



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2013-2014

(Reference: [Appropriation Bill 2013-2014 and Appropriation \(Office of the Legislative Assembly\) Bill 2013-2014](#))

Members:

MR J HANSON (Chair)
DR C BOURKE (Deputy Chair)
MR M GENTLEMAN
MR B SMYTH

TRANSCRIPT OF EVIDENCE

CANBERRA

TUESDAY, 18 JUNE 2013

Secretary to the committee:
Ms N Kosseck (Ph 620 50129)

By authority of the Legislative Assembly for the Australian Capital Territory

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

APPEARANCES

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Amended 20 May 2013

The committee met at 9.00 am.

Appearances:

Barr, Mr Andrew, Deputy Chief Minister, Treasurer, Minister for Economic Development, Minister for Sport and Recreation, Minister for Tourism and Events and Minister for Community Services

Commerce and Works Directorate

Smithies, Ms Megan, Director General, Executive
Burton, Mr Ross, Chief Financial Officer, Strategic Finance
Divorty, Ms Jill, Executive Director, Shared Services
Tomlins, Mr George, Acting Executive Director, Procurement, Shared Services
Sidhu, Ms Sarbjit, Executive Director, ICT, Shared Services
Whale, Mr Andrew, Director, HR Services, Shared Services
Robinson, Mr Calvin, Director, Finance Services, Shared Services
Kegel, Mr Michael, Director, Operations, ICT, Shared Services
Valtas, Julian, Operations Manager, ICT Security, Shared Services

Economic Development Directorate

Dawes, Mr David, Director-General/Chief Executive Officer, Land Development Agency
Hudson, Ms Cathy, Deputy Director-General, Policy and Governance Division
Stewart, Mr Daniel, Deputy Director-General, Land Development, Strategy and Finance Division
Cox, Mr Ian, Executive Director, Business Development
Gilding, Ms Louise, Executive Director, Ministerial, Cabinet and Policy
Reynolds, Mr Chris, Executive Director, Land Development, Strategy and Finance Division
McNulty, Mr Hamish, Executive Director, Infrastructure and Capital Works, Strategy and Finance Division
Guthrie, Mr Neale, General Manager, Venue and Event Services (includes Territory Venues and Events and Events ACT, Tourism, Events and Sport Division
Hill, Mr Ian, Director, Australian Capital Tourism, Tourism, Events and Sport Division
Priest, Ms Jenny, Director, Sport and Recreation Services, Tourism, Events and Sport Division

Exhibition Park Corporation

Clarke, Ms Liz, General Manager

THE CHAIR (Mr Hanson): Good morning, members. Good morning, Commerce and Works officials and minister. Today the proceedings are being recorded by Hansard and also being webstreamed. Are you all aware of the privilege statement, the card in front of you?

Ms Smithies: Yes.

Ms Divorty: Yes.

THE CHAIR: And everybody in the gallery who will be attending so that we do not have to repeat the process. Are there any opening statements before we proceed to questions?

Mr Barr: No, thank you, Mr Hanson. We will go straight into questions.

THE CHAIR: We will start with output class 2, Shared Services ICT. I am referring to budget paper 4, page 163. One of the dot points talks about developing strategies and server virtualisation policies and approaching the market for a modern, energy efficient and highly scalable data centre facility. Can you give me an explanation of where that process is up to in terms of approaching the market for a data centre?

Ms Smithies: We were provided with some funding through last year's budget process in order to progress the data management strategy. One the particular legs of that was to lease a private data centre from the private sector. That has been out to tender and it is currently in contract negotiations. Hopefully it should be in place by the end of June.

As part of that work there is significant work underway in relation to data migration and the look of what we have currently got in stock around our servers and all of our equipment and what will migrate into a private sector lease facility, what will stay behind and what needs to be upgraded as part of the opportunity to move into that particular facility. I would say that that is well underway.

For us, moving into the facility will probably take between six and nine months in order to fully optimise the layout of the facility and optimise our use of the space. Part of this will actually be hopefully some good reductions in terms of the energy usage that we have, the space that we take and an opportunity, as I said, to modernise our equipment. Do you want to add anything to that?

Ms Divorty: No, I think that is sufficient, thanks.

THE CHAIR: When would you expect that the contract would be signed?

Ms Smithies: By the end of June, yes.

THE CHAIR: By the end of June; so that is coming pretty soon. Did we get quite a few people tendering for that?

Ms Smithies: I am not sure I can answer that.

THE CHAIR: You are not sure you can answer that?

Ms Divorty: We had strong interest.

THE CHAIR: Right.

Ms Divorty: We used the commonwealth government's AGIMO panel. So we can

provide more details on the numbers of tenderers if you are interested.

THE CHAIR: Yes, I would be interested in that, because I have had some discussions with people in the ACT. The commonwealth government's list excludes a number of people who are in the ACT, does it?

Ms Divorty: I think everyone had an opportunity to tender, but of course there was a tender process and a shortlisting process. Some, I think, were knocked out on the way through.

THE CHAIR: Sure.

Ms Divorty: But it was a very thorough process.

THE CHAIR: You need to explain what you mean by "using the commonwealth government's list". That has a group of preferred providers; is that right? What is that list?

Ms Divorty: It is a panel of providers, some of whom have existing facilities and some of whom have the opportunity to build facilities. So there are panel members who are currently data centre providers and some who propose to be data centre providers.

THE CHAIR: Right. What are the advantages using the commonwealth government's panel? Did it mean that you did not have to go through a process of inquiring into who is capable of doing this and who is not?

Ms Divorty: Exactly. We did a very long industry consultation and we were intending to go to the market ourselves. It was during that discovery phase that we realised the commonwealth government were doing pretty much the same process but on a larger scale. So it was advantageous for the ACT government to wait for the commonwealth to do their process and to actually come up with a panel of providers which have obviously preferential rates, and then to use that process.

THE CHAIR: Did that exclude people that might otherwise have tendered?

Ms Divorty: During our industry consultation phase we made very certain that all providers or potential providers were happy that we might use the AGIMO panel. At that stage the panel had not been finalised and at that stage all of the potential tenderers were happy that we would use the same process that the commonwealth went through. They felt it was advantageous for them to only go through one process. So we had all providers on board. Subsequent to that, when the panel was actually announced, some providers were not actually on the list. They did not qualify. So since then—

THE CHAIR: For the commonwealth?

