



**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**

TRANSCRIPT OF EVIDENCE

CANBERRA

TUESDAY, 5 AUGUST 2025

**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.

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Amended 20 May 2013

The committee met at 9.00 am

Appearances:

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

Infrastructure Canberra

Geraghty, Ms Gillian, Director-General

Cahif, Mr Ashley, Deputy Director-General

Bell, Ms Hayley, Executive Group Manager, Delivery, Health, Education and Justice

Haraldson, Mr Anthony, Executive Group Manager, Delivery, Transport and Civil

THE CHAIR: Good morning and welcome to the public hearings of the Select Committee on Estimates 2025-2026 for its inquiry into Appropriation Bill 2025-2026 and Appropriation (Office of the Legislative Assembly) Bill 2025-2026. The committee will today hear from Mr Andrew Barr MLA, the Chief Minister; the ACT Long Service Leave Authority; the Suburban Land Agency; the Canberra Institute of Technology; Ms Rachel Stephen-Smith MLA, Minister for the Public Service and Minister for Finance; and the City Renewal Authority.

The committee wishes to acknowledge the traditional custodians of the lands we are meeting on, 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 peoples who may be attending today's event.

Please, note the following housekeeping matters. All mobile phones and laptops are to be switched off or switched to "silent". Witnesses are to speak one at a time and will need to speak directly into the microphone or your computer for Hansard to be able to hear and transcribe them accurately. 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 web-streamed 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 Mr Andrew Barr MLA, the Chief Minister. We also welcome the officials in attendance. We have many witnesses for this session. For the officials when you first speak, please, state your name and the capacity in which you appear. 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, and I will pass my first question down to Ms Castley.

MS CASTLEY: Thank you, Chair. My question is about the Telstra tower development. What are the government's proposed responsibilities in partnership with Telstra?

Mr Barr: Well, they are still a subject of commercial negotiation, but we are largely potentially taking some responsibility for fit-out inside the tower for spaces that either we would utilise, or we would seek to sublet. These are still the subject of commercial negotiations, but the principal responsibility for capital works will sit with Telstra. Our negotiations to date have seen common sense come to the fore in terms of, for example, sharing architects, not having completely different project management approaches, and the like.

But it is Telstra's asset. Our involvement is largely around our local knowledge and our potential to utilise the space from a visitor information perspective, with an expectation that there would be hundreds of thousands of visitors. Visit Canberra has, obviously, their main visitor centre at Regatta Point in partnership with the National Capital Authority, but we do also have visitor presence at Canberra Airport. So, the discussion with Telstra will include, and has included, a discussion around that aspect of visitor information.

Other elements of discussion include new adventure tourism experiences, utilising the tower in a way that it has not been used in the past. There are, obviously, examples of other towers elsewhere in Australia and the world that have adventure experiences and we, through Visit Canberra, are well connected with the operators of those experiences.

MS CASTLEY: Will the government establish a profit-sharing arrangement with Telstra on those things?

Mr Barr: These are the matters that are subject to the commercial negotiation. Profit-sharing is one potential model, yes.

MS CASTLEY: When can we expect the government to reach a final agreement that we will be able to talk about?

Mr Barr: I would hope in this financial year.

MS CASTLEY: Great. And the cost of running and maintaining the site after it is complete: will that be a cost-sharing agreement with the government?

Mr Barr: That again is subject to the commercial discussions but only to the extent that tenants within the facility would normally bear some of the outgoings. But the telecommunications functions all sit with Telstra and, obviously, they charge the various users. So, that side of its operations would continue as it currently stands.

MS CASTLEY: And any risks with regard to cost blowout: they will be managed through—?

Mr Barr: The principal construction works, and activity is being undertaken by Telstra. Any involvement that we will have will be around internal fit-out and potentially matchmaking around the commercial partners within the new facility.

MS CASTLEY: And Telstra manage security at the site currently, and will continue?

Mr Barr: Yes, they do that. We also have some responsibilities around the access road and the car park. There is public land, so that is why this partnership makes sense: there is a bit like co-joined facilities that are privately owned by Telstra and then some that are publicly owned by the Territory government. And, of course, it being a hill, bridge and buffer, the National Capital Authority has some jurisdiction in this regard.

MS CASTLEY: And who initiated the redevelopment discussions? Was it Telstra coming to government or—?

Mr Barr: No. I would say Telstra were an interested party, but we approached them with a view—particularly when they closed the tower during COVID—that it was a great shame that such a significant icon for this city was not publicly accessible. So, I raised it with successive Telstra CEOs and have got them to the point of them making an investment in the tens of millions of dollars in the facility.

MS CASTLEY: So, if this budget provides money for ongoing negotiations, subsequent refurbishment of the tower, as you have discussed: does that funding that we see capture the full development, or is that just for the initial phases?

Mr Barr: No, that is the initial phases. That would then be subject, of course, to the extent of gross floor area that we would seek to occupy. There would then be fit-out costs associated with that.

MS CASTLEY: We do not know what that is?

Mr Barr: That is the commercial negotiation at the moment.

MS CASTLEY: I am catching on fast, Chief Minister. I am. Now, I note that it was significantly vandalised towards the end of April. Who manages that? That is Telstra, as it is theirs?

Mr Barr: Telstra, yes.

MS CASTLEY: Okay. I think that is really all I have got. I appreciate that. Thanks, Chair.

THE CHAIR: Thank you. Mr Rattenbury.

MR RATTENBURY: Thank you. I wanted to ask about the North Canberra hospital development. In particular, at this stage to understand what consultation processes are going to staff to ensure that the design meets the expectations, desires and strategic needs of staff over the coming years.

Mr Barr: Hayley will talk to this.

Ms Bell: My name is Hayley Bell. I am the Executive Group Manager that looks after the health, education and justice portfolio. There will be, in short, hundreds of

consultation sessions with the staff. We have commenced those already. There are a range of different specialties, and we will do detailed user group analysis with those. Everything from the block-and-stack—so, where they should be functionally located within the building—all the way down to power point locations. It is a very collaborative process that we will work through with them.

MR RATTENBURY: Okay. And does that process include nursing groups as a key stakeholder?

Ms Bell: It does, yes.

MR RATTENBURY: Thank you. I wanted to ask about then the money for the detailed design of the hospital. It does appear to have been shifted to 2026-27—on page 20 of Infrastructure Canberra's budget papers. There are a number of sums of money that have been shifted to 2026-27. Can you tell me what that means, and the consequences of that?

Ms Bell: It is really progressing the detailed design. We are doing that this year as well as next year. Some of those sums of money are also for us to progress the decanting. There are a range of clinical services that are in the footprint of where we are likely to build the building. So, we are working through the planning and we will commence construction for moving those services out of the footprint of the new build. So, it is a combination of the design development fees that we will pay to our delivery partner, and also for those decanting costs to commence construction.

MR RATTENBURY: That sounds positive. Why, then, is the money being shifted into the outer years rather than being spent in the years in which it was allocated?

Ms Bell: I do not have the papers right in front of me, but there was definitely money allocated this financial year as well as next financial year. It would be related to the cash flow that we have from our delivery partner, and when they need us to be paying for their progress claims.

Ms Geraghty: Gillian Geraghty, Director-General Infrastructure Canberra. I have read and acknowledge the privilege statement. So, I guess in this last financial year we had appointed our very early contract-for-delivery partner, Multiplex. And in these budgets now, we have managed to lock in our cash flow and our program with them, so it is more reflective of the works that we now have programmed.

MR RATTENBURY: Terrific, thank you. So at this stage that does not reflect any impact on completion date for the project?

Ms Geraghty: No.

MR RATTENBURY: Thank you. And while I have got the floor: on page 140 of the budget outlook there is just under \$2 million for supporting Canberra's community aquatic facilities. Can I get some idea of what that money is intended to be used for? I have been assured in previous sections that this item is allocated against Infrastructure Canberra. So, I am trusting that I am now asking the right people.

Mr Barr: You are wanting a detailed breakdown of the repairs and maintenance allocation of that \$1.995 million?

MR RATTENBURY: I guess I am just interested to understand which facilities it is targeted at. Will it have an impact, for example, on getting Big Splash to open?

Mr Barr: No, so this would be for government-owned facilities, not private ones. It is a capital allocation. No, it is an expense one, sorry—.

MR RATTENBURY: It is expenses, yes. That is why I am uncertain.

Mr Barr: Sorry. No, it would not be Big Splash. It would be the government-owned facilities.

MR RATTENBURY: So, this would be Tuggeranong, Civic, Dickson, Manuka, Stromlo?

Ms Geraghty: Yes.

MR RATTENBURY: Where would we find the detail of where that is being allocated?

Mr Barr: We will take that on notice.

MR RATTENBURY: Yes, terrific. Thank you. Thanks, Chair.

THE CHAIR: Ms Carrick, you had a supplementary?

MS CARRICK: Yes, I did. It was about the North Canberra hospital. I understand that you have closed some car parks around Hennessy House. Is that correct?

Ms Geraghty: We will go and have a look.

MS CARRICK: It is about parking. It is about the late shift. When there are no parks at Hennessy House, the nurses have to park in the CIT car park, and then they are walking through the bush at 11 o'clock at night when the shift finishes. That is not really very appropriate for women's safety.

Ms Geraghty: This may be a question for Canberra Health Services. We have only done some investigative work on the site to start with. We have not commenced any works at this stage. Regarding any car parking that we would impact through construction, we would work very carefully with Canberra Health Services and the staff to make sure that those are adequately communicated, and we would work with them. We are not aware of that exact situation, but happy to come back to you on notice and work with CHS to make sure that we can give you a response.

MS CARRICK: Yes. And ensure that the nurses doing the night shift are not walking through the bush at night.

Mr Barr: That is Canberra Health Services' responsibility. We will raise it with them for you.

MS CARRICK: Okay, thank you.

THE CHAIR: Ms Castley, did you have one?

MS CASTLEY: I was just going to add that I visited a friend last night, and I think there is a shuttle service, but I do not know if it runs—

MS CARRICK: At 11 o'clock at night—

MS CASTLEY: Yes.

THE CHAIR: All right, thank you. I do have a supplementary and I think we can tie it to this line. Mr Rattenbury asked about the aquatic facilities, but we have had a series of responses throughout the hearings from different ministers and different officials where we hit on anything that is vaguely infrastructure and the response has been, “You will have to ask that in the Infrastructure Canberra session”. There seems to be an utter lack of knowledge amongst a lot of these really important policy areas about what is happening in respect to infrastructure. I am wondering if you can just speak to it. Is Infrastructure Canberra effectively completely siloed at this point? Or how is the—

Mr Barr: Yes, so the former property group who had government asset management responsibility is now part of Infrastructure Canberra. This session is about new builds. I think there was a previous session with Infrastructure Canberra around their asset management responsibilities. It is fine to raise it here, but just to give clarity on those.

THE CHAIR: So it is across new builds and the maintenance that we were looking at those responses.

Ms Geraghty: I might add that through two machinery-of-government changes—one in late 2023 and obviously the one this year—we have had accountability change with all property management-related services and the 230 government-owned properties, and all of the infrastructure for tier 1 and tier 2 delivery all coming to Infrastructure Canberra. So that is a difference from Major Projects Canberra and we changed our name late last year as well.

THE CHAIR: So, are you doing any work to ensure that the policy portfolios are staying engaged with infrastructure projects that link back to their policy objectives, and making sure what gets delivered achieves that original objective?

Ms Geraghty: Absolutely. In terms of an infrastructure build? Or do you mean a property—?

Mr Barr: You are talking more about asset management and maintenance here?

THE CHAIR: No, it is equally about new build. Because surely a policy portfolio should have a pretty strong interest in making sure what gets built is what they need.

Mr Barr: Yes. The policy area would be, in effect, the “client” to Infrastructure Canberra for each specific project. That is why, in the end, I am here representing seven

other ministers: because nearly every minister has a project for which Infrastructure Canberra is the centralised delivery agency. But the policy work, the client work, the design, the discussion around meeting community need et cetera, occurs, in effect, as a bilateral between that agency and Infrastructure Canberra.

Ms Geraghty: I might add to that our governance for our infrastructure projects has been now updated to reflect our new accountability. We have established new program boards that ensure that we have the asset holder or the owner represented as part of the governance. And we have really clear accountability to them as well as to the relevant minister for the outcomes of those projects in terms of the specification, time, cost.

THE CHAIR: Okay, and would that go to evaluating to make sure that you have delivered in line with expectations, as well?

Ms Geraghty: Correct.

THE CHAIR: That would be an ongoing conversation with the policy area?

Ms Geraghty: Yes. Part of our governance is that we are ensuring that we are delivering in line with the expectations of the asset holder, being the client—and reporting up to the Chief Minister or our relevant minister for that particular asset.

THE CHAIR: So it would not be unreasonable to expect policy ministers and their officials to be somewhat across the infrastructure projects related to their portfolio?

Ms Geraghty: No. I am accountable for the performance of the infrastructure projects. So, while they are a party and they are part of the governance, I am considered accountable for that rather than them.

THE CHAIR: Yes, but I would assume—perhaps, Chief Minister, you can speak to this. You would expect your ministers to be reasonably across projects. As an example, you would expect your health minister to be reasonably across the infrastructure projects happening in—?

Mr Barr: Yes. I would expect the health minister would be intimately involved in the discussions around the delivery and the progress of the North Canberra hospital—and I know she is. Absolutely. Very much so.

But in relation to asset management of 250 different ACT government properties and questions of lighting or small budget allocations that have been centralised into this area, I would not expect ministers off the top of their head to be able to give intimate detail on every single small project across the entirety of government. But we will take on notice any of that and provide that information as the committee requests.

THE CHAIR: That is fine. That does not sound like an unreasonable way to approach it. Ms Carrick, do you have a supp on this?

MS CARRICK: So, just to be clear: when we are sitting here, should the minister be able to discuss the policy, and discuss matters around big infrastructure projects in their portfolio? Or would they just say, “That is not me”?

Mr Barr: Well, depending on the nature of the question. If it is a whole-of-government question, or for example priority, why one project over another—

MS CARRICK: No, just to be able to discuss their projects.

Mr Barr: Well, the policy intent behind them: yes. The fine detail of where in the procurement phase it might be: that sits with this area.

MS CARRICK: Yes, understood. But they can discuss the policy content around it.

Ms Geraghty: Might I add to that? In previous years, the estimates have been related to portfolio rather than output class. So, Infrastructure Canberra has come to lots of the different estimates to support ministers to be able to answer those questions. These estimates were structured differently around output class. Therefore, we were not to come to the other output classes to suggest on health—because that was going to be about health rather than about infrastructure. So, I guess that is why those questions have been diverted or referred to here.

MS CARRICK: Okay, thank you.

THE CHAIR: Ms Carrick, I think we are up to your substantive.

MS CARRICK: Thank you Chair. My question is about the infrastructure estimates. On page 210 of the budget outlook, you can see at the bottom for the general government sector and for the public trading enterprises that the estimates drop off. So, is there a target expenditure for each year? The construction sector, for example, would be relying on public investment. So, is there a target for each year to keep the construction sector going—in the context of public investment?

Mr Barr: Well, there is not a target to a dollar but there is a range that is guided by a number of factors. They include fiscal capacity, commonwealth co-investment, understood infrastructure need, and then capacity within the sector to deliver. That will vary from year to year and based on infrastructure asset type, in that not everyone in the construction sector can undertake every single project that the ACT government might put forward. So, there is a degree of specialisation within infrastructure delivery as well.

MS CARRICK: So, will you announce more projects over the next couple of years that are potentially filling those gaps?

Mr Barr: Well, there is a central provision held for forward infrastructure within the budget papers.

MS CARRICK: Is that the \$265 million?

Mr Barr: There is a central capital provision of \$1.6 billion over the five-year period. If you look to the middle of that table on page 210, you will see works-in-progress of \$3.2 billion; and central capital provisions of \$1.6 billion; leading to the total of GGS capital works program, including provisions, of \$5.8 billion.

MS CARRICK: Can you just repeat that? Oh, sorry, I see that. But even with the provision—? I am assuming that provision is in the bottom numbers?

Mr Barr: Yes, it is.

MS CARRICK: So, it still drops off, even with the provision?

Mr Barr: Well, when you look at the total GGS and PT infrastructure program forecast, yes, it does tail down across the totality of the ACT public sector. There are a number of very large one-off projects that are in the first three years that come to conclusion, and there should not be an expectation that those very large projects will have new ones added in that forward year. That is a decision that would be taken in several budgets' time based upon a range of conditions that may be prevalent at that time, including, for example, the cost of borrowing, the level of commonwealth co-contribution towards a particular project, asset sales and assessed need in a particular asset class.

MS CARRICK: So we will not see construction money for the aquatic centre or the convention centre or the completion of the Lyric Theatre until after these estimates—until 2030-31?

Mr Barr: No. There is central capital provision, and provision has been made in that central provision for the Lyric Theatre and aquatic centre, and provision has been made to match the commonwealth's contribution in relation to the convention facility. It is highly likely that we will procure that as a public-private partnership, not through design and construct. That final decision has not been made, as we discussed last week when we had this question. I would not expect construction of a new convention centre to commence in the five-year period. Maybe in 2029-30.

MS CARRICK: What about light rail stage 2B? Is that in there? Is there any commencement before 2029-30?

Mr Barr: I do not believe that is part of the schedule for that project.

MS CARRICK: Are you able to provide a breakdown of the central capital provision to the committee?

Mr Barr: It is obviously commercial in confidence. A number of projects are currently in procurement. I cannot give a dollar figure, but we certainly can give an indication of some of the projects contained within that provision. I do not want to precondition the market, for obvious reasons—that this is what we are prepared to pay for certain projects.

MS CARRICK: Fair enough.

MR RATTENBURY: Are you prepared to provide a list of all the projects or some of the projects?

Mr Barr: There are some of the big ones. You could pretty easily deduce from that.

Let me take that on notice and I will provide the information that I can. Obviously, in due course, once projects are procured, the drawdown from that central provision will be clear and will be in the budget papers.

MR RATTENBURY: Of course.

MS CARRICK: I am also interested in the outyears—what is in those provisions for health assets and education assets.

Mr Barr: In that instance, I would draw your attention to the Asset Renewal Program, which is a \$630 million provision. That sits a little bit further up in that same table. There are allocations to Education, the City and Environment Directorate, Canberra Health Services, and others, contained within that. They would tend to be smaller projects. Those projects are determined annually and are published in the budget papers. That provides for local industry, particularly smaller construction partners, a steady flow of smaller capital works projects that are, frankly, more absorbable by the local market.

MS CARRICK: What about the new capital works at the top? There is no money for early planning or design.

Mr Barr: There is. There is over—

MS CARRICK: It drops off. Presumably, there will be some commitments to planning money and design to get your construction projects going.

Mr Barr: Indeed, in future budgets. Yes. We already have more infrastructure to deliver than the budget has capacity, so we will not commence early planning and design work on projects we cannot possibly fund in five or more years. We have to manage that pipeline, but in future budgets there will be further allocations to early planning and design for projects that would commence in the 2030s.

MS CARRICK: Can the construction industry expect a steady flow of work from the ACT government to the tune of \$1.4 billion or so a year or is it very—

Mr Barr: That would be at the upper end of what I would expect. The consistent capacity to deliver has been in the order of \$800 million. When we go above that, that is normally because we have either one or more very large projects in the infrastructure pipeline that tend to be delivered by tier 1 contractors, who are generally national companies with specialisation and capability in delivering those larger projects.

MS CARRICK: When you make commitments to the outyears, as the commitments roll by, how will they be funded?

Mr Barr: As I answered last week, through a combination of the territory budget, commonwealth co-contribution, asset sales and finance, either through ACT government bonds or public-private partnerships.

MS CARRICK: Do you have a list of assets that are on your books for sale—ones that are of significant value that will—

Mr Barr: Yes. I would refer you to the five-year land release program. That would be the biggest asset sale.

MS CARRICK: The finance bonds and the PPPs are basically debt. So land release and debt will be funding things?

Mr Barr: And commonwealth co-contribution and our own-source revenues.

MS CARRICK: Have you forecast the impact on the interest payments from additional commitments?

Mr Barr: That is in the budget papers—yes. That assumes a prevailing interest rate. Should there be further interest rate cuts, which are anticipated through the rest of this year, the cost of borrowing should fall somewhat.

MS CARRICK: But the additional commitments and the borrowings from the additional commitments are not in the interest payments.

Mr Barr: All the provisions are. Everything that is there—the total GGS Capital Works Program, including the central provisions—is part of the forward estimates.

MS CARRICK: I am asking about the additional commitments that you said you would make over the next couple of years.

Mr Barr: Anything beyond what is currently in the provisions would hit the bottom line.

MS CARRICK: And will impact on interest payments?

Mr Barr: Yes—

MS CARRICK: Thank you.

Mr Barr: depending, of course, on what the prevailing interest rate is.

MS CARRICK: If you increase your borrowings, you are going to pay—

Mr Barr: If the interest rate is lower and you are refinancing, for example, at a lower interest rate, your total interest payments can fall. Obviously, that is a factor of how much extra you are borrowing versus how much you might be refinancing.

MS CARRICK: Similarly, if you refinance and interest rates go up, you are paying more.

Mr Barr: That is true—yes.

MS CARRICK: Thank you.

MS TOUGH: I want to talk about the new theatre. As a lover of musical theatre and

someone who has spent many an hour up and down the Hume, I want to know how work is progressing on it. And why do we need a new theatre?

Ms Geraghty: Thank you for the question. The new lyric theatre will be a 2,000-seat theatre—we benchmarked two similar facilities in Sydney—that attracts a different market to what the Canberra Theatre currently can. In terms of progress, we have just undertaken site investigations to understand the ground conditions and the risks we are looking at at that site. We have appointed an early contractor, Multiplex, and are working with them through a design process. We are looking forward to working very closely with the National Capital Authority over the coming weeks on a refined design, and we are looking at starting early works later in the year.

MS TOUGH: Wonderful. How do bathrooms feature in the design progress? Often more women go to the theatre than men, but bathrooms take up the same amount of space, so women end up spending a long time in queues.

Ms Geraghty: That is a great question. It is a very big part of our focus. One of the key themes of the Canberra Theatre redevelopment project is diversity and inclusivity. We are not only thinking about males and females but also having an inclusive and welcoming environment for people who identify in lots of different ways. The number of bathrooms is guided by the national code, but we have already looked at having a high proportion of female bathrooms. It is part of the total package. We are not just looking at that particular area.

MS TOUGH: Thank you. You said that, over the next couple of weeks, you are working—

Ms Geraghty: Yes. The next couple of weeks are very critical in terms of the design. The National Capital Authority is our approval agency. We are looking forward to getting some results back from the site investigations to understand that a bit more and then will take it forward for government consideration later in the year.

MS TOUGH: Wonderful. Thank you.

MS CLAY: In the early community consultations, Canberrans expressed a really strong desire for the design to celebrate and acknowledge First Nations connection to country. Can you tell me what engagement has been taken with First Nations people on the design of the new Canberra Theatre and the surrounding precinct?

Ms Geraghty: I will start and then my colleague might add a bit more. We have very strong and ongoing consultation with First Nations people. Yerrabingin, a consultant, is working with us as part of the design team for the theatre project and recently conducted a session, similar to what we have done for CIT Woden. They are very interested in how we engage with country and connect with country through the building. That is something that is playing out and, as the designs are further revealed later in the year, we will be talking about that a bit more.

MS CLAY: That is probably enough on that. When will people be able to see the outcome of that later in the year?

Ms Geraghty: We are meeting with the National Capital Authority next week and then hope to have some designs out for public consultation following that. I do not have an exact date.

MS CLAY: Great. What other local architectural input has been provided for the project?

Ms Geraghty: We had one design team until we appointed the early contractor involvement. Multiplex brought on a different team, and that has been led by Cox as the principal architect. They have Sydney and Canberra practices, and both are working on the project. Architectus, the previous design team, are now our peer consultant. We also have a series of other consultants, including local construction engineers, TTW, and others. I would be happy to provide you with a full list of the consultants.

MS CLAY: Thank you.

MS CARRICK: I want to mention CIT in Woden. How is West Plaza designed for markets and events? We cannot find the power. There is some in the seats, but there are no power bollards for events.

Ms Bell: I think I would have to take that one on notice. Apologies, Gillian. There is significant power running through to run the lighting in the—

MS CARRICK: There is through the boulevard, but that is a big, dark and cold wind tunnel. The West Plaza has sun. It is a bigger area where we could have events, but I cannot find power, outside of some in the seats.

Ms Geraghty: I am happy to take the question on notice and come back to you.

MS CARRICK: Thank you. And where we would have markets there. The markets and the power—how is it designed for us to—

Mr Barr: We will take it on notice.

MS CARRICK: What is the difference between the new theatre and the convention centre, as far as having large performances is concerned?

Mr Barr: The lyric theatre is purpose-built for performing arts and has 2,000-seat capacity. The proposed entertainment centre, as part of the Canberra convention and entertainment centre, would be a 7,500 to 8,000 seat venue, with a lean more towards live music.

MS CARRICK: How do you determine needs across the community for arts and cultural facilities, given that there are a lot in the Inner North and there are none in Woden, Weston Creek or Molonglo?

Mr Barr: You are talking about community facilities?

MS CARRICK: Yes.

Mr Barr: That is obviously a different conversation to the city's major event—

MS CARRICK: Who is responsible for the policy? It is in the economic development portfolio.

Mr Barr: Minister Pettersson, as the minister for the arts, would be responsible. I think you have a hearing with him tomorrow.

MS CARRICK: Thank you.

THE CHAIR: I will go back to the CIT question very quickly. I understand a large rock was chosen by an Indigenous person and it sits just outside the CIT building. I understand it was part of that project. I am interested in what the process was to acquire that and the cost associated with it.

Ms Bell: I will also have to take that question on notice. I do not have the detailed costing around the acquisition of that piece of artwork. There was a similar consultation process.

THE CHAIR: It is an artwork.

Ms Geraghty: It was delivered as part of Lend Lease's main works. Lend Lease was our delivery partner for the project.

MS CASTLEY: Their lump sum price.

Ms Geraghty: Their lump sum price. We would have to take the question on notice, to isolate that piece. We have a separate piece of work being undertaken at the moment about dedicated art pieces for CIT Woden and CIT Yurauna. We are engaging with Aboriginal and Torres Strait Islander artists to provide pieces, similar to what we did for the Canberra Hospital expansion. That process has been ongoing and we look forward to finalising that in the coming months.

THE CHAIR: Thank you.

MS CASTLEY: Chief Minister, I would like to talk about business cases. You have raised concerns about releasing business cases, citing the potential for the territory's negotiating position to be undermined. There is a range of examples from other Australian governments regarding mandating the release of business cases, including Brisbane in Queensland: Building Queensland for cases valued at \$100 million or more, and Infrastructure Australia for cases valued at \$250 million or more. How are these governments, and not the territory, able to manage the commercial risks?

Mr Barr: Infrastructure Australia is generally not procuring projects. They are just providing advice to the commonwealth in relation to the commonwealth co-contribution towards projects that have been procured by different levels of government. I am not familiar with that—are you referring to Brisbane City Council?

MS CASTLEY: It is Building Queensland.

Mr Barr: I am not sure of their particular policy and what the implications are for pricing, but, to me, common sense says, “Don’t tell the market, before you have even engaged with them, exactly the price and the provision that you have made.” Clearly, projects will have a ballpark range and you are not going to go massively over or under that in any procurement, but you do want some competitive tension in the process. Hypothetically speaking, if the budget for the project is \$100 million, you will watch every tender come in at around that price. In the procurement phase, we need to be able to approach the market without revealing all of our hand. Once a proposal in a procurement has been concluded, it is published on the Contracts Register.

MS CASTLEY: Is there a reason the government could not publish a summary of major project business cases following cabinet approval, including the total project’s benefit-cost ratio and the delivery timeframe?

Mr Barr: We have done that for some projects.

MS CASTLEY: Could we do it for all?

Mr Barr: It would be very time-consuming and would require potentially considerable resources if it were for all projects, because that would be literally thousands, so—

MS CARRICK: Over a threshold.

Mr Barr: Then we would have an argument as to what that threshold would be. I do not have in-principle objection to post-delivery reporting at a reasonable level. The question is: with our limited resources, do we want to tie up the time of a very small team in doing a whole bunch of reporting?

MS CASTLEY: Given the state of the budget and Canberra’s interest—

Mr Barr: For what particular benefit? That is the—

MS CASTLEY: in understanding how the government is spending Canberrans’ money, I think it is—

Mr Barr: Sure. An appropriate threshold would be set, and the question would ultimately be: to what end? What benefits are we, as parliamentarians or otherwise—and Ms Carrick has indicated transparency, and that is—

MS CASTLEY: Trust with your community.

Mr Barr: Sure, and that is certainly a legitimate argument. But, equally, you can see these processes ending up in administration for the sake of it and no particular benefit—just an increased cost for everything, which means less can be delivered with those limited resources. A balance would need to be struck, obviously.

MS CASTLEY: But you would have the total project cost. You would have done a cost-benefit analysis and a ratio and a timeframe. That would all be within the project’s remit.

Mr Barr: For certain projects—yes.

MS CASTLEY: Is it appropriate for a business case to exclude a major cost that is directly associated with the project?

Mr Barr: It would depend. You would then have to have an argument—

MS CASTLEY: I will give you an example. The raising of London Circuit was not included in any of the light rail business cases that we got.

Mr Barr: It is a standalone project. It certainly enables and assists light rail, but it stands alone because of both the land release and the pedestrian connectivity that it provides.

MS CASTLEY: Will the government realise any material benefits from raising London Circuit?

Mr Barr: Yes. We have already sold one block of land and there is another one coming, and then there is clearly improved connectivity for the southern part of the city.

MS CASTLEY: That did not have any part in the business case, or you just felt no need to include that in the costs with regard to light rail?

Mr Barr: It is not a light-rail-specific project. It supports light rail, but it would go ahead anyway on the basis of the outcomes that it delivers for the southern part of the city, and those are two very significant land releases, one of which has already occurred, generating both a lump sum and ongoing revenue in the tens of millions of dollars every year for the rest of time.

MS CASTLEY: What is the government's—

Ms Geraghty: There was a separate business case done for raising London Circuit. It was a separate investment.

MS CASTLEY: Do we know what the government's most recent cost estimate of raising London Circuit is?

Ms Geraghty: The current cost is on the Contracts Register for Abergeldie contractors, and we are currently working within that.

MS CASTLEY: We do not know.

Ms Geraghty: I will take that on notice and will give you a more detailed answer, if you like.

MS CASTLEY: Thank you. Yes. And what is the government's most recent estimate of the benefit of raising London Circuit? You alluded to it. Do we have that detail?

Mr Barr: We can provide information on the land sale.

MS CASTLEY: Thank you.

Mr Barr: The improved pedestrian connectivity and the improved transport connectivity associated with the project is there for all to see. It brings the city one step closer to the lake, which has been a policy objective for more than a decade.

MS CASTLEY: We are keen to see it. In 2021, the Auditor-General criticised the government's reliance on wider economic benefits in the light rail stage 2A business case. Does the government still use WEBs in business cases?

Mr Barr: Yes.

Mr Cahif: Yes. I have read and acknowledge the privilege statement. It is common practice in business cases to report both inclusive and exclusive of wider economic benefits, and that has been the practice of Infrastructure Canberra business cases so far.

MS CASTLEY: Do other jurisdictions use WEBs as heavily as we do?

Mr Cahif: It is common practice for most jurisdictions that I am aware of, both inclusive and exclusive of WEBs.

MS CASTLEY: What steps has the government taken following the Auditor-General's report to reform the use? He was quite critical.

Mr Cahif: At the moment, Infrastructure Canberra uses commercial advisors who are well-practiced in the delivery of infrastructure projects and the preparation of business cases. It reflects Australian infrastructure practice to include both, and we will continue to use what is common practice.

MS CASTLEY: So there are no changes following the A-Gs—

Mr Barr: We have responded to the Auditor-General's report, so I would refer you to that.

MS CASTLEY: Thanks. How does the government avoid the problem of double-counting with WEBs, such as travel time savings being part of the core benefit and then also claiming productivity or agglomeration benefits as wider benefits?

Mr Barr: I am not sure that I would accept that is double-counting.

Ms Geraghty: No.

MS CASTLEY: How important is it for the benefit-cost ratio to exceed 1 for major project business cases?

Mr Barr: Not important at all.

MS CASTLEY: Not important at all?

Mr Barr: No. It is a factor, but, if you made every decision on infrastructure on that

basis, as I think we have discussed previously, not many projects would proceed. Elements of decision-making go beyond just BCRs.

MS CASTLEY: The government obviously does not prioritise projects where the BCR is larger than other investment options. That is just not a thing. You do not—

Mr Barr: You cannot; otherwise whole areas of service provision would never receive public funding. You would never fund a hospital or a school, most likely, because they do not generate any revenue; they cost you more.

MS CASTLEY: How frequently does the government support projects where BCR is less than 1?

Mr Barr: Most projects would have that outcome.

MS CASTLEY: Can we get a list of the tier 1 and tier 2 projects and their rating?

Mr Barr: Not every project would have a rating to that level of detail. It would not be required. Projects that have that information are published. We really need to move the infrastructure debate beyond BCRs, because that is not the sole basis of decision-making. There would be no co-investment—

MS CASTLEY: Do the tier 1 and tier 2s have BCRs?

