, would not sit within my remit, anyway.

THE CHAIR: Have any directorates offered spill and fill or reclassification exercises linked to the machinery of government changes? If so, how many affected staff have declined a placement and opted for a redundancy?

Mr Wright: Mr Cocks, I am unaware of any staff covered by the enterprise agreement being subject to spill and fill or redundancy as a direct result of a machinery of government change. We know that, at the SES level, there have been a small number of redundancies at the director-general and the deputy director-general level. I believe it is five in total. These staff are not covered by the enterprise agreement. They are not redundancies, as such; they would be section 38(e) terminations. The Chief Minister, when he announced the machinery of government changes, noted that there would not be redundancies for non-SES staff.

THE CHAIR: You did not touch on reclassification.

Mr Wright: I do not believe that reclassification would be something which is done. There are specific requirements for reclassification under the enterprise agreement. There is consultation and the like. I do not believe it would be something that would be undertaken by any directorate as part of a machinery of government change.

THE CHAIR: Have either spill and fill or reclassification happened over the last 12 months, or are they planned for the next 12 months, in relation to the machinery of government changes?

Mr Wright: These would be matters for the relevant directors-general. I am unaware of any plans to conduct any such exercise.

Ms Stephen-Smith: Or that any have occurred over the last 12 months.

Mr Wright: Or that any have occurred over the last 12 months. Once again, that would be a matter for directors-general.

THE CHAIR: So I will have to submit a question on notice for every director-general.

Mr Wright: Yes. We do not have that centrally supplied.

MS CARRICK: My question is about the loss of jobs geographically. What is your policy around keeping jobs in the town centres, in the districts? How do you plan to get more out there? In particular, Molonglo is coming online; Gungahlin always needs jobs; and, of course, we do not want to lose any out of Woden.

Ms Stephen-Smith: Of course! Thank you for the question, Ms Carrick. Of course,

Woden is a significant centre. Between Woden and the hospital, it is probably one of the largest employment centres for ACT government staff, if we look at Canberra Hospital, the new CIT, public service agencies and Access Canberra in the Woden town centre.

We have been giving active consideration to that. When Infrastructure Canberra appears, we can talk about the work that the community facilities and property team has been doing in looking at ACT government facilities. We are trying to consolidate our footprints. We have recently made quite a specific decision to stay in the Belconnen town centre. There has been consideration about Housing ACT's location and the flexi-space that we have in Nature Conservation House, in Belconnen. The decision has been made to stay in Nature Conservation House, precisely for the reason that you have identified—to ensure that that significant presence is maintained in the Belconnen town centre. Alongside, of course, there is an Access Canberra shopfront there as well.

MS CARRICK: There are no plans to consolidate out of the regions and bring jobs into the city, or anything like that?

Ms Stephen-Smith: I cannot remember the details of the current leasing arrangements on Bowes Street. The Bowes Street building is where a significant number of health directorate, now Health and Community Services Directorate, staff are located, and a number of other staff across different agencies. There are some Canberra Health Services staff there as well. When Infrastructure Canberra appears, they will be able to provide you with more information about the current leasing arrangements for the non-ACT government owned offices in Woden town centre, if that is something you are interested in.

MS CARRICK: Thank you; I will ask Infrastructure Canberra.

MR BRADDOCK: Am I correct that the public service recruitment freeze has been lifted across the board or are there areas where it is still in place?

Ms Stephen-Smith: No, the recruitment pause has been lifted, because it was a pause, not a freeze. I will ask Mr Wright to speak about this a bit more. The requirement that we had put in place for all directors-general was to ensure that they are living within their budget. My expectation is that all directors-general will be putting in place measures to ensure that recruitment is closely managed. But the guidelines and the recruitment pause that was put in place have come to an end. Mr Wright can talk a bit more about what is in place now.

Mr Wright: All SES are required to work within the confines of the Financial Management Act. We are looking, over the next 12 months in particular, to constrain growth, rather than reduce numbers. That is what we are looking for in the post-recruitment pause. I can definitely say that the recruitment pause has been brought to an end.

MR BRADDOCK: Has there been any analysis of the impacts on staff, in terms of workloads or psychological health and wellbeing, as a result of the recruitment pause or the constrained budget situation that the SES must confine themselves to?

Mr Wright: I will answer the first part and hand over to Mr Young, in terms of the psychosocial aspect of it. The recruitment pause did help us to better manage our budget for the remainder of last financial year. We conducted risk assessments in making determinations around whether recruitment activities would be undertaken, with a view to the psychosocial health of staff within those areas. I will hand over to Mr Young in relation to that element.

Mr Young: I acknowledge and will comply with the privilege statement. Thank you for the question. Although now expired, the recruitment guidelines themselves explicitly required consideration of workplace health and safety risks, psychosocial risks and workload risks as factors to be taken into account when considering whether an exemption should be granted to recruitment proposals. That requirement was built in at a fundamental level. Notwithstanding that, though, I think as Mr Wright pointed out, workload management is a known potential hazard in a psychosocial safety sense, and therefore there is an ongoing requirement for that to be assessed and managed in accordance with the WHS act.

In respect of those guidelines, I can say from personal experience that risk assessments were conducted in aggregate and individual circumstances. There was engagement with the Work Health and Safety Commissioner around how the materials that were put together to support that assessment were operating, and there was guidance provided by my whole-of-government workplace health and safety team around how those assessments should be done, and controls were suggested. So, in short, yes; it was certainly a key matter that was considered throughout the operation of those guidelines.

MR BRADDOCK: Were any issues in terms of workload identified as part of those risk assessments that required action?

Mr Young: A number of exemptions were granted on the basis of WHS concerns where recruitment did go ahead, which the guidelines would have recommended not go ahead, were it not for that workplace health and safety concern. So yes. But, that being said, in a number of other cases that I experienced, there were alternative measures. For instance, adjustment of workload, adjustment of deadlines and redispersion of workloads were also reasonable controls that were applied.

MR BRADDOCK: Thank you.

Ms Stephen-Smith: I note, Mr Braddock, that Canberra Health Services had a different process in place outside of the recruitment pause. There were some concerns expressed by unions in relation to the impact on some teams. Considerable work was done with the support of ARWS and the work health and safety team to support CHS through its process as well. There were certainly concerns raised by unions on the impact, some of which I think was genuinely an impact on the recruitment pause. I suspect some of it was a conflation of issues.

MR BRADDOCK: Thank you.

Mr Young: I would add that there were regular meetings with unions throughout the operation of the guidelines so that guideline issues could be identified and managed from the centre in addition to those coalface risk assessments.