Ms Divorty: For the commonwealth list.

THE CHAIR: Right.

Ms Divorty: And since then I think there have been some data centre providers who have wished we used a different process.

THE CHAIR: Yes. Why were they knocked off the commonwealth list? They would probably say it is because the commonwealth has got a certain scale issue and that might have excluded some providers, which would not have been relevant to the ACT in terms of scale. The commonwealth might have said, “This organisation might not have the capacity,” but they would have had the capacity for the ACT. Therefore, they have been excluded despite the fact that they would have been able to do it in the ACT. Are there any circumstances like that?

Ms Divorty: I can call on people who were actually involved in that. It was actually the commonwealth’s process. So I am not sure how much we can actually disclose of how they shortlisted and how they actually came up with their final list, but I can get someone to give you more detail if you would like.

THE CHAIR: Yes, if it is relevant to that question I have, because I just want to make sure that there was not anyone, particularly an ACT business, that might not have the scale or the capacity that would have been appropriate to take on a federal government contract but could have done it for the ACT but got excluded in a result.

Ms Divorty: Yes, I am not aware—

THE CHAIR: I am speculating as well, so—

Ms Divorty: I am not aware of anyone who is in that category.

THE CHAIR: You are not aware?

Ms Divorty: But I will just call on Mick Kegel to come and provide a few more details if he can.

Mr Kegel: I apologise; I was not a party to what commonwealth panel criteria were. My understanding, as Jill mentioned, is that there were a couple of local providers that were part of that panel when it was being developed, but they did not actually make the final panel members that made up the panel. My understanding was that it was not a capacity issue but rather a power efficiency issue that they could not guarantee. That was part of the commonwealth’s requirement, that they have to reach a certain power efficiency. We call it a PUE. They could not make that; so they did not make the panel for that reason.

Ms Divorty: And that would have also knocked them out of our process.

Mr Kegel: Yes.

Ms Divorty: Because I think our power efficiency ratio was very similar to the commonwealth’s, which is why we used their panel.

THE CHAIR: Okay.

Mr Kegel: Part of the reason of moving to a new data centre was to achieve efficiencies, and one of those is in power. They would not have had that anyway, so—

THE CHAIR: They could not meet that; so it was not a sort of capacity issue.

Mr Kegel: Yes, that is my understanding.

THE CHAIR: That probably answers my questions, but if there is anything further that can be provided, that would be great. Thanks very much.

MR SMYTH: I have a supplementary on that. Were all probity issues and conflict of interest procedures followed?

Ms Divorty: To my knowledge, Mr Smyth, yes. We had a specific independent probity adviser on this, as well as the Government Solicitor. So we actually had dual carriage, if you like, of probity to ensure that the process was very clean and above board.

MR SMYTH: All right, thank you.

DR BOURKE: Treasurer, could you tell me about the process of benchmarking costs of ICT against peer organisations, how it is done, what has been done in the past, and how it might improve the ICT service?

Ms Divorty: Thank you, Mr Bourke. We do benchmark on an annual basis. I will actually ask my CFO Ross Burton to comment. Ross runs the benchmarking process for us.

Mr Burton: Yes, annually we basically benchmark ICT's core services like the service desk, storage for large components, and then basically go through a process. It normally starts in June when we basically have our full year financial results. They go through a mechanism of selecting peers, which we have refined over the years. We have been benchmarking now for about six or seven years on this annual process.

Previously they used to do it across organisations—international organisations and that—and we said that that really was not a fair peer comparison. They select about eight or nine peers which are roughly about the same size, provide the same type of core ICT services. It is not all services, but it is around 80 per cent of the total services that Shared Services ICT provide. It is broken into about five components.

They look at the costs and the drivers in relation to what our costs compared to our peers and the number of users and those type of things. We set a benchmark of being within about five per cent of our peers. We have always been able to manage that. We have always been very close to 96, 97 per cent. Last year we were around 98.8 per cent.

In relation to a lot of our costs when we look at our jurisdictional area, we seem to be lower on the labour side of costs and slightly higher in hardware, but overall against our peers, we manage it, like I say, within the peer costs, the average of the peer costs.

That is across all jurisdictions. A lot of it is public and private organisations. As I say, there are about seven or eight peers that are selected at any point in time.

DR BOURKE: Perhaps you could tell me how successful you have been in defeating any attacks on the government system.

Ms Smithies: As in security attacks?

Ms Divorty: We will ask Julian Valtas from our security area to join us.

Mr Valtas: Could I please hear the question again?

DR BOURKE: Sure. The question was: how successful have you been in defeating attacks on government websites?

Mr Valtas: We believe we have been absolutely successful at this stage. We have benchmarking where we have a look at the websites hosted both externally and internally and at this point in time we do not have a successful attack against an internally hosted website.

DR BOURKE: Minister, in the budget announcements sustaining smart schools has \$10 million over three years to develop reliable and modern school ICT networks. How is Shared Services planning to provide support for that rollout?

Ms Sidhu: As far as schools are concerned the provisioning of ICT is moving from school-based network and infrastructure to centrally managed and supported infrastructure and network. That means the support model has to change accordingly. We started implementing this new initiative called SchoolsNET early this year and we are about halfway through that implementation. We hope to complete that by the end of this calendar year. We are in this transition phase where the education directorate had local school-based support and, as we roll out SchoolsNET, we are transitioning that to the centrally supported and maintained infrastructure.

What is our role? Our role is to ensure that the SchoolsNET implementation is completed successfully and, as the rollout occurs, we provide effective and efficient support to the schools that are on the SchoolsNET implementation. So it is kind of dealing with transition. The education directorate is moving from one school model to the other and they are looking at the most effective and efficient model for the future.

The education directorate can provide further information on it, but there are three strands to that model. The first strand is about a central mobile team operating. The priorities for that mobile team are determined by the ICT service desk. Shared Services ICT goes around and helps the schools by providing support. The second one is about the current model, and that is the ITOs. The decision about how the ITOs will evolve in this new world is with the education directorate. They can provide further information on that part. Current thinking is around high schools, colleges and wherever the need is, but that is with the education directorate.

The third one is that, because Shared Services are centrally managing all the servers, the network and the infrastructure, my branches that look after the network, the

desktop, the servers and the back end provide services to make sure that the front end operates effectively and in an acceptable way to meet the requirements.