Mr Barr: Tier 1s will.

Ms Geraghty: Generally; yes.

MS CASTLEY: Can we get a list of those?

Ms Geraghty: Unless they are under procurement, in which case we are cautious about releasing them. Otherwise—

Mr Barr: We will provide what we can.

MS CASTLEY: Under the capital framework, are tier 2 projects required to get a BCR?

Ms Geraghty: It is not required, but we generally do.

MS CASTLEY: You do?

Ms Geraghty: Yes.

Mr Barr: For the purpose of the record, we will take on notice what we can provide.

MS CASTLEY: Great. Thank you.

THE CHAIR: Going back to the question of double-counting and in particular the separation between raising London Circuit and the light rail project itself, you pointed to raising London Circuit as opening particular properties for sale. Was there any

overlap between the two business cases in terms of land sales or land values that apply in that joint corridor?

Mr Cahif: This was considered. Both business cases were considered by government contemporaneously, and there were very careful deliberations to ensure that any benefits that were counted in one business case were not counted in the other.

THE CHAIR: The land sales that the Chief Minister referred to do not factor into the light rail business case?

Mr Cahif: I would need to double-check as to which business case they appeared in, but they would have appeared in one and not the other.

THE CHAIR: Perhaps you could provide advice on notice as to which one they appear in. That would be useful.

Ms Geraghty: We will confirm. Yes.

MS CARRICK: I note that, with the BCR, you have transport benefits, land use benefits and WEBs, where you might put agglomeration benefits and what have you. In stage 1, the transport benefits were 0.49. The total was 1.2 with land use and WEBs. My experience in working in infrastructure is that, while a business case might set out those three types of benefits, the transport benefit for a transport project is what is publicly stated. In this case, the transport benefit was not really made; it was always the whole thing—the 1.2. I just make that point. If we are moving beyond BCRs, we need to look at public transport. That is fundamentally why we are putting in these projects. Regarding stage 2B, what work have you done to survey the people of Tuggeranong, Molonglo and Weston Creek to ensure that you will get mode shift onto public transport once the new network goes in?

Mr Barr: Certainly that is work that the transport area of government has undertaken and the planning area have also looked at that, plus obviously where future population growth would be catered for in the territory. Some of that obviously goes to address either population decline or stagnation in some parts of Canberra. As a catalyst for new development and population increase, transport projects, I think, have proven to be very successful. Ultimately, we have had four elections now on this matter.

MS CARRICK: No; I was just asking about what work you have done to survey the people about what their needs are for public transport. I understand that from Molonglo and Weston Creek—and Minister Steel said from Tuggeranong—the buses will still run through. But the whole thing is about increasing levels of congestion as the population grows to 750,000 by 2060. Without a dedicated bus lane, they will be stuck in traffic. Is that good public transport?

Mr Barr: That is not a question; that is a statement.

MS CARRICK: Is that good public transport to be stuck in congested traffic?

Mr Barr: That is why you would have a dedicated new and extended form of public transport that does not leave you stuck in traffic.

MS CARRICK: How do you know they will catch it if we do not know what the travel times are and how they will access it? We do not know how many changes—

Mr Barr: Well, we certainly—

MS CARRICK: When will you tell us how many changes, what the services are and what the travel times will be?

Mr Barr: As we progress through the detailed design and procurement of the project, those sorts of questions are answered. But these exact doomsday scenario questions were put in ahead of—

MS CARRICK: No—it is not doomsday; it is information. It is just being informed about the services and the travel times that we will get from a big investment.

Mr Barr: These exact scare campaigns were run ahead of stage—

MS CARRICK: It is not a scare campaign.

THE CHAIR: Mr Barr, I think what Ms Carrick—and please forgive me if I am off track, Ms Carrick—is trying to find out is what the timeline is in terms of actual dates. I would be happy with a specific of where along the process we will find out that information.

Mr Barr: All of these issues are, of course, addressed and resolved prior to the procurement of the project. There is still a process that needs to conclude, including the engagement with the National Capital Authority and the commonwealth parliament, before those questions can be finally answered. But, ahead of procurement, they will be.

The point I was making is that these exact questions were asked and posed as a reason not to proceed with stage 1 of the project. I was there. I remember it all. I am watching a poor sequel, really, of a movie that we have already seen. But, nevertheless, Ms Geraghty can provide some further—

MS CARRICK: I think it is perfectly legitimate to ask for travel times.

Mr Barr: Of course it is, and I have answered the question: that we will provide that information once we have that final certainty. There is still a process to run through. Ms Geraghty will indeed endeavour to answer the questions that you have put.

Ms Geraghty: Currently, with stage 2B, the draft environmental impact statement is out for consultation. That is an ongoing process which talks about the design and talks about environmental factors. It is really the initial process of the planning. Once we have that finalised and we submit that as a final version next year and receive an approval for that, we will then be able to progress a business case. Part of the business case process will be looking at how it will be used, what will be the travel benefits, what will be the mode shifts and what will be the patronage. All those sorts of things will be considered as part of that, similar to what was done under stage 1. So we are

just not there yet in terms of the planning.

MS CARRICK: But you must be considering the people of Molonglo and Weston Creek. How will Weston Creek—what is their service? Are they on the bus or are they on light rail? Surely we know this.

Ms Geraghty: I think that is probably a question for Transport Canberra rather than us. We were working very closely with them during the business case process. They are responsible for transport planning. We will be working on the infrastructure to support their planning.

MS CARRICK: So, interestingly, we have no idea what the service for people from Weston Creek or Molonglo will be at this stage even though we have committed to this big investment.

Ms Geraghty: I am happy to take this question on notice and refer to the—

Mr Barr: Clearly, light rail stage 2B is not going to Weston Creek or—

MS CARRICK: No, but this is their corridor. You must appreciate that people from Weston Creek get to the city down this corridor. The whole of the south uses this corridor.

Mr Barr: Amongst other corridors.

MR RATTENBURY: They have the parkway and Monaro Highway as well.

Mr Barr: Yes, there are other transport corridors.

MS CARRICK: There is no dedicated bus lane for public transport. So you are expecting them to be stuck in traffic as the congestion grows if they use the parkway or the Monaro Highway. There is no reliability using those corridors. So you are giving them second-rate public transport.

Mr Barr: I do not accept that characterisation, but—

THE CHAIR: We might draw a line under the conversation at this point, just because there are a few others. Chief Minister, I will make the point that there is some frustration because we tried to have a conversation with Transport Canberra around some of these issues as well.

MR EMERSON: Mr Barr, you mentioned connecting the city to the lake. I understand this might be in a different area, but there is \$2½ million of federal funding for improving Parks Way between the Glenloch Interchange and Kings Avenue—excuse me; did I say \$2½ million?—matched with \$2½ million of ACT government funding. I know the vision of the plan was to lower Parkes Way, fill out the whole area and really connect the city to the lake. Why isn't that funding being used to deliver that vision?

Mr Barr: The investigative work on that indicated that it was so expensive as to not be justifiable. If you want an example—and there are a few—where an idea is explored

and then it is just not feasible for the amount of money that would be required, that is one such example. More cost-effective methods of bridging Parkes Way, not the totality of it, but connection points, into the Acton waterfront and Commonwealth Park are now the priority projects.

The NCA have put out their master plan for Commonwealth Park. That includes a much wider connection into Commonwealth Park, replacing that fairly narrow cycle and footbridge that is on the eastern side of Commonwealth Avenue, and then there is an equivalent bridge that connects the new Acton precinct at the moment, but they . are just too narrow. The Acton waterfront project includes a road connection over Parkes Way and a much wider separated pedestrian cycle connection. But it is not effectively putting a deck of 1½ kilometres over the top, as that was prohibitively expensive.

MR EMERSON: I was looking at one of those studies, and the study I read said that selling less than 50 per cent of the developer land unlocked by tunnelling Parkes Way would create enough revenue to fund the entire project.

Mr Barr: I think there were some quite heroic assumptions there and presumed height limit removals and the like. It was examined and it was not pursued for the reason that there was not capacity to do it and that the return was not there.

MR EMERSON: Okay. Would it be possible to provide on notice a list of and costings for the investigative work, the design work and all that sort of thing that happens?

Mr Barr: I think that has already been done in the previous parliament, but we will go and have a look at the record and see. This is going back 10 years now.

MR EMERSON: Yes; maybe a bit more—2013 kind of thing.

Mr Barr: I am fairly certain from my long and storied memory of this place that these questions have been asked and answered multiple times, but we will go and check that.

MR EMERSON: Forgive me for being new. Finally, on that \$2.5 million, you have just described that is what that funding is for—\$5 million in total. Or is that—

Mr Barr: Our work in relation to the Acton waterfront is separate. This would relate to the commonwealth's ownership of the road, which would be between the bridges that are the National Triangle.

MR EMERSON: So is that for bridge stuff that you are talking about—that is what that funding is for?

Mr Barr: Certainly on the eastern side, that is the connection to Commonwealth Park, I would refer you to the NCA's Commonwealth Park Master Plan. That is the work the commonwealth are undertaking there.

MR EMERSON: Thank you.

MR BRADDOCK: Just going back to the methodology used to calculate the benefits and the costs and business cases, does that capture all the benefits and costs to both the

Canberra community and the ACT government, or are there benefits and costs out there that are not incorporated into that methodology?

Mr Barr: It could be a “how long is a piece of string” here, but—

Mr Cahif: I think it is fair to say that there are limitations to BCR methodology and not all benefits and not all costs, whether they are quantifiable in an economic perspective—things that are not able to be quantified in that respect—will not be included.

Mr Barr: And, obviously, BCRs are very heavily driven by what assumption there is on the discount rate for projects. There is a lively debate in the Australian infrastructure community about, for example, the discount rate applied to transport projects, in particular, being considerably higher than they probably should be. These are debates that stakeholders and boffins and some politicians will undoubtedly have. But, in the end, if you seek to base your entire infrastructure decision-making process on BCRs, you will not get a particularly diverse infrastructure portfolio or, indeed, meet community need.

MR BRADDOCK: I was part of a committee that recommended last term to change the discount rate utilised for these sorts of infrastructure projects.

Mr Barr: Indeed, yes.

MR BRADDOCK: Is there any view from the ACT government as to the appropriate discount rate to be applied?

Mr Barr: There is a national standard, and I think change, in the context of the Australian infrastructure market, is best that it is a national one. But I tend to agree with the view that the discount rate is set too high for infrastructure projects. So I am sympathetic to that view.

MR BRADDOCK: So, to reframe that, you understand that the discount rate at seven per cent at of the moment tends to undercount the future benefits that come from long-term infrastructure projects?

Mr Barr: That is correct, yes.

MR BRADDOCK: Thank you.

THE CHAIR: Chief Minister, after following all of this conversation, can you point to any single government that does not use cost-benefit analysis as the standard methodology for project appraisal?

Mr Barr: I am not suggesting that they are not used; I am just suggesting that they need not be the entirety of your decision-making process.

THE CHAIR: Okay. My understanding is that they are generally used as the primary methodology.

Mr Barr: I am not certain of that. There have been countless examples. It is hardly the case that the Tasmanian government is proceeding with their stadium on the basis of a good cost-benefit ratio, for example.

THE CHAIR: Okay. But it is pretty universally used, though?

Mr Barr: Yes, but not as the yes or no decision-making point for an infrastructure project. It is an input, one of many, into a decision-making process.

MS CLAY: I have some questions about two of the recycling facilities now with Infrastructure Canberra. On the materials recovery facility, Veolia announced the project was worth more than \$850 million. The ACT government said they are contributing \$258.6 million in fixed payments over 20 years—I think it is a build, own, operate—and I think an additional \$26 million during delivery. Can you tell me what the gap is between those figures?

Ms Geraghty: In terms of monetary difference or how it is being funded?

MS CLAY: It looks like the ACT government is contributing about \$280 million to this facility—and let me know if I have got that correct—and Veolia says the project is worth \$850 million. I am trying to work out if that gap is based purely on what Veolia makes from the product sales or if that is something else.

Mr Haraldson: You are right: \$26 million will be contributed as milestone payments as part of the construction component from the ACT government. I am unaware of Veolia's costings on the \$800-odd million. However, the facility currently processes around 65,000 tonnes of material. The new facility will be sized for 115,000 tonnes. That accounts for future growth in the material that the contractor may pursue within the region. I understand that a large portion of the current revenue is from other regional councils and different sources of recycling material. So the difference potentially is that difference, which is the opposite of what they will make over the term of the contract.

MS CLAY: Can I get a breakdown on any information you can give me about that difference? The Veolia figure has been publicly announced. Are you able to take on notice and then provide me what information you can about that?

Mr Haraldson: We can see what is available and work with ACT NoWaste on the information.

MS CLAY: That would be great. There is a component in there about variable payments based on recycled quantities. Are you able to tell me how that works; what that arrangement is?

Mr Haraldson: We will have to take that one on notice. With recyclables, it depends on the materials. I would have to take it on notice on the actual detail of that one.

MS CLAY: If you can take that on notice, that would be great. Thank you. At the end of the 20 years, who owns that facility?

Mr Haraldson: The territory.

MS CLAY: Great. How long will that facility last for? What is the life of that facility, assuming it does not burn down in a battery fire? And let's all just assume no problems now.

Mr Haraldson: I would have to take the exact on notice, but the actual assets within the facility will be updated and upgraded over the term of the contract. When you think about machinery, the optics, the trommels and all the different types of materials and any other way that you kind of separate that recyclable material, those things will have a differing asset lifecycle. You also obviously have the slab of the area and then the shed. The shed and stuff will have a much longer life period. But I can come back with the exact asset life cycle timeframes for you.

MS CLAY: That would be great. Do you know how much the previous facility cost us, when we last built a materials recycling facility?

Mr Haraldson: I believe it was around 2002 when the last one was constructed. I do not have the figures. ACT NoWaste may have those figures.

MS CLAY: Can you take that on notice?

Mr Haraldson: Yes.

MS CLAY: Thank you; that would be great.

Mr Barr: Do you want that in inflation adjusted terms or in the 2002 dollar terms?

MS CLAY: I would love it in whatever form you have and we will work out what it means, provided you just label what that is.

Mr Barr: Okay.

Mr Haraldson: With the original facility they built around 2002, the actual machinery within that facility was end of life towards the end of that first contract or the second contract. There was an upgrade from Re.Group that was undertaken. If you would just like the original building—

MS CLAY: I will tell you what I am interested in and then let's see what comes back. I am interested in how much we paid to build a facility last time. We can pass on what that means in today's dollar terms; just give it to us however you have it. I am interested in how much we are paying to build this facility. That is quite difficult to work out with a build, own, operate contract that some sources say is almost a billion dollars and so on. That is the nature of the information I am looking for.

It was part of the business cases that have been sought, and that is one of the business cases that has been rejected on the basis that we were told it cannot be released because it has information about Veolia's business model for operating the facility. When you are trying to work out how much the territory is paying for a territory-funded piece of infrastructure, that is quite difficult. So that is that is the nature of the information, if that is possible.

Are you able to tell me how much commonwealth funding we have for this facility? I have got some budget figures but they are all quite small. We have got \$376,000 of commonwealth funding in one line item. I think in a previous question on notice I had about \$10 million of commonwealth funding. Can we get a full update of how much commonwealth funding we are getting?

Mr Barr: As part of an answer to this stream of questions, we will make that a dot point to provide you.

MS CLAY: That would be great—and for the life of the project rather than just what has been. If there is a commonwealth figure that has been committed to so far, we would definitely love that but also an indication of whether that is it for commonwealth funding or if there is further funding coming.

Mr Barr: We will take that on notice, this line of questioning plus supplementaries, into one answer.

MS CLAY: One answer would be great. Similarly, on the FOGO facility, I do not know how far we are going to get with this because this one is still in procurement. The materials recovery facility is finished.

Ms Geraghty: The EOI is still underway.

MS CLAY: In early May we were told that an advance tender notice was released to industry on 26 March and that the request for EOI will happen midyear—and it is August now. Is there an update on that?

Ms Geraghty: It is out and it closes next week, I think.

Ms Haraldson: I believe it does, yes.

MS CLAY: That is midyear, yes. Okay, so we will just have to wait and see where that one is up to. Similarly with that one—and I understand you will not be able to tell me how much it costs, given where the project is up to—we have seen that there is a commonwealth contribution of \$13 million to that project. Are you able to tell me whether that is the sum total of the commonwealth contribution? We have seen this facility is listed on Infrastructure Australia's projects as between \$100 million and \$200 million. So I think it is a relatively significant ACT government investment. Can you take on notice whether that \$13 million commonwealth contribution is all we will receive from the commonwealth on that project?

Mr Haraldson: We can take it on notice. The \$13 million originated from the Healthy Soils Fund. So that was the original funding. I can take on notice any other additional funding.

Mr Barr: There is just a slight complicating factor, inasmuch as, through our local government responsibilities, the commonwealth does provide an annual payment to the territory through—an awful acronym that I will not repeat—federal assistance grants, and that is an annual allocation. In theory, that can be used to apply to a variety of both

recurrent local government activities and potentially some particular projects.

So the answer to the specific question, to this project exactly as a defined line allocation, will be the \$13 million plus anything else that would be subsequent. But the commonwealth would likely argue that they also then provide ongoing local government assistance to the territory through that Financial Assistance Grant program. Of course, that has to cover such a wide variety of responsibilities.

MS CLAY: I hear what you are saying about the federal help grants. I think what would be really useful—maybe a brief conversation. I will see how indulgent the chair is going to be at this stage of their hearings. We often get 50-50 contributions from the commonwealth on our high-profile projects. That often seems to come with roads. I am looking at these two facilities, and it does not look like we are getting anything like 50-50 contributions. How does that work?

Mr Barr: The commonwealth have a range of national partnership agreements with states and territories. There is a long element of historical precedent around infrastructure that they will fund on a 50-50 basis—in some instances, there was a history of the commonwealth funding 80 per cent—and, in other instances, they make a smaller contribution. So 50-50 is not necessarily the benchmark for every element of commonwealth co-funding of particular projects.

In some instances, they have no history of co-investment at all. “Never have, never will” is there is their approach—that that particular infrastructure type sits solely as a state and local government responsibility. In other instances, there is a national partnership agreement in place where 50-50 is the expected. And other times, it is entirely ad hoc. An example that I have referenced before is the commonwealth making a contribution towards the Tasmanian football stadium, but it is certainly not 50 per cent of the cost of the project.

MS CLAY: When it is ad hoc or when it is not on one of these more established lists, is that just based on the ability of the ACT government to lobby their counterparts well?

Mr Barr: Sometimes it becomes a question of historical precedent as well. Your lobbying or otherwise is often based on a precedent that has been set in another jurisdiction. The commonwealth has a very strong history, for example, in regional and remote areas where the state or territory government is not particularly well resourced to be providing more. I do not think it would come as a surprise to anyone that they are a very significant funder for the Northern Territory and Tasmania in particular. It is less so for the bigger states, but then they provide a significant amount of funding in regional Queensland and WA. If I were to make a general observation, they do less in cities than they do in regions and remote.

MS CLAY: Thank you. I note the chair is making desperate moves to wind this up. I might get you to take this on notice—but I will check that you can and will take it on notice. Are you able to give me this list of the things with historical precedent that usually are funded 50-50? It sounds like you know which ones they are.

Mr Barr: Certainly, we can refer you to published national partnership agreements.

MS CLAY: That would be great.

Mr Barr: There are also the commonwealth budget papers. If you go on the commonwealth government budget website and have a look at the last 25 years of budget papers, they list them in the federal-state relations chapter of the commonwealth budget where they fund.

MS CLAY: Treasury does not have a list of those sorts of projects?

Mr Barr: They would be in our budget papers as well. So it is just a question of who is going to go back through 25 years of budget papers and draw out the projects. They are on the web. Spend half a day on it and you would get all that information.

MS CLAY: Okay, thanks.

MR EMERSON: I want to ask about the Canberra Aquatic Centre. I see there is \$10½ million dollars this financial year but nothing over the forwards. That is for planning—right? So when it gets to, okay, this is how much it is going to cost, would that funding come from the central provision that was mentioned earlier?

Mr Barr: Our share of it, yes, and the commonwealth have obviously made a provision in their forward estimates as well.

MR EMERSON: That is a 50-50?

Mr Barr: In this instance, yes. In fact, arguably, the commonwealth, because they are providing the land, are probably contributing slightly more than 50 per cent. Rather a good deal there, I thought.

MR EMERSON: A good deal. I am trying to better understand when things get transferred over to Infrastructure Canberra for delivery. With that project, was it just immediate or is Infrastructure Canberra the lead agency or whatever it is called?

Mr Barr: There was some early work undertaken.

MR EMERSON: In?

Mr Barr: Effectively, across CMTEDD, but then it was transferred because it was pretty immediately in the slipstream for “we are getting on with this”.

MR EMERSON: What determines when something is transferred? You are probably just going to say when it is ready for delivery, but—

Ms Geraghty: No; we do work on a capital framework. So we do go through the different phases, and somewhere between gate one and gate two as when it transfers over. We work in collaboration with our client directorates during that period. They may do the early business case with us supporting them and then we transfer the more detailed business case with them supporting us, or maybe it is slightly different. It depends on our client directorates and how they want to work with us and what skill base they have within their directorates. We do work on a very collaborative model and

make sure that we are bringing forward the best skill links for that particular project.

That particular project was really interesting because we manage the aquatic facilities for the ACT government. We obviously already had quite a bit of a skill base. So Economic Development did some initial work but it transferred over pretty quickly.

MR EMERSON: Obviously, this is among several major projects that are underway involving the use of commonwealth land. We have got stage 2 of light rail as well. I want to ask about the Archbishop's House, which is right in the middle of those projects. It is already a valuable site, but it is going to be very valuable once light rail is done down to the lake. I understand the Archbishop is not actually living there and it is the only residence in the National Triangle from what I can tell. I am keen to know if any work was done to consider the cost of having to work around that existing asset.

Mr Barr: That is a matter the National Capital Authority will have examined in its Commonwealth Park Master Plan. It is national land, not territory land, so it is not within our jurisdiction.

MR EMERSON: It seems like they excluded it from the master plan, is my understanding, and just said, "leave that".

Mr Barr: That was probably the guidance they were given at a federal level. But it is not ours to claim; it is not our land and it is not within our planning precinct either.

MR EMERSON: It is obviously prime real estate and in a great location. Has any consideration been given to working with the commonwealth to acquire that land?

Mr Barr: We would not acquire it, because it is in the National Triangle and it is adjacent to their asset, Commonwealth Park. It is a question for them, really, as to whether they wish to acquire the land as part of the Commonwealth Park Master Plan.

MR EMERSON: So no? I understand the point you are making, but we have acquired commonwealth land before.

Mr Barr: But it is not currently commonwealth. Obviously, they have a lease. The existing landowners have a lease. It is not for us to seek to undertake a commercial negotiation on land that we do not have any jurisdictional responsibility over. We are not the planning agency and it is not for sale. So why would we be speculating on it? It would be a waste of our resources.

MR EMERSON: Sure. I think that is a policy decision. You could have conversations with the commonwealth and encourage them. I am reading a quote here from the Financial Administrator of the Archdiocese, who said, "Who knows if we still want to be there or not. That is not up to us at the moment because we have got a perpetual lease and we will stay there until someone else urgently wants it." So they are kind of just sitting there because they are sitting there. Is that a conversation that is worth having?

We are going to have a light rail stop right there. There is development happening in the West Basin, which is the context in which he was asked that question. We have seen proposals about stadium precincts that are not possible in the city because we do not

have the land. I get that it is church land and we just go, “Okay, well, let’s not think about it,” but is it a conversation worth having?

Mr Barr: I am not going to start one now, because it is not necessary or an immediate focus for us. Even if, in a hypothetical world, we sought to acquire it, we would not have planning responsibility over it. We would not know what the land uses that would be allowed would be. I do not want to open a conversation as hypothetical as that. So I am not pursuing it.

I think we should be focused on the fact that, in the immediate precinct in that area, on the other side of the road, we have a significant project that we need to proceed with. We also have multiple land releases adjacent to that and an aquatics centre that we need to focus on and get built. So let’s not go off on speculative land acquisition journeys at this point, when we have a dozen other priorities that we need to focus on.

Ultimately, what happens in 2050 or at some point in the future is a matter for others. But, in this parliamentary term, I am not paying any attention nor interested in seeking to acquire that land—if I can be absolutely categoric about that.

MR EMERSON: Okay; that is quite clear. Thanks, Chief Minister.

MR BRADDOCK: In the four minutes I have got, I will dig into some of the specific budget numbers. Firstly, light rail stage 2B has \$17.5 million budgeted for this financial year and no money in the forwards. I want to know what that \$17.5 million will deliver and what progress will be provided. What will happen in the forwards after that?

Mr Haraldson: Thank you for the question. I have to go back and see if there are agency costs or construction costs under that item.

Ms Geraghty: It is 2B.

Mr Haraldson: Currently, with 2B, we have the draft EIS out for public exhibition, so a lot of the funding has gone into the preparatory work for that, but also the ongoing work. The public exhibition is due to be completed by 5 September. Following that stage, there will be an extensive review of the submissions provided by the community and the key stakeholders along the alignment, so, obviously, there is a fair bit of money to go into that review. From that review there will be a final EIS that will be formed, and that final EIS is planned to be completed by mid next year. Essentially, the work to go into finalising that EIS will be the majority of the costs associated with stage 2B.

MR BRADDOCK: Thank you. Moving on to the Monaro Highway upgrade: last year’s budget had the total project valued at \$80.05 million; this year it is not for publication. On the Built for CBR website it says “\$230.5 million”. Can we please get some clarity as to the cost of this project?

Mr Haraldson: The contract on the contract register would have the contract costs for that with Woden Contractors.

MR BRADDOCK: Is that the entirety of the project cost?

Mr Haraldson: That would be the entirety of the project costs with Woden. We can take on notice the additional costs associated with the project, whether it be design, or superintendency and other aspects.

MR BRADDOCK: Yes. The commonwealth's contribution to that project remains steady at \$50 million from 2024-25 to 2027-28, but the ACT government's four-year investment from 2024-25 has gone from \$67.5 million in the last year's budget to \$109 million in this year's budget. The federal government also says they gave an additional \$50 million for further upgrades in their 2025-26 budget. Is it possible to get a full breakdown of the project cost, the commonwealth contributions and the ACT contributions to that project?

Ms Geraghty: I think it is important to note that there are actually several stages of that total project. One is currently under contract and others are in the various stages of design. The scope of the project has changed over that period of time, so they are increasing the number of packages. We will take on notice and come back with the detail of the different packages, what stage they are at and what the funding is against each of those packages.

MR BRADDOCK: I would appreciate it. You can understand why it might be hard for someone to keep up as to who is paying for what and how much.

Ms Geraghty: Yes, I understand.

MR BRADDOCK: Finally, coming to the Athllon Drive duplication, in last year's budget the commonwealth was contributing \$4.1 million to the project over 2024-25, 2025-26. In this year's budget it looks to me like it is \$1.4 million, which is all of last year's funding that has been rolled over. And adding up the numbers, it looks like the total figure for the commonwealth contributions has gone down by \$2.7 million, with the funding allocated for 2025-26 nowhere to be seen. Is that an accurate understanding of the state of federal funding for Athllon Drive duplication?

Ms Geraghty: We will come back with more details. Athllon Drive is in the final stages of design, and then to go forward for further funding considerations, so that is why, at this point in time, we are finalising that package and then going out for further investment in order to take that into construction.

MR BRADDOCK: Okay. Further on the Athllon Drive duplication, will the duplication provide for the capacity for the extension of light rail 2B to Mawson?

Mr Haraldson: There are two stages of Athllon Drive. The northern stage and the southern stage are currently funded, and works are going to go out for tender later this year for the southern stage of the duplication. The northern stage is still to be determined on the design and design aspects, but the future light rail corridor is definitely being considered for that section.

MR BRADDOCK: What is the timeframe for that northern stage project design?

Mr Haraldson: At the moment we are just working through what needs to occur in that area. There is a bunch of work that SLA is undertaking to do with land release. So it

will be determined by the work that SLA is doing, as well as the new CED, for the planning of that section, but it is very much led by what works need to occur as part of the SLA land release.

THE CHAIR: Thank you. Ms Carrick, please make it short.

MS CARRICK: In the northern section of Athllon Drive there is the duplication, there is the light rail, and you talked about SLA land release. Will you do holistic planning that includes Yarralumla Creek and the naturalisation of the creek? We have been asking for some time—years. If you do not plan it holistically, the creek will miss out.

Mr Haraldson: Absolutely—

Mr Barr: That is the work the SLA are undertaking. It has been referenced.

MS CARRICK: So is there some transparency for the community, because we have been asking for years, and we get nothing.

Ms Geraghty: We are happy to take the question on notice and refer it. I can give you answers for two questions quickly.

THE CHAIR: Yes.

Ms Geraghty: Raising London Circuit is a total budget of \$134 million. The next question was about the aquatic centre. It is \$1.495 million. It is the operating subsidy inclusive of an additional \$500,000 for additional repairs and maintenance funding. For the \$500,00 yet to be determined, we are working with the different operators about which facility to take that would attract that.

MR RATTENBURY: Thank you.

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*.

Short Suspension.

Appearances:

Long Service Leave Authority

O'Donnell, Ms Anne, Chair, Governing Board

Webeck, Ms Cassandra, Acting Chief Executive Officer and Registrar

Miller, Ms Anne, Acting Deputy Registrar

Agrizko, Ms Elena, Chief Finance Officer

THE CHAIR: We welcome representatives of the ACT Long Service Leave Authority. 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. Mr Rattenbury, did you want to kick us off?

MR RATTENBURY: Sure, thank you. I wanted to ask about portable long service leave for the hairdressing, beauty services, accommodation and hospitality sectors. That was due to go live in April. Was it your assessment that it was ready to go live at that time?

Ms Webeck: The decision to delay the entry of the new industries to the services industry scheme was a decision made by the Minister for Skills, Training and Industrial Relations, and perhaps a question might be best considered by the minister in relation to that. I think what the delay has done has provided us with more opportunity to engage more closely with the business community to ensure they are prepared for commencement of their entry to the new services industry scheme on 1 July 2026.

MR RATTENBURY: Sure, thank you. From a technical and practical point of view, was the scheme ready to go live at the date?

Ms Webeck: From a technical perspective, yes; from a practical perspective, yes, the scheme would have been ready to go live.

MR RATTENBURY: Various MLAs received representations from industry that they did not feel prepared. Why do you think industry felt underprepared?

Ms Webeck: This is just a personal opinion—

MR RATTENBURY: Yes, I am interested in your understanding of the situation. I am trying to put it together for myself.

Ms Webeck: Yes, certainly. I think that the delay has certainly provided us opportunity to further develop awareness: to share information, to increase awareness of the scheme and to provide education that is needed for stakeholders to participate in what is actually a pretty complex portable long service leave scheme.

I think that stakeholder concern around their preparedness to commence in the scheme is potentially related to the complexity of the scheme: the lack of awareness of the commencement; the lack of awareness of the operations of portable long service leave;

and the implications for employers as an organisation.

MR RATTENBURY: What is the complexity for employers?

Ms Webeck: There is complexity in the overlap between the Long Service Leave Act 1976 and the Long Service Leave (Portable Schemes) Act 2009. Both pieces of legislation operate side by side, and that does create a degree of complexity for employers in having to manage the obligations of both. We are very well-positioned to provide that level of support to employers as they navigate that, but it is an area of complexity that we are currently working on, in trying to simplify it for employers that we are engaging with at the moment.

This is a scheme that these new industries have not engaged in before, nor the employers that operate within those industries, and there is an administrative responsibility attached to the management of portable long service leave for employers that until they are registered with the scheme, they have very little visibility of. That is what we are trying to do at the moment—we are trying to increase their visibility of what the obligations are. We are trying to make it very clear about what support we provide to employers to assist them with their preparations and to make it very clear about how they, as an employer, would navigate the obligations with the support of ACT Leave.

MR RATTENBURY: Thank you. My final question others may be interested in. The key criticism of the scheme that certainly I receive as an MLA is that for employers particularly in hospitality, people often only work in the sector for a couple of years, while they are at university or between other careers, or whatever; they pay into a long service leave fund and then the employee changes jobs or finishes uni, and there is this money sitting in a pool. Do you have a policy? Do you have a narrative? What response do you give to industry when they raise that concern?

Ms Webeck: We do not have a policy perspective on that per se. Our role as the administrator of portable long service leave is to administer the portable long service leave schemes. That is a concern that we are hearing. We are doing a lot of stakeholder engagement, a lot of meetings with employers, and a lot of meetings with peak bodies and unions. Any stakeholder that has an interest in portable long service leave is currently being captured by our engagement program. That is a concern that we are hearing.

We have an obligation, as the administrator of portable long service leave, to ensure that we have assets available to fund future liabilities. We work very closely with actuaries to set a series of actuarial assumptions about the liabilities that would be incurred by the schemes at a particular point in time in the future, and we set levy rates that are payable by employers operating within the schemes to be able to fund those future liabilities.