MR BRADDOCK: Thank you.

MR EMERSON: I want to quickly jump back. Five positions were terminated at the SES level—is that right?

Ms Stephen-Smith: Yes.

MR EMERSON: Mr Wright indicated that was within the target range. I do not want to put words in your mouth, but was that a target number; was that the final number?

Ms Stephen-Smith: It was across the Health Directorate, the Community Services Directorate, Transport Canberra, City Services, and EPSDD. We have gone from having four directors-general to having two directors-general, and, similarly, we have gone from each of those directorates having multiple deputy directors-general to each of the two new directors having two directors-general.

MR EMERSON: There are five fewer roles?

Ms Stephen-Smith: Yes. But the Digital Canberra Directorate has been created and Ms Konti is currently acting as director-general, but a new director-general position has been created for Digital Canberra. The final structure of Digital Canberra is yet to be concluded.

MR EMERSON: There might be fewer—

Ms Stephen-Smith: Yes; that is right.

MR EMERSON: Thank you.

Ms Stephen-Smith: And there are two deputy director-general positions currently appointed as temporary positions to help manage the machinery of government changes as well and bringing the corporate areas together.

Mr Wright: Going back to your original question, Mr Emerson, it is not a target as such.

THE CHAIR: I want to clarify the process for those five. There were five redundancies—is that correct?

Mr Wright: There have been five section 38(e) terminations. There were processes—I guess the processes that you would have for SES staff rather than redundancy of staff who are covered by the enterprise agreement. They are a result of merit selection processes for those DG and DDG roles. That is where they flow from.

THE CHAIR: Those are the equivalent of involuntary redundancy?

Mr Wright: It is a different mechanism again. It has a specific reference.

THE CHAIR: The question is basically: is that an involuntary process or a voluntary

process?

Mr Wright: A section 38(e) process could be done in the event there was no longer a role required. It probably looks more like an involuntary redundancy; however, it is a different mechanism.

THE CHAIR: It looks more like? So is it voluntary or involuntary?

Mr Wright: It is the position where the staff member's role no longer exists and they cannot be placed somewhere else within the service. Those are the requirements of section 38(e).

THE CHAIR: So it is not a voluntary process?

Mr Wright: No.

THE CHAIR: Thank you.

Mr Wright: Sorry, Mr Cocks.

MS CARRICK: I am moving on to output 2.2, which goes to the ACT workers compensation scheme. Are you able to keep the premiums down because this is a government funded scheme as opposed to a private sector scheme where they make profits and dividends for their shareholders?

Mr Young: The ACT public sector scheme operates under a different set of legislation to the ACT private sector scheme. The commonwealth's Safety, Rehabilitation Compensation Act guides the design of the public sector scheme and the ACT's Workers Compensation Act for the private sector. They are very different pieces of legislation in terms of the types of injuries that are covered and the types of compensation benefits that are payable where liability arises. When comparing price and the potential impact of profit margins, the comparisons need to be made in that light.

MS CARRICK: Because you do not have a lot of construction workers?

Mr Young: Indeed. The risk profiles are very different as well. That being said, the ACT's public sector workers compensation scheme operates on a hybrid model, where some services are provided by public servants but claim administration services are provided by our third-party agent under contract. So, in that sense, there is a profit margin being paid by the ACT's Public Sector Workers Compensation Fund. Regarding the margin, the overall costs that go to the claims administrator compare favourably to the amount that we were paying directly to Comcare when we were paying a premium and the commonwealth was charging for those claim administration services without a profit margin built in.

As you have probably picked up from the reporting, the ACT's aggregate premium rate has fallen by about 40 per cent in the time that we have been operating a self-insurance model. Some efficiencies that have arisen from the claim administration have contributed to that, but, in the main, those price reductions were off the back of better

than expected return-to-work injury prevention services.

MS CARRICK: Wow—40 per cent. Does that mean that mitigation strategies, like reducing risk, have led to a decrease in premiums?

Mr Young: Very much so. We have approached workers compensation claims management in an upstream and downstream sense. We have invested quite heavily in improving our whole-of-government workplace health and safety management systems and associated audit and assurance programs. We have funded early intervention programs to provide allied health services to people in a pre-claim state—that is, looking at the maximum extent possible, preventing injuries where they occur or, where they do occur, intervening before they become serious and protracted. That has resulted in, by most measures, a 30 per cent reduction in the long-term continuance rates. So, yes; certainly.

MS CARRICK: Are you seeing an increase in psychosocial claims?

Mr Young: We are. That increase is visible in, I think, most Australian public services, particularly in the period since COVID affected the workforce. It is attributed to occupational violence type risks and interpersonal relationships in the workplace type risks, and workload hazards are frequently being cited. We expect to receive about 800 claims from the ACT public service next year and ongoing, and around 30 per cent of those are expected to be for primary psychological injury. That is a doubling of long-term historic rates.

To some extent, that is driven by an increase in the number of psychological claims coming through, but there is also a reduction in the number of physical injury claims off the back of that improved safety that I mentioned. Although only around 30 per cent of the claims we receive are for psychological injury, we expect that the total costs arising from those are more than half of the premium that we are collecting. So we are very invested in understanding what is driving those trends and improving the management of psychosocial safety in the way that we talked a bit about in the context of employment guidelines. When we look at our actuarial and performance results, we see, compared to other national schemes, an increase in the number of claims coming through but probably better-than-average performance in terms of getting people back to work after they have suffered a psychological injury.

MS CARRICK: Presumably, they do not help with the premium cost. They would probably try to nudge it back up again.

Mr Young: I think so. Probably 70 per cent of the total premium cost comes from claimants who are unable to work because of their injury or illness. So reducing the amount of time that people are away has a direct and positive effect on the premiums payable, and, because so much of that incapacity liability sits with those psychological claims, even a small improvement in their performance translates to very significant cost reductions, as well as health and wellbeing outcomes for the workers affected.

MS CARRICK: Have you considered insuring our community organisations? A lot of them tell us that their insurance premiums are very high in the community sector, so has there been any discussion about insuring our local ACT community organisations?

Mr Young: It is not something I have had discussions around. I note that, although it has not been discussed, if something of that nature were contemplated, it would require a change to commonwealth legislation. Effectively, that commonwealth act that I referred to earlier determines the employers and employees that are covered by that scheme.

MS CARRICK: New South Wales and Victoria self-insure, so presumably they insure their community organisations. I am not sure.

Mr Young: The difference is that the New South Wales government legislates the scheme that it operates as a self-insurer, so, in that sense, they can directly legislate to change coverage or any other aspect, whereas we are operating in accordance with commonwealth legislation.