In a nutshell, this is like a transition phase. The transition phase from the existing 87 school-based networks and infrastructure to a centrally managed support and maintenance model is occurring, and we are transitioning as we move along this path. This is going quite well.

DR BOURKE: You are confident that these concerns—

THE CHAIR: We will have to cut it there. We have two minutes left. I want to let other members of the committee—

DR BOURKE: That is an indicative time, chair. This is an important matter. It was raised in the public hearings on Friday. I just want to ask a final question and then I will be finished.

THE CHAIR: I want to give other members of the committee an opportunity. Mr Gentleman, do you have a question?

MR GENTLEMAN: I do. Minister, through this process how do you rate the performance of the ICT system?

Mr Barr: How do I rate it?

MR GENTLEMAN: Do you have an opportunity to rate the performance of the system?

Mr Barr: Certainly, the directorate will seek feedback from the users of the service. Where there is dissatisfaction with how issues are being resolved, it tends to filter its way up to ministerial level. I can say that I am not in regular receipt of complaints in relation to how this ICT transition is being managed in schools. I do remember, as education minister, particularly back at the start of my time as education minister, before this significant ICT investment began in 2006-07, that there were regular complaints about ICT facilities in schools.

The only issue that has been raised with me in recent times relates to bandwidth in wifi networks within schools. That is a complaint that you get commonly when there are large groups of people congregating, all with devices. In some instances it can be challenging to provide enough bandwidth in that context. But I get that complaint raised about Manuka Oval and Canberra Stadium. You work with service providers to try and increase capacity but it is not always feasible. It would appear, as each new iteration of smart phone appears on the market, that new apps and the like are chewing up more and more bandwidth.

We can look at the ACT government's investment in ICT in schools going back to 2006-07. We were ahead of the curve, achieving NBN-like speeds or greater within our education sector six years ago. It was a prudent investment at that time and continues to be.

MR GENTLEMAN: Do you have a review process?

Mr Barr: Yes, there is, obviously, in terms of the implementation between Shared Services ICT and Education. I am sure there will be further opportunities for feedback throughout the rollout process.

THE CHAIR: Unfortunately, we only have a short time allocated for ICT, so we will have to move on to procurement, which is up next. Members, if you do have any further questions, you will have to put them on notice. We will move to Mr Smyth. We will keep going down the line, so that other members of the committee get an opportunity.

MR SMYTH: Minister, I was interested in the cancelled Canberra Hospital project. There was a \$43 million tender that I understand went to preferred supplier status and then was cancelled without any warning to those who had worked on the process. Why did the government cancel a project of that magnitude when it had got to preferred tender status?

Mr Barr: The government maintains the capacity to operate its capital works program as it sees fit. In relation to this particular project, you will need to raise the details and have that discussion in the Health estimates. You will have that opportunity in the coming days. As a general observation, with respect to decisions ultimately about whether to proceed with projects in any particular time frame, it must remain with the government to make that decision. If Health made a determination that there were other elements of their capital upgrade program that they wished to proceed with or to reallocate provisions that had been made, that is for them to determine. You can raise those questions with them when they appear.

MR SMYTH: Somebody might raise questions about the Health capital works project as a whole, but in terms of procurement, what would it cost a firm to participate in that process and get to preferred tender status?

Mr Barr: I am not sure, on that process. There are costs associated with—

MR SMYTH: Do any of the officials know? This is a significant project.

Mr Barr: I think you are best placed to raise this with Health.

MR SMYTH: No, but it is the procurement process. People spend hundreds of thousands of dollars on the expectation of the government keeping its word. They devote an enormous amount of time, they bring people in from interstate and internationally, they commit resources, they actually get to the stage where they have almost signed a contract and then the process is cancelled. Is that fair? Is that a fair way to treat business, in your opinion?

Mr Barr: I am not going to offer an opinion in relation to that.

MR SMYTH: Why not?

Mr Barr: I am not going to. But what I will say is that—

MR SMYTH: So you think it is fair to string people along at great expense and then just cut it off?

Mr Barr: it remains within the purview of government at any time, Mr Smyth, to determine not to proceed or to delay a particular project. It has to be that way. There cannot be some point by which—

MR SMYTH: So every capital work that you have in the process is now subject to being stopped at any point?

Mr Barr: That has always been the case, under any government, at any level of government, anywhere in the world.

MR SMYTH: How do firms have any certainty? Why would you take a project to preferred tender status? Why would you get somebody to do additional work after having been through the initial process?

Mr Barr: Again, in relation to this specific issue, you will have to raise that with—

MR SMYTH: No, it is not about the specifics of the issue; it is about the process. I want to know whether business in the ACT can have any confidence in your procurement process where you might take them beyond a request for tender stage, ask somebody to do additional work and then cut them off at the knees?

Mr Barr: As I say, it remains within the purview of government to determine to proceed or not with a particular project, in any given time frame.

DR BOURKE: Isn't that the same with other businesses as well? Don't they do the same thing?

Mr Barr: Absolutely. This happens in the private sector as well.

MR SMYTH: In regard to the process, what feedback have the department had about this and what liability do they have for the costs that these firms have incurred?

Mr Barr: Commerce and Works would have none.

MR SMYTH: What about Procurement?

Mr Barr: Procurement would have no—

MR SMYTH: Procurement runs the process, surely.

Mr Barr: No, it is a Health project.

MR SMYTH: Who runs it? Is it Health or is it Procurement?

Mr Barr: It is a Health capital works project.

MR SMYTH: So Procurement has nothing to do with Health?

Mr Barr: It is a Health capital works project.

MR SMYTH: What is the relationship between Procurement and Health?

Mr Barr: Procurement undertakes work on Health's behalf, but Health is the client.

MR SMYTH: When, Ms Divorty, were Procurement told that the project would not continue any further?

Mr Barr: Ultimately, that is a matter that you can pursue with Health.

MR SMYTH: No, I want to get the angle from Procurement.

Mr Barr: There is not an angle from Procurement. Procurement undertakes—

MR SMYTH: Just because you say so does not make it so.

Mr Barr: a task according to the specifications of its client, which is Health.

MR SMYTH: When did the client inform Procurement to stop the process?

Mr Barr: I will take that on notice.

MR SMYTH: Thank you, minister. That was very simple, was it not? Ms Divorty, what was Procurement told about the project and why it was stopped?

Mr Barr: We will provide information. You can raise this with Health.

MR SMYTH: Why are you refusing to answer these questions?