The actuarial assumptions that we make in relation to the viability of the scheme going forward, and the likelihood of workers reaching an entitlement, is considered by the actuaries and provided through advice to the board. Some of the assumptions that are made are in relation to things like industry growth, wages growth and the exit rates of the industry. We have to make assumptions about whether people are likely to reach an entitlement or not, and that is then reflected in the levy rate that is set. The levy rate

does take into consideration those variables, but they are based on assumptions.

The more we operate with the industries that operate within one of our portable long service leave schemes, the more data we have about the behaviour of that industry, about the likelihood of people leaving the industry prior to reaching an entitlement, and about any of the other actuarial assumptions that are made. We have got more information that we can use to refine the assumptions that are being made. Those considerations are made when we set the levy rate, but it does rely very heavily on the quality and volume of data that we accumulate over a period of time.

MR RATTENBURY: Thanks. That is very interesting. So, basically—if I might summarise that—because of that presumption that some people leave, presumably the premium is lower.

Ms Webeck: Potentially. There are quite a few levers that we pull. One of the other assumptions that we make, when we are gathering information to inform the setting of the levy rate, is about investment performance. Obviously, we hold a considerable amount of money; we hold that in funds to be able to pay those future liabilities. We invest funds very prudently in accordance with our investment plan, and we do benefit from the returns made on those investments, which have an impact on the levy rate as well. It is not just that lower exit rates or higher exit rates will have an impact on the levy that is set; it is the other levers and how they are performing as well.

MR RATTENBURY: Yes, but as to that lever—the expectation of people leaving—presumably, that will have a downward pressure on the premium?

Ms Webeck: You could expect that, yes.

MR RATTENBURY: Thank you.

THE CHAIR: That quite effectively led to all of the questions I was going to ask, which is really good. I will go to a slightly different angle: understanding how the money tracks through. It sounds like you are saying that levies are collected from everyone, you invest them, and then eventually there is some sort of return to someone in the industry who is taking long service leave. Please forgive me; I cannot recall: does that money go to the employer or the individual?

Ms Webeck: It could go to either. There are two conditions. One is where an employee has reached an entitlement under our portable schemes act. They have reached seven years of service as a registered worker in our scheme. Then they can make an entitlement claim directly with us and we would make the payment directly to them. The other situation—and this is where there is a bit of complexity between the management of the two pieces of legislation—is where the employee has reached an entitlement under the 1976 act, so they have worked for seven years with one employer, and they have also served a period of time as a registered worker in our scheme. Under the provisions of our legislation, the employer can make a reimbursement to a claim directly with us. They would pay the worker directly, because the entitlement has been obtained under the 1976 act, and then they would seek a reimbursement from us for the proportion of time that they have been covered by our scheme, and that would be paid directly to the employer, as a reimbursement to employer claim.

THE CHAIR: It sounds as though there is no link to the individual in the scheme. Money paid in for an individual throughout the scheme is simply pooled, and there is no tracking through individuals.

Ms Webeck: We track their service recorded and their accrued service. We monitor through an online portal. When the employer submits a quarterly return at the end of each quarter, which is a process that we assist them with, they will record the ordinary weekly wages for the staff who have been performing relevant work for that quarter. We track that through our system, and we keep a record of the service that has been accrued by a worker. You are correct: the employer pays the levy to us. We keep all of the records in the background. We manage the register, if you will. That is how it is described in the legislation. When an employee has reached an entitlement, which they will be able to check through our online portal, we will receive a claim from them, which needs to be approved and endorsed by their employer, and we will then process the claim to them directly.

THE CHAIR: That would mean that the money paid notionally on behalf of a specific employee—if that employee leaves the industry, goes overseas or leaves the jurisdiction—just sits in the pool?

Ms Webeck: Yes; that is correct. There are a number of reasons for that. The levy that the employer pays is not equivalent to the entitlement that we would pay a worker. The entitlement that they would receive is slightly higher than the levy rate that the employer would be paying, and that is captured in the actuarial assumptions that we make when we are setting the levy rate. Apprentices do not attract a levy payment. Their employer records their service and we track their service, but they do not attract a levy rate. There is provision in our legislation for a worker to have an absence from their industry for a period of up to four years in any one instance before they are deregistered. We cannot predict how people will move in and out of employment, in and out of their industry. We retain their entitlement in a four-year period. There is no way that we would be able to provide money back to the employer, because it needs to be held to protect the future liability, much like a superannuation fund.

THE CHAIR: I am trying to work through how this functions. Notionally, there is potential for profits to come from people who do not have anything coming back to them, as they exit the scheme. If your assumptions about the number of people who are going to result in a liability are out, how is that handled from an accounting sense? Does it stay in your investment fund and attract more interest or does it go back to consolidated revenue at any point?

Ms Webeck: I will hand to Elena for that question.

Ms Agrizko: Thank you. It stays in the fund. It stays in the investment and it continues to return an investment. We, as an organisation, need to maintain a certain ratio of assets over liabilities, at 110 per cent at least, to make sure we have sufficient money to pay benefits that workers claim. If this ratio becomes too high because we have too much money sitting in the funds and they sufficiently exceed the liabilities, that is the point where we will consider reducing the levy rate.

THE CHAIR: Is the investment fund entirely the Vanguard fund?

Ms Agrizko: We invest in Vanguard—yes.

THE CHAIR: Thank you.

MR EMERSON: Is there any provision for quarantining funds provided from, say, one sector as opposed to another? This goes to Mr Rattenbury's point earlier about almost cross-subsidisation.

Ms Webeck: Yes. We keep all of the funds separate. There is a requirement in our legislation that the funds for each scheme remain separate, so they are managed separately, and the investments are handled separately.

MR EMERSON: And the levy rates are different?

Ms Webeck: The levy rate is different for each scheme, and that reflects, to a large degree, the behaviour of the industries that sit within each scheme.

MR EMERSON: You mentioned significant surplus funds and that it might lead to a reduction in the levy rate. Would that reduction just make sure that the ongoing amount from that point forward is appropriate for future liabilities or would you consider reducing the levy rate to where you are effectively losing money because you have an existing surplus? Do you see the point I am making? I am curious as to where that money goes if there is a big surplus in the future.

Ms Agrizko: All money remains in the funds. It does not go anywhere else. It is held within the funds. When we look at the levy rate and potential changes to the levy rate, we look five years forward, based on actuarial assumptions—what the ratio of assets over liability is going to look like. It includes assumptions about how the investments are going to perform in the next five years, as well as, as Cassandra mentioned, the exit rates, growth in the industry and wages.

MR EMERSON: If you have a big operating balance that is more than you need, you would not adjust it to where you would start eating into the balance to bring it to a level that is appropriate?

Ms Webeck: We do make decisions to do that. Our obligation is to always retain an assets over liability ratio of 110 per cent. We also need to take into consideration the impact of future activities that might require some of the funds that are held—not excess assets but any of the funds that are held that leave the assets over liability ratio at a higher level. For example, the expansion of portable long service leave into the services industry scheme has been a cost to the organisation that we need to fund from within the scheme, so we need to make sure that we have enough funds available to do that. We take that into consideration as well. We have demonstrated this many times in the past. Where we can, we look at reducing the levy rate to reduce the impact on employers.

MR EMERSON: Thank you. That helps.

MS CARRICK: Looking at the balance sheet for the whole thing—it is on page 20—

equity is dropping by about \$4 million a year. I think it is being driven by the construction industry. It seems that the liability for long service leave is increasing faster than the investment, which is leading to a reduction of about \$4 million a year in equity. What happens if that trend continues?

Ms Agrizko: This depends very much on assumptions. The assumptions vary quite significantly between our budget and the actual results—how the funds actually perform and how the liability increases. If you look at this carefully, equity is actually the ratio of assets over liabilities. If you look at it this way, assets minus liabilities is—

MS CARRICK: At June 25, equity in the scheme is \$70 million, but by 2029—four years later—it drops by \$20 million, from \$70 million to \$51 million.

Ms Agrizko: This is the assumption that was made at the time of the budget. It depends on the actuarial projections. This may change.

MS CARRICK: I hope so.

Ms O'Donnell: It has already changed to some degree, because, if you look at the operating statement on the page before, you can see that the operating result is, I think, \$3 million.

MS CARRICK: Are we on page 19 now?

Ms O'Donnell: Yes. But, actually, the operating result was \$25 million. When we get to our financial statements, which are now in draft and will go to the ACT Audit Office, there have been changes.

MS CARRICK: What is the 2024-25 operating result?

Ms Agrizko: About \$25 million.

MS CARRICK: That is way better. Hopefully that carries through to the forward estimates, because they all have operating losses.

Ms O'Donnell: The other thing to mention is that it depends very much on investment returns, so we are very conservative in what we project. For example, this year it was projected to be about six per cent, but the return was 13 per cent. You need to be conservative in what you project.

MS CARRICK: Thank you. Let's hope it stays that way.

Ms O'Donnell: Absolutely. We cross our fingers and our toes.

MS CARRICK: If we get poor investment returns for some reason or another—it is a volatile world and a volatile market—that would be a problem. Who underwrites this should the investments go pear-shaped?

Ms O'Donnell: They could go pear-shaped if something really horrific happened, I suppose. That is a possibility. No-one underwrites it.

MS CARRICK: Not the ACT government?

Ms O'Donnell: No. We are totally self-funded, but, again, you hope there is not another Great Depression. It would have to be something of that magnitude.

MS CARRICK: Why is it that the community sector one forecasts more positive results and the construction industry one forecasts negative results? What would be the difference between the two sectors?

Ms O'Donnell: The construction industry—and please jump in if I get this wrong—is the oldest, so the demographic of it could be quite different to the community sector. People have been in it for 42 years. Maybe someone has worked in the construction industry for 42 years—it is a bit unlikely, but maybe they have. So there are different demographics. It depends on how long you think people still have left in the scheme and the age of people—all of those things. The one for the community sector is one of the more recent schemes.

MS CARRICK: I note that the one for the construction industry is dropping and the one for the community sector is not. That is more positive. If there is no cross-subsidisation, the community sector would not have to be concerned about their levies going to construction workers.

Ms Webeck: No. We look purely at community sector data to make the assumptions about the management of investments and that kind of thing. They are held separately.

MS CARRICK: Thank you.

MS TOUGH: Last year, the authority launched the client portal. It has a side for employers and a side for employees. How is this improving compliance of employers and understanding the system?

Ms Webeck: On 4 December, we launched a new customer relationship management system. It is the administration system that we use to manage portable long service leave for workers and employers. It was an upgrade from the system we were previously using. We were managing an administration system before this. This new system has increased self-service capability. There is more that employers and workers are able to do when they log into the portal. They have access to more information, they can submit forms, they can make inquiries and they can contact us. It is positioned better for them to do more for themselves and have more information at hand.

I would not necessarily say that the system on its own is going to help employer compliance. It is really a tool for employers to use to record service and manage their obligations. Concurrently, we have been managing the implementation of a very comprehensive stakeholder engagement strategy that is accompanied by a very strong marketing and communications approach. Some of the key initiatives that we have implemented over the past 12 months to support employer understanding and compliance with their obligations includes the development of tools for our website, more detailed content and video animations, particularly with regard to the implementation of the services industry scheme, which is a really good blueprint for us. As individuals, we have not been with the Long Service Leave Authority while the new

scheme has been implemented, but we have the opportunity to engage directly with the employers to ensure that they understand obligations and they understand how to work with us to meet those obligations.

The system is definitely able to support their compliance by managing the way that they report to us, but there is all the other work that we are doing in marketing, communications and stakeholder engagement that I hope, given the amount of effort that we are placing in it, will actually help drive compliance.

MS TOUGH: Do you find that compliance is at quite a good level across the board or are there some industries that do not comply as well?

Ms Webeck: We have some very well-established schemes. Generally, our compliance is pretty good. Elena might have some observations.

Ms Agrizko: Yes. Generally, we now see pretty good coverage across industries. We have seen it for our compliance activities and all the lists. We go through databases to find the new employers who should be registered with us and are not at the moment. We have seen quite a decrease in the number of new employers that we find should be registered and are not, which is a good indication of coverage in industries. If you are looking at compliance from the point of view of not submitting returns in time, the construction industry is a bit more complicated in a sense, because of the size of the industry and because of the large number of small employers who may have only one worker, and a lot of liquidations have been happening in the construction industry in recent years.

MS TOUGH: Thank you.

THE CHAIR: You touched on the modelling that you do to predict what the costs are going to be and you mentioned the exit rates. I think you said that you look at exit rates across five years.

Ms Agrizko: We look forward five years for projections of liabilities.

THE CHAIR: Regarding actuarial modelling—and perhaps you can take this on notice—I am interested in finding out what assumptions there are about how many people exit each industry after one year or two years, all the way up to seven years.

Ms Agrizko: It may be easier to take that on notice. There are several tables of data.

THE CHAIR: That is what I was thinking. It is fairly lengthy. I understand. If you can provide that, that would be helpful. I have certainly seen estimates for hospitality, for example, that up to 99.3 per cent of people leave before they reach the seven-year mark. I am very keen to understand what you are assuming in that. As there are no other burning questions, on behalf of the committee, 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*.

Hearing suspended from 11.06 am to 11.22 am.

Appearances:

Suburban Land Agency

Davey, Mr Adam, Chief Executive Officer

Lee, Mr Joey, Executive Group Manager, Place Delivery

Gordon, Mr Tom, Executive Group Manager, Land Supply Group

Gilbert, Ms Sally, Acting Executive Group Manager, Thriving Communities Group

Syme, Mr Ross, Acting Chief Operating Officer

THE CHAIR: We welcome representatives from the Suburban Land Agency. 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 matter and may be considered contempt of the Assembly. As we are not inviting opening statements, we will proceed to questions.

MS CASTLEY: I would like to ask about the CSIRO site and the proposal of the ACT government to acquire CSIRO Ginninderra. Is it appropriate to ask questions regarding the land release implications at this hearing?

Mr Davey: I think that would be appropriate. It would be speculative, though, in terms of land release implications. At a high level, if you are asking, “Should the ACT government acquire that particular parcel of land, would it have an implication in terms of land release in the future?” I think the answer would be that it would have an implication, in terms of increasing residential development opportunities.

MS CASTLEY: I will try this way: if the government were to acquire this site, you would be looking at about 701 hectares, I believe. I am wondering whether you have any thoughts or you have done any studies on how many houses could be built.

Mr Davey: With back-of-the-envelope thinking about that land size, maybe a couple of thousand dwellings—in that order. That is not study based.

MS CASTLEY: Do we know what proportion of the development of the CSIRO site the government intends to use for social and affordable housing?

Mr Davey: With any development—not specific to the CSIRO site, because we do not have that as an acquisition at the moment—we have a standing 15 per cent minimum requirement. If we were to acquire that site or any other greenfield development, we would work across government to look at how you—

MS CASTLEY: That would stand?

Mr Davey: Absolutely.

MS CASTLEY: How much does the SLA estimate the infrastructure spend on the new development will cost? Have you got that far in your consideration?

Mr Davey: I think it would be a bit premature to guess that, but obviously any acquisition that we are contemplating has to go through a formal process under the land

acquisition direction, which involves developing a comprehensive business case that contemplates things like infrastructure costs, value for money, and those sorts of things. At the appropriate time, if we were to acquire that particular site, that level of detail would definitely exist.

MS CASTLEY: Are any funds in the budget provided for that this year?

Mr Davey: For an acquisition?

MS CASTLEY: For looking at the business case and doing some modelling for infrastructure.

Mr Davey: Because the SLA operates commercially in any work we do, in terms of business cases, due diligence and other things, we fund internally. We would always have an allocation for exploratory work. We have a land supply function where we look at a 10- to 30-year pipeline of land releases. Within that context, we have a budget that would allow us to undertake that type of work.

MS CASTLEY: I am not sure whether this is something you would want to talk about, but perhaps you could outline for us the main points of discussion in reaching the final agreement so far on the CSIRO site. Is there a debate about the pricing of the land or other essential terms?

Mr Davey: What I can say is that we have had discussions with the commonwealth in relation to that land and the types of things that I mentioned before that are requirements in the land acquisition direction. There are other types of things that we would discuss, such as the commercial aspect, as well as value for money for the ACT government, the potential for it to realise good community outcomes, housing, and all those sorts of things. They are the types of things that we would discuss.

MS CASTLEY: If a final agreement is reached, when do you expect the first parcel of land would be ready for sale?

Mr Davey: I would treat that as a hypothetical. If we were to acquire a parcel of land of that nature and size now, you would have to expect that it will be a few years before you would be at a point of seeing development undertaken, because of all the work on planning approvals and the usual timeframes that development takes. That is probably a fair summary.

MS CASTLEY: Given that the CSIRO site was for agricultural research, can you outline for us what the nature of that work was and whether there have been any evaluations to verify that the site is safe?

Mr Davey: I could not comment on the nature of CSIRO's work there. What I could say is that, as you would expect, if a commonwealth entity is considering disposing of land, they would undertake the types of studies that would look at contamination and those types of matters. Again—not to harp on it—there are the legal obligations that the SLA has for the territory to acquire land. Obviously, we need to consider those types of things so that we do not put a recommendation to government to acquire something that requires significant remedial work or has barriers that make it nonviable for us to

proceed.

MS CASTLEY: Thank you.

MR RATTENBURY: It is understood that the commonwealth Minister for Finance approved the sale of this site in February. Are you able to give us any idea of what is holding up the sale of the land being finalised?

Mr Davey: What I can say is that we are in discussions with the commonwealth and the CSIRO in relation to the potential acquisition of that land. As I alluded to before, there are a lot of complexities. The process in this particular case goes beyond all of the requirements of the land acquisition direction under the City Renewal Authority and Suburban Land Agency Act. I think section 63 details the related direction and all the things we need to do to build a business case, which is quite complex. There would also be a requirement for both governments' cabinets to make decisions, based on where you might land with the negotiations. It is safe to say we are having those discussions and we hope to be able to update with more details in the future.

MR RATTENBURY: If the commonwealth minister has signed off on it, how can there be ongoing discussions with the commonwealth? Presumably, she has signed on a certain set of parameters.

Mr Davey: My understanding is that—and this was reported in the media—there was an agreement for sale of the land to the ACT government. That is one thing, but—

MR RATTENBURY: The terms are not agreed.

Mr Davey: the next thing is to negotiate the details or what that looks like, to land on a position that meets all the requirements of the ACT government and the community so that we have a good outcome.

MR RATTENBURY: You gave a notion of yield, and I fully accept the caveats you put around that.

Mr Davey: It is just a guess.

MR RATTENBURY: Presumably, that is also, in the final wash-up, affected by things such as how much land has to be set aside for schools, shops, community infrastructure, community facilities, and areas of environmental protection. Where and when are those decisions taken? Will they be part of the negotiation with the commonwealth—that there have to be two schools in the area—or is that an ACT government decision down the line?

Mr Davey: Ultimately, any development that we do is down the line, in terms of the ACT planning system and all the approval processes that we would naturally need to develop, such as a master plan, subdivisions and applications—all the things that you have to do, including all the studies and detailed planning around community and amenity sites, sites for schools, and all those sorts of things. Upstream of that, in terms of a conversation around acquisition of a large site, for us to develop a business case that would prove that the acquisition is viable and would represent a positive move for

Canberra, we would need to think about how that land might be developed and how it could deliver on all of the things you talked about, such as the environment, community facilities and schools—how you build a thriving community and suburb, which is our core business. We obviously think about all those things to understand the implications of cost and timing in order to develop a very comprehensive business case.

MR RATTENBURY: Thanks.

MR EMERSON: I understand that the relevant ACT ministers wrote to the relevant federal ministers about this in March last year, asking to finalise the sale. Why haven't we been developing a business plan since then? This has been a conversation for a decade. It seems a bit late in the process to be talking—

Mr Davey: To clarify, I am not saying we have not been working on a business case. I have been saying we are in discussions with another body about acquiring land, but that process involves a lot of detailed and complex work to build a business case that we would ultimately be able to put to government—a case that the proposed acquisition stacks up in a way that is good value and worthwhile doing.

MR EMERSON: So ACT ministers, having written in March last year, saying they want to finalise the sale, was not an indication that they were ready to make a deal? I am trying to square that with what you have just said, which is that they have not signed off on it in the way the federal minister has.

Mr Davey: There are two ways to look at it, as I alluded to earlier. There is effectively a decision that you will look at disposing of or acquiring some land, and then there are the processes that underpin that, in terms of due diligence and all the complex work that I referred to. You have the initial understanding that we want to do something, and, now that we have agreed that it is something we could do, we need to do the heavy lifting to understand what that looks like. When time passes, things can change. You see changes to things like the EPBC Act and you see valuations change over a short period of years, so sometimes you need to update some of that work to ensure that it is reflective of the current environment that you are in.

MR EMERSON: The development of the business plan is to go to cabinet, I assume.

Mr Davey: Yes.

MR EMERSON: Will we know more than just a guess in terms of yield? That has to be a core part of the business plan.

Mr Davey: Yes; absolutely. As I have said, business cases are complex and detailed. A lot of work goes into them, and we want to be very clear, in anything that we put to cabinet under those land acquisition directions, that we have very precise and detailed costings and estimates around what this might look like and what the final price looks like, to ensure that it is viable.

MR EMERSON: What is the timeline to finish that business case?

Mr Davey: We hope that we are getting close.

MR EMERSON: A couple of weeks, a couple of months, Q3?

Mr Davey: I would not like to set any expectations by putting too fine a date on it, but we are probably drawing close.

MR EMERSON: Are there any barriers on the other side of the conversation, apart from, “We’ll have a business case. We’ll put that to the ministers. There’ll be a sale price associated with that”? Are there other sticking points? You mentioned complexities.

Mr Davey: I would not necessarily characterise them as sticking points, but you could imagine that, with land acquisition of this nature or of any nature, contracts are prepared. With all contract negotiations, you need to go through them in a very detailed way to make sure that both parties feel that they understand and agree to all of the conditions. As part of any discussions around a potential acquisition of this nature, reviewing contracts and all the clauses and points forms part of the normal conversation as you come to a final position.

THE CHAIR: I will move on. I want a quick clarification from that discussion. Did your organisation provide any advice to the government ahead of that ministerial letter about trying to finalise arrangements?

Mr Davey: The letter that the finance minister sent early this year?

THE CHAIR: The one Mr Emerson was—

MR EMERSON: In March last year.

Mr Davey: I would have to take that on notice, because I was not—

THE CHAIR: Thank you. Perhaps you can let us know the scope of that advice, if there was any.

MS CLAY: Once this process has been finalised and the sale has gone through, will you release details of the sale?

Mr Davey: I would imagine that is normal practice—that, when there is a land acquisition, details are released. As to what those details specifically are, I could not say off the top of my head, but it is normal practice, I think. Land acquisitions that the SLA makes often come up in the media. There was an article today that referred to two parcels of land that the SLA bought in the last few years, so I think it is clear that some details would be released.

MS CLAY: And that will come with details of what the business case anticipated would be put there—what sort of infrastructure, what sort of housing?

Mr Davey: In our normal processes for developing suburbs, we do a lot of public and community consultation around the design of our estates and the various things that are included. There is no reason to expect anything different in the case of this type of

development, if it were to go ahead.

MS CLAY: Thank you.

MR RATTENBURY: Thank you. I want to ask about how many blocks of community, affordable and public land that are sitting with the Suburban Land Agency are yet to be sold?

Mr Davey: That is a good question. I might defer to Ms Gilbert.

Ms Gilbert: Thank you, for the question. Sally Gilbert, Acting Executive Manager, Thriving Communities Group. I do not have that figure with me today. I do have the figure for the release of land expected for the 2024-25 release. The target for that was 608 blocks. We are currently going through a process of auditing that number and that result. What we are expecting is a result of just one or two blocks higher than that. And I can take your substantive question on notice.

MR RATTENBURY: So, if I have interpreted what you have just told me correctly: You actually sold all the ones you planned to for this financial year just gone?

Ms Gilbert: We released them, yes.

MR RATTENBURY: Released them, right. Just so that I am clear on the definitions—

Ms Gilbert: Released them for sale.

MR RATTENBURY: Yes. But you do not know how many of them have been bought yet?

Ms Gilbert: I would like to take that on notice.

MR RATTENBURY: I am happy for you to take it on notice. I am just understanding what the columns are.

Ms Gilbert: I would expect that a large proportion has been sold. But I would like to confirm that.

MR RATTENBURY: That is fine. Thank you. And for those that have not been sold, are there particular reasons for that?

Ms Gilbert: I will take that on notice as well.

MR RATTENBURY: Okay. Thank you. While I am asking about community land release, the 2025-26 land release program has identified a range of community facility sites in Weston Creek and Tuggeranong for sale. Do you know what those sites will be used for? And, what is the basis for determining that? So, when they go out, are they advertised for a particular purpose?

Mr Davey: I think those community facility sites that you are referring to are not SLA releases. My understanding is the sites that you refer to in terms of Weston and

Tuggeranong are releases by the CED, previously EPSDD.

They are listed in the ILRP, but they are not part of SLA.

MR RATTENBURY: Okay.

Mr Davey: I do release some community land in some of the places that we release and create. The community site releases are not our work.

MR RATTENBURY: We were told it was to be asked of the SLA. I accept what you are saying. I am just perhaps reflecting my own challenge here. So we have now actually got the CRA, the SLA and CED that all release land?

Mr Davey: I think that is not a change in terms of community sites that are released. I think CED, or the previous EPSDD, has been doing that for a number of years. I guess our focus is on releasing land for residential, mixed use, industrial—not on community sites.

Mr Lee: Joey Lee, Executive Director for Place Delivery. I can just add, further to what Mr Davey has mentioned: those two sites are slated for direct sale. So that process is managed by the CED.

MR RATTENBURY: Thank you. I appreciate your clarification. Thanks, Chair.

THE CHAIR: Yes, Ms Clay.

MS CLAY: Thank you, Chair. I have got a supplementary on one of the blocks, particularly. Next to Margaret Timpson Park in Belconnen CBD, we have got block 45, section 54. That is zoned for housing, and it has been committed to be sold for community housing. Can you tell me where that is up to? Have you done any work to prepare that? Has there been site investigations, initial design work?

Mr Davey: Yes. So, for that particular site as you point out, government has decided that will be released to community housing providers. It is on the Indicative Land Release Program for release by SLA this financial year, so 2025-26. So, yes, we are in the process now of finalising all of the documentation and approvals that we need, to get that to market this financial year. So, there has obviously been some work done on that already. We are not starting from ground zero.

MS CLAY: Great. No, there was a previous process that failed, so I imagine you know the site well.

Mr Davey: We do know the site well. I think, in relation to the Margaret Timpson Park, I would like to give you confidence that the sale that we are contemplating for release this year will involve the requirement for activation and interface with Margaret Timpson Park. So that is an important deliverable that we will ensure is featured in the requirements of the sale.

MS CLAY: Yes, great. Are you doing market sounding before you take it to the market? Or any community consultation?

Mr Davey: I think we have done quite a lot of community consultation in relation to that site. And given that the release does not include plans to increase the height of it, then we will of course continue to work with the community council to keep them across what the plans are. But we are not planning any changes that would surprise the community, in terms of what would be released on that site.

MS CLAY: Okay. And what sort of sale process will you be using for it?

Mr Davey: I think the exact release methodology is yet to be determined— notwithstanding that government has made a commitment that they will be released to community housing providers.

MS CLAY: Yes. It will be community housing, though?

Mr Davey: It is the agreement.

MS CLAY: Yes, that is great. Have you started talking to CED about the redevelopment of Margaret Timpson Park, given that these two projects interact quite strongly?

Mr Davey: Yes. So, as you would hope, we do talk regularly across the various directorates, including CED, about work that is planned—particularly abutting the sites we want to release. So when we put together the final sales package, if you will—including various conditions or requirements of what is delivered in context of Margaret Timpson Park—we will obviously need to be alive to what is proposed in the broader park.

MS CLAY: Great. There has been one community call around the commitment for toilets, which we are very keen to have in Margaret Timpson Park. We definitely need toilets. Would the toilets be part of the building footprint or would they be part of the park footprint?

Mr Davey: That is a fair question. My understanding, under the current plans that have been made public, that I am aware of, is that there is an upgrade of the park which would include toilets. At this stage, I do not know that we would be requiring the purchase of that block of land to have publicly available toilets instead of the ones in the park.

MS CLAY: Is that a conversation you could have with CED, to see if it is a useful thing to do?

Mr Davey: It is absolutely the types of things that we would talk about; thinking about how do you maximise the overall amenity of a precinct or an area that we are developing. So, yes.

MS CLAY: Thank you.

THE CHAIR: Okay. Thank you. We might keep moving. Ms Carrick?

MS CARRICK: Thank you, Chair. I just wanted to ask about the Molonglo Town Centre. I note that the master plan will be released late in 2025. How is that progressing? And when do you envisage that will be released?

Mr Davey: The master planning work is progressing reasonably well. I would have to say that there are many constraints and challenges with that entire site—whether they are environmental, ecological, heritage, you name it, all the things that we have to deal with. There have been some changes over the last couple of years that have required additional studies and due diligence to be undertaken to inform that development. The upgrade from a group centre to a town centre has had obvious implications in terms of infrastructure—with the roads and other things to do with the increased population that is anticipated to be there. So, yes, that work is continuing. It is very complex as a site.

In terms of when we might release, you may see in the indicative plan release program that in this financial year, 2025-26, we have slated the first release, which is a residential release of the southern portion of the Molonglo town centre site. So, at the moment that is something that we are working towards. So, I think that is around 700 dwellings there. And then maybe, as you would expect, the incremental delivery of a town centre of that size will take years to achieve. It is obviously a balance of building the demand and the population to then support commercial and other things that happen in that centre.

MS CARRICK: Fifteen thousand people in the town centre; have you set out where they will all go?

Mr Davey: In terms of the detailed design, that is what we are trying to—

MS CARRICK: Well, presumably, there will have to be some. Fifteen thousand is a lot. How many did you say in Molonglo South?

Mr Davey: Seven hundred dwellings.

MS CARRICK: Seven hundred. So, average two people per dwelling, that is 1,400. There is still a lot more. Have you set out whereabouts the densities will be?

Mr Davey: Yes, that work has been undertaken and is ongoing. Just to be completely clear: as we work through, there are many constraints: trees, all those things you need to try to balance so it is a good outcome for people, it is a good outcome for the environment, it is a good outcome for the community. We are still working through potential changes to the shape of that.

So I guess at a broad scale, yes, we have an idea—but some of those things are still changing as we speak now, because of the requirement to meet various constraints and planning requirements.

MS CARRICK: Do you know how you are building the community facilities? Will they be publicly funded community facilities, or will the commercial sector be needing to provide them?

Mr Davey: At this point, I think the release methodology for the town centre is not finalised. It is normal practice—if you are talking about schools or police stations, those

sorts of things, or are you—?

MS CARRICK: More like the community centre, or whether there is sports or other things. Well, primarily, the community centre.

Mr Davey: There are different ways that that can be delivered. I think that is not yet determined. So, in some cases, as part of our redevelopment of an estate, the SLA fund some of those types of things that you refer to.

MS CARRICK: Like an arts centre?

Mr Davey: Yes, those sorts of things might be. But I think, also, when we sell land to the private sector to develop, they also can be required to. As you know, we often write into delivery deeds a requirement to return certain pieces of land or certain outcomes for the community, as part of that sale. So there is not an answer yet to that question.

MS CARRICK: I know that a lot of money goes into public infrastructure like the new Convention Centre, the Aquatic Centre, the Lyric Theatre. Do you put bids in for community facilities for the town centre? So, will you be putting in a bid for public funding for, like, a street theatre to get the vibe in the new Molonglo town centre?

Mr Davey: No, SLA would not be putting a bid for taxpayers' money for something like that, because our role is to develop land and do that in a commercial way and make a return for government—not to seek funding from government to build things, ostensibly. We do work very closely across the ACT government, across all the directorates—so whether it is artsACT, whether it is education, health, economic development—right across government, to understand what their needs might be.

As you can imagine, the Planning Authority does a lot of work ahead of these types of developments to look at community needs assessments. And, I guess, government works together to help understand what those needs are, and then between the various responsibilities will determine how you might fund a particular asset like an arts centre or something like that.

MS CARRICK: A street theatre would be good. When will the college be built? Because they are all having to head off to Canberra College or maybe one in Belconnen, so it would be handy to alleviate the pressure on the colleges? Is that all designed and ready to go?

Mr Davey: The question about whether the actual school is ready to go is a question for the education directorate. We will not be building it. But, in terms of our master planning for Molonglo Town Centre, we are absolutely working out where a school might go. As I said before, some of those options are still being worked through as we try to make sure that we are meeting the various ecological, environmental and other constraints and challenges on how to make this thing work as best we can.

So, yes, we work very closely with Education Directorate. We know that they are super keen, as you would expect, to have a site; for us to be able to deliver that to them in time for them to build it and allow people to attend that school with a growing population.

MS CARRICK: Is there money in the budget in the out-years to progress that? You will have to start doing earthworks and building schools and building the town centre. It is going to cost a lot of money. Are there provisions in the budget or is it all past 2030, in the next decade?