MS CARRICK: All right. We can try to change commonwealth law. It has been done before. I have one more question. I want to ask about Mr Fluffy. There are still a handful of people who would like to have their properties acquired. The government said they would look at compulsory acquisition mid-year, this year. What is happening with compulsory acquisition of Mr Fluffy properties where the residents would like that to be the outcome?

Mr Young: The output class that I have responsibility for has a Mr Fluffy support scheme, although it is confined to assisting people with personal injury arising from living in those homes. Compulsory acquisition and the capital works program was administered elsewhere in government. I do not have any experience of that.

MS CARRICK: I asked earlier under the Treasury portfolio and was told that it was not their responsibility. I am looking for who is responsible for Mr Fluffy compulsory acquisitions.

Ms Stephen-Smith: I think it sits with the City and Environment Directorate. Before the City and Environment Directorate appears, I am sure the secretariat can find out for you exactly who would be responsible for that.

Mr Young: There is a loose-fill coordination team within that part of government that administers that.

MS CARRICK: Who did you say is responsible?

Ms Stephen-Smith: The City and Environment Directorate.

MS CARRICK: Thank you.

THE CHAIR: In relation to the psychosocial risks and the prevalence of mental health injuries that you were discussing before—and you may need to get someone else to the table; it may actually be Mr Pettersson's responsibility—I am interested in what systems have been put in place to offset the psychosocial and mental health risks across government.

Mr Young: My business unit has responsibility for whole-of-government workplace health and safety within Minister Pettersson's portfolio, so I think I can take that question. As I alluded to before, psychosocial risks are one of the many risks that are factored into the workplace health and safety legislation and management system. To some extent, everything that we do in this space provides mechanisms to understand and respond to psychosocial risks and hazards. That being said, as we have talked about, it is a very significant area of risk for the ACT government, and that is why we have put in place a range of additional measures. As umbrella guidance, we have a mental health and wellbeing policy that guides those initiatives and sets out the important principles that should inform how we are managing those things. Sitting underneath that is a suite of guidance material tailored to individual workplaces, classes of work and classes of hazards. For instance, there is guidance for managers around work design and there is guidance around managing change within the workplace—a whole suite of things.

We have in place a number of early intervention initiatives where we identify a local risk to respond to. There is some sponsored training through a university that we provide to directorates. There is online training. It is called the Compassionate Foundations training program. It has a particular focus on assisting managers and other workers to identify and respond to risks of suicidality within the workforce.

THE CHAIR: On suicidality, have you been monitoring any occasions on which there has been a known suicide risk, suicide in the workplace or suicide related to the workplace?

Mr Young: In the first instance, where our service providers are experiencing threats of suicide or self-harm by a client that they are providing services to, we have protocols in place to assist them to assess the risk and implement emergency action, including referrals to the wider health service emergency response apparatus. In terms of monitoring risks to our own workforce, there are a number of important business intelligence tools. We operate a whole-of-government online hazard management system where people are able to report risks, either through their management chains or confidentially, and certainly psychosocial risks of that nature. I am aware of a number of that nature that have come through that system.

We monitor improvement notices that are being issued by the safety regulator which have identified the public service and psychosocial area as key focus areas. I understand they spend around 30 per cent of their inspectorate resource investigating and inquiring in that space. We learn from notices that they issue and meet with them regularly to understand trends that they are seeing. We also use a number of workforce survey tools to get a sense of the state—

THE CHAIR: Can you provide the number of people across the service? I do not want to identify individuals by any measure. How many occasions have you seen reported suicide risks or suicide attempts?

Mr Young: We have paid workers compensation on a number of matters of that nature. I am thinking about whether there are privacy issues around saying the number, because it is a very low number.

Ms Stephen-Smith: We will take that on notice and see whether—

THE CHAIR: Please do. I would be happy to suggest that the committee would be willing to take it confidentially if necessary.

Ms Stephen-Smith: It may be that providing that information over a period of four or five years might mitigate the risk of identification. We will take the question on notice and see how and what information can be provided.

THE CHAIR: Again being as sensitive to the privacy issues as you can, has there been concentration within any particular directorate or organisation?

Mr Young: I would say the numbers are quite low, to the point where it would not be appropriate or possible to identify clusters of issues of that nature. That being said, we do not have visibility of EAP usage and referrals. That is one of the key early intervention mechanisms that are available to our workforce. In that sense, we do not have complete visibility.

THE CHAIR: Thank you.

Ms Stephen-Smith: One other thing I would add in relation to management of psychosocial hazards in the workplace is the significant amount of work that has been done across the ACTPS, particularly in frontline agencies around management of occupational violence and appropriate response to occupational violence, including prevention of occupational violence and equipping staff with skills to de-escalate, but also in following up where there has been an occupational violence incident and ensuring that staff are appropriately supported. That has been a quite significant process across the ACTPS. It has been a whole-of-government approach but also within individual agencies that face particular challenges.

THE CHAIR: Thank you.

MS TOUGH: I would like to talk about secure jobs. The budget includes an initiative titled “Enhancement of whole of government employment conditions and governance frameworks”. It is described as:

The Government will continue and enhance three work streams within the Office of Industrial Relations and Workforce Safety related to whole of government employment conditions and governance frameworks.

What are those work streams and what do they deliver?

Mr Young: Thanks very much, Ms Tough. I might get Ms Matthews to come to the table, if that is okay.

Ms Matthews: I have read and understood the privileged statement. Ms Tough, could you repeat the question, please?

MS TOUGH: Yes. I want to know about the budget initiative titled “Enhancement of whole of government employment conditions and governance frameworks”. There are

three work streams in that. What are those work streams and what do they deliver?

Ms Matthews: That particular budget initiative draws on three items. One of them is secure employment. The three items that the initiative covers includes secure employment. In addition to that, there is a piece of work that was committed to during the enterprise bargaining arrangements of the last round to look at classifications across the service to ensure that we had fair and reasonable classifications across each of the directorates, as they operate within the directorates themselves but also within the different enterprise agreements. There is a classification piece. The third piece relates to updating the recruitment management system.

In terms of secure employment, you mentioned that there are three key factors in secure employment. That is government policy. The government looks at providing secure employment via the secure work conversion process. That is a very methodical process that has been run under enterprise agreements since 2018. We called it the Insecure Work Taskforce. Working with the directorates, the Office of Industrial Relations goes across each of the directorates to look at the casual workforce and the fixed term contract workforce to look for opportunities to transfer those workers from insecure employment to secure employment.