Mr Barr: I am not refusing to answer questions.

MR SMYTH: You say it is a standard process.

Mr Barr: I am directing you to the appropriate area to ask the question.

MR SMYTH: Procurement are the appropriate people.

Mr Barr: No.

MR SMYTH: Surely.

Mr Barr: Health is the—

MR SMYTH: No, Health is—

Mr Barr: Health is the client. It is their project.

MR SMYTH: Health has the detail; Procurement runs the process.

Mr Barr: It is Health's project. I am not answering any further questions on the matter.

THE CHAIR: It might be useful if you could explain the relationship between Procurement and Health or any other of the directorates in terms of the management process so that it is clear to members of the committee what role Procurement has in this arrangement.

Mr Barr: Directorates who undertake capital works are the clients. Procurement performs a service for those clients. It is as simple as that.

THE CHAIR: So what you are saying is that any of the executive decisions made about—

Mr Barr: They are made by the client.

MR SMYTH: So who judges the procurement? Who actually looks at the detail and makes the decision on who wins the tender?

Mr Barr: It is a panel, an involvement by the client and by Procurement.

MR SMYTH: So Procurement does have a role?

Mr Barr: In determining procurement outcomes, yes, but not in determining whether projects proceed or not, which is the line of your questioning.

MR SMYTH: Were there any unusual circumstances, Ms Divorcy, in regard to—

Mr Barr: Mr Smyth, you can raise these questions with Health. We have nothing further to add.

MR SMYTH: I want to ask some questions about the technical aspects of procurement.

Mr Barr: We have nothing further to add on this. We have nothing further to add on this project.

MR SMYTH: What are you hiding, minister?

Mr Barr: I am hiding nothing. You can raise all the questions you want with Health.

MR SMYTH: No, sorry, were any firms excluded on the basis that they were a trust structure? There is a Procurement question for you, minister.

Mr Barr: That is one you can raise with Health.

MR SMYTH: No, I am not going to play the football with Health where you kick us from one to the other.

THE CHAIR: I think that that decision probably would be a Procurement decision.

MR SMYTH: It is a reasonable question. Were any firms excluded from this procurement because the firm had a trust structure?

Mr Barr: I will take that on notice.

THE CHAIR: Take that on notice.

Mr Barr: Take that on notice.

MR SMYTH: Is that a standard practice, and did Procurement have to reverse its decision because they got their ruling wrong?

Mr Barr: I will take that question on notice.

MR SMYTH: Why would you take it on notice when the officials who know about this are sitting beside you?

Mr Barr: I will take that question on notice.

MR SMYTH: What are you hiding, minister?

Mr Barr: I will take that question on notice.

MR SMYTH: What are you hiding?

THE CHAIR: If you do have officials who are able to enlighten the committee at this stage, it would be useful, minister. That is a question directly to Procurement, because it is about the trust process.

Mr Barr: I will take the question on notice. If I can provide information today, I will.

MR SMYTH: The people who are sitting with you would have that answer.

Mr Barr: I will take that question on notice.

MR SMYTH: What are you hiding, minister?

MR WALL: I have got a question.

THE CHAIR: We might move to Mr Wall, if we could.

MR WALL: Minister, on page 30 of budget paper 3 there was the announcement of a new small business criterion for requests for tender. I was just after some information on how this criterion is going to function and what weighting it will be given when assessing tenders against out-of-town operators.

Mr Barr: Certainly.

Ms Divorty: Yes, that is our new small to medium-enterprise criteria, which is launched as from 1 July and will be in all tenders for goods and services. And the idea is that small to medium enterprises in the local region, not necessarily Canberra specific but Canberra and region, would be given a preferential status if they met the qualification for the criteria. And so the weighting is between five and 10 per cent, based on the individual project.

MR WALL: You say it is Canberra and region. How wide is the region?

Ms Divorty: There is actually a definition, which I believe we have taken from the South East Regional Organisation of Councils. I think it is Goulburn through to the South Coast, Murrumbateman, Yass, those areas.

MR WALL: What differentiation will be given to a local business and a business that may be nationally operated but has a local presence? Will there be any differentiation between—

Ms Divorty: I do not have the detail here with me, but I believe that there has to be some substantiation that they are using a local office or local staff.

MR WALL: So the business may not be locally owned but have a local presence, and they will still be given that same—

Ms Divorty: I would be happy to take that on notice, to give you the more detailed answer to that.

THE CHAIR: Dr Bourke.

DR BOURKE: Treasurer, I refer to page 171, output 3.1.b. Are you increasing the proportion of tenders available online, and what are the benefits and barriers to increasing the availability?

Ms Divorty: Yes, we are trying to increase the number of tenders available online. This is a precursor to us offering an e-tendering system, and I am happy to get George to talk to you more about the e-tendering system that may be coming up. We have had feedback from industry probably for a long time to say that it is nice to be able to retrieve documents online rather than having to come into the office to get paper copies.

Some of the challenges with that are, of course, the size of the documents and the types of documents that we might make available. Some, for instance, might be CAD drawings, and CAD drawings are difficult for you to print off at your home office, unless, of course, you have a CAD printer. That is why we have taken quite a modest online indicator. I think we are trying for 60 per cent. Our indicator was 50 per cent. We are moving up to 60 per cent, and we are hoping that e-tendering will come in within this current year. George, would you like to talk about that a little?

Mr Tomlins: We have been looking at the New South Wales and commonwealth e-tendering approach, and that has a number of advantages. It is familiar to a number of

the operatives acting in the Canberra environment; so its take-up should be good. We have got one check, and that is we want to make sure that other systems that we are operating or proposing to operate are going to be able to integrate with the electronic tendering process that we are looking at. But whichever way we go, there should be significant improvements in people being able to place their tenders online.

DR BOURKE: Minister, how do you measure the success of procurement in terms of being on time and on budget?

Mr Barr: There are a number of performance indicators. Jill.

Ms Divorty: Generally speaking, at the beginning of a project we will agree with the directorate what the scope is, what the time is and what the budget is. So it is an agreed indicator as to what does “time” mean and what does “budget” mean and, from our perspective, what does “scope” mean. And they are the indicators that we use to measure our performance.

DR BOURKE: Just coming back to that previous matter about the online tendering, is there an element of more openness and availability for public interest to be able to be aware of tenders as a result of this online process?