Mr Davey: I think, again, for SLA, we are not appropriated to undertake the development of, let's say, a town centre. We operate commercially, so we work out what capital we are going to need and when we are going to need it—obviously, that can change over the years, depending on outcomes and when work starts, and if there are delays, then that gets pushed back—so we would fund the development of the town centre. If we were to develop it, we might, in some cases, sell land to the private sector, in which case they have the funding to develop it—so, all the earthworks and actually constructing it. In terms of budgets for things like a school or other things that are going to be delivered by the ACT government, that will be a question for that relevant directorate. I have not got my head across everyone's budgets; if it is in this current five-year budget, or if it is in out-years, will be probably a question for them. I would hope it would be listed in the budget.

MS CARRICK: Does the housing in the Molonglo Valley contribute to the 30,000 by 2030?

Mr Davey: Certainly, that release we are anticipating for this year of 700 absolutely would contribute towards the enabling of 30,000 homes by 2030. We have just released for sale the final stage of Denman Prospect. Again, that will contribute towards the enabling, so I think if you look through the ILRP that has just been released, you can see the number of dwellings that are currently on that plan for which the SLA is responsible for the large proportion. The private sector will also contribute towards that.

MS CARRICK: Is all the land that is available for release on the land release program? For the ones that were in previous Indicative Land Release Programs, if they were not released and sold, are they brought forward on the current one?

Mr Davey: They can be, and I think, probably, generally they are, unless the reason they were not released was that there was a bigger problem with the release that came about and we thought, "We cannot release that now for another five years." It would not go on then. I think probably a good example I have just referred to is the Molonglo Town Centre 700 release. We did have that in last year's one, and as we were trying to work through these constraints and challenges, that one slipped into this year, and so we are on track at this point to release that this year.

MS CARRICK: At one point, the land opposite the Phillip trade centre, on Yarralumla Creek, was in the land release program, and I heard people talking this morning—I think, or yesterday—about getting ready to develop that. Is that still on the land release program?

Mr Davey: SLA does have some land that you are talking about on the other side of Yarralumla Creek opposite the trades, which is land that we are looking at as a future release. As to whether that is on the program, I might check with—

MS CARRICK: Is that on the program?

Mr Davey: For 2028-29; so, it is on this current program.

MS CARRICK: Thank you. This is about the Woden town centre and the active fronts. Bowes Street has got active fronts, so I want to check that the new development on section 7 has active fronts on Bowes Street. I also want to ask about the car park that I understand is in the south-west corner, which is an active front, and how we have active fronts when we have a car park.

Mr Lee: Ms Carrick, I think we discussed this a couple of months ago when we met with you about the Phillip section 7 proposal. Their design, as it currently stands, is available on their website, so anyone is welcome to have a look online to see what they are proposing. That will go through the DA process and be assessed against the criteria that are in the Territory Plan in relation to active frontages and access.

MS CARRICK: So, the SLA—when you are doing your work—does not seek any compliance with the Territory Plan?

Mr Davey: Our expectation for any land that we sell is that the people that develop it will comply with the Territory Plan. That is obviously the role of the Territory Planning Authority in approving any work—to ensure they comply. I think it is probably fair to say that often we go above and beyond the requirements of the Territory Plan to specify specific outcomes in things like project delivery deeds.

We could sell land and say, “Over to you; Territory Plan will ensure good outcomes,” which I think it generally does; that is a clear role for the Planning Authority when they are assessing proposals. We do, as I said, sometimes require other things to be delivered, but once we have sold land to a developer, if it is not in a project delivery deed where we have said, “Hey, you have got to deliver this and we will keep tabs on you” or “We might withhold funding until that is delivered,” if there are other things to do with the planning process, that would then be dealt with by the Planning Authority.

MS CARRICK: The SLA has been very involved in this development. They have done a lot of consultation—very good. So does it have active fronts on Bowes Street?

Mr Lee: I am happy to take that on notice. I have not looked at the recent plans. It has been a little while since I looked at them—probably around the time that we last met, Ms Carrick. We are well aware of your interest in the Woden town centre. We are also very interested in ensuring great outcomes for that community.

This is one of those exceptions that Mr Davey mentioned, where we do have a concept delivery deed in place which outlines what the Suburban Land Agency believe is a great outcome in terms of that site, so there are things in that deed that require certain characteristics in the way that that site is developed. So we will be involved in that development, notwithstanding the fact that it has exchanged, for a number of years to come.

MS CARRICK: Thank you.

MS TOUGH: One of the key priorities of the SLA is around place making. I know Mr Lee spoke about it a bit. I am trying to understand the process of place making in new suburbs and the role of the SLA in creating good community and a good place.

Mr Davey: I think, broadly speaking, when we say we take a “place approach” or a “place-led approach” to building communities, that involves us spending some time to recognise the unique character of a particular place and to understand the aspirations of the community we are going to be facilitating and creating when we develop a new place.

We do a lot of consultation with community and representatives, and across government and other entities, to ensure that we can understand all of the things that will be important in making a new community and in making a new suburb and a new precinct a great place to live. That obviously factors in things like thinking about environment—whether it has a heat island effect and all those sorts of things; thinking about innovation; thinking about culture and arts; and thinking about how you integrate a new development into the community in a way that is meaningful and so that people feel they want to be part of it, that they are valued, and that, ultimately, it is as liveable as it can be.

MS TOUGH: How does that place making work with making sure it is sustainable and with resilience to climate change?

Mr Davey: The SLA does have a sustainability strategy which, again, is in addition to all of the very good legislative and planning requirements around sustainability and things like climate change. That strategy guides us in terms of how we plan our developments right from the beginning. It is not necessarily as simplistic as “Just keep as many trees as you can and plant more,” which is great. We do think about things like infrastructure. We think about the kinds of materials we might use in pathways, whether it is high ash content concrete, or other innovative things that can help with climate change and also make the environment better and more liveable. We have put in place, in a couple of our developments like Whitlam and Jacka, rebates, which then, further downstream from the work we do, encourage the community who are building homes there to think about how they can make their contribution in terms of climate and liveability. That might be rebates for doing things like putting light-coloured roofs on, or solar on the houses, or even EV charging infrastructure, or water and climate-wise gardens, and we have rebates specifically in relation to that as well.

We have also taken an innovation to leadership approach as an organisation, and this comes back around broadly to that place making approach. If you look at our demonstration precinct in north Wright, up near Stromlo, we have built some small footprint houses which are very low energy. The idea is to test and demonstrate what can be done in terms of building in ways that may be a little bit different to how we might normally do them. As part of that, with the place making approach and place-led approach, we have thought about the community and the neighbourhood that will be building, and if you ever have a wander up there you will notice that the road that runs down between the two rows of townhouses has some encroachment of gardens. Again, the idea is to make the space liveable and to encourage people to come out. That is a little bit of a test, I guess, of what you traditionally do in terms of roads, if you think about all the infrastructure—the garbage truck collection and all those things you need

to meet and tick the boxes on. We will work very closely with other ACT directorates to see that outcome achieved, and I think what we will get, at the end of the day, hopefully, is a community we have built there that shows the sector, and more broadly, the community, what can be done when you take a place-led approach.

MS TOUGH: Awesome, thank you.

THE CHAIR: Mr Rattenbury?

MR RATTENBURY: I want to ask about the Taylor Bike Library. I understand that Mingle funding is coming to an end and that the NGO partner has been unable to identify a way to make the much loved community program viable. Can you advise whether the government has any plans to address this or how that program can remain viable? What are the options for the sustainability of it?

Mr Davey: I might seek a colleague to provide some details on the current funding arrangement. What I would say about the Mingle program, which is effectively a community development program that is well-regarded where we have been able to roll it out, is that the intention is that we help communities become self-sufficient. They might establish community representative organisations. They might do things like bike libraries or other things that get people together, to connect and actually feel like a community. We want an outcome where they are self-sufficient and we are able to exit at some point. We have been running Mingle programs in Taylor for quite a long time, and we are probably getting towards that exit point. We have newer suburbs and communities that we are doing Mingle in, and we will have more coming down the track. So there is a point when we will need to exit. That is the strategy. In the case of this specific activity, if our funding has ceased, I would probably have to take on notice whether we have any alternative plans that the SLA is able to help with. I do not have detail on that one.

MR RATTENBURY: Thank you.

MS CASTLEY: I would like to ask some questions in relation to the SLA metrics in the most recent *ACT land and property report*, and some of the implications that has for the 2025-26 Indicative Land Release Program. According to the July-December 2024 report, the median time from exchange to settlement for single dwelling blocks on SLA estates between July 2019 and June 2022 did not exceed five months. However, in the past three years it has peaked at 20 months and now rests around 10 months. I am wondering why it takes so much longer to settle an SLA land sale.

Mr Davey: One of the reasons it might be taking longer in the period that you referred to is that finance has been more challenging for people to get. That would, in some cases, make the process of settlement take longer. In recent years, we have seen that people have not been able to go through with the proposed purchase. That is part of the reason for those delays. Ross, our CFO, may have some more technical reasons for it.

Mr Syme: Sure. One of the reasons for the timing—I believe it was between exchange and settlement of these blocks—is driven by market demand. In the last couple of years, we have had a situation where, for the first time in quite some years with the Suburban Land Agency, all of the stock that we have been able to take to market has not

immediately been taken up by the market, as was the case with some of the ballots, particularly those we were taking to the market around the COVID years. At this stage, there are blocks available in Whitlam and Jacka. While those blocks sit available for sale and in gradual sales processes, that would naturally result in an extended period between the time that the blocks are initially released to market through to the point that they are settled. I am sure that would be a significant contribution to that change in metrics that you described.

MS CASTLEY: It is the exchange to settlement timeframe. Does that mean the land is too expensive? Is that a reason you are not selling?

Mr Syme: If the metric is between the time of exchange and settlement, I would not attribute that to a land price factor. Typically, when we take our land to market in greenfield estates, there can be an extended period between the time when the land is released, the land is exchanged and ultimately settled. In many cases, that occurs in 12 to 18 months, which includes a period of time when we are undertaking civil construction work—levelling the land, building the roads and building the infrastructure to be included. There is a lead time for that to occur. It will depend on the product mix as well. Greenfield estates can take a longer period of time between exchange and settlement compared to land-ready blocks that are taken to market—for example, for auctions in high-density areas or in urban renewal precincts. The timelines for those can be quite short between the point of exchange and settlement.

MS CASTLEY: You said, if I am correct, that, in the most recent release, not all of the blocks were sold in Whitlam.

Mr Syme: Yes. There are blocks available for sale now in Whitlam and Jacka. They are available over the counter for interested purchasers to make a sales appointment and buy. Going back two or three years, there was a lot of interest in purchasing land. A lot of our ballots were oversubscribed and fully purchased at that time. Financing is more difficult now. With changes in affordability in the market, and particularly with the rise in building costs and more difficult borrowing conditions, that naturally results in challenges.

Mr Davey: In 2020-21, there was a very different market to last year. We sold a lot more land. Interest rates were at record lows. Since that time, we have seen successive interest rate rises put a lot of pressure on the market and we have seen sales reduce. Over the last eight to 12 months, we have seen a steady increase in terms of the SLA's residential land sales. The market, as you would be aware, is volatile and goes through cycles. We have had a period of much slower residential land sales. What we are seeing, particularly this calendar year, is a bit of an uptick in relation to our single residential sales, which are in, at the moment, Ginninderry, Jacka and Whitlam.

MS CASTLEY: Can you provide us with a breakdown of the SLA's pipeline plan—figures by category of zoning-ready, planning-ready and release-ready, according to the terminology that is in the *ACT land and property report*? Is that available somewhere?

Mr Davey: I will take that on notice and see if we can.

MS CASTLEY: Thank you. Perhaps you could give us the average time that it takes

for a dwelling site to transfer from the planner's pipeline to the developer's pipeline. Is that something you can give us?

Mr Davey: We will take that on notice as well.

MS CASTLEY: In 2024, the SLA settled 92 and exchanged 32 dwelling blocks in Jacka—that is, 124. The Indicative Land Release Program provides 205 residential dwellings in Jacka through 2025-26. Will the SLA be responsible for settling all of those 205 dwellings?

Mr Davey: Yes. The dwellings in Jacka that are in the ILRP will all be sold by the SLA. They will settle through that process.

MS CASTLEY: You are confident that you can get those 205?

Mr Davey: I would hasten to add that, in or around October last year, we spotted a koala in the future development area, where we were hoping to develop some of those blocks. We are undertaking ecological studies of that particular development. The conservator's office sprung into action very quickly and undertook some studies. We now have to meet our EPBC obligations and are undertaking a self-assessment, which means we have commissioned very detailed and comprehensive ecological studies, as you would expect, which I think will take the remainder of this calendar year to complete, as we have to go through the various seasons to make sure that we are being thorough. I would not like to pre-empt the outcome of those studies. You asked whether we are confident that we would sell all 205. I am not yet able to say with confidence that we will build them all. That is a decision that is yet to be made.

MS CLAY: When you are determining the value of land that you sell across the counter do you take into account the size of the dwelling that you can build on the block when you are valuing it?

Mr Davey: I would say the valuers do that. Our process for pricing land is that we have to get independent valuations undertaken by professional, qualified, experienced valuers. So it is done at arm's length. Naturally they would consider all of those types of things when valuing a piece of land. What are the constraints? What can be built on it? What is its amenity? What is its geographical location? What is the market history? All those sort of things will go into a detailed valuation report. As I said, we are obligated to get multiple, at least two, valuations done independently to inform our pricing.

MS CLAY: So do they come back with a different value if it is a two-bedroom unit versus a four-bedroom unit, or a two-bedroom house versus a four-bedroom house for blocks? How do they do that?

Mr Davey: I think typically that land values do depend on a range of factors and that could include what could be built on that block.

MS CLAY: Are they coming back with a value based on the highest, best value? Like, the biggest house, the most—

Mr Davey: It is my understanding best and highest use is typically what you would use.

MS CLAY: Best and highest use, yes. Sometimes the best and highest use is not always the best public outcome, and maybe a specific example is better. In Denman Prospect Stage 3 it looks like we have a process geared up for the best and highest use that is in an area abutting a national environmentally significant area. Is Denman Prospect Stage 3 just running on this standard best and highest use valuation process?

Mr Davey: Well, I guess the reality is that we have put it out to tender and the market will determine the price. We have not put it out and said, "This is the price." We have put it out to market. So they will look at the requirements that we have put onto that site, such as returning a school site, obviously meeting environmental considerations and those sorts of matters. At the end of the day, that tender process will let the market decide the price.

MS CLAY: So the market will deliver whatever the minimum requirements in the tender are and then the highest and best value highest price.

Mr Lee: I might just jump in there. As the CEO has mentioned, the market will tender based on their view of how to develop the site. We will assess that against a valuation and the valuers will look at a hypothetical feasibility of what the site can yield, including all of the infrastructure that Mr Davey has mentioned.

The reason for the approach to market being based on price is because we are dealing with a segment of the market that has a lot of experience, is very mature and is reflective of releases of that size that the territory has done in previous years, which have all delivered really fantastic outcomes for the territory from an environmental perspective, a community outcomes perspective and a social infrastructure perspective. I know there have been some comparisons to smaller developments that have not gone so well in the past, but this is definitely a very different proposition.

MS CLAY: With that particular site, it is listed on the website as a total yield of 2,950 dwellings and we have 60 public housing dwellings in there, so I am assuming this process will not deliver any more than 60 public housing dwellings out of around 3,000. Like, the market would presumably tender the minimum and tender for 60.

Mr Davey: I could not speak on behalf of potential tenderers. Certainly, as you point out, there is a minimum requirement. That does not mean it is a maximum. There may be some people, some developers, who are wanting to partner with community housing providers rather than institutional investors. I am not sure. One of the reasons you go out to tender is that there might be some innovative ideas that come forward.

Mr Lee: Ms Clay, it is a minimum of 60 public housing dwellings. In addition to that, there are 207 community housing dwellings that are required and 144 affordable housing dwellings. So that is quite a large number.

MS CLAY: Yes. Thank you. I can see the other components. It is just that if the minimum is 60 public housing, I am struggling to see how in a commercial process like this we would get any more than 60 public homes because you make a loss when you build public homes. So I hear that it is a minimum, but I think it is probably also a

maximum.

Mr Davey: I think that is a fair assumption. I mean, feasibility obviously with increased construction costs is getting more and more challenging, so we do not want to place requirements on the site that make it not feasible because then we would never sell it.

MR EMERSON: I wanted to ask about the Kingston Arts Precinct. Briefly the timeline: in 2003, the precinct was first conceptualised as part of an artsACT facility strategy; in 2010, the ACT government funded artsACT to develop the Kingston Arts Precinct Strategy; and in 2014, the government announced its intention to develop the precinct for \$78 million in funding. I understand that Geocon won the tender in 2017 and signed a contract that was meant to begin that year. That fell over and then I believe the Chief Minister said the project would not be completed until 2025.

This year's budget statement B, says:

Funding for the acquisition of the Kingston Arts Precinct development from the Suburban Land Agency has been reprofiled. The Suburban Land Agency is continuing to progress the project. The Government will confirm the funding profile for acquisition in future budget updates once construction contracts are executed.

What is the deadline for executing these construction contracts?

Mr Davey: On our current timeframe for delivery, I think we are anticipating the work to be completed in 2027-28, is that right?

Mr Lee: 2028-29.

Mr Davey: In 2028-29, my apologies. So I could not say off the top of my head when we think construction contracts will be signed, but that is when we expect the project to be delivered. That gives you a sense of the timing. So we are working full steam ahead on finalising detailed design and getting that work underway.

MR EMERSON: Might you be able to provide—I am happy for it to be on notice—a bit more of a detailed timeline for what is expected?

Mr Davey: Sure. Yes, we can do that.

MR EMERSON: That would be great, thank you. I just wanted to jump back very quickly to our conversation before about the CSIRO Ginninderra site. In August 2023, in my former workplace, I sat through a detailed briefing on the site and I recall SLA representatives being part of that briefing. Three different density profiles were discussed with specific yield ranges for each. I am trying to square that with your evidence today that the anticipated yield is now just a guess.

Mr Davey: Well, sorry, that was my guess, and I guess I am also conscious of the fact that we are in discussions about an acquisition and I think we obviously want to limit details in terms of commercial sensitivity. I do not have a detailed figure here. That was just my guess, as I said. We can take on notice if you want me to see if we have any more granular detail we could provide. I am happy to look at that.

MR EMERSON: I think that would be great. I mean, both parties were in the conversation, both parties being both sides of the sale, so I do not know that there would be commercial sensitivities. That is obviously shared information already.

THE CHAIR: So just to clarify, if you can take on notice to provide the most up to date analysis of—

Mr Lee: It was yield?

MR EMERSON: It was yield. I think there were three potential density profiles, so three different options.

Mr Davey: I think I am happy to take that on notice on the proviso that I would need to check what we are able to provide legally in terms of commercial negotiations.

MR EMERSON: If you do not mind—there were three options—what is the current thinking? Is there one that has been the basis of the business case that is under development?

THE CHAIR: My understanding is if you believe it should be kept confidential, you can make that request within the response to the committee.

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

The committee suspended from 12.27 pm to 1.20 pm.

Appearances:

Canberra Institute of Technology

Lundy, Ms Kate, CIT Board Chair

McNeill, Dr Margot, Chief Executive Officer

Andersen, Ms Josephine, Executive Director, Education Futures and Students

Jordan, Mr Craig, Executive Director, Enabling Services and Partnerships

THE CHAIR: We welcome representatives from the Canberra Institute of Technology. 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.

MR MILLIGAN: Referring to the budget outlook on page 109, it lists that the staffing full-time equivalent was estimated in the previous financial year at 696 but it was 713, as I understand. Can you explain why the discrepancy between what was estimated and what was actual, and then how did that impact the budget?

Ms Lundy: Sure. Would you like to start, CEO?

Dr McNeill: I, as you may know, have only joined CIT very recently. I know that my focus is certainly on maintaining our current staffing levels and really focusing on sustainable growth, but I might hand over to Mr Jordan, who may be able to elaborate in more detail on particular staffing numbers.

Mr Jordan: Thank you. I am the Executive Director for Strategic Finance and Transformation. Mr Milligan, in answer to your question, a reason we had an extra 17 people more than the estimated outcome was due to the number of projects we have on the go at the moment. For example, our Woden campus project was a major project for us, not only in the construction of the facility, which was managed by Infrastructure Canberra, but also in relocating staff from Reid. So there are additional resources for that.

As well, our campus project required additional resources. I should mention that our campus project is over a four-year period and will have peaks and troughs throughout that project. We also had additional staffing for our EV Centre of Excellence. Another element is the insourcing of a number of our corporate services roles, as well as the stance the organisation has taken to reduce reliance on external consultancies—we are insourcing that capability—and then also around other governance structures and improvements.

MR MILLIGAN: So out of that 17 how many were actually used for teaching students and not just administration or internal?

Mr Jordan: I would have to take on notice the split exactly between teaching and administration staff, but if we want to make a comparison back to that budget, it would be fair to say there is, from memory, increases across both cohorts.

MR MILLIGAN: I am really keen and interested to know the breakup of all the staff

at CIT. I do not know if I can expect you to have that answer now or whether you have to take it on notice, but the different staff you have; what their responsibilities are—not their duty statements but pretty much what they do, who does teaching, who does administration, operational, all that kind of stuff; as well as what is their employment, whether it is full time, part time or casual. So a breakdown because it is obviously a lot of staff, and I have noticed that the operating budget has gone up as well. So I want to see the benefits and comparisons.

Mr Jordan: Mr Milligan, I can answer some of those questions and some of those I will have to take on notice. Specifically about the split, and I am referring to our annual report of December 2024, out of the 888 head count, 83 per cent of that head count related to what we call our Education Futures and Students Division, so that is obviously the core teaching arm of CIT.

Within that division, we have a combination of three broad types of employment. One is our teaching cohort; we have administrative officers within that team who support our teachers; and then the other third broad category—they are not large in number—is what we call technical officers. They help set up classrooms and ICT classrooms. If it is in our horticulture area, they make sure all those areas are set up appropriately. So I mentioned 83 per cent are in that area. There are eight per cent within strategic finance and transformation, which is a typical corporate function; eight per cent for our corporate services, another corporate function; and then it is just basically one per cent for the CEO's office.

The other question I might also make reference to, if I look at it from an EBA perspective, is the split between the two key EBAs we have within the CIT, the teacher side and the administrative side. Fifty-one per cent of our workforce is employed under the teachers' EBA and 49 per cent under the administrative EBA. I will take on notice those other more detailed questions of splits.

MR MILLIGAN: And is that just a coincidence that one is 51 and one is 49, just an even split between people employed in operational or in teaching?

Mr Jordan: We have no set targets for that.

MR MILLIGAN: No targets or anything, just coincidence, yes.

Mr Jordan: If I recall correctly that split has been pretty much the same for the last three years within the organisation, give or take one or two per cent.

MR MILLIGAN: Is there any strategy in terms of streamlining the administration and management of CIT to maybe reduce the number of employees, put in measures to make the job a whole lot smoother and easier to operate, and maybe look towards employing more teachers and putting more students through classes?

Mr Jordan: So I might talk specifically about the corporate services, or as we have just changed the name, Enabling Services and Partnerships. Yes, we have a few projects on the go to streamline some of the business process areas. We are looking at efficiencies within the team to lighten not only the burden on our teachers but all our staff more broadly. Specifically, we are targeting areas in our finance, procurement and

recruitment-type areas.

I should also note while the numbers I refer to are for 2024, I think it is fair to say you would be aware that we received the ministerial direction from Minister Steel that asked us to focus on financial sustainability, reporting and governance, as well as procurement governance. So when I talk about some of the increases in those corporate roles they are to help address some of those challenges we have. We are going through a life cycle and once we embed these processes properly in the organisation and refine those processes, we expect the numbers, in particular on the corporate side to—I cannot say automatically come down, but I do not expect them to increase substantially at all.

MR MILLIGAN: We will wait and see.

Dr McNeill: I can add, in terms of a future perspective, that we will always be looking to review the balance, but we do have to be careful. I have been a teacher on and off for my whole career, and if we have too many teachers without the appropriate support to do things like set up the technical facilities, which is a big piece of work in a VET context, then it ends up increasing the admin burden on the teaching teams. So to Craig's point, some of the non-teaching staff were brought in to do specific projects. We also have things that have quite a long lead time before we need the teaching team. If I think about something like the EV Centre of Excellence, there is a lot of planning and project management and admin-type work that we need to do before we get to the point where we have teachers standing up in front of students.

Mr Jordan: Mr Milligan, I will just add further a practical example where we constantly look at our staffing profile. Recently with the completion of our Woden building, we had three executive directors—

THE CHAIR: I just want to check, Mr Milligan, is this going to your question or is the answer and context useful at this stage?

MR MILLIGAN: No. We can move on.

THE CHAIR: I do want to clarify exactly what was taken on notice because I think Mr Milligan, your question was about job roles and then part of the response was about the particular divisions. So just confirming that the context of the question will be around job roles or categories when you take that on notice?

Mr Jordan: Yes.

THE CHAIR: Thank you. I want to check, Dr McNeill, is there any sort of indication you can give me as to what a reasonable balance between administrative and teaching staff might be, noting that a one-to-one seems—

Dr McNeill: I guess again, having been here only very recently—I have had six weeks—but usually it is the type of environment that can fluctuate because of the institutional context and the sorts of things that are being worked on within that context. To Mr Jordan's point, moving to a large environment, like the move to Woden, needs a lot more support than when you are operating in your typical campus environment. So there are large-scale projects that we have had to manage. I would say eventually

we want to have a higher weighting towards the teaching teams but, again, we cannot go too far the other way.

THE CHAIR: So perhaps you could, in addition to the information you have already taken on notice, provide some advice as to, of those staff, how many are dedicated-projects-time-limited versus ongoing staff.

Dr McNeill: Sure.

MISS NUTTALL: Continuing on the theme of educators more broadly, we have the building a better CIT report from the AEU, if you are aware of it. In this report a lot of CIT employees have expressed a severe disconnect between their experiences and the statements made by their leadership. I am interested in understanding where you think that sentiment might be coming from, and what specific changes you would undertake to ensure the CIT leadership is more reflective of the concerns of employees.

Dr McNeill: I can make some initial comments, but again, I will then hand over to Ms Andersen to elaborate more on the history and the past context. Part of my leadership has been really expressing a genuine interest in listening to what the teachers and the CIT community talk about. I am a teacher. I am very interested in spending time in classrooms and with teaching teams. So that has been one of my very early commitments. To be honest, when I started visiting the campuses it was during the gap between semesters so that was not fabulous timing but, hey, we do the best we can, so I have been around to all the campuses.

I genuinely want to open up more communication channels. So what I have been doing so far—because I really do care about listening to some of those concerns, and I know that sometimes they have been aired in the media and people within the CIT community then feel that is a negative reflection on their institution—so I have done a couple of things already with just that focus on transparency and communication.

I have implemented a weekly newsletter that always has at the bottom, “If you have any suggestions or communications you would like to enter into with the CEO’s office just as a first port of call, then certainly do so”, and people have started to use that already. I am delighted to say that many of those engagements so far have been really positive, talking about how much they like things like the newsletter. It is not rocket science, to be honest. It is just trying to shed light on what we are doing in the office; the meetings I have had internally and externally and some of the themes that come out of the governance committees, for example. So trying to weave light touch messages about that openness.

The other thing that really just happened last Friday, so it is hot off the press, is an all-staff meeting. We have deliberately positioned that to be a virtual meeting so that people can join from wherever they are. Part of that has been a question and answer section—we will try and make it as long as possible but let us say 20 minutes at the end of the meeting—where any member of that community can ask a question of the executive. So far it has just been the three of us attending but we will probably get to a point where we have other members of the leadership team as well if we know that there are high profile areas. So they are just a couple of examples.

I was really happy in my first—in fact, at the end of my third day—I went to the AEU staff teaching and learning awards. It was fantastic to be there to celebrate that. I have reached out to the AEU leadership again to say we really value working closely together because we can only really achieve great things for CIT if we have strong connections with the teaching teams.

Ms Lundy: I think it is important to add in the finalisation of our new ten-year strategy, which we prepared in partnership with staff—so lots of consultation with our teams to come together and build a strategy that acknowledges that central place of our teachers and education staff in delivering the outcomes for CIT. I think that in pursuit of those strategic objectives our executive members are really well-placed to strengthen that communication within CIT and to find those opportunities to allow our teachers to find the level of excellence and quality that we are all seeking, and we are all delivering as part of it. I think the strategic framework is a helpful framework to understand where our board priorities lie, where our strategic priorities lie and it will continue to strengthen that culture within the business.

MISS NUTTALL: I am encouraged to hear that you are making a genuine effort to reach out and engage with everyone at CIT. I am interested in the feedback you have had. You mentioned that there is some really positive feedback and people are appreciating the steps you are taking now. What are the big things that people have raised that were not working before that they would like to see actioned?

Ms Andersen: I can speak to that. I have just clocked over three years at CIT, as has Mr Jordan, I think. Certainly when I started at CIT there was strong feedback around the need to strengthen communication—which is always a challenge in a large organisation—consultation, but importantly, the feedback loop. So since that time we have really focused on communication, at all levels and in different forms of communication. In my division, for example—which comprises the majority of the staff—we have regular situation reports; I do classroom visits, as does Mr Jordan; and we have executive drop-in sessions for anyone to drop in, at different campuses, to air any concerns or also share with us what is really working well. It is not all negative, of course.

We have opportunities for consultation with our employer representatives on a regular basis. We have implemented new events, like an annual staff conference, which also provides a really great opportunity for that two-way communication. Indeed, that was one of the key mechanisms for consulting on our new 10-year strategy. We have also strengthened the way that we acknowledge staff. We have instigated an annual staff awards event as well to really recognise where people are going above and beyond to support our students in the best way they can.

MISS NUTTALL: One of the main issues we hear coming up from CIT staff is a lack of time to undertake PD to keep their subject skills up to date. Considering they are vocational educators, obviously PD is pretty essential. What commitments does the CIT have to ensure CIT educators are given more time to undertake PD going forward?

Ms Andersen: I can speak to that one as well. All staff members have an amount of money, or funding, to support their ongoing training. It is a requirement, of course, within the regulatory standards that educators maintain both vocational and industry

currency and competency. So there is funding for them to access those professional learning opportunities, and indeed they can access a workload reduction, if you like. The standard expectation of our educators is 720 hours per annum of face-to-face teaching and they can work with their manager to negotiate a reduction in that so they can access the required professional development opportunities, and indeed, return to industry to upskill if required.

MISS NUTTALL: That is great to know. When they do, do you have a way of essentially tracking requests for this reduction in workload and how often that is actually met?

Ms Andersen: Yes. Definitely at the department level, for sure.

MISS NUTTALL: Is that something that you would be able to provide to us on notice?

Ms Andersen: I can definitely look into that, Miss Nuttall. Yes.

MISS NUTTALL: That would be very kind. Thank you. Then just briefly: the pivot to e-learning has many educators concerned that they are either forced to teach a vocational class entirely remotely, which has severe limitations, or that they will be let go if they cannot adapt to a virtual teaching environment. I am interested in understanding what the CIT and what leadership can do to reassure these educators.

Dr McNeill: I might make some initial comments about that and then hand over to Ms Andersen. If we come to the first objective in our 10-year strategy, it is around making sure we are student-centric. So what we have to do is make sure all of our graduates come out with some level of digital skills, even if it is finding information on their phones. We need to make sure we build those capabilities in, and that includes things like using artificial intelligence type tools. We have to build those in somewhere along the learning journey for all of our learners, but we will always have a large component of what we deliver in a face-to-face context. So that is the balance we have to look at in terms of capability development for our teaching teams.

Very few of our courses will ever end up being completely delivered online, but we can do some things like freeing up some of the admin burden for the teachers if the students can access some of the information online, for example. It is a steep learning curve for some of our teaching teams, but we do have the cloud campus initiative, which gives us a great opportunity to focus on those skills. We have some integration between our People and Culture team, our Educator Capability team, the Woden Campus team and then the Cloud Campus team to be able to bring those skills together and harness those shared opportunities.

It has to be about encouraging the students to have confidence using the tools. That means the teachers—at least some of the teachers along that journey—need to be able to use these tools, but we are not expecting everyone to give it over to online delivery. It means that we can do some clever things, like we can enable students to work together with cohorts that they were not previously able to. Or we can equip the students with some of the tools they will absolutely need to use when they go out into the workforce, because if you have seen the stats around technology usage, everyone's job has some part of technology usage these days.

It is not always explicitly designed into a lot of the training packages. I am sure the committee is a little bit aware of the distance between a delivery that we do and the design process around the qualifications. Sometimes that might take five years. So we really need to have that integration with industry to make sure we are keeping up with what industry needs and we weave that into our delivery.

MISS NUTTALL: So to confirm then, just for anyone that might be worried that the scope of their class might shift and that they might be expected to deliver more online with the loss of face-to-face teaching, that will not happen?

Ms Andersen: There has not been any expectation that teachers shift to online delivery just for the sake of shifting to online delivery. It is definitely not a case of the tail wagging the dog in that sense. Our approach has been to support educators to enhance student outcomes through using appropriate digital tools. So some of the examples of that will be enabled through the cloud campus. First and foremost it will help students to connect with support staff and teachers to assist them to be successful in their learning journey. Essentially it is about enhancing collaboration, communication, flexible access and the digital curation of learning materials for both staff and students. It is definitely a journey, and as I said, there is no expectation that classes shift to an online environment just for the sake of it. Not at all.