A process is published on the all-of-government website that shows people across the territory how we methodically initially identify people who have been working for the territory for a number of years on a casual or fixed term contract basis. Initially, it was for people working for more than five years. All those people were assessed and converted to permanent employment. Then it worked through to those who had worked for four years, three years and two years. Now we have data reporting on a one-year basis. It is in compliance with the Fair Work Act and casual conversions, but we go further than the Fair Work Act when we are looking at our fixed term contractors to recognise the investment that the territory has already made in these workers and the efficiencies that can be gained by keeping them in the service rather than going out to recruitment. That is the first element of the secure employment process.

The second is the insourcing framework. That provides an opportunity for the service to identify where we would be better to have an insourced workforce rather than use contractors. There is a methodical framework that we provide to our colleagues across the service where they can work through a template to identify whether something would be better delivered to the community through community services or whether, after careful analysis, it should be delivered by a public servant. Again, a framework is published on the website so that everybody can see, including our important partners in the community sector and the private sector, how our public servants assess. It is a disallowable instrument that is made under the Financial Management Act. It is part of our responsibilities as public servants, before we make the decision to go out to market or to renew an arrangement that is already out in the market, to assess it to see whether it meets the requirements of that disallowable instrument under the Financial Management Act, to see whether we could insource and have that particular service or work delivered by public servants. It is a very methodical, published and known approach.

The third element is in the enterprise agreements. It is a commitment to same job, same pay. Where contractors deliver a particular service on behalf of the service, the workers

who do that work receive the same pay and conditions as public servants.

MS TOUGH: Thank you. Going back to that first stream, you talked about the changes to the Fair Work Act around casuals, and there were also the other changes to the fixed-term contracts recently. You said you go above what the fixed-term contract requires. Can you just touch on that?

Ms Matthews: Under the Fair Work Act, there is a strong focus on casuals and where casuals are being used in a way that is not consistent with an approach that we would expect. Certainly, we have found here in the territory very few casuals are actually converted under the secure workforce conversion process, because we identified that the casuals in the service are working in a truly casual way. The purpose of the Fair Work Act was to find workforces that are being employed as casuals but were not really meeting the definition of a casual worker.

Here in the territory, we also applied the same thinking to fixed-term contractors. We wanted to satisfy ourselves as an employer that the work that is being done by somebody on a fixed-term contract actually is fixed term in nature. So we ensure that we use the appropriate employment mechanism for the kind of work. If the work is fixed term in nature, a fixed-term contract might be appropriate. But, if the work is ongoing in nature, the policy encourages the territory as an employer to make sure that the worker who is delivering that work that is ongoing in nature is converted to permanent employment.

MS TOUGH: Wonderful. So you were already implementing those changes the Fair Work Act?

Ms Matthews: Yes; the territory commenced this back in 2018—so ahead of the amendments that were in September 2023 in the Fair Work Act.

MS TOUGH: Wonderful.

MS CARRICK: I have a question on the second stream, the insourcing of work. I note that there is now more work being insourced in paths and maintenance. I do not know about the public housing maintenance. Are there any opportunities for the ACT government to employ apprentices?

Ms Matthews: Yes.

Ms Stephen-Smith: Sorry, Ms Matthews, but can I interrupt there in terms of that insourcing of construction and maintenance work that has been transferred to Infrastructure Canberra. The Director-General of Infrastructure Canberra is very keen to say what we can do. I have had a conversation with her about that recently to ensure that we can use this opportunity to do things like employing more apprentices. But Ms Matthews may have some information on that.

Ms Matthews: No; it is further on that. The Places and Spaces team in Infrastructure Canberra are very committed. They already have an existing apprenticeship process that sits in their trades team and they are very keen to ensure that there are even more apprentices that sit in that trade space. So that is in the Places and Spaces team.

Similarly, the government has invested in a task force that is looking at housing and the opportunities to insource various aspects of the public housing program. That is also now in Infrastructure Canberra. That work is being carefully considered. Insourcing in the territory requires careful consideration at each stage so that we better understand what would otherwise be unintended consequences of an insourcing. So it is a very fulsome approach to assessing those proposed incentives.

MS CARRICK: That is excellent, because, as you know, housing approvals are down, and we heard earlier in the week that businesses are not taking on apprentices. It is hard for the apprentices.

Ms Stephen-Smith: I am told the right time for that hearing is Monday 12 until 12.30.

MS CARRICK: Thank you. I have one other question on the fair wage No. 3. Is there any look at the community sector? They are on the award that you mentioned.

MS TOUGH: The SCHADS award.

MS CARRICK: That one. Is there any look at the wages on that award compared to what the ACT government pays? There is a discrepancy which leaves people from the community sector trying to get into the public service, because there is better pay and better conditions? Is there any look at how to manage that, because it is hard for the community sector—they lose their people.

Ms Stephen-Smith: It is probably not a question for these officials. Ms Orr, as Minister for Community Services, will probably have a bit more to say about it. But I can say that, in terms of the *Counting the costs* report that I referred to earlier or yesterday in relation to the community sector, that is one of the issues that comes up.

It is not an apples-to-apples comparison between the community and public sectors, though, because people who work for community sector organisations will often have access to more generous fringe benefit tax concession arrangements—sorry; I do not know the right terminology for that—and can claim a lot more fringe benefits tax free and so will put their salary into specific things. It is a genuine issue, but it is also not an apples-to-apples comparison when you are just looking at wages.

MR BRADDOCK: I have a question about public sector standards—and I am not sure who the correct official is. The budget indicates that the targets were well and truly exceeded by the number of complaints and inquiries managed by the Public Sector Standards Unit—35 against 20.

Ms Stephen-Smith: That is not that is not us, I am afraid. That is going to be the Chief Minister.

MR BRADDOCK: My apologies, but against this session, it says “public sector employment and standards”.

Mr Young: The relative officials are not here. There is some reporting in this output class, but it is something the Chief Minister would normally speak to.

MR BRADDOCK: Fair enough. You are putting \$76 million to a 90 per cent subsidy for apprentices and construction trades, which is shown as a full offset. I want to understand what has been cut or had its funding redirected in order to fund this apprenticeship program?

Mr Young: Could I get a reference to the budget paper about which program?

MR BRADDOCK: Unfortunately, I do not have that.

Ms Stephen-Smith: What was it called, Mr Braddock?

MR BRADDOCK: It is the subsidy to apprenticeships and construction trades.

Ms Stephen-Smith: I think it is concessions.

Ms Matthews: It is Skills Canberra, I think, because it is within CMTEDD.