Mr Tomlins: There are a number of advantages, obviously, in having the tenders registered online and also in having the companies being able to register with the ACT government and to register their particular interest and have tenders flagged for them. So yes, there is increased openness and transparency because the tenders are up there and they are advertised on the Basis website at the moment, but this system which would be, I guess, more user friendly and would also send out information on tenders in a more targeted way should make the process more transparent, should help the industry and also should be of benefit to the territory because it should generate a bit more competition in the tenders that we receive.

DR BOURKE: Minister, has your office received any feedback from members of the public regarding these more accessible tenders online?

Mr Barr: I will have to check. I do not recall any, no.

Ms Smithies: Sorry, we have got a couple of ministerials coming through—maybe one or two over the last two years, if you could call that a couple—around the accessibility of documentation online and, largely, I think they have gone to some of the very big tenders where we have not been able to put the documentation up online, in line with Ms Divorty’s explanation.

THE CHAIR: Mr Gentleman.

MR GENTLEMAN: Minister, on page 168 of BP4, in the output class description, it talks about administering “a range of pre-qualification schemes”. Can you go through that with us and explain what it would take for a tenderer to be pre-qualified?

Mr Barr: It would depend on the nature of the particular business that they were seeking. There have been a number of developments and new systems that will come

into place from 1 July, particularly in relation to more risky projects, in the construction field in particular. We might talk a little about that. But more broadly, there has been focus on social procurement and reforms in that area, and particular focus in response to the bringing them home safely report. A new system is going to be in place there that George will talk about in a moment, I suspect. They certainly go to addressing some of the issues that have been raised and provide a more robust framework for how the government responds, particularly in instances where tenderers have challenging safety records—and how we go about responding and seeking improvement in practices in response to ongoing issues that we have experienced in some parts of the construction sector in the territory. George, do you want to go to that first?

Mr Tomlins: Yes. For pre-qualification, there are a range of checks done, as the minister has said. There are requirements that relate to the safety systems. These vary depending on the nature of pre-qualification. Obviously, as it gets up to being pre-qualified for the larger projects, that requires higher standards. There are also financial checks. There are technical issues as well. Some people have to have builders licences, landscapers licences or what have you. In other words, the pre-qualification process means that we do a range of checks to ensure that the tenders that we get relate to the work that we are doing that makes it reasonably efficient for the tenderers. It means that they know that their tenders will get detailed consideration and will not be knocked out early in the process because there is a fundamental problem with, if you like, their approach or the staff that they are providing for the tender. It also makes it more efficient for the agency and the government, inasmuch as every tender that we are looking at is going to be useful in terms of their time and they are not going to waste their time looking through 100 tenders that they are just going to have to knock out.

MR GENTLEMAN: If there is a tenderer pre-qualified and, during another process, perhaps, they breach a test in the pre-qualification arrangements, are they then taken off the pre-qualified list?

Mr Tomlins: Yes, depending on the nature of it. For example, we have had tenderers go into administration. They would be taken off the pre-qualified list because they would fail the financial test. It does not affect their operation on the current contract; loss of pre-qualification does not affect the contract. If the territory wants to terminate their involvement on a contract, it has to go to a show cause process, which is a much higher level of consideration.

MR GENTLEMAN: Thank you. A second question is in the same class, to do with the outputs delivered. It says here:

... procurement and associated risk management services to agencies, including delivering capital works projects on behalf of agencies ...

Minister, can you tell me how many projects you would have dealt with in the last 12 months?

Mr Tomlins: The short answer is no, but I can give you—

Ms Divorty: We tend to talk dollars rather than volume in terms of numbers. We could probably talk to you about the value of the works that we have done.

Mr Tomlins: We have currently got about \$2½ billion worth of projects on the books. Some of those are in defects stage. In other words, the projects have been completed and we are just running through the start-up of those projects for a year's operation, looking to see if there are any defects. I think we are currently working through closing down 150 projects.

Ms Divorty: Do you know the value of projects in the 2012-13 year?

Mr Tomlins: The value of projects—about \$430 million. But live projects are much higher than that, and we are starting up about 135 projects.

THE CHAIR: Thanks very much. Mr Smyth.

MR SMYTH: Could I just go back to Mr Gentleman's question on pre-qualification. What are things that would exclude people from being pre-qualified?

Mr Tomlins: Not having the financial viability. We have had applicants who have had negative bank balances apply for pre-qualification and fail. Not having the correct technical qualifications, so not having somebody in the firm with landscape qualifications for a landscaping job or having a builders licence for other jobs.

MR SMYTH: Are people excluded if they operate under a trust system?

Mr Tomlins: The issue of trusts has arisen, and it is dealt with, again, as a financial risk issue. It would again depend on the size of the job and the financial backing of the organisation.

MR SMYTH: Why is a trust arrangement a financial risk issue?

Mr Tomlins: Essentially, the trustees do not hold the money in the company. They tend to have the ability to withdraw the money really quickly.

Ms Divorty: And they tend to distribute their wealth each tax year.

Mr Tomlins: Yes.

MR SMYTH: Have any firms in, say, the last two years been told that they cannot be pre-qualified because they run a trust?

Mr Tomlins: I would have to take that on notice. I am not aware of any, but I would want to take that on notice.

MR SMYTH: All right. Has Procurement ACT had to reverse its decisions on allowing people to tender because they were in a trust and the wrong laws concerning trusts were being applied?

Mr Tomlins: I am aware that for one tender, which was a large one, trusts were not

permitted to tender, but that is not to do with the pre-qualification issue. For some projects, we go to open tender and do not require pre-qualification. Essentially the pre-qualification process is run during a large tender. So, if you like, for the Majura parkway, where we would want to get a large field, we might essentially allow organisations that might be from outside the normal ACT field to tender, and we would do those checks during the evaluation process.

MR SMYTH: If they were a trust, you would allow them to tender?

Mr Tomlins: That would depend on the nature of the job and the risk profile. Trusts, as I said, inherently have some additional risk for the territory.

MR SMYTH: So in the one case where you said that trusts were not allowed to tender—what was that project?

Mr Tomlins: I cannot remember. I can take it on notice. It was a health project, but I cannot tell you precisely what project.

MR SMYTH: Why am I surprised? Thank you.

MR WALL: Just a further supplementary on that, Mr Tomlins. You mentioned that businesses that have a negative bank balance are excluded from pre-qualification—is that correct?

Mr Tomlins: I was quoting an example.