MISS NUTTALL: For any employees looking to build confidence in e-learning, is there training available to them and are they able to get workload reductions for looking into that as well?

Ms Andersen: So that would come in as part of their professional learning allocation.

MS CARRICK: My questions are about the CIT as a place. Obviously we want to welcome the students into Woden. I would not like to see a lot of courses that are 100 per cent online because we want them on the campus to, you know, help us create a vibe in our town centre. So I have a couple of questions. How are you settling into the new Woden campus?

Ms Lundy: That is a terrific question. Obviously Woden has been a substantial focus for CIT for a number of years now. Having officially opened the campus and students are now on the campus, my observation—having been there quite a few times—is that people, both students and teachers, are really enjoying the environment and getting to know the environment. I will ask Dr McNeill to elaborate.

Dr McNeill: I can say that it has been a delight for me to be at the Woden campus because, after all of the hard work had gone on by the board and the leadership team and the construction teams, I kind of arrived just in time for the launch. It has been fantastic. It is like a party really.

It has really been a joy because people have talked about—I mean there was a lot of nostalgia about Reid campus. We had a warm celebration apparently to recognise the importance of Reid campus in the Canberra community, but those people have often come and commented to me about the great advantage of being able to work more closely with peers that they did not have too much to do with when they may have been

separated in different buildings, for example.

The spaces in Woden are designed to encourage collaboration. I do think that has been a really positive part of the messaging that I have certainly had from people. There were always going to be some teething problems. That has been, again, a really good collaborative process because people have worked together on highlighting what some of these issues are and working out how they would work towards mitigations. It has been a really positive experience and there are great motifs around connection with country, for example, that I think are really powerful. So it has been very positive from what I have seen.

I have had heart-warming examples of students sitting around, having their lunches in the bleachers. I do not know if the committee members are familiar with that space, where the students can just go and find a comfortable area with their peers or by themselves. One young man was having a siesta with his noise-cancelling headphones on. I mean, there are a lot of beautiful spaces. People are delighted when they come into the fashion area, the photography area, or the media area, because they talk about the really cutting-edge facilities that are there. So it is a great environment with considerable thought.

MS CARRICK: The building is awesome; it really is. Did you know that your students still write letters? That is pretty amazing. I have one here. Most people just send an email.

MR RATTENBURY: Or a text.

MS CARRICK: Or a text, yes. We have had a couple about the food offering and how there is no affordable food on the campus, and they have to head out to Westfield where it is expensive. Certainly, Eat Street is nearby, and that is expensive. Did you have affordable food, a cafe or something, at Reid?

Dr McNeill: I can again talk about the high level, I guess, that we are heading towards, but then I might hand over to Mr Jordan, who may be able to talk a little more in detail. I know that we are going to have the produce hub, the Produce Store, which was a very popular feature at Reid campus, apparently, where people could come and buy the produce from the students when they had been doing baking, for example, and we are just about to open the Apprentice Restaurant. That is, again, a space where it is a teaching environment for the students to learn about the hospitality skills as well as commercial cookery skills. I think next Friday could be the mooted date for opening. I am not quite sure, but it is coming up very soon.

I do not know of specific mentions of an on-campus café. But that is partly because we are committed to activating the Woden precinct, and we are working very closely—

MS CARRICK: Better be careful about getting me started on that one.

Dr McNeill: I will hand over to Mr Jordan, in case there is some other comment he can add before we go onto the next.

Mr Jordan: I have nothing further to add to what Dr McNeill has mentioned.

MS CARRICK: There was mention that a “cafe would be good, or outside of the building itself”. “The West Plaza, for example, does get some sun”—so that is nice—“and we would like to hold some events there and some markets, but there is not a lot of power. Down the boulevard, on the south side of the tall building, in the shadows, there is a lot of power down there.” I had a little hunt around the other day, a traipse around looking for the power. Through the West Plaza, there is some power and some benches, primarily for plugging your phone in, but there are no power bollards to have events or market. Will you be having events yourself, in the spaces around, to try and help activate it?

Ms Lundy: As a general comment, we certainly envisage a future where those spaces are activated and used cleverly not only to provide services for students but also to integrate and provide good opportunities to work with the local community as well. How that looks, it is probably a bit early to go into any detail. I think it is fair to say that our executive team and teaching team has been focused on getting into the building and utilising the building, and there is still ambition to build those deeper community programs that activate that space in the way that you envisage. We do not have a lot of detail around that at the moment, but I would say there are potential programs there ready to be built in collaboration with surrounding businesses, community organisations et cetera.

MS CARRICK: Given you have the music program and a lot of creative industry-type things, I see it coming out into the town square and West Plaza. The West Plaza is protected from the wind and so it is a particularly good spot—so activating around that area and having bands and music. I would really like to take over the ground floor of the youth foyer so we can turn that into a big food hall right in the corner of Woden, with music. Anyway, we will let the paint dry first, before we move on. How have people coped with the parking? That was one of the primary issues in the whole development.

Ms Lundy: In general terms, parking is what it is in Woden, but there is the top floor of the adjacent carpark that is available, I think, for a daily rate for students.

Mr Jordan: Seven dollars.

Ms Lundy: Seven dollars.

MS CARRICK: That is pretty reasonable. Assumedly teachers too?

Ms Lundy: Yes.

MS CARRICK: I guess it is going to be an ongoing issue because—

Ms Lundy: It is everywhere in Canberra. One thing we are very pleased about, though is that the CIT Woden campus is literally part of a transport hub. Of course, at this stage, that is a bus interchange. We also support active transport and have a really good facility underneath the building for people who are choosing to ride their pushbikes to CIT. So we think we have catered, as effectively as is possible in this modern era, for active transport and to access public transport.

MS CARRICK: Back on the parking, that three-storey carpark next to you is a Westfield carpark. They are undertaking a master plan, and that site will be developed. What happens then? I am not 100 per cent sure.

Mr Jordan: I would add, further to what Ms Lundy mentioned. That is a topical item. We have made sure we have appropriate disability parking around the precinct. We have five disability parks, one below our building and four around our building, in addition to what there is Woden.

Specifically in reference to the Neptune carpark, I can say, as part of recently taking on the responsibility for managing the facilities, that, twice a day when I come into work, because we are on the fifth floor, I walk right over the top of the Neptune carpark, and I am yet to see that carpark full. I have been there for roughly six weeks now. Full volume really only started in the last couple of weeks, and the closest I have seen that Neptune carpark being full is when I counted three vacant spots last week. It something we actively monitor, and I have not seen that carpark full yet.

MS CARRICK: The buses must be busy then, with 6½ thousand students. I have one more question on this. How much spare space do you have in the CIT for additional activities to move in? Is it constrained already, or is there space for additional courses?

Mr Jordan: I will have to take on notice the specific amount of space that we have. But, in answer to your question, yes, there is a large volume of space we have within the facility. We have maintenance spaces and we have industry collaboration spaces So we have a number of opportunities there. As Ms Lundy sort of referred to before, our focus at the moment is on getting into the building, understanding how to operate the building and familiarising ourselves with the building. Once we have done that, then we will proactively move into active management of these spaces.

MS CARRICK: Excellent. I look at the courses offered at all the different CITs, and go, “It would be good to have this one in Woden”, and I was wondering if there was space for additional courses that could be offered there, at Belco or somewhere else, so that they are in north and south.

Mr Jordan: Part of the idea behind the design of that building is to have it really interactive with industry students and local organisations, when we choose to go down that path.

MS CARRICK: I suppose it would pushing my luck a bit if I were to suggest that there was room for UC to move in some courses—bring them to the south.

Ms Lundy: Possibly.

MISS NUTTALL: Can I confirm that you said that there was a total of five disability parking spots for—

Mr Jordan: Yes, in total: four outside of the perimeter of the building and one underneath our building.

Ms Lundy: Not just single parking spots, but areas where parking is available.

MISS NUTTALL: Okay; so it would be more than five parks in total.

Ms Lundy: Correct.

MISS NUTTALL: I was hoping to understand if you thought that that was meeting the needs for people with a disability who drive.

Mr Jordan: That is in addition to what is available within the Woden precinct itself. Besides the one that is underneath our building, the other four that I am talking about would, I guess, be 20 metres from the main entry.

MS CARRICK: There are two on the road that goes through the West Plaza. We have those bollards stay there and that never becomes a thoroughfare.

MISS NUTTALL: Forgive me; I was not able to find the information on CIT's website, but do you have to hand the total number of disability car parking spots?

Ms Lundy: We would probably need to take that on notice. We have some in the building, but there are also some surrounding the building. So we probably need to take that on notice to get an accurate picture to you.

MISS NUTTALL: If that would be possible, we would be really grateful. Thank you.

Ms Lundy: Yes. Accessibility is a really important principle for the building. I know that in the design process a really strong focus was put on not just physical accessibility but also wayfinding within the building. We have signage and support for people who are visually impaired and hearing impaired throughout the building and in the classrooms. We are really proud of the emphasis we have placed on that. Of course, that all starts with being able to park and get into the building in the first place.

MISS NUTTALL: Thank you. I am really encouraged to hear that.

MS TOUGH: I want to talk slightly about CIT Woden, but more generally the TAFE Electric Vehicle Centre for Excellence, which I understand is currently at CIT Woden. Can you explain what the TAFE EV Centre for Excellence does and how it is working with industry and government to have new apprentices not just joining the motor trade industry but also working with existing people in the industry to upskill and educate them for the needs of the future?

Dr McNeill: I might make a few initial comments and then hand over to Ms Andersen. The Centre of Excellence is a really important feature for CIT. It was actually the first of the COE models—federally supported and in collaboration with the ACT government. The EV was chosen because of CIT's expertise in this area and the high uptake of electric vehicles in the ACT more broadly. It is fantastic in terms of positioning CIT as a leader across the whole of the VET sector and more broadly in the TAFE network environment. Currently, there are some of the features in the Woden campus, but it has primarily been based at Fyshwick. Ms Andersen can talk in more detail about that. But it certainly is a really great feather in the cap of CIT to be the first

COE.

Ms Andersen: Thank you, Dr McNeill. The Centre of Excellence was established as a key strategy under the National Skills Agreement to support the net zero transformation. I will give an example of how we are using the space at Woden to expand some of our delivery. We are experiencing some pressures on the workshop, in particular, the workshop space at Fyshwick. So we have been able to expand some of our training to the Woden campus—because, of course, training in electric vehicles is quite a clean pursuit. In fact, we use simulators. We are in the process of setting up some of the industry collaboration space so that we can deliver some of that training from there, which is wonderful.

In terms of the Centre of Excellence objectives, there certainly is a national focus. The national focus is around supporting the uptake of electric vehicles, primarily, and delivering training. CIT is still the only the registered training organisation in Australia to be delivering the relevant certificate III qualification. We are focused on how we build the TAFE educators capability nationally and make sure that that training is exactly what the industry requires to support what is essentially an emerging industry.

Part of our remit is also around sharing really good practice. We are supporting other TAFEs, for example, to set up their programs with really practical support, like what do you actually need to buy, how many vehicles should you have and what do the specs of those vehicles need to be?

There is another key objective around workforce development. We have been engaged in supporting in an upskill of not only TAFE educators across the country but also the technician workforce, all of whom would have a trade qualification. We are supporting with some gap training to make sure they have those electric vehicle competencies as well. We are also actively engaged in getting out onto the road regionally as well, to deliver that training.

Another key strategy for the Centre of Excellence is developing partnerships. We are working hand in glove with the National Jobs and Skills Council, AusMASA, around what the workforce needs now and what the workforce of the future will need. There is also the innovation piece. We have standard qualifications for automotive technicians, but what does that workforce of the future need and how might we look to some of the electrical qualifications, for example, to augment what our vehicle technicians are learning?

In terms of what we have achieved so far, we have engaged with educators across the country. We have a working group that is led by our industry and training manager. We have conducted a skills and occupations mapping project in collaboration with AusMASA, the Jobs and Skills Council. We have already started upskilling educators across the country, and we have a KPI of supporting 20 TAFEs across the country by training three of their educators so they then can support the upskilling of their local workforce as well.

We have supported the establishment of the electric vehicle competition within the World Skills Competition. For the first time this year that was a national competition that our Centre of Excellence supported. We are kicking off an applied research

program to also look at the skills of the future and how we might practically address those through some applied research. We are, as I said, getting out on the road—not expecting everybody to come to us, but really living and breathing that national outreach piece.

MS TOUGH: So that national outreach is to industry. Is that to the TAFEs as well?

Ms Andersen: Absolutely. I mentioned that we are looking to support 20 TAFEs across the country to upskill their educator workforce. Over the course of the National Skills Agreement, our target is 400 technicians across the country.

MS TOUGH: Wonderful. Thank you.

MISS NUTTALL: I am interested in CIT Tuggeranong. It seems like a lovely building but, to the outside onlooker, it is not immediately clear what is actually being offered to students. From a little bit of a look at the website, I struggled to find anything. What courses do you offer at the Tuggeranong location of CIT and how regularly would you say the students actually use the space?

Ms Lundy: I will ask Ms Andersen to respond to that question. It is part our CIT campus network.

Ms Andersen: Thank you, Ms Lundy. On an enrolled student basis, we have around 270 students accessing the Tuggeranong campus each week. That does not include people who are based at other campuses but who might use the Tuggeranong campus as a place to study or to drop in and ask some of our support staff a question. In terms of what is offered there, we have an accounting flexible learning option based at Tuggeranong, the certificate III in early childhood education is another course that we are delivering. We deliver a number of ICT courses but, in particular, the certificate III in ICT, and a number of bar and barista courses and some short courses that we schedule on a regular basis out there as well.

In terms of hours of operation, the campus operates Tuesday to Saturday. On Tuesdays, the campus is open from 9 am to 8 pm; on Wednesday, 10 am to 9 pm; on Thursday 1.30 pm to 8.30 pm; on Friday 9.30 am to 4 pm; and on Saturday from 10 to 12.

MISS NUTTALL: Those hours sound excellent in terms of access for students but they do seem irregular. Is there any particular reason for that?

Ms Andersen: When I talked about those hours, particularly the Thursday hours which are 1.30 to 8.30 pm, the campus would also be open in the morning. That was my mistake. That is when the classes are actually scheduled.

MISS NUTTALL: I see. That is really helpful to know. Thank you. On the utilisation of the space, are you kind of meeting your targets for it? Where do you sort of see satellite centres like the Tuggeranong CIT in terms of the CITs long-term strategic vision?

Ms Lundy: I would just make a comment from a strategic perspective. At this stage, there are no plans for changing anything. But it will be interesting to see utilisation with

the Woden campus now open. So, from a strategic perspective, I would say we have a watching brief on the Tuggeranong campus. At this stage, as you can see, it is still being well utilised. That may change over time, and we will consider those things from a strategic perspective into the future.

Dr McNeill: At the moment we are in the middle of a profile planning piece, which really is the overarching framework to be able to, if you like, implement the 10-year strategy. We can certainly look at individual campuses and look at individual courses, but we are elevating that in this piece of work that really is examining what it is that we want to be lifting in terms of our profile of delivery and the things that we need to consolidate just because we may have some courses being offered in some campuses and we realise there is a growing need for similar courses to be offered in different campuses. It is that overarching planning piece that we are working on at the moment.

MISS NUTTALL: That is really helpful to know. It is a small space. How do you go in terms of getting specialised equipment at CIT Tuggeranong—like the particular things that it is conducive for and not conducive for?

Ms Andersen: So far that has not been a problem. Fortunately there are lifts. The space on both floors is quite open and was designed with flexible configurations in mind. So there are not hard walls and small doors; it is quite flexible in the way that it can be used. For example, we have had industry events there. I think it was last year we had a cybersecurity showcase, where we had employers coming in. We were able to configure the space so that it was nice and open to support that event, which was really around bringing organisations into CIT and supporting our students to network with potential employers.

MISS NUTTALL: Geographically, having something for young people coming out of college to go to that has been their local area and is accessible by public transport is really valuable. Do you ever talk to other ACT government entities when it comes to population planning and that birds eye view of planning education offerings across Canberra?

Ms Lundy: It is certainly something that we addressed in our strategy. Our strategy identifies a five-campus approach to CIT. I think it is important to see that in the context of the work that Dr McNeill spoke to. We need to look at where the demand signals are coming from, from both industry and students. We also need to consider the suitability of the spaces that are available across our campus network.

A lot of this work—just referencing Mr Milligan’s earlier questions—is about ensuring that we have got the capacity within the business to be able to take on these kinds of considerations and not just keep doing what we have always done. I think it shows an uplift in the sophistication of the leadership and management within CIT to be able to use the intelligence we can gather from our business, from our industry partners and from the sectors that we collaborate with to plan for the future.

We have not been able to do that as effectively in the past as I think most people expect, but it is certainly something we have been working on for the last three years. It is uplifting CITs internal ability to be able to make good business decisions about where, what and who deliver those teaching and learning services.

Ms Andersen: I could also add that we have had recent discussions with the principal of Lake Tuggeranong College and the principal of Erindale College with our college director of technology and design and our program lead for the Electric Vehicle Centre of Excellence to look at how we can support stronger student pathways from those and other schools to CIT, either at Tuggeranong or Woden.

MISS NUTTALL: Great to know. Thank you.

THE CHAIR: I just want to clarify some of the numbers that we just heard. You said there are 270 students. How many of those are full-time at Tuggeranong?

Ms Lundy: I would have to take that question on notice. We would have a mix of full-time and part-time students and also students who may be using Tuggeranong for our flexible learning sessions as well.

THE CHAIR: Are all of the 270 students you referred to before attending face-to-face.

Ms Lundy: Yes; that is the number of students who attend the campus to participate in learning. Yes.

THE CHAIR: When you went through the times, it sounded like there was nothing on Mondays.

Ms Lundy: That is right; there are no classes scheduled on Mondays. But that does not mean that students do not come in and use the facility on a Monday.

THE CHAIR: Okay. So there are no classes on Mondays and no classes for half of Thursdays?

Ms Lundy: There are no classes scheduled on Thursday mornings. But, again, that does not prevent students from being on campus. I should add that I mentioned before that there are short courses scheduled at Tuggeranong for bar and barista training, for example. So those times that we do not currently have scheduled classes on the timetable can be used for those other opportunities.

THE CHAIR: Okay. Thank you.

MR BRADDOCK: CIT provides school students with access to language training that is not readily available for ACT government schools. This training also contributes to the higher school certificates and the ATAR. I understand that students and families have been advised, and I quote, “CIT is not accepting new enrolments in these language programs, and schools are advised to adjust their curriculum offerings accordingly.” Can you please explain exactly what programs are no longer continuing and what this means for the students who will not graduate by the end of the year in terms of their education?

Ms Andersen: I am happy to take that one. Thank you, Mr Braddock. There was a senior secondary, years 11 and 12, language program delivered by the CIT subsidiary; CIT Solutions. CIT Solutions was accredited as a specialist education provider to

deliver that program by the board of Senior Secondary Studies. At the same time, CIT delivers the ACT Senior Secondary Certificate to a post-school cohort of students—so not students who are of school age, if you like; it is that cohort beyond, who may not have completed their senior secondary studies for whatever reason.

With the closure of CIT Solutions, CIT has worked with the Education Directorate to ensure that those students who are partway through their senior secondary study program in the languages area, in particular, that CIT Solutions was delivering, were transferred across to our senior secondary environment so they can complete their studies to the end of 2025.

We are working with the Education Directorate on what that looks like for the current year 11 cohort who may be seeking to continue their languages studies in 2026—noting that that certainly would not be the entire year 11 cohort. We currently have 15 students that are in the year 11 cohort, and not all of those will be looking to continue their studies into year 12. Given that it is the beginning of term three now, we are working with the students who are undertaking the program to understand what their intended study pathways look like.

MR BRADDOCK: Fair enough. You might not be able to answer this question, but what is the ACT government's plan in terms of delivering this language training to school students going forward?

Ms Andersen: That would be a question for the Education Directorate.

MR BRADDOCK: Thank you.

MISS NUTTALL: Constituents have reached out under the impression that CIT will be dramatically increasing the prices of entry-level English language courses. I am interested if that is true and, if so, what the reasoning is behind this increase in costs.

Ms Andersen: Just to park the discussion around the senior secondary program, we are not looking to increase the fees for students at all who have transitioned from CIT to CIT Solutions.

Ms Lundy: Other way round.

Ms Andersen: That is right: from CIT Solutions to CIT. Thank you, Ms Lundy. I understand that question would relate to our certificates I, II and III in our English language courses. I will pass to Mr Jordan to respond to what the fees look like.

Mr Jordan: I will have to take on notice the exact fees for those subjects. But, yes, we have increased our fees recently for some of those subjects.

MISS NUTTALL: I am interested in the rationale of why.

Mr Jordan: Why?

MISS NUTTALL: Yes.

Mr Jordan: It is it is all tied in together around trying to improve financial sustainability for the organisation. It is a delicate balance between making sure our fees reflect what the community can afford compared to the cost of delivery. The English language program is a high-cost course for CIT. We have not reviewed those fees for a number of years. Those fee increases were basically to reflect a minor increase catch-up. Over last previous years we have not had any increases.

MISS NUTTALL: I am interested in the people that you are observing are accessing this course. How many people do you think will be impacted by this increase in fees? If you are a family that has just moved to Australia and you do not speak the language, it makes it really difficult for employment and things like that and you might not have a stable income. Was mind given to that?

Mr Jordan: I should also mention that if students are on any commonwealth government support or anything like that, there are subsidies or reduced pricing for that cohort. I might hand back to Ms Andersen, but I would make the comment that CIT is not a major provider here. There is a commonwealth program run by a commercial organisation that provides free languages training—specifically what you are talking about here—that competes against the CIT course offering.

Ms Andersen: Thank you, Mr Jordan. That is absolutely right. There is a commonwealth funded program. I believe the current provider is Navitas in the ACT. I should also mention that the English language courses have recently been revised and there has been a training package update—for want of a better word. One of the previous iterations of those courses was on our fee-free TAFE list. Once we have those courses developed, we will be looking at opportunities for potential inclusion in our fee-free TAFE offering moving forward. But, also, as Mr Jordan has mentioned, there are other support mechanisms we have in place at CIT around fee concessions as well for people where affordability is an issue.

MISS NUTTALL: Would those particular concessions be available to people who are not on commonwealth supported placements? I think of the university context where you have international students who are not eligible for a lot of this.

Ms Andersen: We have provision in our funding arrangements for people who are on particular visa types, including humanitarian visas.

MISS NUTTALL: And that is for the entire duration of the course?

Ms Andersen: Yes.

MS CARRICK: I have received information that the course has gone up from \$1,400 to \$5,700. Can you take that on notice and see what the increase has been, because that is a pretty big increase?

Ms Andersen: It is certainly not an increase of that magnitude.

Mr Jordan: It has not gone up from \$1,400 to \$5,700.

MS CARRICK: I have been told \$1,400 to \$5,700. So could you take that on notice

and maybe let us know what the increase in fees has been across a range of courses? Thank you.

MR MILLIGAN: CIT has five campuses right now with the new campus that is coming online. In the budget estimates, the targets for subject enrolments had 100,000 enrolments over 12 months as the target—it seems like a lot—but the estimated outcome was 90,000. So, obviously, my question is: why did you not reach that target? Obviously, the target going forward is now 90,000. Can you explain the downturn in expected enrolments?

Ms Lundy: I think one of the prevailing conditions that we are dealing with at the moment is the high level of employment in the ACT. I think as a general trend, if people have the opportunity to have a job rather than choose full-time study, it is obviously a good choice for many people to do that. That is not the whole answer. Another part of the answer is that there were several courses previously—I will ask Dr McNeill to talk about these—that only existed for a period of time, which amplified our enrolments previously which are not continuing. I think the other general issue, too, to offset that, is the opportunity of fee-free TAFE, which increases the volatility of the numbers. As free TAFE places become available, we are able to attract different cohorts of enrolments too. So, within that, there is some volatility around enrolments. But I will ask Dr McNeill to extrapolate further.

Dr McNeill: Thank you, Ms Lundy. A drop in enrolments is a trend across the whole of the tertiary sector. As Ms Lundy mentioned, it is partly because of almost full employment where people do choose to work rather than study as a cyclical point in time. But we have also had some courses like silica exposure prevention and asbestos awareness that created quite a spike, and those are tapering off just because we do not need as many people going through those programs.

I imagine, anecdotally, that the move to Woden meant that some people were kind of pausing their enrolments just to make sure that it actually would be happening at this time. We hope that the Woden move attracts some more enrolments. But that is part of the bigger picture I guess—the type of courses that we deliver. There is also a sector trend to shorter courses that mean people can dip in and out more than they did when they were enrolling in longer courses. But that is also a wider sector trend.

MR MILLIGAN: What is the viability of the five campuses? Is there a future still for the five campuses or are we going to see Tuggeranong sort of fall off the radar?

Ms Lundy: I think it is a good question. As I have said, our strategy envisages five campuses. However, there is a body of work going on that will look at these things closely over the next however many years and watch those trends in both enrolments and the suitability of those places. If they are being well utilised and we can show cost efficiency in the use of those places, then it makes perfect sense for them to continue. If it does not show that, then we will be in a position to look at it strategically to see if we can approach things in a better way.

I also want to add that the campuses of both Bruce and Fyshwick, compared to Woden, are somewhat aging and are always subject to upgrades and improvements in the facilities. So we are under a constant program of capital works to keep our facilities

operating in the way that they should be.

The other layer in consideration of our physical premises is the investment through the Cloud Campus Initiative. As Dr McNeil and my other colleagues have described, that is a whole-of-CIT initiative that is about updating the technology available to both learners and teachers in all of our facilities. These programs are ongoing. We are making investments in all of those campuses all of the time. Any decision to change that five campus profile will not be done lightly and it will be informed by these big strategic issues.

MR MILLIGAN: How does CIT remain relevant going into the future? Courses, jobs and employment are going to be changing and, as technology evolves and IT and AI and all that kind of stuff evolve, how does CIT justify its existence if these courses may be changing and your enrolments are dropping? What is your strategy to be up to date with courses that are available and the courses that CIT might be able to offer that are not currently available today?

Ms Lundy: I am going to start and then I am going to invite Dr McNeill to speak to this. What our strategy envisages is that there is a growing demand for the sorts of practical skills and vocations that our society needs and wants. We already know that there are areas of substantial skills shortage that, arguably, we need to find ways to grow. The construction trades is a good example of that, but caring, nursing, teaching and all of these areas where CIT has a role to play are areas of growth. This starts to explain, I think, our optimistic stance around growth and opportunity in our forward-looking strategy.

The art becomes: how do you ensure we are an institution that is able to adapt quickly enough to make the most of those challenges, fill those skills shortages and grow into those new ways of doing things? There is the Cloud Campus and some of the innovative thinking through the federal regulatory framework that TAFEs operate under, the initiatives that are occurring through the National Skills Agreement and Centres of Excellence and this vision that has been expressed by the Jobs and Skills Commissioner, Barney Glover, about a parity of esteem, which understands that vocational education is not a poor cousin to a university education but in fact is as important to our economy and our society. This parity of esteem, at least in my mind, envisages that we have got many university graduates that are seeking the practical skills to find the career they want.

This concept of a better joined up tertiary education system, where university graduates can transition into a TAFE or CIT course of study is equally as valid as a training and learning pathway that sees CIT graduates identify the university course that they aspire to. As a result of this—and this is part of that sort of pathways and joined-upness—through a learner's eyes, a student's eyes, we want to make that as easy as possible. At the moment, it is a bit complicated if you are someone who is looking to find the right education pathway for your career.

We have an MOU with the University of Canberra and we have strong relationships, with memorandums of understanding pending, with our other universities to try to map out those pathways more effectively. I think it is those kinds of initiatives, Mr Milligan, that we start to make more sense of our need to be flexible and responsive and for it to

make more sense for students and learners who are trying to identify the career path that satisfies them.

In the midst of all of that—just to prove that it is never an easy task—that needs to be responsive and serving the needs of industry and employers across the public sector here, particularly in this region, and of course the private sector, which fuels our economy, builds our houses, services our caring sector and so forth. So we feel like we have the weight of the world on our shoulders. With that, I am going to invite Dr McNeill to say a little more, because this really is her area of expertise in looking at what the future holds and how to make the most of it.

Dr McNeill: Thank you, Ms Lundy. I agree: we have this kind of Venn diagram of opportunity at the moment that means CIT will become increasingly more relevant, but we also need to be a sector leader in this area. If I talk about the Venn diagram for a moment, I have been in education for close to 40 years and I have never heard a conversation about parity of esteem, which is being led across the whole sector, really, generally looking at what the qualifications are.

There has been a lot of work over the last couple of years. I was the education rep on the Qualifications Reform Design Panel, which effectively looked at the constraints that we had been operating under in the design of vocational qualifications. If I speak frankly, there was a lot of focus on compliance within how those qualifications were designed. It meant that it was more difficult to introduce innovations and changes that were happening in the sector. That has been recognised as a real gap. So there is an appetite for more responsive qualification design.

There is also a handy new set of regulatory standards. Again, the previous set of standards that we had to operate under as a provider of vocational education was very focused on compliance. It probably was not designed that way at the outset, but that is kind of how the culture shifted in almost all vocational contexts. That is now shifting to a focus on quality rather than compliance, because we have these new set of standards that we can operate under. CIT is operating from a position as a respected provider. We just had our reregistration a couple of months ago for seven years and no conditions, which is the maximum you can possibly achieve as a VET provider. So that is a great feather in our cap.

Then we have this fantastic connection that we have with industries, where we know that they want to have graduates coming out with technology skills, knowing how to use things like artificial intelligence, just to lift up the more mundane parts of their work. When I go and collaborate with people like ClubsACT, they tell me that they need a more responsive kind of course delivery—how we deliver our courses, what we deliver and what we combine in terms of what constitutes a course.

There has always been a very strong divide—in fact, two completely separate regulators for vocational qualifications and higher ed qualifications. Now there is an appetite—again, back to parity of esteem—for things like higher apprenticeship programs that are often a combination of both. Traditional trades need to be able to have some of those leadership skills and digital skills. That is the space that CIT wants to be a sector leader in. It has not been part of the VET discourse. As I said, for 40 years, we have been talking about higher education, and now there is a genuine opportunity for us to show

the innovation that the teachers in VET spaces always wanted to do; it is just that we had this very constrained environment.

Mr Jordan: Could I further add to what Dr McNeill mentioned?

THE CHAIR: We are going to have to keep on moving. If it is substantive to the question, I guess, if there is something you want to add, but there are a few supplementaries to go.

Mr Jordan: I was just going to provide a bit more detail specifically about what Ms Lundy talked about and some of the areas that we are actually focusing on.

MR MILLIGAN: I am happy, if you want, to put that through on notice—just in terms of being able to move on and have other people ask questions.

THE CHAIR: Did you have anything else specific on this line?

MR MILLIGAN: I was going to anticipate or hope that when you do provide a response back in terms of employment and who is employed to do what, that there might be something in that that might indicate to us that there is a team there or someone there that is actually working towards the future and building the future of CIT and the course offerings that it is offering to ensure that it stays relevant and is also working with industry and professionals to ensure that the course that they offer is up to the level that the industry itself requires.

Mr Jordan: Mr Milligan, that is exactly where I was going to go.

MR MILLIGAN: If you want to take it as a question on notice, that would be fine, just to allow people to move on and ask other questions. You have got the question and you have got the gist; so I look forward to your response.

Mr Jordan: I can assure you that there are people working on that specific challenge we have at the moment.

THE CHAIR: Wonderful. I might ask a couple of clarifications. Way, way back at the start of this line of questioning, there was discussion around enrolment projections. Has anyone done any analysis to see to what extent the shift in enrolments is driven by and which of those factors that you mentioned?

Ms Lundy: It is hard to specifically break it down, but these are broad trends in experience in the sector. I do not think we could offer any more detail than those general observations.

THE CHAIR: Okay. You also said that it was partially due to, I think, courses that were not continuing. Can you provide a list, perhaps on notice, of which courses are not continuing and what the previous enrolments would have been in those?

Ms Andersen: I can address that partly. Dr McNeill referred to a peak in delivery of some short courses related to building and construction. One of those was the silica awareness course, which was required under a legislative change for all people entering

a building site.

THE CHAIR: Right. I assume that one is still continuing?

Ms Andersen: It is still continuing, but there was a requirement to train the existing workforce. What we saw, for example, in short courses of that nature, was a drop in enrolments from over 9,700 in 2023 to 5,200 in 2024. That is just an example of legislative change—so the typical peaks and troughs that we would expect.

If I go back to 2020, for example, there was a requirement for CIT to upskill our trainer and assessor workforce and to support broader upskilling, because of another regulatory change. That was 600 enrolments that we did not see before or after that period of time. So there are those adjustments as well. Sometimes there is also a change to funding eligibility. In 2022, for example, the ACT government made a change to our funding eligibility for Australian apprentices, so that government departments were not accessing additional funding to support the training of apprentices and trainees. So it is all those sorts of things that, I guess, are a catalyst for a change in employer behaviour as well.