Ms Stephen-Smith: It is either going to be Skills Canberra or, if you are talking about the additional concession for apprentices, that would have been in the concessions. Mr Pettersson's office is advising that this is a skills and training portfolio matter.

MR BRADDOCK: Okay. I will pass on my question then.

MS CASTLEY: I have some questions about integrity and transparency. Minister, could you talk to me about the process by which senior executives in the public service declare conflicts of interest and what constitutes a potential conflict?

Ms Stephen-Smith: I do not know if that is you or if that is really something for the head of service, Mr Wright. Do you have something to say about it?

Mr Wright: Ms Castley, I can have a bit of a go—and there is probably another part where this falls, like the Chief Minister and the head of service. The government is committed to maintaining high levels of integrity and confidence in public administration and territory. We are continuing to implement recommendations from the review into the Integrity Commission Act in consultation with stakeholders. These include work around the Govey review—so progressing work on clarifying the role of the senior executives responsible for business integrity risk—examining the Integrity Commission Act and ensuring that we have strong processes in place to ensure integrity.

We have our performance agreements that all SES officers need to have in place. There is also an executive compliance statement that outlines SES accountability and compliance. We have disclosures of private interests. When we do recruitment or procurement activities, there is a requirement to complete a conflict-of-interest declaration. We also have a number of training opportunities that people need to take up. As part of our SES induction, that covers accountabilities, working with the ACT Integrity Commission and the Public Standards Commissioner. We also have a strong reporting framework.

MS CASTLEY: Back to my original question: what constitutes a conflict of interest?

Would having a membership in a political party be something regarded as a potential conflict?

Mr Wright: Yes; that is something that we would expect someone to alert to. For instance, with recruitment conflict of interest, I would note if I had any relationship with the applicants, whether that be a strong previous work history or some personal friendship, and that might mean that I need to step away from that particular recruitment process. But, yes, these are all things that we would get people to do. The other one is the DPI, which is a disclosure of private interests, which we get, for example, executives to complete. This would be about, for example, investments that the particular officer might have which might give way to a conflict. These are all parts of the accountability mechanisms.

MS CASTLEY: Would it be a potential issue if there were a significant number of executives, particularly in one agency, who were members of a specific party? Is that information tracked?

Mr Wright: I do not believe that information is tracked, as such, Ms Castley. However, when an individual discloses a particular private interest, it is for their immediate supervisor, if appropriate, to work with that information and about what the mitigating actions might be in order to address that.

MS CASTLEY: Would it be a conflict if an individual or a group of executives who were actively participating in policy development were members of a particular party? Would this overlap with their network? Is that something that any of the executives would track?

Ms Stephen-Smith: I think we are probably getting into the realm of, well and truly, the responsibility of the head of service and the Chief Minister, Ms Castley.

MS CASTLEY: I am wondering about confidentiality when people leave the ACT public service. Are non-disclosure agreements or similar used within the ACT public service for either departing or ongoing staff?

Ms Stephen-Smith: Public servants have an ongoing obligation to maintain confidentiality in relation to the information that they have gained as public servants. That obligation does not cease once their employment as public servants ceases.

MS CASTLEY: Could you give me an example of why an NDA would be used? In what scenario would the NDA come into play?

Ms Stephen-Smith: Just to be clear: I was not referring to an NDA; I was referring to people's obligations under public sector management and values.

MS CASTLEY: Are NDAs used in the ACT public service?

Mr Wright: I am unaware of that. It certainly would not be a regular requirement for someone to need to complete a non-disclosure agreement as part of parting from the service. There may be particular instances where that is the case because of the work undertaken, but it certainly would not be the norm.

I can say that, under section 46(1) of the Public Sector Management Standards, a senior executive member must give their engager a written declaration of private interest, which is what I was referring to before, before engagement begins. Then, if the circumstances change—for instance, in my former corporate role, I would have a declaration, but, in moving into this particular role, I might have different conflicts. That is something that is required to be completed again every 12 months.

MS CASTLEY: Every 12 months; okay.

Ms Stephen-Smith: Just in relation to non-disclosure agreements, Ms Castley—not for people signing non-disclosure agreements when they are leaving the service. But they are occasionally used. We did require officials with early knowledge of the proposal for the compulsory acquisition of Calvary to sign non-disclosure agreements, because that was so highly sensitive in terms of protecting the interests of the territory.

MS CASTLEY: When conflicts or disputes occur or someone is leaving the public service and a settlement might be made, for instance, would that be a case for an NDA?

Mr Wright: There might be, Ms Castley, but it would be on case-by-case basis.

MS CASTLEY: I am happy to send this to the Chief Minister, but does anyone track how frequently separations are accompanied by an NDA or the like?

Ms Stephen-Smith: We will take that question on notice, Ms Castley.

Ms Matthews: People leave under section 38, and the delegation for section 38, exiting from the service, sits with the directors-general. So it would be a question that each director-general would need to separately be asked. It is not collated centrally.

Ms Stephen-Smith: But we can take the question on notice and see what we can come back to you with.

MS CASTLEY: Okay. That would be great. Thank you.

THE CHAIR: In terms of the question on notice, I would be interested in—

Ms Stephen-Smith: Sorry, can I just interrupt. Mr Young has something to add.

Mr Young: Thank you. Just for clarity, there might be a nomenclature issue. I and other officials will frequently enter into deeds of confidentiality—for instance, if we are being consulted about a piece of not introduced legislation or another sensitive matter which has, effectively, contractual powers which would outlive my employment and I am signing them in my own right. If that is the type of instrument you are referring to, potentially that is being used as a tool to manage those types of risks. But I would not characterise that as an NDA per se. I think it is probably about clarifying what types of legal instruments you are interested in.

THE CHAIR: Just in terms of NDAs and what you are taking on notice, maybe you can take on notice number of occasions each year—over the past three should do it—

that NDAs have been used, broken down by directorate, and whether it is on exit or for some other purpose.

Ms Matthews: Yes, we can take that on notice.

THE CHAIR: Thank you very much.

MR EMERSON: I have a question about cultural capability regarding Aboriginal and Torres Strait Islander people. As you know, Minister, the ACT government signed the National Agreement on Closing the Gap five years ago. Eighteen months ago, the Productivity Commission made recommendations on actions governments should take to implement their commitments, all but one of which were agreed, and recently the Aboriginal-led review made further recommendations, some of which are very similar. Both reviews found governments, including ours, had failed to carry out the transformational changes required under the national agreement. What specific public service wide changes have been made to course correct since the release of the Productivity Commission's report last February?