Ms Divorty: It would depend on whether they had overdraft facilities in place and what their overall financial capability was. I think that was just an example rather than a broad statement.

DR BOURKE: So you make an assessment of their overall financial capability?

Mr Tomlins: Yes. We have a third party—

Ms Divorty: We do, and we use third-party experts to do that for us.

DR BOURKE: So you assess their assets, bank balances, track record?

Ms Divorty: Working capital, current commitments, all of those things.

THE CHAIR: Given the time, we might cut it there, members. We will move to the next output class, human resources. Dr Bourke.

DR BOURKE: Treasurer, the Auditor-General has previously commented on the high number of people acting in ACT public service positions. What are the pros and cons of this and what can you do to influence it?

Ms Smithies: Certainly there has been comment on this as part of a previous audit. Obviously there are pros and cons in relation to having people acting. I think that the issue goes to the left of acting, in the way that the workforce across the government

has been organised. In some cases it may well be that people have needed to act in the long term for people on maternity leave or people who are on long-term leave, and we have needed to do that across the board to put the proper and appropriate delegations in place. But the comment was made, and I think Mr Whale can talk about this more, that we have now got regular reporting, which goes through some of the HR councils up to the chief executives, in relation to the number of employees acting.

Mr Whale: We have always produced reports directly to the HR areas with details as to all those that are acting up, and for how long they have been acting up in a higher duties role. One of the things that we were working on that was picked up in the Auditor-General's report is a higher level summary so that there is a simple summary, almost a dashboard type of summary, for executives, who can then go to their HR areas and ask for more detail when they see what they might consider to be anomalies or outstanding figures in those higher duties. In our role, as persons processing the HR functionality, we have made improvements to give better line of sight as to what is occurring, and that is consistent with the Auditor-General's recommendations.

DR BOURKE: Given that the ACT public service is a smaller unit than other states and territories, would you be expecting that the thinness of the service in that regard means that you need to have more people acting in higher duties for longer periods and also to develop the kind of flexible work environment which is what you want as an ideal employer?

Ms Smithies: I am not sure it has necessarily so much to do with the size. I do not think that acting arrangements are bad per se. They are obviously there. They provide opportunities for people to get experience doing particular jobs if there are skills and development areas. I think the issue really comes around the planned nature of those actings and the length of those actings, which is one of the issues that from the other side we need to keep an eye on. I am not convinced it is really a size of bureaucracy issue. I think it is just part of managing a complex workforce.

Mr Barr: It is arguable that the ACT public service, given the provision of both municipal and state level functions, is different—well, it is different—from other states and territories. We have a more diverse workforce. This exercise this fortnight ought to reinforce that point for committee members, in terms of the diversity of areas of government operations that you are inquiring into. I think we have unique circumstances.

DR BOURKE: How are performance standards for recruitment set?

Ms Smithies: That is something that we have been doing a bit of work on. I might hand over to Jill and Andrew to give a talk about that.

Ms Divorty: Work-level standards are not set by Shared Services, but I would let Andrew comment on how he interacts with Chief Minister and Treasury Directorate.

Mr Whale: The commissioner for public service administration produces an annual report on the state of the service, effectively. That makes comparisons across directorates, and there are also usually some conclusions in comparison to the commonwealth—how the ACT government is performing in recruitment. The key

measure, I think, is timeliness, and that leads to effectiveness. The longer a process takes, the less likely it is to hold onto candidates that may or may not apply.

The target is roughly 35 days for a recruitment process. At the moment, from our statistics, the government is tending to be tracking around that time frame. Again, from our perspective, from a processing point of view, what we are trying to do is to assist directorates by giving them more detail in regard to reporting. In the last 12 months, we have developed a new report which details approximately the 15 or so steps in a recruitment process, with the time line each step takes and how each directorate is performing compared to the average for the ACT public service.

As soon as we started getting that report, it led to discussions across directorates about certain parts of the recruitment process and what they can do to improve. So it has been, I think, a fundamental assist to directorates to examine how they are doing processes and what they can do more effectively, whether it be in the advertising space, how panels are being convened or the timeliness around those sorts of things.

So going back to the core of the question, it is fundamentally around the timeliness of the recruitment process.

Ms Smithies: One of the things that across the bureaucracy we are making a big push on is actually having the panel set up at the time that the jobs are advertised. Isn't that right, Andrew? That particularly cuts down the time taken from recruitment to fully getting someone on board.

Mr Whale: Yes. What we have noticed is that one of the common practices in the past has been to put the ad out, get it out there as soon as possible, get people applying, and then start working on who you are going to get on the panel, the times for interviews and all that sort of stuff. That can take quite a while, particularly as you get higher up and it depends on senior staff or executives being available for reviewing applications and for interview. What we are seeing more and more, and what we are encouraging, is that, prior to the ad being placed, the panel and the interview dates are established—and that even in the ad the interview dates can potentially be put out so the applicants know when they are likely to be called upon if they do get an interview. The little data we have around that appears to be indicating that that is having a positive effect.

THE CHAIR: Mr Gentleman.

MR GENTLEMAN: Page 168 of BP4, in the description for Shared Services human resources, says that you provide tactical services to directorates. Can you explain what tactical services would be to directorates?

Ms Divorty: Transactional services are obviously the payroll—data input-oriented transactions. Tactical is more around employee relations—so investigations. It was in work health and safety but we have recently transferred that to the Chief Minister and Treasury Directorate. It would be training and development assistance—things like that. Andrew can enlarge on those if you would like more details.

Mr Whale: What we have found, certainly in the last three years since I have been

with Shared Services, is that because we have the expert processing knowledge, in that we are processing thousands of things every month around different HR portfolios, we can assist in the development of policy. We are sitting at the table more than we used to do, say, four or five years ago in the development of policy and providing advice and assistance.

That is leading to some tactical input into decisions and policy. In a push to become less bureaucratic, more effective and more efficient, the more input we have into the development of those processes to allow that streamlining to be built into the process itself from the start is having a positive effect. In addition to the employee relations, where we do investigations and provide some advice around recommendations, even in the areas of training or the placement of recruitment ads, because we have that expert knowledge we are providing advice more and more to directorates, whether it be in the development of policy or straight one-on-one conversations.

MR GENTLEMAN: You mentioned training. How much training are you providing internally and how much is external?