THE CHAIR: I am just interested in any analysis that you have done to try and break those down. I think in 2021 the enrolments were about 111,500; the following year it was down to 93,700; then it went back up to 97,000; and now we are dropping down to 90,500 or thereabouts. The trajectory is not an increasing trajectory.

Ms Andersen: It is worth noting, though, that sometimes those kinds of metrics do show a decline but, when we are looking at hours of delivery, because of changes to training packages and the amount of training that is embedded in there—

THE CHAIR: I am happy for any clarification you want to provide along with it, in the interests of time, but I am also very interested in that comment about courses that are not continuing and whether you can provide just a list of those. There is some nodding of heads.

Ms Lundy: We will take that question on notice.

THE CHAIR: Thank you.

MS CARRICK: This might be along the lines of where Ms Milligan was going and maybe where Mr Jordan was going. When we talk about AI, the future and the impact that it will have on courses is potentially quite significant, even in things that you would not think of—like creative arts. I know of a uni course, concept art, and the chance of getting a job at the end of it is, I think, pretty remote. What thinking have you done about where the future is taking us with all this?

Ms Lundy: From a general perspective, I think this is weighing on everybody's mind, no matter what job you have or vocation you undertake. I think from CIT's perspective, one of the challenges is how you support both students and teachers to be able to access AI tools with the right guiderails and with the right frameworks around that in order to improve their experience. So we are not talking about philosophical or substantive changes that would require some sort of structural shift, but the sort of tangible,

practical uses of AI that can improve that teaching and learning experience. I am going to ask Dr McNeill to wade in a little deeper than I have on this issue.

MS CARRICK: I think where I am getting at is that, sure, we can use AI as a tool in our work—it is great—but I am sort of getting at that structural change that it is going to have. And it is coming pretty quick, I think.

Dr McNeill: It is, and we have certainly been putting our mind to that as part of an overarching examination of our policy approach. It will be that we need to support the students, all of our graduates, to use these tools to take away some of the more mundane parts of their work or the things that are not their primary interests. I look at something like a young tradesperson. Looking at our recent world skills, we had a video of a young tradesperson who said he was 21 at the time and he wanted to set up his own business by the time he is 25. That is a great example. AI will not be able to replace the plumber or the electrician. But AI can do some things. For example, it can provide an analysis of the local area, so that they can plan a more effective business plan and they can analyse the kinds of customers they are likely to be engaging with. It can help them write an email in response to a cranky customer.

Those are the sorts of skills we are focusing on. It is about freeing up people to do the things people do best. That is actually communicating and problem-solving and all of those great things that are the part of interesting learning and teaching, and that is what we want to focus on.

MS CARRICK: Yes. I agree, but it is about courses where there are no jobs at the end of it anymore.

Dr McNeill: Back to my earlier comments around profile planning, we work very closely with the ACT government but also Jobs and Skills Australia. The Jobs and Skills Councils do a huge amount of work in analysing those likely workforce trends. So we will be working with them. They are, in fact, the ones that lead the design of the training qualifications. Those qualifications always have a view to what the job outcomes will be for the learners. We need to be able to make sure that we are responsive but that we also feed in those future perspectives.

Ms Lundy: Just to round that off, I think this is a capacity issue for CIT. We need to have the capacity within our organisation to interact with those Jobs and Skills Councils effectively. They have both union and industry representation on them, and they are a terrific source of course updates and those directions. We need the capacity within our organisation to interact with those organisations to get that information flow working effectively and informing our business decisions.

MS CARRICK: Thank you.

MISS NUTTALL: Obviously, there are some positives to AI, but there are also substantial risks. You talk about the carbon impact of AI and the difficulty getting high-integrity information and, in the process, people losing the kinds of skills to gather that information themselves in the first place. What are you doing to work with students and educators alike to essentially educate them on the risks of AI?

Ms Lundy: Dr McNeill?

Dr McNeill: You are exactly right, Miss Nuttall. We need to look at the opportunities, and that is the kind of thing we have been focusing on so far. But our policy context always has a very tight view of the risks. In fact, the regulators demand that for us. If I start off with the notion of safety, students need to be able to have an adequate level of information literacy so that they can ask questions, in the same way that it would have been when we were all talking about Wikipedia a few years ago. It is the same kind of conversation about building that in right from the outset as part of O-Week where learners know they need to be able to use these tools safely so that they are not quoting things that are part of a hallucination.

A part of our credentialing piece is that we actually need to assure ourselves that the people who walk out of it with a ticket from us actually earned that. That is the academic integrity piece that is absolutely critical. We are in a fortunate position in the vocational education context, because so many of our courses are really practical. But we have to review the types of assessment design we have to make sure that we really highlight authentic assessment.

This is part of the topic of my PhD, and I feel like I have been talking about authentic assessment for about 25 years. AI absolutely sharpens many more people's attention on that need, because we cannot have people coming out with qualifications that they have not actually earned. So it is really at the front of our policy work, and that needs to be with educating students and designing the assessment tasks but also educating the teachers to make sure that they are focusing on the future in this space, the risks and also the opportunities.

MISS NUTTALL: Thank you.

THE CHAIR: I think we are back to me again—and, Mr Milligan, I know you are enthusiastic about asking some more.

MR MILLIGAN: Yes, budget questions. Do you like figures? It is not my thing, but let's run through some anyway. I am keen—

THE CHAIR: I will jump in with enthusiasm if need be.

MR MILLIGAN: I am interested to know what the operating budget is for CIT. Correct me if I am wrong, but in table 8 on page 119 of the *Budget outlook* it says the operating cost for last financial year was \$138 million. Is that correct? Is it roughly that? I think there is a breakdown of what contributed to those costs and what the revenue was that came in. Is that right?

Mr Jordan: Mr Milligan, the table and the \$138 million you are referring to is actually our income for the year.

MR MILLIGAN: Yes, income.

Mr Jordan: That income is made up of a number of components. There is just under \$91 million in TRP or government appropriations. The next biggest item is around \$33

million in what we call sales, goods and services. Sorry, that is probably a bit of accounting-speak. “Fee for service” is probably the best word to use for that—which includes student fees.

MR MILLIGAN: Okay, and I guess down below it is the expenses.

Mr Jordan: Yes.

MR MILLIGAN: It looks like employee expenses is the highest cost for CIT, at around \$99½ million. As sort of indicated earlier when we spoke about the ratio between students and employees, CIT does seem very top-heavy, CIT. I guess if you go down the path of streamlining the management and operation of CIT, we could anticipate seeing that employee cost potentially drop and then potentially maybe work towards removing the operating deficit of \$19½ million each year that keeps on recurring. Is there a plan to try and remove that deficit?

Mr Jordan: Mr Milligan, yes, there is a plan. That is one of the things I was going to refer to before when I said I would take it on notice.

MR MILLIGAN: Good. You have time now.

Mr Jordan: Our plan at the moment is to manage our expenses appropriately for the organisation, but what the board has adopted is a growth strategy for the organisation. I mentioned earlier that we have a project that is going to kick off later this year that looks specifically around business process redesign and how we can improve some of our business processes. They will only have a minor impact on our bottom line. They will improve it, but what it will do is free up capacity for our existing staff to focus on our growth strategies. Our growth strategy—I will get it in now and hopefully I do not have to take this on notice—

MR MILLIGAN: Speak quickly and you will be fine.

Mr Jordan: On our growth strategies and the particular areas we are looking at, we are looking to grow our fee-for-service revenue base in electric vehicle maintenance—and obviously we have the EV Centre of Excellence Renewables. We are a leader of renewable delivery across Australia. In aged care, Ms Lundy and Dr McNeill talked about tertiary harmonisation. There is a practical example where we have had discussions with a university that offer a nursing program; however, their nurses cannot operate in aged care—and we all know there is a shortage of workers in aged care. We are in discussions with those universities about sending some of their graduates back to do some of our nursing courses so they can work in the aged-care environment. Defence is another big one that we are going to focus on in this organisation, as well as space and advanced manufacturing.

Ms Lundy, talked about the MOUs or pending MOUs with some of the other universities. We are talking to, for example, the ANU, about working in the space of advanced manufacturing and even things like the circular economy. They are the areas we are going to focus on to grow our revenue base.

MR MILLIGAN: Is there a strategy to attract students? What does that strategy look

like? You need people paying for these courses, which is good.

Ms Lundy: It is a challenging issue. To be able to offer these courses, I am going to say, there is a loss lead. You have to invest in that course, you have to find the physical space, you have to find the teaching staff—

MR MILLIGAN: Well, you have five campuses now.

Ms Lundy: and you have to market the courses and promote the courses. Only then do you get the revenue from the courses. When we look at a growth stance for the CIT strategy and therefore budget, it means hanging onto the talent that we have and investing in business development and those new courses before we receive the revenue for it. So it will mean some challenges in relation to the budget as we lean into filling skills shortages and matching that future demand. That is not an excuse to say that we also have to tackle our expenses and become as cost-efficient as possible.

MR MILLIGAN: Of course.

Ms Lundy: But I think, all in all, this is how we best serve this region's business and community in taking that position. The alternative would see a contraction in CIT and I think that would be counterproductive for all of our economic and social goals.

MR MILLIGAN: Of course.

Ms Lundy: Finally, Mr Milligan, CIT is very proud of the fact that we provide what we see as a social dividend. We support those in our society. I think the best way to describe it is our teachers and our staff always go that extra mile—not just our teaching staff but also our administrative staff—for students who need it. It is really hard to cost that out, but it is not something we are prepared to compromise on.

So that sits there as, I guess, a cost we are incurring that we are proud to incur. We will take every opportunity—like today's hearing—to put that on the record to say we are not prepared to compromise on that. We acknowledge that it probably contributes to our expenses, but it is something we are immensely proud of and is part of CIT's culture.

THE CHAIR: Ms Lundy, you have made a few comments here. The simple fact in these budget papers is that CIT is in deficit year after year after year. What we have seen from our university sector is that universities that run deficits year after year after year end up having to make some decisions that no-one wants to see. You have said that this is in part due to running courses as loss leaders. Is that correct?

Ms Lundy: No, that is about establishing new course offerings rather than deliberately losing money on courses. But we do make decisions about courses that are not necessarily profitable because there is a strong social dividend involved. A good example of that would be the post-secondary year 12 course for school leavers who did not complete year 12 who come back as mature age students to complete that. We see that as an important investment in our community and there are opportunities for those people, and we continue to provide that particular course even though it does not make CIT money.

THE CHAIR: As someone who went through a similar program through the UC, I completely support that side of the equation. But, at the same time, do you actually look at any sort of break-even analysis on these loss-making courses?

Ms Lundy: I think you have heard from Dr McNeill that, in fact, we now have the business information becoming available to us. It has been part of how we have improved our internal capacity, to have the business intelligence to make these decisions. So we are getting better at doing that analysis within the business.

THE CHAIR: Okay. You have had a whole series of deficits. How much debt is actually held by CIT right now?

Mr Jordan: Sorry, Mr Cocks, can you repeat that question?

THE CHAIR: There seems to have been a whole series of deficits for CIT.

Mr Jordan: Yes.

THE CHAIR: How much debt is CIT in right now?

Mr Jordan: CIT is underwritten by the government; so we do not have debt per se. We get appropriations from the government and we also have our fee for service. A large portion of our operating deficit is in relation to depreciation and amortisation. When you hear senior finance people in the public sector talk about operating statements, they are talking cash and non-cash items. What is important specifically for public sector or organisations is that cash component.

If we take the example of the 2025-26 budget, you will see the operating deficit is \$16 million. Our depreciation expense, which is what we call a non-cash item, is just under \$17 million—so if the government did not fund ACT government directorates or authorities for depreciation. As to how we get that funding, we put up business cases as required for us to undertake capital projects, and the government makes the decision about whether those projects are funded or not. If I can just go back to that example, you will see that, in 2025-26, there is a big increase in that depreciation compared to the 2024-25 year—a \$6 million increase. That is reflective of our new Woden building coming on line.

THE CHAIR: At the same time, surely, depreciating assets at some point are going to have to be refreshed and you are going to have to put more money in behind them. So you are still looking at operating deficits.

Mr Jordan: Correct. I would expect our operating deficits will continue going forward into the year. What the key element that I consider in management of finances of the organisations is: do we have enough cash available in the bank to pay our wages, undertake the repairs and maintenance that we require and also have some minor capital works? It is the government funding model that we go and ask for business cases for capital injections for major projects.

MS CARRICK: Certainly they have not set anything aside for you or anyone else

either, actually.

MISS NUTTALL: I have a question on the same table. I believe this is table 8 on budget statements B, if you are referring to depreciation and amortisation. On that table, it also looks like employee expenses are projected to go down fairly substantially, from \$99 million to \$92 million. What is the reason for that?

Mr Jordan: Once again, under the funding model within the ACT government, we have a number of projects—our EV Centre of Excellence and our Cloud Campus project, in particular—that are funded on a year-by-year basis. So you will see the funding will drop off one year and we will not get that funding. That funding will not be announced until we go through the normal budget cycle where they will allocate more money for that. That is why you see that reduction of \$7 million in employee expenses. Similarly, if you go up to the top line there, under “Control recurrent payments”, you will see a \$7 million drop in control recurrent payments. So I cannot count that as being funded for CIT because it is held in a provision within the government budget framework.

MISS NUTTALL: Is that where previously it was counted in this current financial year budget?

Mr Jordan: In the current financial it is funded and it is available for us to spend. So in 2026-27, in the case of our Cloud Campus project it is not available for me to access. I have to apply to access that funding every year.

MISS NUTTALL: Thank you.

THE CHAIR: So Cloud Campus drops off in 2026-27? Is that right?

Mr Jordan: There will be an element to our EV Centre of Excellence. I might come back on notice for those major projects. There is about \$16 million in funding that drops off. It is not to say the project finishes; it is just that we have not been allocated the funding for future years.

THE CHAIR: How do you deal with the uncertainty for staff that that would create? At what stage do you have to make a call as to when—

Mr Jordan: That is a constant challenge for us as senior executives in the organisations, because there is pressure to ensure that we have secure and stable jobs for our employees, and that is the bottom line that as executives we try to manage.

Ms Lundy: Correct me if I am wrong, Mr Jordan, but those budget allocations are forecast but we still have to apply each year through a business case for those budgets to be allocated to CIT even though they are forecast.

Mr Jordan: That is correct.

Ms Lundy: So it is a little more secure than what it sounds like. But, because there is a formal budget process and business case process to go through, it is not a sure thing. It is certainly not sure enough for Mr Jordan to be able to include it in the financial

statements.

Mr Jordan: I might just expand on that bit. So why does the government do that? Because a lot of these costs are unknown. When we put up these business cases, these business cases run over a number of years and it is not until we actually get into some of these projects that we can accurately quantify some of these costs. Cloud Campus is one of those projects. With ICT projects, it is not until you get into them that you can actually understand what the true costs are.

THE CHAIR: How long does it take to prepare that annual bid to the government to ask for continuation of just one of these programs? I ask this because I have seen these processes in federal government where it can take a huge amount of effort.

Mr Jordan: I have worked in both federal and the ACT government, and an extensive the amount of effort that goes into building business cases.

THE CHAIR: Okay. Thank you.

Mr Jordan: I do not want to speak on behalf of other directorates but—

Ms Lundy: I think, Mr Jordan, it is fair to reflect generally that this is about the capacity building that has occurred within CIT within the corporate area. We need to be able to have the people with these skills to be able to do this on a reasonably consistent basis. We do have that and, from a board perspective, it helps fuel the strategy and helps us achieve the strategy that we have envisaged for CIT.

One of the reasons that we have gone for a 10-year strategy is that many of our ambitions are big. They are not going to be realised in three or five years. We think that if you are addressing skills shortages in a structural way it takes time. So we need to build that plan over a 10-year period and have an extended conversation with the government of the ACT to share that vision and work with them to achieve it.

Mr Jordan: Mr Cocks, I actually have the data that I said I would take on notice. With that reduction you see in the \$7 million in our control current payments, I can talk about the reductions, but we have other initiatives coming on as part of that. We have got a reduction in our EV Centre of Excellence project of \$2.7 million. That is not saying the project is finished; we just have not been allocated the funding for it. For our Woden campus, I can confirm the number, but the funding for this year is \$4.7 million. We do have provision funding going forward. This is extra cost to operate a new facility in Woden. Finally, there is the Cloud Campus project I talked about, which is \$8.6 million in the expenses. Once again, we have not been allocated the funding for that going forward.

THE CHAIR: Okay; thank you.

MS CARRICK: And that accounts for that \$17 million drop-off?

Mr Jordan: If you add up the numbers I just read out then, that was \$16 million and there is a \$17 million reduction there. The other reduction is actually government savings that have been passed on to CIT.

MS CARRICK: Thank you.

MR RATTENBURY: I have a couple of quick questions which will hopefully wrap up some of the questions around Operation Luna. We saw the recent part 2 report and the findings that are well understood. One of the things I just wanted to confirm is whether Mr Whale is still employed at CIT.

Ms Lundy: No, he is not.

MR RATTENBURY: What were the circumstances of his departure?

Ms Lundy: I will take the details on notice. I know he went on leave in 2022, but I will take on notice his exact date of departure.

MR RATTENBURY: That leads to my next question—and perhaps on notice as well then. When did CIT become aware that Mr Whale was subject to the Integrity Commission investigations and was he stood aside from any positions he held at that point?

Ms Lundy: When the Integrity Commission reported.

MR RATTENBURY: So you did not know until two weeks ago?

Ms Lundy: No, we were not aware of the details contained in Project Luna Report 2 until that report was made available.

MR RATTENBURY: Thank you.

THE CHAIR: Was that report made available to you before it was published in any way?

Ms Lundy: There is a process that the Integrity Commission manages, but I think I am bound by the rules of the Integrity Commission to reflect on the publicly tabled report.

THE CHAIR: Okay; thank you.

MS CARRICK: Have you received any Treasurer's Advances?

Ms Lundy: Yes, we have—in fact, one recently that was reported quite extensively in the press. Mr Jordan?

Mr Jordan: We received a Treasurer's Advance. The number escapes my mind. I will need to confirm the number.

Ms Lundy: Of \$5.3 million.

Mr Jordan: The Treasurer's Advance was \$5.3 million.

THE CHAIR: It sounds familiar.

Mr Jordan: There were two key elements to that Treasurer's Advance, as articulated. No 1, the largest component, was the reduction in our revenue base—so less student enrolment, a reduction in the revenue we earn for the organisation. The other component was approximately \$1.5 million in relation to the whole-of-government outage, particular in relation to CIT. It is what we call our eLearn system.

MS CARRICK: It is a terrible thing to lose all that information. So it had to be rebuilt?

Mr Jordan: Yes, that is correct.

MS CARRICK: What a shocker.

Ms Lundy: It came at a very busy time for CIT, given the finalisation of our reregistration and also in the middle of planning the move to Woden. So it presented an enormous number of challenges, particularly for our teachers and administrative staff. It was very burdensome, and I would like to take this opportunity to acknowledge everyone in the organisation's effort to get things back up and running. It is an ongoing issue, though, and I am happy for the officers to continue explaining where we are up to.

Mr Jordan: I might reflect on one of Miss Nuttall's earlier questions about the staff engagement. We had this outage and, at the same time, we had a major facility being built, our Woden campus, and preparing for that and we have a major transformative project in our Cloud Campus project. So all these things were going on at the same time as the outage that we did not expect. That added to some of the pressures. And it is all staff but, in particular, when we get into eLearn, it is our teaching resources, our educators, who bear the brunt of that. That is some of the challenge we have managing our organisation.

MS CARRICK: Did they all get overtime for having to recreate the information? Did the money flow through to them?

Mr Jordan: Staff have access to overtime. Overtime for our teaching area is really only assessed towards the end of the year under the EBA. The way we assess overtime is complicated. Ms Andersen talked about the fact that teachers teach face to face for a maximum of 720 hours per year, and there are a number of reasons we have those deductions. Once teachers get over that threshold and go beyond that 720 hours, which in the main we cannot determine until the end of the year, then, yes, they will get overtime. Specifically for our eLearn outage, there has been claim for a small amount of overtime. I would have to take it on notice that the overtime has actually been paid. But I can say that it came to me and has been approved for payment by myself probably about a month ago.

MS CARRICK: Could you take on notice what is happening with that \$1½ million and how it flows through to the overtime that the teachers had to do to recreate the system?

Mr Jordan: From an executive perspective, this is a significant outage for us. We implemented our business continuity plan for the organisation. In particular, Ms

Andersen, myself and a number of other senior executives were on this 12, 14 and 15 hours a day for a number of weeks. Unfortunately, executives do not get paid overtime. It was intense.

Ms Lundy: I think it is an example of the level of commitment shown by the whole team, because it was an all-in effort at CIT to get past that. The term had already started and so we were managing disruptions throughout the business as well as trying to rebuild the system at the same time. As I said, we are very grateful for the staff contribution to fixing that problem.

Mr Jordan: I just want to reinforce the acknowledgement of all our staff and our teaching staff who got these systems back up and running in a very quick time with minimal impact to our students.

MS TOUGH: You mentioned everyone working overtime and that it happened during the term. What happened to assessments that were submitted during this time? Were they not marked or were they delayed? What happened to those students?

Ms Andersen: I can speak to that and the time series of events. The outage happened on 19 February. We were working with our ACT government colleagues to understand exactly what it was that had happened. We found out very quickly that anything that had been submitted into our Learning Management System between 6 January and 18 February—that included teacher-developed content but also assessments—was not able to be retrieved. It took a bit of time for the vendor to confirm that. In the interim, though, we decided on 26 February that we needed to start that rebuild and provided access to students on 5 March.

In terms of assessments, we worked with students who had submitted items in that period of time. In many cases, the student had a copy, which was excellent. But, where they did not have a copy—for example, some students would have completed a quiz, say, in our Learning Management System—the educators were very clever and worked very creatively around how the assessment of that particular competency could be re-sat but not necessarily resetting that exact assessment, so how they could combine assessments or adjust a future assessment so that it included the assessable competencies from that period of time. There were a number of strategies that educators engaged in, because they knew their content and they know their students, and we were able to get everybody across the line in a very short period of time and without causing undue burden to our students.

MS TOUGH: It sounds like the educators did an amazing job.

Ms Andersen: They absolutely did. When they did not have access to eLearn, they definitely drew on their skills as industry experts around how to support students' continuity of learning using different technologies, in many cases.

MS TOUGH: You mentioned it was also the teacher and the educator resources that they uploaded.

Ms Andersen: That is right.

MS TOUGH: Has that all been restored? I imagine that would have been quite difficult to get back up in some cases.

Ms Andersen: Incredibly difficult. In many cases that required a complete rebuild. We have been tracking the rebuild effort and, overall, we are at 82 per cent of the rebuild, noting that educators built forward and there is still that gap that they will continue to work on so that, when we start the beginning of the next academic year, we have that content rebuilt.

MS TOUGH: Good luck. How are you working with Digital Canberra to reduce the risk of this happening again? If there is another whole-of-government IT outage for some reason, how are you making sure that CIT is not impacted in the same way, possibly?

Ms Andersen: There are a couple of aspects to that. Our colleagues across government have assured us that that is not something that can happen again. They have future-proofed systems and datacentres so that information and backups are occurring as they need to be. Also, moving forward with our Cloud Campus environment, there is an opportunity to make sure that all our systems are talking to each other and it is a much more seamless experience for everyone involved.

MS TOUGH: Wonderful.

Ms Lundy: I think it is a fair reflection to say that our partnership with Digital Canberra for our Cloud Campus is as much about that architecture of our information systems as it is the interface with the learners and teachers as well. It is a very holistic approach to updating our technology. We think it will help design in the resilience needed for a modern information system for an organisation like CIT and prevent the sort of experience we had with the outage.

MS TOUGH: Wonderful. Thank you and good luck.

Ms Lundy: Thank you.

Ms Andersen: Thank you.

MS CARRICK: Yes, good luck.

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*.

Short suspension.

Appearances:

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

Chief Minister, Treasury and Economic Development Directorate

Leigh, Ms Kathy, Head of Service

Croke, Ms Leesa, Deputy Director-General

THE CHAIR: We welcome back Mr Andrew Barr MLA, Chief Minister. We note we have been advised that there are no questions to be directed to Ms Rachel Stephen-Smith MLA as the Minister for the Public Service and Minister for Finance. 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 matter and may be considered contempt of the Assembly. As we are not inviting opening statements, we will proceed to questions, and I will pass to Ms Castley.

MS CASTLEY: Thank you, Chair. Chief Minister, you have got a budget where pretty much every tax has been hiked. We are running a massive deficit, and you are still underfunding health, education, libraries, police, the public prosecutor and a range of other agencies. There is a public service hiring freeze, and you cannot rule out public service redundancies. I am wondering if you can tell us what is going wrong.

Mr Barr: I will reject the premise of the question. There are numerous factual errors within it, and it is really not worthy of a detailed response on each of them, but I will touch on some of the main points.

The ACT, like every other state and territory, is experiencing increased demand in our health system. It is requiring additional funding. The ACT government has provided that additional funding. We will continue to invest in health and education, community services, our police and emergency services, and across the areas of demand within the ACT government's responsibilities.

There will always be a circumstance where the level of demand will be difficult to fully quantify or difficult to fully fund within the resource base that is available to sub-national governments in this country. The government seeks to raise revenue in a fair and equitable way. We seek to maximise revenue sources outside of our own-source revenue, and we seek to apply that available revenue to a very substantive range of responsibilities. It is a difficult task, as the committee no doubt has a greater handle on now, after two weeks of hearings. There are a variety of different pressures and demands and a limited revenue base. So, if the crux of the question is, "How can we collect less revenue and provide more services and still improve the budget position?" then I would refer you to Alistair Coe, who tried that in the 2020 election.

MS CASTLEY: So what is the plan? There is limited potential, as you have just outlined, for the ACT to collect additional revenue, but debt and interest costs are going to keep rising. The spending pressures across this range of portfolios are also going to continue. Do you have a strategy, and can you give us some details on a strategy?

Mr Barr: That is the fiscal strategy that the Treasurer has presented in the budget papers. I am not the Treasurer anymore, and this hearing is not about the government's fiscal strategy, so I will make that point. More broadly, the challenges for all state and territory governments will be addressed over time by a combination of revenue growth being greater than expenditure growth. Both will grow, and some of those decisions will need to be made in terms of our own-source revenue, and in other instances there will be decisions that will be made at a commonwealth level around, for example, national partnership payments and potentially other revenue sources that the commonwealth may seek to direct into state and territory budgets. A potential example there relates to the transition away from fuel taxes into road user charging for which there would be potentially both a role for state and territory governments and a new revenue source. These are questions that undoubtedly will come up at the summit that the commonwealth Treasurer is convening in a few weeks and will be discussed in the context of the federal financial relations ministerial council and national cabinet over the duration of the next century.

MS CASTLEY: You have been Treasurer for a long time before this. This is not something that has just cropped up for Minister Steele. Has the size of the interest bill become a whole-of-government problem?

Mr Barr: No. I think all of the metrics are quite clear that the ACT's fiscal position sits broadly within the benchmark of the Australian states and territories taken as a collective. The only outlier is Western Australia, and that is a result of access to significant resource royalties and a favourable GST deal. One particular benefit for the ACT longer term would be a fairer GST distribution.

MS CASTLEY: I mentioned earlier the redundancies, and the hiring freeze was supposed to finish on 30 June. What is the current end date?

Mr Barr: It was 30 June, so it has concluded.

MS CASTLEY: So we are back on.

Mr Barr: Yes.

MS CASTLEY: How many recruitment requests have been made and how many have been rejected during the freeze?

Mr Barr: Within Chief Minister, Treasury and Economic Development Directorate?

MS CASTLEY: Yes.

Ms Leigh: I do not have those figures, and you would have to define exactly what is meant by that. Decisions were made in all areas because, essentially, people were to keep within their budget. As a result, people would be looking at their own budget and proactively making decisions about where the money should be spent, so depending on how you define it, it is very hard to say how many recruitment decisions were not made because—

MS CASTLEY: But how many times was someone told that they could not employ a new person? I do not know else to define that for you.

Ms Leigh: I guess we would need to at least limit that to a senior level, because people at all levels might have said, “We are already over budget. That is not a good idea. We need to spend our resources elsewhere.”

MS CASTLEY: Do we have an idea of how many redundancies there were?

Mr Barr: A small number at senior executive level; and we will take that on notice. In large part, the machinery of government changes, as I indicated, only have an impact in relation to senior executive service positions.

MS CASTLEY: Okay. How much money do we expect to save from the hiring freeze?

Mr Barr: It is a matter the Treasurer can address, with the fundamental point being that agencies could not hire beyond their available budget.

MS CASTLEY: There are a number of public servants that are concerned about possible redundancies. Can you provide them with an assurance, as head of service, that the government is not going to roll more out?

Mr Barr: What we are doing, through the machinery of government changes, is providing more mobility opportunities across the ACT public service, and we have been clear that those machinery of government changes have led to redundancies at senior executive level. There are fewer directors-general, and there are fewer deputy directors-general, and there are some fewer senior executive positions, but the intent of the changes was not to reduce the size of the public service; in fact, the public service is larger now than it was last year, so there is more opportunity and more mobility across the ACT public sector as a result of those machinery of government changes.

THE CHAIR: Forgive me for interrupting for a minute. Going back to the substantive line of questioning: could you confirm there was a hiring freeze or a hiring pause?

Mr Barr: A hiring pause.

THE CHAIR: Across?

Mr Barr: Across certain agencies where there was no budget appropriation for hiring to occur. There were exemptions where a position was necessary and there was a budget allocation for it. And that included—

THE CHAIR: Yes. I think the heart of the question was about the exemption process: how many applications have there been under that process, and, of those applications, how many were rejected?

Ms Leigh: My recollection, Mr Cocks, is that either none or almost none of the requests that came to me were rejected, but I would have to confirm that.

Mr Barr: I will take it on notice.

THE CHAIR: Could you take it on notice?

Ms Leigh: Yes.

MS CASTLEY: Is it a department-by-department thing? I know in Health people have been told, “We do not have the resources,” and they have been told, “Just work it out.”

Mr Barr: If there is no budget for a position, then they cannot hire into it, can they? That is common sense.

MS CASTLEY: It is common sense. Thanks, I appreciate you pointing that out, Mr Barr!

Mr Barr: Yes.

MS CASTLEY: The point is, though: at what point do we not help our frontline services when they are not coping?

Mr Barr: We make a budget allocation every year, and we have increased the level of staffing in those areas. I refer you to appendix K on page 317 of the budget outlook. You will see the staffing increases from 2024-25 to 2025-26, and then from the actuals for 2023-24.

MS CASTLEY: Thanks.

THE CHAIR: And further to the question around the hiring freeze, or pause: do you have any quantification of the actual dollars that were saved through that process?

Mr Barr: I guess the counterfactual there is if people had continued to hire without a budget—

THE CHAIR: Yes, that is right—

Mr Barr: It may be difficult to produce that counterfactual, but, to be very clear, we will take it on notice to the extent that we can provide information as it relates to agency budgets with the final actual outcome for the end of the financial year.

THE CHAIR: Thank you.

MS CASTLEY: There are claims that applications to hire Health staff were rejected that are not consistent with your comments here, and I am wondering if you are aware of the hiring practices at CHS?

Ms Leigh: My comments related to CMTEDD.

MS CASTLEY: Thanks.

THE CHAIR: Can I just—

Ms Leigh: It is a matter for each director-general, so none of the others came to me.

THE CHAIR: No applications for exemptions under that hiring pause came to you?

Ms Leigh: There were exemptions set by the government which were applied, but to the extent that areas were over budget, individual directors-general had to provide a framework for decisions about where the money was to be spent, because fundamentally it was about each director-general's obligation to come in within their allocated budget.

THE CHAIR: Just to be absolutely clear: none of those from other directors-general came to you—

Ms Leigh: That is correct.

Mr Barr: No; the head of service is not expected to make every single recruitment decision within the entire ACT public sector—

MS CASTLEY: That is not the point.

THE CHAIR: I am trying to understand the actual process. Certainly, federally, there have been, historically, equivalent processes where it would be considered—

Mr Barr: The process devolved that responsibility to each director-general.

THE CHAIR: Thank you, that is what I was trying to get to.

Mr Barr: The head of service was responsible in relation to CMTEDD but not for the other agencies.

THE CHAIR: Not any other agency.

Mr Barr: Yes.

MR RATTENBURY: There was no discussion of that at the monthly head of agency meetings?

Ms Leigh: There would have been general discussions. As you would be aware, Mr Rattenbury, we have a short meeting every morning, so I am quite sure we would have shared information about how we were managing, but there was no decision-making or substantive discussion about it. Each director-general under the FMA is accountable for the budget of their directorate.

THE CHAIR: Mr Rattenbury, I think we are up to your question.

MR RATTENBURY: Thank you. Chief Minister, in your role as Chief Minister, with responsibility for overall stewardship of the government, what is your overall strategy to ensure the government has a budget that means we can deliver services we need each year, given the pressures we are facing?

Mr Barr: Obviously that task I have delegated to the Treasurer and the finance minister—at the request of the parliament in large instance—to expand the number of people involved. There is now a four-person expenditure review committee consisting of myself, the Deputy Chief Minister, the Treasurer, and the finance minister.