Ms George: I am a proud Gamilaroi woman in an identified position leading the Cultural Transformation Branch, where we have responsibilities to build internal workforce capability to improve cultural capability, cultural safety and enhancing the employment pathways of Aboriginal and Torres Strait Islander people as it connects to Priority Reform 3. The branch was newly established. I have been in the role for two years next year, with an identified team established in April 2024.

MR EMERSON: That is when it was established?

Ms George: Yes. That team is responsible for working across the service to partner with directorates on initiatives around cultural capability, increasing cultural safety and looking at employment pathways. There are cultural adviser roles across the service. When I first commenced, there were two whole-of-government cultural adviser roles and similar full-time roles that were embedded within directorates. Their role is to look internally. They might help a directorate with implementation of reconciliation action plans. They might look at things like having individual conversations with Aboriginal and Torres Strait Islander staff who might need mentoring or support. It is basically internally focused.

There are different roles, depending on the directorate. When I first started, there were two whole-of-government cultural adviser positions. Since the Cultural Transformation Branch has been established, we have taken the lead on providing whole-of-government advice around Aboriginal and Torres Strait Islander employment, cultural safety and cultural capability.

We have refreshed what we are calling the ACT PS Cultural Advisory Network. That is where we bring together the other cultural advisers within the service. As you would understand from Priority Reform 3, cultural safety and cultural load or colonial load is a significant experience as Aboriginal employees. So what we aim to do is support each other through that but also to share information around what might be happening on the ground and how we might be able to address something from a whole-of-government perspective.

Prior to the referendum, one of those examples is that we embedded yarning circles with a culturally safe trauma-informed practitioner. That was provided to all Aboriginal and Torres Strait Islander staff around that time to talk about cultural safety. That has been a consistent approach that we have taken when people or directorates have come to the Cultural Transformation Branch and asked about how they could better support their staff in terms of increasing their cultural safety or understanding cultural capability. That is one key thing that we have done across the service, and there is continuing work that is happening there to ensure that there is a consistent approach to that.

The Cultural Transformation Branch is seen as a neutral space across the service for Aboriginal and Torres Strait Islander staff, managers or executives across the service where we can provide advice—for example, around running inclusive recruitment processes. We have drafted and identified positions and guidance on how to better run inclusive and culturally safe recruitment processes. That has undergone significant consultation.

One of the things we utilise the cultural advisers for is to help us collaborate and consult on those things, including with Morris Walker, as the chair of the Elected Body, our unions and our other HR leadership contacts across the service. There has been quite a lot of work done to embed from the Elected Body hearings recommendations around identified positions recruitment, which of course links to Priority Reform 3 in transforming government organisations.

We have also done quite a bit of work on establishing a cultural capability platform on our SharePoint page. Internally, there are quite a lot of resources around what cultural capability is. We also developed a cultural load resource for all ACT public servants. That includes information around what cultural load is and how it presents. Our cultural advisers actually helped us come up with a matrix—so, at a high, medium or low level, what might cultural load present as and what can managers do to support staff through that.

From that, we have piloted with one particular directorate what is called the Cultural Care Plan, which is all around what cultural safety means—and it is the national agreement definition. Cultural safety is relevant to the individual Aboriginal person. So we are doing quite a bit of work in that space.

MR EMERSON: Which directorate is that?

Ms George: We are working with Health and CSD Directorate there.

MR EMERSON: Good choice. You were talking a lot about cultural load. What is being done to require that all senior public servants are building that cultural capability for themselves and within their staff areas—because it sounds like you are carrying a lot? I am thinking about non-Aboriginal officials within the public service.

Ms George: There is quite a significant work program. Under the Productivity Commission report that was released, I think, in April last year, Essential Action 3.5 is about embedding cultural capability in senior performance agreements but also the

employment framework. At the moment, we are exploring the work program around what that looks like, what cultural capability is, and it is important to understand what those definitions are so that we have a consistent approach to that.

We have quite a range of governance committees. We have the Closing the Gap Strategic Board. I am a member of that, and we talk about that at those forums. I have also run directorate-specific Closing the Gap workshops with executive cohorts, where I am there talking about Priority Reform 3. But, actually, the workshops are really all around what they can do as individual senior executives in embedding their commitments or delivering their commitments under Closing the Gap.

So there is quite a bit of work going on in that space and it is complex, and each directorate is at a different stage. When people come to the Cultural Transformation Branch, we will work with them in terms of what they are looking for if they are asking for an executive workshop such as that.

MR EMERSON: There is quite a bit of work happening on the uplift side. On the accountability side, as you know, pursuant to the findings of the Productivity Commission, there had not been sufficient accountability, and no consequences for failure. This might be a broader question, but it would certainly sit with you. Is there new work happening in that space to increase accountability for when things are not being done, and are not up to scratch, from a cultural capability and safety perspective?

Ms George: Yes. We have embedded Aboriginal and Torres Strait Islander employment KPIs in director-general performance agreements. We have planned, for the 2025 ACT public service employee survey, questions that align with the outcome and output indicators for priority reform 3, so that we can get a baseline and understand where we are currently at. As I said, there is a broader work program being undertaken around what those cultural capability requirements look like and how they feed into the accountability mechanisms.

Through the annual reporting mechanism, in our annual report directions, every directorate has Aboriginal and Torres Strait Islander reporting requirements, including what they are doing against Closing the Gap. People also talk about their Aboriginal and Torres Strait Islander employment or specific initiatives that they are doing, from a directorate base.

Mr Wright: Mr Cocks, can I finish an answer to Ms Castley's question? I will be quick.

THE CHAIR: Okay. What is this in regard to?

Mr Wright: This was in regard to Ms Castley's question about non-disclosure agreements. In regard to managing disclosure of confidential information by public servants, it is an offence in the Crimes Act, which negates some of the need for use of non-disclosure agreements across the service. Any action to be taken outside the criminal justice space would be seen potentially as disclosure.

There are two aspects to it. There is disclosure of information by a territory officer, under section 153, which states:

A person who, being an officer of the Territory, publishes or communicates, except to some person to whom he or she is authorised to publish or communicate it, any fact ... by virtue of him or her being an officer of the Territory ... commits an offence.

That goes some way towards mitigating the issues that you raised previously.

THE CHAIR: Mr Braddock asked a question in relation to public sector standards output 2.4. That is covered by this session. Can someone explain why that question would not fit within this session?

Mr Young: I think it is best to say that the relevant officials were unable to attend. We would be very happy to take that question on notice and provide a timely response.

THE CHAIR: Are you satisfied, Mr Braddock?

MR BRADDOCK: I will put some questions on notice.