Mr Whale: From Shared Services' perspective, in relation to training, we have a whole-of-government training panel that we facilitate and administer. That is made up of several providers. It was established in 2008. We are currently finalising a tender to go out for a new panel next year. The amount of training that provides has increased considerably through that panel. In 2009-10 we trained 1,060 staff and last year we trained 1,635—a total of over half a million dollars worth of training for the ACT government.

That is done through external providers. That is the panel that we facilitate. There are seven providers on that panel at the moment. As I said, we are going out and will look at broadening that panel in its capacity, its flexibility and its responsiveness. But the fact that it is growing in use by directorates is assisting in giving positive feedback as to the value of that panel and that process. Internal training is done on a directorate-by-directorate basis, not through Shared Services. So I would not have that.

THE CHAIR: Mr Smyth.

MR SMYTH: On page 164, the third dot point talks about progressing future HR information management system solutions, including the payroll for the government. Is this upgrading Chris21 or is this a new system?

Ms Divorty: It is a feasibility study investigating options for retaining and enhancing our current system or replacing it, depending on which is the better option. We are actually looking at two different streams. One is what can we do with Chris21 and the other stream is what does the market offer.

MR SMYTH: How long has Chris21 been fully operational?

Mr Whale: About eight years now.

MR SMYTH: About eight years, and all the modules are working properly?

Ms Divorty: There have been a number of customisations that the ACT government have put onto Chris21 and they are causing us some issues. Chris21 itself appears to be operating. We do not necessarily utilise all of the modules. We are investing in getting that as part of this feasibility. Whether we can actually use those modules better, whether we should purchase other modules and how can we, if you like, get rid of the customisations that we have created over time and actually come back to a standard payroll system, would be some of the things that we would like to investigate.

MR SMYTH: Was the advice at the time not to customise Chris21 and just use the standard modules?

Ms Divorty: I was not here, Mr Smyth. I was not part of that exercise, nor was Andrew.

MR SMYTH: Could you take it on notice and find out?

Ms Divorty: We can try to retrieve that information.

MR SMYTH: That is fine. What is the cost of the project?

Mr Whale: The budget allocation was just over \$1 million, provided in the 2012-13 budget.

MR SMYTH: How much of that have you expended?

Mr Whale: The business case from that project will be completed in August this year. There is a component of data cleansing which was highlighted in the budget allocation. That work will continue on until March next year. There will be further data cleansing that goes on beyond that. Whether we are going to maintain Chris21 or consider migrating to a new system and getting the data cleansing component—getting the data cleansing accurate and in a position to migrate either within the internal system or to an external system—is critical.

If you look at processes that have occurred elsewhere when they have migrated to other systems or looked at improving their systems, the data migration and the systems integration side of it have been the critical factors. That data process will continue on beyond March but not with that level of funding. To date, we have probably spent—I do not have an exact figure—around 60 per cent of that funding. It will be fully expended by the time that data cleansing project is finished in March next year.

MR SMYTH: Why do we need to cleanse our data? I have a recollection that when we migrated to Chris21 we had to do some data cleansing because it was all a mess. Are you saying that it is now a mess again?

Mr Whale: The main focus of that data cleansing work is on long service leave. So when people apply for—

MR SMYTH: I think that was the problem about eight years ago as well.

Mr Whale: It is one of the key issues. When you apply for long service leave you need a lot of data from a HR system to get the picture correct as to any entitlements. It is always one of those standout issues when you are talking about data and HR systems. The issue at the moment is that when we get a request for long service leave we go to a number of sources to compile that information, including the old system Perspect. The data from that system is maintained.

In this data cleansing project we are actually bringing all that data together so it will be in the one place. At the moment the calculation for long service leave is a manual process once that data is drawn together. Step 1 in the data cleansing process is bringing that data into the one place, which potentially will allow us, within Chris21, to bring in an automated process to do that calculation, or if we are migrating to a new system it will allow that process to be turned on. In this case it is bringing the data together.

MR SMYTH: I have a recollection that one of the reasons we went to Chris21 was that we did not have an automated process for calculating long service leave. Why is it, in this day and age, that we have a system that cannot automatically calculate people's long service leave, particularly when, as you say, it is one of the standard requirements of a HR system?

Mr Whale: That is one of the things that we are looking at getting out of this feasibility study—that we will be able to do that. The issues come down to the fact that when we went to Chris21 it went from a planned process—again, it was before my time, but the former vendor of Perspect gave 12 months notice that they were pulling out. Some of the work that was planned to be done when they migrated to Chris21 had to be fast-tracked to ensure that they had a working and operational payroll system by the time Perspect pulled out, which they did, and it has—touch wood—paid everybody every fortnight since then.

The other complication is those workarounds that Jill spoke about before. The ability to effectively use some of the modules or to bring in other modules is hampered by the fact that it is not a standard system that we are using because it does have those workarounds. Some of those were brought in because of that time frame that the previous vendor left the ACT government with, and others were because of the nature of the workforce in the ACT government and the diversity of trying to get those different workforces and their entitlements et cetera into the one vanilla system, and to do that they did the workarounds.

Those are the two factors. I absolutely agree: I think we do a very good job in producing all entitlements, whether it be long service leave or any other entitlements, but surely we can continue to do some work to get the system operating better and more automated.

MR SMYTH: It is kind of curious, eight years on, that we now learn that Chris21 does not do what we were told it would do. That was the whole point; there were a number of HR systems that were meant to come together into Chris21 and fix all these problems. Now, eight years later, we are spending another \$1 million to fix it again.

Mr Whale: Two things in response: first, it has not been a secret that the long service

leave has not been working.

MR SMYTH: No, that is true.

Mr Whale: It has been a discussion I have had, probably, on a fortnightly basis with most directorates ever since I have taken this job on and that I had previously with Shared Services prior to moving to Shared Services. The other element to it is that the \$1 million is not just to fix things that are not effectively working now. There are risks with the current system, largely around those workarounds. It is to see whether or not there is a way to efficiently and effectively provide a solution to those risks, as well as to look at a full HR information management system going forward for the ACT government. That is not just a payroll system. That is the potential to either expand or plug in other modules in the future, whether it be around electronic equipment, data information or further information across government, making the HR system a single source of truth for all personnel matters. The \$1 million is not just about fixing things that are not working. It is certainly a major component of coming up with solutions for going forward, but it is also about expanding the potential for our HR system.

MR SMYTH: What do you expect it is costing you to maintain?