The workloads associated with a minister in cabinet did dictate that the breadth of those activities needed to be shared across a number of ministers, given that the other ministers were also having substantive, line-minister responsibilities. In essence, you can, effectively, construct two different models. Either you have a highly centralised model, where the first minister is the Treasurer, or you have a more devolved model, and you need to take someone fully offline, effectively, to have that chief finance role and not have many other portfolios. You would be aware, sitting inside the ERC, that perhaps the most difficult proposition is when the Treasurer has to bring forward budget bids in their other portfolios—

MR RATTENBURY: Indeed—

Mr Barr: So, for example, it would be very difficult to ask the health minister to also be the Treasurer. That is a very substantive amount of public expenditure, and I think it is best to have different sets of eyes looking at the larger expenditure lines. So we have a four-person expenditure review committee, and two ministers—one with finance responsibilities, particularly looking at government expenditure and own-source revenue—and then the Treasurer, who has the range of responsibilities more focused on the budget. Less of the Treasurer's time is being spent, for example, as a shareholder in various government business enterprises and the like, so it has given a slightly sharper focus for the Treasurer than when I was the Treasurer and had all of those other responsibilities. I think it is also the decision I took given that infrastructure is such a large part of the government's forward agenda and its interface with the commonwealth is very significant, and I will be leading that bit of work. It is the appropriate area to focus my role on; hence the portfolio split that I put forward. In an eight-member cabinet, across at least 30 portfolios, everyone is going to have three or four responsibilities.

MR RATTENBURY: Thank you, that goes to the administrative side of it. My focus was a little more on perhaps the outcomes. So as part of trying to address the pressures the ACT is facing, what do you as Chief Minister think the government should consider as the revenue-raising propositions for the city over the near medium term?

Mr Barr: Well, clearly our major revenue source is the Goods and Services Tax, so I think there is—I would certainly—

MR RATTENBURY: —which is largely outside your control.

Mr Barr: To a certain extent, yes, but there are processes under which the states and territories have input into the scope of what is taxable under that revenue line. A recent example of change has been to include, for example, streaming television services, to capture them within the GST. So there has been a broadening of the GST base as a result of state and territory—

MR RATTENBURY: So is the ACT advocating for broadening the base, and if so, what—

Mr Barr: We have certainly supported broadening in those areas and there are some other examples over the last four or five years. We have looked at, in partnership with other states and territories, road user charging. Obviously, Victoria took a particular proposal into action and lost a subsequent High Court case that has thrown some shade on the question of how that potential revenue source will be achieved and how it will be distributed. Although I do note New South Wales is still continuing with their model that they claim no-one has yet challenged and is slightly different from Victoria's. I also note the commonwealth Treasurer has indicated a willingness to work with the states and territories on this question.

Beyond the GST, the territory's next largest revenue sources are payroll tax and rates in terms of the own source revenue stream. Then I guess the two other major moving parts in the budget are national partnerships, so engagement with the commonwealth there. So I do certainly have a role at national cabinet in that regard, although again, the process now, now I am not the Treasurer, means I am not involved in the preliminary work that the Council on Federal Financial Relations and the Board of Treasurers undertake. Minister Steel does that now for us. Then the final area relates to our land sale program, being the next largest. Now, again, the planning minister and Treasurer lead that work but it does come to the ERC, and I have lent into increasing housing supply as an objective that both achieves an outcome for housing affordability and also does generate revenue for the territory.

MR RATTENBURY: Are there any significant initiatives in your mind to improve the productivity in the ACT public service?

Mr Barr: Application of AI in certain areas over time will undoubtedly improve productivity. So too work-from-home and flexible working arrangements in many areas has in fact enhanced productivity. In the next round of enterprise bargaining there will be some opportunities to further enhance productivity, and I would also point to the machinery of government changes. Their intent is to deliver more with the same resources, in many instances, by effectively prioritising, ending certain programs and trying to shift more resources into frontline service delivery areas.

MR RATTENBURY: Are there any areas of the public service that cause you, perhaps, particular concern that warrant further scrutiny?

Mr Barr: Look, I think, broadly speaking, the ACT public sector performs a complex array of state and local government tasks very well when benchmarked against other jurisdictions. I think there are some areas in our local government responsibilities where there is some interesting work occurring in some of the other similar mid-size city councils that I think we could certainly learn from. One of the reasons for effectively combining the old TCCS and EPSDD into City and Environment is to endeavour to consolidate capability in those areas. We do look at local government as well as state government when assessing whether there are areas that we can improve in.

Digital would be another, hence the establishment of Digital Canberra. The intent there

is that it follows a pathway similar to Major Projects Canberra into Infrastructure Canberra. So we create a centre of excellence within ACT government in that capability. One of the challenges we face at times is that we have small pockets of capability across multiple directorates that sometimes are spread too thin. So consolidation can often deliver benefits, but one needs to be mindful in that context that centralisation is not always the perfect answer to everything. Sometimes there is no perfect answer and you have to deal with what would be the best possible solution given the size of the ACT government.

MS CARRICK: Given that by the end of the forward estimates 2028-29, the interest bill is \$1 billion, is there a plan to decrease the borrowings so that the interest decreases?

Mr Barr: The principal opportunity to achieve that end will be when our superannuation liability is fully funded. You will see in the expense line that at the moment we are injecting more than \$500 million a year over the forward estimates into fully funding that liability. Once that liability is fully funded, we will no longer need to make that injection, and that money then becomes available either to finance new infrastructure or reduce debt.

MS CARRICK: When will that be fully funded?

Mr Barr: Well the objective is early in the 2030s, so not too far away.

MS CARRICK: That is the objective, is that on track to—

Mr Barr: Well obviously you had an entire session on the superannuation provision account earlier when the Treasurer appeared. I am not responsible for that anymore.

MS CARRICK: Okay.

Mr Barr: It is a constant theme I am noticing that you still want me to be Treasurer—or at least some of you do!

MS CARRICK: Well, I mean, it is the —as Mr Rattenbury said, it is the whole—

Mr Barr: I am not sure I do. I thought I might miss it, maybe a bit less so. But we are in a bit of nostalgia here, as we are going over the superannuation provision account again.

MS CARRICK: If we continue at this rate with the increase in borrowings and the increasing interest bill, because it is increasing at 25 per cent a year at the current stage, when will it impact on service delivery? You know, that increasing interest, when will that impact on what services can be delivered and what infrastructure can be built?

Mr Barr: Well, given the driver of the increase in debt is the delivery of infrastructure, if that infrastructure enables more services to be delivered, which it largely does, for example, the expansion of Canberra Hospital allows a whole lot more health services to be delivered. Investing in new schools allows a lot more education to be delivered. Investing in the new Woden CIT allows a lot more TAFE services to be delivered—

MS CARRICK: Well it did move—that one did move, but anyway, yes.

Mr Barr: But it provides the opportunity for more to be done with the latest technology. So there is a handful of examples. I guess that to turn the question around, please identify the areas of infrastructure that you think the ACT should not be investing in—

MS CARRICK: No, no. I am asking you, when will it impact on the service delivery, because the interest bill sort of squeezes out the amount we can spend on services. Or we just borrow more and then we have more interest, and it is a bit snowballing—

Mr Barr: Sure. No, no, I appreciate this is an area of legitimate debate. The alternate, the counter-factual is, well okay, do not invest in any more infrastructure and then try and deliver expanded services with the existing infrastructure.

MS CARRICK: Have you had a look at what is critical infrastructure: health, education; and what is non-critical infrastructure?

Mr Barr: Yes, and they are—

MS CARRICK: And what is a must-have and what is a nice-to-have?

Mr Barr: Yes. Yes, indeed.

MS CARRICK: Have you got that list of what—

Mr Barr: Yes, there is seven different categories. Look I refer you to the 2019 Infrastructure Plan and the 2024 updates.

MS CARRICK: I have not noticed it to say what is critical and what is nice-to-have.

Mr Barr: Well, we did not categorise it under those headings. They are headings you have just dreamt up, but that will be—

MS CARRICK: Well they are pretty standard.

Mr Barr: That will be subjective to a certain extent, Ms Carrick. One person's essential is someone else's nice-to-have. Some people tell me a stadium is essential. Others say it is nice-to-have. You can reach your own conclusion—

MS CARRICK: But maybe we need to have the debate on a range of things, what is essential and what is nice-to-have, as the services get squeezed.

Mr Barr: Well I think we have been having that debate, every year, every budget and every election this century.

MS CARRICK: Okay. Thank you.

Mr Barr: It is not as if no one has the opportunity to raise these things. They have been front and centre of every election campaign I have run in, and I have been running since

2004.

MS CARRICK: Yes, but the escalating interest bill has not been so prominent in previous—

Mr Barr: No, no, it definitely has been. It was the entire Liberal campaign in 2020 and 2024.

MS CARRICK: About interest?

Mr Barr: Yes, and 2016 as well, and Zed Seselja's 2012 campaign.

MS CARRICK: About interest.

THE CHAIR: Not so much.

Mr Barr: Yes. It has been all about—

MS CARRICK: It might be a component, but it has really come to the fore now because it is a billion dollars.

Mr Barr: Well you may form that view, but I think Australians' attitude to government debt has changed somewhat from the Peter Costello era, and one need only look at the result of nearly every state and federal election for the last 15 years to get a sense of that.

MS CARRICK: Just because other states are in debt too does not mean it is a good thing and it is a good position to be in.

Mr Barr: Well, you are perfectly entitled to hold that view. But there is an alternate view, and in the end people vote on that question, and they have, for election after election. I am not saying it is not legitimate to raise, it is not legitimate to have concerns, of course that is entirely part of our democratic debate, but if the suggestion is that government can have no debt, then I do not agree with that.

MS CARRICK: No, I did not say no debt. That is a straw man.

THE CHAIR: Just to bring it somewhat back towards the budget papers and the output as well, what is the government's approach to evaluating all of this infrastructure to ensure it delivers the economic and fiscal benefits that are claimed at the outset?

Mr Barr: I thought we addressed that in this morning's session with Infrastructure Canberra. So I will refer—I will look at the transcript of that and anything we have taken on notice and take on notice this element as well to add to that answer—

THE CHAIR: Maybe I can clarify the question a little bit. I am asking if there is a routine policy evaluation function that, down the track, goes back over those claimed benefits? Is it part of the government's policy framework?

Mr Barr: That is undertaken as in post infrastructure evaluation?

THE CHAIR: Yes.

Mr Barr: Yes, there are a number of those reports and we can provide links to those for you.

THE CHAIR: Okay. Just confirming, it is a routine part of government?

Mr Barr: It is a regular part of certainly tier one infrastructure—

THE CHAIR: Thank you. I know the conversation you are referring to.

Mr Barr: Yes. Yes.

MS CARRICK: My question is about the CRA and the SLA. The CRA gets around \$17 million a year. It is for renewal of the CRA area, Dickson to the lake primarily, and there are place plans for different areas. Whereas the SLA gets no dollars. It sells land. It does not get dollars to invest in renewal of the areas outside of the CRA. What is the policy behind one area getting money to invest in renewal and the other areas not getting money to invest in renewal, and in fact, just being about selling land?

Mr Barr: Well the SLA does have a broader remit, and it obviously has access to one of the largest revenue sources available to government.

MS CARRICK: Yes, but it gives a dividend back to government. I asked them today and they said they do not get money to make place plans and do renewal.

Mr Barr: City and Environment is provided money to undertake those activities.

MS CARRICK: But there are no place plans.

Mr Barr: Yes, the Planning Authority undertakes that work.

MS CARRICK: Well, all right. Well, maybe I will write to them and say, could they spend some on some place plans, because there are no place plans around anywhere near where I am.

Mr Barr: Okay. Well, you do that then.

MS CARRICK: All right. Terrific. It just does seem a little inequitable, that policy, and I think maybe people from the south also think so. So what is the policy then about ensuring a fair go for everybody where infrastructure is delivered? I am referring here to social infrastructure, centres, indoor sport stadiums, aquatic centres. What is the strategy for ensuring that community neighbourhoods are built up and allowed to have infrastructure where they can come together and form relationships and form resilient communities?

Mr Barr: Well, I would refer you to the Infrastructure Plan and each of the seven chapters that go into some detail about those requirements. There is then an annual

budget allocation for the Asset Renewal Program that is largely allocated across Canberra suburbs. This is not related to this output class, so—

MS CARRICK: It is. It is about the whole of Canberra and how Canberra is run.

Mr Barr: —but this is about infrastructure planning, not about this output class. Nevertheless, I have answered the question.

MS CARRICK: Well, if you could send me the link to the document where it talks about the policy and the underpinning assumptions about where social infrastructure is located?

Mr Barr: Yes, they are in seven different chapters across seven different infrastructure asset classes in some detail on the Built for CBR website and it builds on the 2019 Infrastructure Plan.

MS CARRICK: Well, I have looked at those and I cannot—well, there is no description of why social infrastructure goes in some areas but it does not go in other areas. Where is the strategy about sharing it around communities?

Mr Barr: Look, there is an assessed need based on existing infrastructure, population growth, future need and future asset management responsibilities, but that is devolved in terms of each individual asset type to the particular directorate that has responsibility for that area.

MS CARRICK: Okay. Interestingly enough, the population forecasts are old and they have Tuggeranong going backwards, whereas Minister Steel keeps saying that he is going to put out new population forecasts—they are coming, they are coming, they are coming—but we are basing decisions on social infrastructure on old forecasts.

Mr Barr: Certainly there has been a challenge between five-year commonwealth census processes with getting accurate information about net interstate migration flows into and out of the ACT and that has meant there has been some undercounting of the territory's population. For the distribution internally within the ACT of that population the most accurate data is also every five years. We also get that through the census, which is where you will get the absolute most accurate set of data on internal movement within Australia and internal movement within the ACT.

MS CARRICK: So when you are forecasting social infrastructure and you have a policy setting that has just added 5,000 apartments to the Woden town centre, and the district strategy says more than another 20,000 dwellings in the intensification for densification—so we are up to over 25,000 new dwellings, and another 50,000 people—you do not forecast that that potentially would contribute to the need for social infrastructure?

Mr Barr: Well, it certainly would contribute to the need for further social infrastructure, but it would also be offset by other demographic trends amongst the existing housing stock. So what we have seen in Canberra over this century has been that the number of people per dwelling has been declining. It used to be closer to three and it is now closer to two. So what you do see in certain parts of Canberra is that in

some of the existing housing stock the number of people in each dwelling reduces. That can then be offset in terms of total region population by increased housing numbers overall. But there are two factors at play. It is not as if everything else remains static and is—

MS CARRICK: Never mind, never mind. The next question is why is it that public money is put into the Convention Centre, the aquatic centre, the Lyric Theatre, stuff in this part of town, yet social infrastructure in the south is left to the private sector. So Geocon will be providing the pool. Presumably Westfield will be providing other social infrastructure for us, with any luck, because of a lack of the government doing it for us. Then there are the constant complaints about the leaking roof at the Tuggeranong basketball stadium. Why is government investment not going into social infrastructure in the south?

Mr Barr: Well, government investment does go into social infrastructure in the south. There is also private investment in social infrastructure in the northern part of the city as well. You have asked me—

MS CARRICK: There is an imbalance.

Mr Barr: You have asked me this question now in every hearing I have appeared, whether it is relevant to the topic or not. I have answered it multiple times but if the Chair would like me to answer it again I can.

MS CARRICK: Yes.

THE CHAIR: Look, at the moment I am not sure there is anything else we are going to add on this one.

MS CARRICK: I still do not know what the answer is.

Mr Barr: The answer is that the government invests, for example—in the list of infrastructure that you have outlined there are projects that there will only be one of in the entire ACT. So it is logical that those will be centrally located so that everyone can access them.

MS CARRICK: Yes. I am talking community infrastructure.

Mr Barr: Yes, and that is a different conversation. Where we have multiple numbers of particular facilities, then they will be located at a regional level and they are, and needs analysis is undertaken and there are opportunities for partnership with the private sector in the delivery of those facilities. As I mentioned last time you asked this question, examples in Civic include the Queensland Investment Corporation, the equivalent of Westfield, providing a youth centre, a skate park and a four-storey community facility that is the Griffin Centre as part of a redevelopment proposal that was accepted nearly 20 years ago now. In Belconnen, the CISAC swimming pool is a public-private partnership. There was a capital injection from government and it is a privately run facility. There are numerous examples elsewhere in Canberra, north and south, where community facilities are delivered either by government or in partnership with the private sector, or as a part of a deed of development requirement for the private

sector. In relation to the—

MS CARRICK: Okay. Well, will the government take on board—

Mr Barr: —in relation to the roof on the Southern Cross Club's basketball stadium—

THE CHAIR: Chief Minister, we are going to have to draw a line under this one.

Mr Barr: —they recognise the issue and have addressed it last—

THE CHAIR: Chief Minister, we are going to move on at this point.

MS CARRICK: No, it is still leaking. The games were cancelled on the weekend.

Mr Barr: Well, it is their asset and they will look to address it.

THE CHAIR: Mr Barr, Ms Carrick, if we can move on, please. I am not sure we are getting anywhere.

MS TOUGH: Chief Minister, I am interested in how the Wellbeing Framework guides the budget priorities and the whole of government priorities.

Mr Barr: Well, it has been a process of integration into the budget decision-making process over a number of years, but is now, I think, maturing to a point that we see quite significant cross-agency and cross-domain new policy proposals that are brought forward in the budget process, and they do receive, generally speaking, very strong support if they are multi-agency and achieve demonstrable improvements to wellbeing.

I think it is an important assessment tool. Not every decision in the budget process is entirely about a financial return. I think it is an interesting point of political debate in this city at the moment that government investment will also deliver a range of other benefits and the wellbeing indicators provide a useful framework with which to assess a number of different outcomes from public sector investment. I am happy to invite Leesa Croke to talk a little further about that.

Ms Croke: The process that we have put in place is that every business case requires a wellbeing impact assessment, where directorates are asked to think through the 12 domains of the Wellbeing Framework and, I suppose, characterise where an investment would positively impact some or all of those domains—no; it would be rare for all of those domains but certainly more than one on most occasions. There is then a series of working across directorates where we have all directorates represented in working groups who then work through those wellbeing impact assessments and then provide advice to the Treasury which is then considered in ERC forums. Similarly for cabinet submissions, there are wellbeing impact assessments done.

MS TOUGH: Thank you. How is the government building the wellbeing evidence base?

Ms Croke: We have our wellbeing dashboard, which we continue to refine. In addition to that, we have had a significant opportunity through a proposal that we submitted to

the Australian Bureau of Statistics where we have been successful in a life course data initiative, for which we were the only jurisdiction to be successful other than remote South Australia. We will actually be linking admin data from our Health and Education Directorate directly with commonwealth data across the tax and transfer system but also child support and, hopefully, employment data as well, so that we will be able to over a life course have a better understanding of people's trajectory, and people's employment opportunities. That is an incredible opportunity that we have.

We have shared that data now with the ABS, and they are starting to do the research. We also have similarly shared with the ANU through a strategic partnership, health and education data, and they are also doing research to understand entrenched disadvantage, in particular, and hopefully be able to, through research, help us to understand people's lifetime outcomes.

MS TOUGH: Wonderful. Thank you.

MS CLAY: Can you explain to me how the Strategic Boards Unit factors environmental and climate considerations into the whole-of-government strategic policy planning and reforms?

Ms Croke: One of the domains in the Wellbeing Framework is around climate change and environment. As part of those wellbeing impact assessments that directorates do, where there would be an investment that might impact those domains, we would expect that to be drawn out, maybe through evidence or whatever the proposal is, and that advice would come through those wellbeing impact assessments, which would then come into both cabinet decision-making and ERC decision-making.

MS CLAY: And are you able to describe how environmental climate considerations have changed the direction or the outcome of a whole-of-government policy decision? Can you provide any examples of when that happened?

Ms Croke: I think I would have to take that on notice, Ms Clay. I would have to go back and work that through to see whether I would be able to provide that advice.

MS CLAY: Sure. The Sustainability and Environment Commissioner report described funding for environment as demonstrably inadequate. Do you think the current level of funding in the budget for climate and environment initiatives is sufficient? Do you think this framework is giving us the right level of funding for climate and environment?

Ms Croke: I think that is a matter of opinion.

Mr Barr: Yes. Would we love to fund everything more? Yes, we would. But where is that money going to come from? We are either going to have to spend less on other things to spend more on that area, or we need to raise more revenue. Again, with 20 years experience in this place, there is no shortage of ideas on how to spend public money. There is a much shorter queue of suggestions on how to raise it. Every budget estimates makes a recommendation that somehow we should raise less revenue, increase expenditure and improve the budget position. I have seen that many times.

MS CLAY: Sure, but the Greens have been—

MR RATTENBURY: We are into \$30 million, Chief.

MS CLAY: The Greens have been rolling out a few ideas.

Mr Barr: Yes, I will acknowledge that you are one of the few political parties in this place that have put forward ideas for revenue raising. That is true. I can think of two.

MS CLAY: I imagine every area does want more funding. Of course they do; that is the nature of it. But we do have an Environment Sustainability Commissioner that described the funding for climate, environment and sustainable development as demonstrably inadequate. When she made that finding, all of those areas combined were getting three per cent of the budget and now they are getting two per cent of the budget. So it has gotten worse. Do you think that the entire area of climate, environment and sustainable development at two per cent of the budget is the right—

Mr Barr: The impact of the increased expenditure in health is crowding out other areas of the budget. There is no doubt in that. That is being experienced in every state and territory budget. I do not see that trend changing purely driven by demographics and health inflation being higher than current revenue growth. Again, would we like to spend more on everything? Yes, we would. Would we spend more on environment initiatives? Yes, we would. But the money has to be found from somewhere.

MS CLAY: I do understand that. Do you think that the current funding level is appropriate for the level of challenge we have in the climate environmental crisis?

Mr Barr: I would observe that across all areas of public expenditure more resources, I am sure, would be put to good use. But we do not live in that ideal world. So, given all of the available resources and all of the competing demands, we endeavour to strike an appropriate balance. There will be a variety of views on that balance. That is the nature of the democratic process, and it is the nature of each budget. But we would endeavour to do more in that area as we would endeavour to do more in others.

Should there be a stroke of good fortune in relation, for example, to our share of the GST, or should prevailing economic conditions improve with further interest rate cuts that see more economic activity that leads to increased revenue, then we would be able to apply that to your priorities, to some of the priorities Ms Carrick has identified, to priorities that Ms Tough has identified, to priorities that Mr Rattenbury has identified, and I am sure to priorities that Mr Emerson and Mr Braddock would no doubt prioritise. You all have a particular interest in either the communities you represent or the particular portfolios you are speaking on behalf of. So we would anticipate that, should those resources become available, there would be a healthy debate about how they should be applied across the territory budget, and we will endeavour in future budgets to invest more in those areas.

MR BRADDOCK: Chief Minister, I have a copy here of *Our Canberra* newsletter from April, which you may recall was in the middle of the federal election campaign. The message from you next to a photo from your younger days—

Mr Barr: Not much younger—a little; I will accept that.

MR BRADDOCK: We both used to have far more hair. Anyway, the quote included:

In partnership with the Commonwealth, the ACT Government is increasing the amount of affordable housing available for Canberrans who need it most. This includes seven local housing projects, which will contribute 750 new affordable homes.

Chief Minister, given how significant housing had been as a federal election issue, do you accept this would have needed the commonwealth electoral authorisation had it been published by anyone other than the territory government?

Mr Barr: I am not sure that that would be the case. Obviously, all content in that particular newsletter goes through an independent assessment process and we have someone who looks at that. I guess you could argue what you are arguing, but it was not a requirement and it is very clear who it is coming from. I do not think there would be any misunderstanding in the community in relation to a comment from me and what I would be advocating. I am certainly not seeking to pretend to be someone else. I think it was a statement of fact about policy and a program that was ultimately endorsed through the House of Representatives and the Senate by way of legislation, and the outcome of that was that increased investment in housing.

MR BRADDOCK: But do you accept that the utilisation of ACT territory money to talk up the housing policies of the federal Labor government during the middle of an election campaign could be construed, given that context, as party political?

Mr Barr: No. It is obviously a program that passed through the federal parliament with the support of more than just the Labor Party. In the quote you read, I indicated “federal government”; I did not say it was an Australian Labor Party initiative. It is a statement of fact—a legislated program. So it would be no different from saying that there was increase in rent relief or that Centrelink made payments. It is a statement of fact.

MR BRADDOCK: I have a similar question where the Education Directorate was doing radio advertising during the federal election campaign about the three days free early childhood education, which was based on a federal Labor government funding commitment. This was during the federal election campaign. Could that be construed, given that context and in the middle of an election campaign, as party political?

Mr Barr: The ACT government provided funding for that. So it was simply advertising an ACT government-funded program.

MR BRADDOCK: But it was also dependent on federal funding from the Labor government.

Mr Barr: Which was already in place.

MS CASTLEY: Chief Minister, my office makes representations on behalf of constituents to yourself and ministers, and the response times are quite disappointing. One has been waiting for a response from Ms Cheyne for 162 days; one has been waiting for a response from Mr Steel for 126 days; and one has been waiting for a

response from Ms Stephen-Smith for 117 days. We have been following up regularly over these months waiting for a response—and nothing. I am just wondering if you believe that that is adequate.

Mr Barr: Without knowing the details or the complexity, what levels of—

MS CASTLEY: No response.

Mr Barr: So not even an acknowledgement that they have received your correspondence?

MS CASTLEY: Well, the generic, “Thank you for emailing the office. We will get back to you within a number of days.”

Mr Barr: You describe it as generic, but that is an acknowledgement of the correspondence. Without knowing what it is about and how complex it is, some matters take time. But, generally speaking, I know ministers do seek to respond as quickly as they can. But if they have to source information from elsewhere and the content of the response is not being generated in ministerial offices—and I am presuming relates to a matter that is either a directorate or an agency—they would need to get that information from that agency in order to answer.

MS CASTLEY: So there are no set expectations? You do not set out any process or encourage ministers to respond within a certain timeframe? Is it just every man for himself?

Mr Barr: The standard practice in the pre-email era was around a month for most general correspondence. I know now there is an expectation that people will respond the second they receive content. That is just not possible and the volume of correspondence will vary from minister’s office to minister’s office depending on their portfolios. It is very difficult for me to comment without knowing the three examples.

MS CASTLEY: Four months is a long time.

Mr Barr: Yes, that is longer than usual. But I am sure there will be a plausible explanation as to why. If you have already followed up with them, I will, on your behalf, inquire.

MS CASTLEY: Thank you.

Mr Barr: It might be helpful if you can forward the reference points and the dates of the correspondence so I can inquire for you.

MS CASTLEY: Okay. I tell constituents that we would expect usually within a month, but—

Mr Barr: Some matters are more complex.

MS CASTLEY: I understand.

MR EMERSON: I want to ask about systemic racism in our whole-of-government policy. The Jumbunna review was released last week. It spoke of systemic racism, a lack of cultural safety in government and significant drivers of overrepresentation in the criminal justice system and stated that a lack of understanding of systemic racism within the ACT government can lead to unconscious bias and makes it hard to challenge this issue and that a whole-of-government response to systemic racism is essential. It made recommendations about independent systemic racism reviews of basically every human services area within government. What specific whole-of-government structures and programs are currently in place to address systemic racism?

Ms Leigh: Thank you, Mr Emerson. We established within CMTEDD a whole-of-government unit that is specifically focused on ensuring that we build the cultural competency of the public service in order to address the issue of systemic racism. That unit was initiated about a year and a half ago and we have built its capability since then. It was quite small when we first established it. That unit provides material out to the service, provides guidance out to the service, receives concerns and issues and assists other areas of the service and, overall, drives measures to improve the performance of the service. It is a matter that I personally take very seriously, which is why we established that unit.

MR EMERSON: What do they do by way of training? How do you ensure that everyone is on the same page, for example, when it comes to concrete training programs and distributing programs—and I get a lot of material? What is required?

Ms Leigh: Mr Emerson, that actually came up in a different part of the estimates hearing. Would it be possible for me to provide you with the detail in writing on that? That is not under output one.

MR EMERSON: We can do that if that is the preferred approach. I think it was my question in that hearing as well.

Ms Leigh: I think Ms George answered in some detail in that hearing. Ms George is not here with us because we were not expecting that question. I would just like to be able to provide you with a proper response rather than a high-level general one.

MR EMERSON: Sure. If you could take the detail of any existing programs and to whom they were made available and who is required to be a part of those programs. I am happy for you to take that on notice.

Mr Barr: Yes, we will take that on notice.

MR EMERSON: Are you able to indicate what specific funding is provided in this budget to address systemic racism across government?

Ms Leigh: There would be a number of different ways that we are addressing systemic racism. There is the funding of that unit, which I can provide, but then there are other actions across the whole of government, because it is a whole-of-government responsibility.

Mr Barr: It might be easier to take on notice and provide a comprehensive answer by

directorate.

MR EMERSON: The funding and programs and who has done them and who has not done them—that sort of thing.

Mr Barr: We will take that on notice.

Ms Croke: Chair, would you mind if I clarify something? When we were talking about the wellbeing data, I just want to be clear that the relationship we have with the ABS is specifically focused around entrenched disadvantage. The relationship we have with the ANU is around early childhood and how health impacts early childhood and then on to later life.

MS CASTLEY: Thank you.

Ms Croke: Thank you for that.

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*.

Short suspension.

Appearances:

City Renewal Authority

Dibbs, Ms Elizabeth, Deputy Chair

Gillman, Mr Craig, Chief Executive Officer

Ramsay, Ms Jen, Executive of Enabling Operations

Wilson, Ms Lucy, Executive Group Manager for Urbanisation and Renewal

THE CHAIR: We now welcome representatives of the City Renewal Authority. 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 pass to Ms Castley.

MS CASTLEY: Thank you Chair. I would like to ask some questions about the CRA's recent paid collaboration with Instagram influencers to promote the Winter in the City, I understand. How many Instagram posts were generated through this initiative?

Mr Gillman: This was a trial for us. This is the first time we have done this. It is fair to say that, as we sit here now, we think it has been highly effective, both in cost efficiency but also effectiveness. We sourced this campaign through our existing marketing supporting agency. We have a marketing agency that helps us market the city centre and the precinct. They put this program together, choosing the influencers et cetera.

Some of the metrics are really quite strong. We had a reach of 750,000. That was as of Sunday, I think, last week. That is individual accounts that have been looked at—so not repeat looks; it is a reach of 750,000. With a total campaign cost of \$32,000, we are down now to less than 6c per reach. Our stats on more traditional media and paid advertising is that it is approximately \$1.50 per reach.

An advantage of using influencers—and we will get this properly evaluated by The Mark Agency in the coming weeks—is that, if you choose to follow an influencer, it is because you have trust in or can relate to that influencer, and so the impact of a reach is more significant than just a random feed to your social media account. Is there anything, Jen, that I have not—

Ms Ramsay: The only other thing I would say is that, yes, the reach was 750,000 unique reaches. There were over two million impressions. So, if you are asking for how many times it was displayed, there were over two million impressions. It also helped us reach our younger target audience. All of the reels were reviewed by the ACT Government Independent Reviewer.

MS CASTLEY: What was the average cost that the CRA paid for each Instagram post?

Mr Gillman: I do not think we have it by post, but we do have it by reach. So, for each of those 750,000, it was less than 6c.

Ms Ramsay: There was a spend on the influencers as a component of the campaign.

The campaign also includes strategy and the payment to the content producers.

MS CASTLEY: The initiative showcased 40 businesses in Civic and Braddon, I understand. How did the CRA decide which businesses to promote?

Mr Gillman: The CRA did not decide which businesses to promote; that was an independent decision made by The Mark Agency. A list of businesses was put forward by The Mark Agency, but the content creators had a choice about what they would put there, and they chose their own narrative and their own experience for the reel.

MS CASTLEY: How did The Mark Agency choose which businesses to put on the list?

Ms Ramsay: They are an expert marketing agency and they helped advise us of a broad and comprehensive strategy about how to reach our target audiences. This included a mix of traditional media channels as well, so that we could reach some of the older audiences, and then they created a list of businesses that would match the experiences that we had asked for, which was hospitality, like restaurants, and experienced businesses that could add to the Winter in the City campaign, so that it met the objectives of the broader campaign.

MS CASTLEY: When you say “hospitality”, does that mean all hospitality businesses were on that list?

Ms Ramsay: Within the geographical area of the city centre and Braddon, yes.

MS CASTLEY: How significant of a local following was needed for an influencer to be chosen?

Ms Ramsay: Each of the influencers has different follower rates, as does any traditional media. So we look at audience reach, what type of influencer they are in terms of what follower they have and what types of products they can actually support. It varied from a couple of thousand to many thousand. Some of the more popular ones had many thousand followers. The broader campaign looks at how we reach them all with the traditional and the content producer channels. We found it more cost effective with our content producer channels, but we do strongly believe a very broad marketing campaign should involve paid media of many varieties, which is why we also included the traditional forms of advertising.

MS CASTLEY: How did the CRA seek to survey participants of the Winter in the City to see how they found out about it?

Ms Ramsay: We do a number of things. Digital media, like content producers, gives us better results, because we can see when they are engaging with those posts; so that helps us. There is no way to do like a cost per conversion for a marketing campaign like this, because we do not sell a ticket; it is a free event. So everybody who attended did not have to pay. We do at reach and attendance. We are delighted that the Winter in the City had 41,000 people attend it; whereas, in previous years, we had had about 30,000. So we saw a significant uptick in attendance. When we know that each of those people contribute to spending money in the precinct, we saw it as a huge success.