THE CHAIR: Okay, thank you. Ms Castley?

MS CASTLEY: I would like to talk about the hierarchy of the public service. I understand the ACT public service hierarchy has two more levels than the commonwealth public service, one at the senior executive level and one at the middle management level. Given the ACT public service is much smaller and more concentrated, can you explain why the structure here is more hierarchical?

Ms Stephen-Smith: One of the levels you would be talking about is what was previously senior officer grade A and senior officer grade B in the public service, which were merged into executive level 2. We retained SOGA and SOGB classifications. I do not know about the other one.

Mr Wright: In regard to the SES, there is not an additional band within the ACT SES which does not exist in the commonwealth. The biggest difference between the commonwealth and the ACT is that each role has a particular increment point to it. In the commonwealth the amount of remuneration within a band is usually the subject of negotiation between the SES officer and senior management within the organisation.

I would note, in relation to that, that one of the negative aspects is that it often meant that women employed in the senior executive service were more lowly paid at those junior SES levels. I think there is something quite positive about each of the roles having its own increment, as well as a band.

MS CASTLEY: The trade-off with the more hierarchical structure, obviously, relates to women being less unfairly disadvantaged. Are there any other areas where you find that this structure works better than it does in the commonwealth?

Mr Wright: It is mostly very reflective. It comes from the commonwealth creation. As the minister pointed out, it is that SOGB role which is the major distinction between the two. I would have to say, as an ACT public servant, that I find it a very positive place of employment. But that is the major difference.

MS CASTLEY: Does it mean that there is slower decision-making, reduced agility and greater administrative, corporate and HR burdens? Do you have any thoughts on that?

Mr Wright: Certainly, my experience, in terms of corporate areas, is that we tend to be leaner and more efficient than the large commonwealth agencies. I always think that we are a small service who punch above our weight. I certainly do not think that there are additional layers of hierarchy that you would not find in the commonwealth.

MS CASTLEY: The commonwealth Public Service Commission published a review of its hierarchy in 2022, which recommended moving down to eight levels. In the review's words, it was "driven by an appetite to streamline decision-making, reduce unnecessary clearance layers, push risk down and empower staff across all levels of the workforce". Would you say that this is a benefit we could also realise with reforms to the ACT public service?

Mr Wright: Ms Castley, that is one of the things that we have striven to do with the creation of those new directorates—the Health and Community Services Directorate and the City and Environment Directorate. There are less layers of executives in those spaces, and a greater span of control. I think that the MoG taskforce report goes in quite a similar direction in achieving that outcome.

Ms Stephen-Smith: The relatively recent review of the commonwealth public service also found that it is quite a risk-averse environment. Certainly, the ACTPS taskforce identified this as a challenge for the ACT public service—that it is quite risk averse, with multiple layers of approvals for things. Part of the reason for that is people being very concerned about Auditor-General's reporting, Integrity Commission et cetera, and wanting to make sure that they have crossed every "t" and dotted every "i".

Certainly, coming back to the procurement space that we discussed earlier, this is something that we are talking about. How do we get the balance right to ensure that people appropriately document things, and how do we manage risk—going to Ms Carrick's ongoing questioning—so that we have the appropriate risk appetite?

One of the challenges for public servants is that, if you adopt an appropriate risk framework, that means you do accept some risk of failure. The challenge for both ministers and public servants is that, as soon as anything fails in the public service, that becomes the subject of criticism from the opposition and a big story; there are Auditor-General's reports et cetera.

If we are going to have a conversation about accepting more responsibility being pushed down the public service and an appetite for risk, that is a legitimate conversation that we should be having as politicians as well. How do we all support the public service to have an appropriate appetite for risk and ensure that that risk is being managed appropriately? All of us have a role to play in reducing risk aversion of the public service.

MS CASTLEY: You talk about the concern that the Auditor-General might investigate. Is that a real concern and, with the risk aversion that you talked about, are people afraid of that, and things are much slower?

Ms Stephen-Smith: Absolutely. I hear that from public servants on a regular basis. The Auditor-General has a legitimate job of work to do; I am not questioning that at all. It is up to us. It is up to the leadership of the public service, and it is up to ministers to support the public service to understand how risk is appropriately managed and articulated. Again, going back to Ms Carrick's earlier point, it is about how you articulate your risk management so that you can demonstrate that you are appropriately assessing and mitigating risk, and you can also articulate where you have made an appropriate risk judgement, in the actions that you are taking, that can then be part of a conversation with the Auditor-General. Certainly, from my perspective, there are regular conversations about ensuring that every "t" is crossed and every "i" is dotted because they know that someone will be watching.

MS CASTLEY: When you see reports like that of the Integrity Commissioner into corrupt conduct, as we saw today, do you think that is creating a culture of risk aversion?

Ms Stephen-Smith: No. The Auditor-General and the Integrity Commission have very important roles to play. There is a vast difference between corrupt conduct, which the Integrity Commission has clearly found, and appropriate management of risk, which is not total risk aversion. Those are two completely different things.

MS CASTLEY: The New South Wales and Victorian public service are 10 times larger than ours, and they have 10 levels rather than 13. Have you sought advice or had discussions with your interstate colleagues on how that works and whether it would be beneficial to adopt different structures to empower our public servants to improve the effectiveness of our service?

Mr Wright: Ms Castley, we are always looking for ways to be innovative. The bargaining round that we have just commenced, as of yesterday—the notice of employee representational rights went out—will provide another opportunity for us to work with union representatives and employee reps in regard to continuing to have an enterprise agreement which enables an innovative and effective public service. That will provide opportunities to have those discussions.

MS CASTLEY: Thank you.

Mr Wright: Ms Castley, just following on, the exact reference for the non-disclosure agreement stuff is section 153, paragraph (2), which is for former public servants.

MS CASTLEY: Thank you.

THE CHAIR: In the commonwealth, certainly, a number of agencies moved down the broadbanding path in relation to classifications. A lot of the findings, when they went back and looked at that, showed that there was increased capacity for flexibility and staff progression, as well as staff movements, which helps that responsiveness of the public service. Have you looked at broadbanding options or reduced complexity of that hierarchy?

Ms Stephen-Smith: Unions have proposed a number of broadbanding options through

a series of enterprise agreement negotiations. I think Mr Wright mentioned earlier that mobility is something that we are looking at. It is not so much about the levels; actually, in the ACT public service, there are very clear position descriptions associated with positions that make it hard for someone who has been found suitable for this position at SOGC to move smoothly to that position at SOGC that has a different position description. Those are the kinds of issues that we are really focused on at the moment in terms of mobility. There is a lot that we can do to improve mobility and flexibility across the ACT public service that does not relate to the classification levels.