MS CASTLEY: Fantastic. Thank you.

MR EMERSON: You said it was 6c per reach, but 750,000 reaches divided by \$32,000 is 23c. So where does the 6c come from?

Mr Gillman: Well, that comes from a maths error, obviously.

Ms Ramsay: No; with a 750,000 reach and then \$32,000 we were getting it down to almost 4c. We can take that on notice, but that was what we worked out.

THE CHAIR: So you will take the breakdown on notice?

Ms Ramsay: Yes, we can take the breakdown on notice.

MR EMERSON: One of those numbers has to be wrong. Maybe the \$32,000 involves other things as well.

Ms Ramsay: We double-checked it before we came in, but we can certainly provide the breakdown.

MR EMERSON: Thank you. What was the total cost of the Winter in the City campaign? We have spoken about the influencers, but you mentioned other traditional media as well. Do you have that figure?

Mr Gillman: It was close to \$500,000 for Winter in the City, the whole campaign, including the marketing and everything. One of the things that we—

MR EMERSON: Sorry; does that include logistics and all that sort of stuff or is it just—

Mr Gillman: Yes, the whole program—the planning; everything. One of the things that we pivoted away from this year was the snow and ice. That was a big decision for us. To take your family to the snow and ice experiences was a relatively expensive day out. With cost of living, putting on something that was free enabled people to spend in local businesses that money that they would have spent on a ticketed experience. It worked really well for us to put on something that was free and particularly family oriented during the school holidays.

MR EMERSON: With respect to those influencers, there are Canberra influencers, so they are probably going to go to this sort of event and post about it. Was any due diligence done to check, “Are you going to post about this anyway before we pay you to post about it”? Was the CRA on every post as a collaborator?

Mr Gillman: Yes, we were. It was a paid post, and that was declared.

Ms Ramsay: They may have already posted about it. We feel that this was an amplification of some of those posts and, because of the reach, we think that value was achieved. Because it went through the ACT Government Independent Reviewer, they checked that all posts were delivered and paid by the City Renewal Authority.

MR EMERSON: The Forage was awesome. It was great—so thank you.

MR RATTENBURY: Before I launch my question, I want to check that the City Renewal Authority still has responsibility for section 72 at Dickon.

Mr Gillman: Correct, yes.

MR RATTENBURY: There have been many grand ideas and plans for section 72 at Dickson but, other than Common Ground, it does not feel like much has changed there in many years now. Can you give me an update on where your thinking is up to on section 72 and what happens next?

Mr Gillman: In the most recent budget, the territory government has funded City Renewal to undertake that master planning and research. We are about to commence considering that. We will build on the work that has already been done, but we do want to take a fresh look at it. Dickson is evolving significantly and quickly, with a large residential community coming in. So we have to look at things like what community services might be required to service the community. It is the only group centre in the north—well, until you get to Gungahlin. So it does require a fair bit of planning to work out what services are going to be required to meet the needs of that evolving population. We will start with that.

MR RATTENBURY: Okay. What is the timeline for that process to get underway?

Ms Wilson: Within the business case, I think we allow for a couple of years, but we are starting the project planning right now, as Craig alluded to. Once we finalised that planning, we will know what the timeframe actually looks like.

MR RATTENBURY: Okay. What will be the opportunities for community input on that process?

Ms Wilson: My understanding is that there has been extensive community consultation to date from various different agencies. So step one is going to be gathering all of that information firstly. Then, once we understand what has happened before, we will plot out what that next around community consultation looks like. There will be community consultation, but we just do not know what that is yet.

MR RATTENBURY: Thank you. I might come back to this later in the year at annual reports. I will be keen to hear the progress.

Mr Gillman: We will have a project plan mapped out and at a high-level we aim to talk to exactly what the process will be.

MR RATTENBURY: Terrific. It sounds like a very interesting piece of work. I look forward to it.

MS CLAY: Having expanded the boundary for Dickson, I am just wondering how we do that. Have we ever considered expanding boundary to pick up Ainslie Arts-the Gorman Centre Arts precinct in CRA's turf?

Mr Gillman: We have not specifically considered that boundary, no.

MS CLAY: Has the question ever been put? It seems like a logical thing. It is a fairly key part of the city sort of facility. It is quite historic. It is heritage. It is part of the arts scene.

Mr Gillman: It has not been put to me. But, if I think about it, it is further away from the light rail and the renewal effort of the city. It has never been a consideration in my time.

MS CLAY: Okay. So it just did not really come up? There has been no decision made?

Mr Gillman: No; neither for nor against a proposed boundary change.

MS CLAY: Is there any list of criteria of what sorts of things become CRA areas?

Mr Gillman: In the act, anything that is designated an Urban Renewal Precinct—capital U capital R capital P—is what that definition is that City Renewal can deliver.

MS CLAY: Thank you.

Mr Gillman: Can I just clarify that our office have done the maths, and it is 4.2c—\$32,000 divided by 750,000.

MR EMERSON: Thanks. I was wondering whether, in that extensive community consultation related to that block, if Stepping Stone Cafe, which is right there, have been included in those conversations.

Mr Gillman: They will be. We have had preliminary conversations with them already. But, absolutely, they will be involved in the formal consultation.

MR EMERSON: Okay.

MS CARRICK: In light of what Ms Clay was talking about—urban renewal precincts—there was a motion in the Assembly a couple of months ago, I think it was in June, whereby the light rail corridor and Woden would become an urban renewal precinct. Have you had any discussions about that? Would that come into your bailiwick? Any discussions on how that might work?

Mr Gillman: If it is declared an urban renewal precinct, under the current legislative arrangements, it is for the City Renewal Authority to deliver. There are, through the administrative arrangement orders, urban precincts, such as the Brickworks, which are being delivered by the Suburban Land Agency. What has been discussed is the need for dedicated urban renewal around the light rail corridor, and that is, in fact, why our precinct is the shape it is, with the light rail coming down Northbourne and into the city. Those discussions about the importance of getting that renewal right, and having an urban renewal agent to sponsor that, are being positively received within government. Whether it is the CRA or another entity is a matter for government policy.

MS CARRICK: Okay; thank you.

THE CHAIR: Can I just jump in and seek a clarification?

MS CARRICK: Yes.

THE CHAIR: So to-date the area has not been declared an—

Mr Gillman: An Urban Renewal Precinct.

THE CHAIR: Excellent. And you have not had any discussions around the potential to do so for Woden or that corridor.

Mr Gillman: No specific discussions at the bureaucratic, parliamentary level; however, the concept of requiring dedicated, planned urban renewal is being very well received.

THE CHAIR: It was the specific question; thank you.

MS CARRICK: And do you have any timeframes on that, though? It was a motion; I do not know if there are any dates on the motion, but presumably somebody has to drive it and be the champion to get it moving.

Mr Gillman: City Renewal has not been tasked with guiding that government policy decision.

MS CARRICK: Thank you. You have event stuff—like umbrellas and picnic tables and lots of event stuff. Do you share it with volunteers that are trying to do events in the town centres and group centres?

Mr Gillman: With the town centres and group centres?

MS CARRICK: Yes.

Mr Gillman: Our legislation restricts our activities to our precinct.

MS CARRICK: I know that, but do you share your stuff?

Mr Gillman: Our legislation limits our activation of the precinct and the use of our assets to our precinct.

MS CARRICK: Okay; thank you.

THE CHAIR: Ms Tough.

MS TOUGH: I am interested in how the CRA prioritises community engagement with upcoming projects to ensure they are reflecting the needs and aspirations of residents living in the CRA precinct as well as the broader Canberra community.

Mr Gillman: Ms Tough, that is an important question, because it is not just the local residents; it is the whole of the ACT, but it is also the region. This is the city centre for

the region. I live in Bungendore, and it is my city centre; it is where I come for my city experience. But I might hand to Jennifer to talk about how we prioritise community engagement.

Ms Ramsay: Is there a specific type of engagement you are talking about? Is it about engagement for specific projects or how we deliver our program of activation?

MS TOUGH: It is to deliver the program of activation. Yes, it is the city centre for everyone, but for the people living in the precinct as well.

Ms Ramsay: Yes. We do a Place Experience and Marketing Action Plan, where we look at various pieces of information to determine what the right activation would be in different areas, and we try to spread it evenly and fairly across that space. We also then look at who uses the city centre, so we have done some work on segmentation which shows us that there are certain segments that use the city more. Then we look at whether we would be programming for them or programming to bring in other segments.

One of the things that we have done recently is looked at whenever there is a requirement within the city and how we can actually program for it. For example, if there is an area that needs some more attention, we can program for that for the year. It does take time to program it, so quite a few activations and events will take eight to nine months of planning. When we get feedback, we look to evolve the program, but it does take time for that to evolve over the years.

Mr Gillman: And it does depend on the nature of the program. Winter in the City is really about attracting the drive market into the city for Circus Oz, or that experience. The Haig Park Paws Party is pretty local. It is people who typically will walk to Haig Park and engage at the park.

MS TOUGH: So it is that balancing of local residents' needs with the whole of Canberra and the region coming in.

Mr Gillman: Yes.

MS TOUGH: Thank you.

THE CHAIR: Ms Clay.

MS CLAY: We had a really thoughtful submission from the Belconnen Community Council, who are concerned about the lack of facilities and activation downtown in Belconnen, given our population base down there. One of their calls is for a Belconnen renewal authority to be established. And there was a lot of interest, I would say, generally, on community day in the funding that is available for the CRA, and whether that funding is available elsewhere.

Can you tell me how much funding the CRA has for city renewal? Have I got it right that it is about \$13 million?

Mr Gillman: It depends. Our capital program in the current budget is \$19.6 million, and that is for capital interventions. Our place experience and marketing budget is

approximately \$5 million.

MS CLAY: Yes.

Mr Gillman: Half of that comes from the CCMIL, which is a premium levy paid by city lease holders in the precinct. That is two key sources of funding that we have been talking about in this hearing.

MS CLAY: Yes. So, \$5 million, and about half of that comes from businesses—

Mr Gillman: From CCMIL, yes.

MS CLAY: And the other half comes from ACT government—

Mr Gillman: Appropriation.

MS CLAY: Yes. And about \$19 million in capital.

Mr Gillman: In capital.

MS CLAY: Yes, okay. And how much of that is for renewing Civic centre, renewing Canberra's city heart?

Mr Gillman: That is the \$19.6 million.

MS CLAY: Okay. Has there ever been any consideration about whether other rapidly growing town centres should have something similar?

Mr Gillman: That is a matter for government policy, to be considered. It is not a matter for us to advocate for.

MS CLAY: That is fine. I am interested and pleased to have a chat about the program funding and the impact that that has in activating an area, and how much time and effort is involved. What is the level of program funding we have got? Is that the \$5 million in marketing, or is that a different amount of money?

Mr Gillman: No, they are different.

MS CLAY: What is the total program funding pool?

Mr Gillman: I will take that on notice, and we will come back with total program funding.

MS CLAY: Sure; and that would be for an annual program—obviously, you are programming on an ongoing basis for 12 months at a time.

Mr Gillman: Yes. For event programming, that \$5 million covers extra cleaning, about 10,000 hours of extra cleaning, and place presentation, so garden beds and that sort of thing, but it also covers the events program: Winter in the City, Christmas in the City, La Fiesta. It does cover Lunar New Year in Dickson. Some of the metrics were: we

have been through Winter in the City this year with over 41,000 attendees; we had over 4,000 attendees at La Fiesta last year; we had over 15,000 attendees at Lunar New Year in Dickson. These events are quite successful in creating a reason for people to visit but also a reason for people to dwell.

One of the things that I have been really impressed by in our events program, and this was so true on Saturday with The Forage—and the Winter in the City program—is the benefits of social cohesion of events like that, which bring everyone together. The feeling at that event—not just the attendance, not just the vendors, not just the economic activity—was so welcoming and embracing. That cohesion was really important. In events such as La Fiesta in Latin American Plaza, we had more than 15 local embassies that were engaged and came together, and that sense of cohesion and bringing that community together with the broader Canberra and regional community is really important. Lunar New Year in Dickson has just grown from strength to strength—

MS CLAY: You have sold me on the benefits by far. I think where Belconnen Community Council, and others, are coming from is the fact that we have this teeny tiny little connecting-up program with about three people who go to it. It is a great program, but because we do not have any kind of agency who is staffed and resourced to run these programs in our town centre, it is quite difficult to activate other town centres.

I wonder if you might be able to take on notice—and we have looked at the budget papers, but it is not easy to find out all of the CRA funding—the capital, the marketing, the programming, and if there is anything else, however you might describe it. If we could get a sense of what it is each year, that would be very, very helpful, I think.

Mr Gillman: Happy to take that on notice.

MS CLAY: Yes.

Mr Gillman: I might just add that the city centre does play a different function to the other centres. This is a place where everyone does come together, whether it is to celebrate and watch the Matildas; whether it is for the National Multicultural Festival. There are different purposes for the different centres.

MS CLAY: Mr Gillman, I absolutely understand that for the city centre. I think what is happening is a lot of people are now seeing the expansion into Dickson and wondering a little bit: “Well, there are so many people in other regions, how come there and not here?” That is not a question for you, I understand that. That is comment, Chair. I will leave it at that.

MS CASTLEY: Just on The Forage and the food vendors that come in—do they pay a fee to be part of that?

Mr Gillman: Yes, they do. City Renewal paid that fee for precinct businesses—80 per cent.

Ms Ramsay: We paid an 80 per cent subsidy. It was funded out of the levy for any city business or Braddon business that wanted to participate in the Forage, and there were five.

MS CASTLEY: And those that were not part of that cohort?

Ms Ramsay: They do pay a fee. We did not pay The Forage to attend the event, but we incorporated them into the festival.

Mr Gillman: Yes; it was a fee to The Forage—

MS CASTLEY: Okay.

Mr Gillman: not to City Renewal.

MS CASTLEY: Right.

MS CASTLEY: I would like to ask some questions about the Outdoor Dining Tool Kit; it was issued on 29 April 2024. I am interested in what evidence we are relying on for the belief that umbrellas, A-frames and heaters are going to attract any customers in winter at night-time.

Mr Gillman: I might start. Outdoor dining permits, by their very nature, are for outdoor dining, not for indoor dining. If we were to put structures in front of every business that was a food or bar retailer in Garema Place, that would be a substantial donation of the public land to private owners. So we have got to be very careful about putting permanent structures onto public land.

The outdoor dining guidelines were a response to significant feedback during our consultation period about the nature of the existing outdoor dining and the challenges that created. It blocks views to businesses; it blocks sightlines for safety; it can block security camera surveillance—those sorts of things. The consistency and quality of outdoor dining in Garema Place was a key theme in our consultation, in the lead-up. Lucy might talk a little bit about the outdoor dining guidelines.

Ms Wilson: It was a response to our 2023 community consultation which included all business owners in Garema Place. It was specifically identified that there was a challenge with the consistency and/or quality of the outdoor dining that was there and it was detracting from Garema Place. When we gathered that feedback, we worked with the business owners, Access Canberra and what was Transport and City Services, which is now the City and Environment Directorate, to put together the Garema Place Outdoor Dining Toolkit to support businesses to understand what the government's expectations are but also support them to understand what other businesses are going to do in the area. It is a collaborative toolkit.

As part of the toolkit development, we looked at other cities in the country, including ones with similar climates—the city of Melbourne is a really good example—to make sure that we were not overstepping the mark or understepping, if we had an opportunity to do better. The outdoor dining toolkit is based on very successful outdoor dining scenes around the country, and, as I said, the city of Melbourne is one which has a very

similar climate. The intent of the toolkit is that you can see what you can do and, when it comes to an application process, it is really easy for Access Canberra, who are the custodians of the application process, to try to process it in a timely manner. It also means that the structures can be maintained and kept to the quality that the business owners said they wanted in the short term.

MS CASTLEY: Interestingly, I asked about dining outside under an umbrella and you went straight to structures. I will ask about Via Dolce. When the toolkit came out, at what point was their structure approved?

Ms Wilson: The toolkit came out after the structure was in-situ. That goes to the first question.

MS CASTLEY: Was that in order to have something to peg on them so they would have to move it out?

Ms Wilson: No. The toolkit was started before they installed the structure—before approval was given. Consultation with Via Dolce started to occur in March 2023. They installed the structure in December 2023. There was extensive consultation with them, including multiple invitations to attend consultation sessions, face-to-face meetings, doorknocks et cetera, even to the point where they accepted invitations and then did not attend. To answer your question, they knew that this was happening before the structure was installed.

MS CASTLEY: Are they able to move it to Bunda Street? Is that on the cards? It seems that it is not okay for Garema Place but might be okay for Bunda Street.

Ms Wilson: We are not the approval authority. Access Canberra and TCCS are. There are multiple challenges in all locations, with underground services, trees and various other things.

MS CASTLEY: Sure. Regarding Garema Place, you have done extensive consultation and people are happy with umbrellas.

Mr Gillman: I should say that they can be substantial umbrellas. They can have weather protection; they can have heating; they can have cooling. King O'Malley's, at the moment—

MS CASTLEY: Yes; I have seen those.

Mr Gillman: has an umbrella structure that has heating and, in summer, has misting. They are not market umbrellas.

MS CASTLEY: No. I understand. They are quite significant. I would like to go to the consultation that you did. Did anyone talk about the pavers? Are the pavers that are going down your responsibility—

Ms Wilson: Yes. That is part of the design process.

MS CASTLEY: Who made the decision to put down white pavers?

Ms Wilson: We have a design consultant who undertakes the design of a place, and that was approved through the relevant approval mechanisms. There are other city examples you can use for this. It is quite typical that, when pavers go down, they are a lot lighter than they will eventually look. The pink pavers are actually a really good example of this. If you flip them over, they are bright pink, and now they are a kind of dirty pink colour. That is typical in the public realm. There is a solution to that, and that is that you potentially install granite paving everywhere, but granite paving is extraordinarily expensive. We will monitor it. It is not unexpected, and we will see how it weathers as we finish the construction.

Mr Gillman: It is also the case that we have a street scrubber that goes around and cleans the pavers. Because of the construction works, we have not been able to put that scrubber over the newly installed paving—

MS CASTLEY: Is that something you would normally do anyway?

Mr Gillman: We would probably do Garema Place once a month in—

MS CASTLEY: As part of the—

Mr Gillman: Yes. I might have “once a month” wrong, but we certainly scrub around Garema Place, and Bunda Street in particular.

MS CASTLEY: At the bus interchange, a sign has been on the ground, right on the corner—there is a new bar there—that has all the old businesses on it. Is it your responsibility as CRA to update that? If you get off the light rail at Alinga Street, cross the road and—

Mr Gillman: We might take that up with City Services who maintain the public realm, and, if that is inaccurate, we will advocate for it to be updated.

MS CASTLEY: How much of a priority in the CRA decision-making process is the viability of local businesses?

Ms Dibbs: Is that a question for the deputy chair?

MS CASTLEY: How much of a priority for the City Renewal Authority is the viability of local businesses?

Ms Dibbs: A very significant part of our whole remit is future economics and the viability of the whole city centre. So, yes, that is top of mind.

MS CASTLEY: Thank you.

Mr Gillman: The city centre generates about \$7.2 billion worth of gross value-add each year and employs 39,000 people. That is in the statistical collection area. The next highest is about \$2.6 billion. The importance of city business and growth is incredibly important to the whole of Canberra, not just the City Renewal Authority.

MS CASTLEY: I have one more question. I am jumping around. Did Instagram posts target any of the businesses on London Circuit that are struggling with light rail construction?

Ms Ramsay: We added additional businesses from City West to the campaign because we were working closely with Infrastructure Canberra and they asked us to consider expanding the campaign to support businesses. We attended a focus group, talked to businesses and expanded the campaign.

MS CASTLEY: Thank you.

THE CHAIR: For clarification: it sounds like it did not initially, but it was expanded.

Ms Ramsay: We had it spread evenly.

THE CHAIR: When did that expansion happen?

Ms Ramsay: During campaign planning, around either May or June. We were choosing an even proportion of businesses across the city centre and Braddon, as we would normally do, and then we were encouraged to support City West a little more because of some of their experiences. We added to that in probably May, during our campaigning.

Mr Gillman: It was not a pivot in the campaign as it was delivered; it was built into the campaign as delivered.

Ms Ramsay: Yes; correct.

THE CHAIR: That is useful to understand. Ms Wilson, you made a comment about choosing Melbourne as having a comparable climate to Canberra.

Ms Wilson: Yes. It was not the only—well, I was just using that as an example. It is wetter and it is cold. That was just an example.

Mr Gillman: Melbourne is actually in a different climate zone to Canberra. We have things like greater diurnal swings and things like that. Did you have somewhere that was a better comparison?

Ms Wilson: The consultants did an assessment. I do not want to say “around the world”, because I do not know whether that is necessarily accurate, but it was definitely around Australia. Canberra is a very challenging climate to replicate. Nevertheless, you look at how people feel in spaces and what makes them feel cold or what makes them feel that they do not want to sit outside. Actually, the biggest detractor is typically rain, not necessarily the cold; hence the comment about Melbourne being rainy.

MS TOUGH: Are the consultants Canberra based?

Ms Wilson: Yes; they are.

MR EMERSON: You mentioned working closely with Infrastructure Canberra in the

previous answer. What kinds of processes are currently in place to coordinate? There is a lot of work going on in Garema Place, and a lot of work going on is related to the light rail works. How is that coordinated?

Mr Gillman: If it is an iCBR project—I think of the theatre and light rail, the forthcoming convention centre and entertainment pavilion and the forthcoming pool—it is typically run through project working groups, and we are represented on those project working groups. It is really important that we are able to leverage the government’s investment in light rail, to activate and come behind them as they move south to the lake. In terms of our work and Garema Place, for example, that is actually delivered by iCBR. They are our contract management auspice, if you like. That is fully integrated and coordinated. In fact, we came from the contract control working group this morning which has the constructor, iCBR and City Renewal Authority on it. There is a high degree of coordination around those projects.

MR EMERSON: I often run through Garema Place, and today paths are closed off, which is understandable. I am certain that there are different project teams. Regarding specific timing of different elements and coordinating with light rail closures, does that sort of thing happen?

Mr Gillman: The general arrangements and configuration of Garema Place at any point in time are not really coordinated with light rail. The fact that a construction project in Garema Place needs to be considered in the planning of light rail is. Garema Place has been a challenge because of its age. There have been a lot of undocumented services that have taken the contractor a bit of time to work through to make sure that they are not live or not necessary, and they have had to reprogram their works. They have had to reprogram their works because one of the outdoor dining structures was not removed in April as requested. That has had an impact on other businesses in the precinct and on a configuration of fencing and changing level; they have had to adapt and respond to some of the things they found in the ground. But, yes, the projects are coordinated.

MR EMERSON: Ms Castley asked about the importance of business viability. I recently spoke with a Garema Place business. They said they had Northbourne Avenue closures because of the light rail works. That was scheduled and then, right afterwards, all of the pavement in front of their business was torn up. So for them specifically—

Mr Gillman: On Northbourne?

MR EMERSON: They ended up delaying the Northbourne Avenue closure. She is in Garema Place. When she raised this concern—“Rather than it happening all at once, things are scattered, and that has disrupted my business for an extended period of time”—she was told by the person she spoke to within government that there was no coordination between the two project teams. I am trying to square what she was told with what you are saying. It is perhaps about the level of detail.

Mr Gillman: It is probably about the level of knowledge of the person who spoke to her. We are quite coordinated. iCBR are delivering our work and we are on all of their PCGs, project control groups. Part of the benefit of timing—and you always have this with capital works—is whether you have sequential disruption or concurrent disruption. Garema Place is currently undergoing a significant change that is not led by

government; it is by the Garema Place hotel. Having sequential disruption by the hotel to finish the hotel and then for us to come in after that to do the balance of Garema Place would have taken years of disruption, rather than having concurrent disruption. That is a consideration as well.

MR EMERSON: Was that part of this stage of light rail deliberately timed for all of those things to happen, because of that concurrent disruption philosophy?

Mr Gillman: No, but I will give you an example that is. The car park opposite the Melbourne Building is proceeding with construction in parallel with light rail so that there is concurrent, not sequential, disruption. Private developers are doing that. There was very deliberate planning to make sure that, if there was going to be construction fencing, it was for the shortest time possible.

MR EMERSON: Going to direct support for small and medium sized businesses—they are copping a bit at the moment, understandably—are you able to provide a breakdown of how the City Centre Marketing and Improvements Levy is distributed and how it is used to directly support some of the affected businesses? Is that administered separately to other funding or does it just go into your bottom line?

Mr Gillman: No. It is absolutely administered and accounted for separately. It is a hypothecated revenue stream that we deliberately report on. We do an annual report on how that money was spent—whether it was on place presentation, the gardening I mentioned or cleaning, or whether it was on events, activation et cetera. Jen can correct me if I am wrong. We have not supported any city business directly through a financial contribution; we have contributed through our events and activations, bringing people to their doorsteps through promotional campaigns of the city or an influencer campaign. We spend a bit of time discussing, but there is no financial contribution to a business.

MR EMERSON: Is that under consideration or would it be at any point? I am thinking about the works and businesses that are worried they will not make it to the other side. They are contributing to this levy, so there is a bit of a sentiment of—

Ms Ramsay: We are not considering a direct contribution in that way. We have talked with businesses in the City West area. We attended Infrastructure Canberra's focus group and they raised an idea that is done elsewhere, where there are microgrants for activating inside businesses. We thought it was an interesting idea to test. We have talked to the CCMIL Advisory Group about that. Today we had our advisory group meeting. We are looking at doing a pilot of grants in City West that would be funded by the levy, and that has been welcomed by them. We want to keep it small and test it to start, because, as you can imagine, we obviously need to have some compliance around it and we need to make it flexible for businesses. Somebody gave an example where you could pay \$800 to get a band and they could have it for five nights inside their business. They seemed really excited about that. We would like to do a pilot and, if it works, we could then look at aligning it towards other activations, such as for Christmas or winter, where businesses could also participate in the levy, but we want to make sure we get it assessed properly and that it is compliant.

MR EMERSON: That would be a really positive move. That is one of the things that

I hear the most, especially when there are events in the city—that people want to be able to attract more into their own venues. That is encouraging.

Mr Gillman: An example came to light a couple of years ago, when the National Multicultural Festival was followed relatively quickly by Enlighten in the city. In the data, we saw significant bumps in people attending during those periods. We saw a sustained bump. Our working hypothesis on that is that someone comes and either sees something that they have not been to for a long time that holds a nostalgic anchor for them—it could be Landspeed Records or the Charcoal Restaurant—or sees a new product that looks interesting. Our working hypothesis is that it causes re-engagement with either nostalgic items in the city or new innovations in the city. We see a sustained bump.

MR EMERSON: Thank you.

MS CASTLEY: I am wondering about the painting of the Melbourne and Sydney Buildings. Do you determine how often they are painted or when they are due for an upgrade?

Mr Gillman: It is complicated. It is a wicked problem to start with. There are over 90 individual leases that are held by 24 building owners. Some hold multiple sites. There is no common ownership structure. There is no body corporate to invest in the shared facility. We paid for a conservation management plan to be done by heritage architects. They did that and put together the requirements to maintain a heritage building of the significance of the Sydney and Melbourne Buildings. Through a grant process, we have funded building owners to paint their buildings. City Renewal is paying for building owners to undertake those works. The requirement in the conservation management plan—and I will try to get the language right—is that the facade must be in reasonable condition, however that is defined in the conservation management plan. Our act was changed a couple of years ago to give City Renewal, after consultation with owners, the ability to create a revitalisation plan for those two buildings. The revitalisation plan sets out essentially the condition that the facade needs to be maintained in. If it falls beyond that condition, it is time to repaint it. The act allows us to step in, after a period of time and a significant process, to paint the buildings and then recoup the costs.

MS CASTLEY: Recoup the costs from the businesses?

Mr Gillman: From the owner. Sometimes the business is the owner; sometimes they are not.

MS CASTLEY: I understand. What was the idea of painting the two buildings just as they started to dig up Northbourne Avenue for light rail?

Mr Gillman: The idea of painting the buildings was to do it before light rail, so that they are not in that condition until 2028.

MS CASTLEY: I feel it might incur additional cost to keep the buildings clean if a lot of dust is kicked up during all the digging. That is a comment, I guess, more than—

THE CHAIR: Could I ask a supplementary. Have you considered the potential impact

of light rail and general construction in the area on the facade of those buildings?

Mr Gillman: That is more a question for Infrastructure Canberra. They will have done a dilapidation survey. They will have done all the usual processes that go into major infrastructure processes.

THE CHAIR: No doubt, but not as part of the work that you do in relation to those.

Mr Gillman: No; not as part of the painting. Whenever you do an infrastructure project like that, you have an obligation to protect the adjacent assets.

MS CASTLEY: Are the heritage architects a Canberra company?

Mr Gillman: They are Canberra based—yes.

MS CARRICK: You say you pay for the painting. Is that through the levy or Canberra ratepayers?

Mr Gillman: That is not levy funded.

MS CARRICK: So Canberra ratepayers pay for the painting of privately owned buildings?

Mr Gillman: It is in part funded, by approximately 50 per cent, through our own generated revenue, and 50 per cent through a capital appropriation as part of the City Precinct Renewal Program stage 2, which has been converted to opex.

MS CLAY: We have some fairly large facilities around our town centre and we are in the process of planning and maybe building more, with a convention centre and the lyric theatre. We have some major places that bring in people from out of town. Has CRA provided the ACT government with any advice about how to use these major tourism draws to activate people in the town centre?

Mr Gillman: I am trying to think about what we have provided. One of the things we do is Floriade. The Floriade event is not put on by City Renewal, but we did something quite simple around that event. We created a walking trail from light rail to Floriade. Jennifer will have the metrics. That caused a significant change in how people found their way to Floriade. It engaged with city businesses. It was a quite significant change.

MS CLAY: That sounds useful for Floriade. I am thinking more about theatre events and conferences. Does the CRA or any other government agency get involved in activating conference attendees from out of town to come into town and maybe go to a gallery or buy some drinks and some food? Is that done?

Ms Ramsay: I can answer that. That is not what we do directly, but we would look at what the programs are about to leverage or amplify them to make the experience broader for visitors to the city. The example Craig gave was a good one—that we put on a walking trail on while people were here for Floriade. We put in floor decals. We got comments from people in hotels, saying that, when they walked out of the hotel, there was a decal and they knew where to go to Floriade. We amplify the experience,

but we do not program the theatre or determine the conferences. But, if people come, we look at how to capture that and make the experience better.

MS CLAY: I am asking more about amplifying the experience, not asking you to run the Canberra Theatre.

Ms Ramsay: We certainly do that. We are always open to ideas. It is a good way to make the experience of a visitor coming to the city better and they are more likely to return.

MS CLAY: Awesome. I have been told by the arts community that Sydney does this quite well—that the Sydney government brings in local businesses in the planning process, as part of their tourism and conference events. They have a real focus on how to use a tourism event or conference to activate local businesses and activate people in the economy. Have you looked at how Sydney does it?

Ms Ramsay: We do. We always look at what other states and territories are doing, because we want to know what they are doing and whether we can do it better here. We are always learning how to amplify those experiences. We do look at them, and it influences our programming when we look at what works and what does not work.

MS CLAY: Are we doing it for purely commercial events—not like Floriade, which is a government event, but are we doing it when there are major—

Ms Ramsay: There are some that we do ourselves, like Winter in the City or Christmas in the city. We look at how we can encourage businesses to share their own experiences on our campaign website, so that they can leverage on what we are doing and it becomes more broad.

MS CLAY: And with purely commercial expos and purely commercial conferences that do not have any government—

Mr Gillman: Less so if they are purely commercial. We certainly do it with the National Multicultural Festival. There is a big string of business promotion in the city, where you can have a multicultural experience. It exists; it is in the bricks and mortar, in the restaurants, but less so for specific conferences. We coordinate quite closely with the theatre, but, again, government—

MS CLAY: That is government funded.

Ms Ramsay: If there are ideas, we are always open to them. We look at when crowds are there.

MS CLAY: The idea that has been handed to me is that Sydney is apparently doing this quite well. There is a bit of a conversation going on in the arts community at the moment that we are going to have all of these spaces and a performance arts plan on how they all interact, but they would also like government assistance to make sure that, when things happen at venues and people come from out of town, they are captured in our local tourism scene. It is probably about who in government is pulling all this work together.

Mr Gillman: I am happy to look at what we do, but there is another avenue that we are not far from launching. It is a city centre website that draws on data from the ATDW—

Ms Ramsay: The Australian Tourism Data Warehouse.

Mr Gillman: which has all of the conferences and events, and the local businesses. We are looking at creating trails that are tailored to audiences visiting at certain times. That will be different for Kanga Cup versus a digital cyber conference at the conference centre. We are building that capability, but it is more automatic onto a city centre website.

MS CLAY: Thank you.

THE CHAIR: We will wind up. On behalf of the committee, 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*. On behalf of the committee, I thank witnesses who have assisted the committee through their experience and knowledge. We also thank broadcasting and Hansard staff 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.

The committee adjourned at 5.37 pm.