THE CHAIR: You are not looking at any broadbanding options at the moment?

Ms Stephen-Smith: We are not looking at anything broader within the ACTPS levels, the senior officer levels, at the moment. There have been some specific requests that have been put to us by unions within stream agreements, the health professionals agreement being one of those.

Mr Wright: One of the things that is dramatically different in working in the ACTPS is that we have so many specialists and frontline workers.

THE CHAIR: Yes, we were discussing this earlier.

Mr Wright: Yes, which makes it a very different industrial environment. One of the things that we are hoping to be able to do in the mobility space is that there are the opportunities already there. Part of it is about educating our middle manager and SES cohort in particular around how we can more effectively move staff to the priorities of the government of the day. That is one of the things that we will be working with our union colleagues on promoting.

Ms Stephen-Smith: This relates to Ms Castley's question about flexibility and risk aversion. When people are in doubt, they will undertake an entire process for an expression of interest or a recruitment, when in fact the capacity to move people flexibly exists. People are worried about using it because they are concerned that they will not have done all the right things, so they do the most, rather than doing what is actually perfectly legal, possible and has no integrity issues associated with it whatsoever. Part of the education of the public service is to understand what is possible and what is okay.

MS CARRICK: I want to clarify something. You deliver payroll, personnel and recruitment services. Is that what is called shared services?

Ms Stephen-Smith: Yes, shared services.

MS CARRICK: When we were doing the Digital Canberra stuff, I noticed that it talked about delivering payroll capability and HR management. Is that upgrading or enhancing the payroll, personnel and recruitment services that you guys do—the shared services?

Ms Stephen-Smith: Yes. Digital Canberra is the project delivery lead, but the owner—

Mr Wright: Yes, we are. IRWS is the business owner in relation to the payroll capability and human resource management program, which has a number of different facets to it. It is about modernising and improving that payroll capability within the

ACT public service. It builds on previous investments. A major element to it is around updating the version of Frontier, which is the HRIMS that we use, which will enhance our payroll capability and modernise it.

Part of that PCHRM program is about moving off Kronos to an updated version of that, which is UKG Pro, and improving our time and attendance systems more broadly. That should result in significant efficiencies through moving away from paper-based time and attendance forms to digital ones. It should enhance both the accuracy and the efficiency of our payroll capability.

MS CARRICK: Is that building on the model that was delivered in the previous attempt at the HR system, the \$78 million one that delivered one module and was stopped?

Ms Stephen-Smith: Yes, that is right. This is the outcome of the review of that project, the reconsideration and redevelopment of that project to deliver those outcomes. The learning management system module has gone live. That is used right across; certainly, Canberra Health Services have used it for really massive learning, including the implementation of the digital health record.

The review of that outcome concluded that, as Mr Wright said, the Frontier products, CHRIS21 and HR21, that we currently use, were going to be the best solution for the ACT—to move to the modern versions of those. One of the challenges we have, in terms of things like time and attendance, is that different directorates are using both different products and different iterations of those products. Stage 1 of time and attendance has been moving those who are currently on Kronos to UKG Pro, which is the next stage of the same product.

The next stage of the time and attendance project is to test the market for what will be the best whole-of-government time and attendance solution, and try to get one solution as far as possible across government. Again, that is about moving from paper based to digital, as well as delivering whole-of-government efficiencies by having single systems that need to be maintained rather than multiple directorates maintaining multiple systems of multiple iterations.

MS CARRICK: Is this a business-as-usual expense or would this be an enhancement that would be capitalised?

Mr Wright: This is a project, yes.

Ms Stephen-Smith: Yes, we talked about that in Digital Canberra; that is specifically identified in the budget as a capital project.

MS CARRICK: It will all be done within the next 12 months?

Ms Stephen-Smith: I think the completion date for the project that Mr Rooney or Ms Konti identified was the end of June 2027.

Mr Wright: There are a number of tranches within the project, the first of which is looking for the update to the Frontier system and the movement from Kronos through

to UKG Project. The second tranche of that project is about the time and attendance systems.

MS CARRICK: The estimates go through to June 2027, two years from now.

Ms Stephen-Smith: Yes. I am pretty sure that is what Ms Konti said as well. The reason that the estimates go through to June 2027 is that that is the projected project closure for this project.

MS CARRICK: Okay; good luck.

Ms Stephen-Smith: Thank you. So far, so good!

MS TOUGH: Enterprise bargaining has officially kicked off this week. How long do you think it will go for? What is the next step?

Ms Stephen-Smith: How long is a piece of string, Ms Tough? We are still bargaining for one of the agreements—not bargaining, we are in the Fair Work Commission for one of the agreements in the last round. We have said to the unions that we want to undertake a streamlined bargaining process for this round. That includes undertaking parallel bargaining for what is known as the core and the different stream agreements.

Again, going back to the health professionals conversation, there are obviously some specific things relating to the work conditions of health professionals, as there are with nurses and midwives, and as there are with a range of the multiple professions that we have across the ACT. But we have a core, and what has happened previously is that the core agreement negotiations have been done first and have been settled, and the streams have all done their thing. We are trying to do as much as we can in parallel, to speed up the process.

We are also trying to work as quickly as we can to ensure that we get our log of claims out to unions as quickly as possible, and we are encouraging them to get their logs of claims to us as quickly as possible, so that we can start working through those. One of the other things that delayed the previous agreements was both sides putting new things on the table quite late in the process.

To answer your question much more succinctly, our aim is to get as much done as we can by the conclusion of the current agreements in March 2026, noting that there is still one more pay rise to come through in December.

THE CHAIR: Thank you. Consultation with my colleagues has indicated that I should accept that it is Friday night and that, apparently, the function of Friday nights is not to work late; therefore, we will wrap it up.

MR EMERSON: Mr Cocks, before you close, I want to note that I think we should have a hearing at which the Head of Service can respond to those questions. We have two weeks; I want to put on the record that I think that would be appropriate.

THE CHAIR: Thank you, Mr Emerson. On behalf of the committee, I thank you for your attendance today. If you have taken any questions on notice, please provide your

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answers to the committee secretary within five business days of receiving the uncorrected proof *Hansard*.

On behalf of the committee, I would like to thank our witnesses who have assisted the committee through their experience and knowledge. We also thank broadcasting and Hansard for their support. If a member wishes to ask questions on notice, please upload them to the parliamentary portal as soon as possible, and no later than five business days from today. This meeting is now adjourned.

The committee adjourned at 5.36 pm.