Mr Whale: I would have to take that on notice. It is not a great deal. It just sits in a database and we just dig into that database and pull that information out.

MR SMYTH: Do you keep it running in house or do we still get some external support?

Mr Whale: No, it is in house.

THE CHAIR: Mr Gentleman, you have got a supplementary?

MR GENTLEMAN: Yes. Mr Whale, you are spending that money now to rectify some issues and also give yourself some capability for later on. If you were not to spend that money now, what would be the cost if you tried to do it later—in a couple of years time, for example?

Mr Whale: Again, there are two issues. There is the issue of risk. If, through the workarounds that are in place or whatever, there was a failure of the payroll system in any way, shape or form, there is obviously dollars associated with rectifying that, depending on the extent of the failure. Whether it would be that a certain portion of the payroll did not go through in one fortnight or there was a total failure and we had to go back to the previous fortnight's payroll, it would take a lot of time to fix that up. That is a cost around the risks.

The cost for not going forward is that directorates are demanding more and more from their HR information management systems. Some are looking at investing themselves in technology to get some of those answers and some of those solutions. By looking at it from a whole-of-government perspective and trying to get a system that meets the territory's needs as a whole and individual directorates' needs, potentially it is going to be a significant saving to directorates who may otherwise go off and look at spending on systems themselves.

MR GENTLEMAN: Thank you.

THE CHAIR: We might leave it there and move on to the next output class. Thank you very much, Mr Whale. It is Shared Services finance. Minister, the territory bank account, the new contract, with Westpac—

Mr Barr: Westpac.

THE CHAIR: Westpac. When the tender process was occurring in 2011, the Chief Minister made some public comments about the fact that whoever was successful would then be asked to, or required to, offer some particular services. I will just quote from some comments that were made: “We know our banking contract is quite lucrative. We know that there is a lot of interest in it. Next year that banking contract will go out for tender. What we want to do with that is put in the tender requirements that the successful bank that wins that contract needs to offer socially responsible banking products like low interest loans. This is for the working poor.”

What low interest loans for the working poor and people in the ACT are available? How are people eligible? How many loans have been offered and so on? Can you give me an update?

Mr Barr: There is the microcredit loan scheme, and you will see that in this year’s budget. Westpac are involved. Off the top of my head, the figure is about \$100,000 that they are making available each year in that microcredit scheme. It is a question of administration. My understanding—and we can perhaps go to this in Economic Development later this afternoon—is that Lighthouse have been providing similar services since and will be able to expand into this, or this additional money will be provided through that service mechanism that has been successful in the past.

THE CHAIR: It is for business initiatives, really, isn’t it, the program under Lighthouse? The way this was sold was for the working poor, essentially, that there would be loans available through Westpac for people with a demonstrated need. That is the way it was sold. I was just wondering what products were available through Westpac to meet that requirement.

Ms Smithies: From memory, the tender was not prescriptive. In a sense, it was trying to draw out what was available in the market in relation to low interest loans to individuals. As part of the tender responses, microcredit loans was the closest that any of the tenderers were putting on the table. This is with particular regard to the banking contract.

THE CHAIR: So what you are saying, essentially, is that the only thing that Westpac offers that is different from any other bank is these microcredit loans? Is that the only socially responsible product—

Ms Smithies: No—

Mr Barr: I would not say that.

THE CHAIR: that is different as part of this contract, this tendering process, with the ACT government?

Mr Barr: It might be easier to take that on notice and provide the detail of the range of offerings that Westpac have.

THE CHAIR: Okay. In this case, it has got to be things that are special, above and beyond what they would normally offer as products in other jurisdictions, because this is something that was specific as part of the tendering process. And what the Chief Minister said was that because of—

Mr Barr: I think you will find that other jurisdictions are also adopting this approach. Other banking tenders with other levels of government and other jurisdictions have similar offerings. But there are a range of products that are now on offer.

THE CHAIR: It was specific as part of the tendering process then, as we were told that these would be, because of the contract being lucrative. There was going to be, I guess, a bargaining done by the ACT government to make sure that there were some products that were available. You have nominated the microcredit loan. I am just wondering what else is part of that negotiation, is part of the tendering process. It had been negotiated as part of not just some sort of generic Westpac product that might be there. Just on the microcredit loan, you said it is \$100,000 in total.

Mr Barr: Per year.

THE CHAIR: Per year and that is at zero interest or what is the—

Mr Barr: I would need to check.

Ms Smithies: I do not have that detail.

Mr Barr: We will look at that detail.

THE CHAIR: Who administers that and who, if there is a reduced interest amount, subsidises that, whether it is the provider, as in Westpac, or whether it is the ACT government through some manner?

Ms Smithies: Sure.

THE CHAIR: Yes, an explanation on that would be good.

MR SMYTH: Sorry, what—

THE CHAIR: If I could just move to Dr Bourke and his supplementary first and then to you, Mr Smyth.

DR BOURKE: We had Women with Disabilities ACT in on Friday during the community groups public hearings. They were very interested in the microcredit program. And congratulations to the government on that. What they wanted to know, though, was how it was going to be marketed to women in particular. Do you have a

particular process that you are going to embark on now?

Mr Barr: Not yet, but once the scheme is in operation, yes, we can certainly look at targeting particular areas and particular demographics that would benefit from it.

THE CHAIR: There is a microcredit loan process at the moment?

Mr Barr: There is, yes.

THE CHAIR: This is a different one?

Mr Barr: Yes. So there is capacity to expand the scope and the target markets, if you like, for the scheme.

THE CHAIR: Mr Smyth, did you have a supplementary?

MR SMYTH: No. I was going to see if you could add what the definition of low income earner is.

Mr Barr: Sure.

MR SMYTH: Or how they determine it or you determine it.

THE CHAIR: Dr Bourke.

DR BOURKE: Treasurer, what is the benefit of Shared Services Finance's roll in in-house printing and electronic publishing?

Mr Barr: You might take that.

Ms Smithies: I will ask Jill to take that.

Ms Divorty: Publishing Services is a long-standing business unit and has become a part of the Shared Services family over time. For convenience, we have attached it to one of our major business units, and so it lives, if you like, with Shared Services Finance. It does operate as a separate entity, though, and is responsible for beautiful documentation such as the budget papers and annual reports, and provides a range of media options and facilitation services for directorates.

DR BOURKE: And could you also tell me, Treasurer, about the value to the ACTPS of Finance's development and maintenance of the Oracle e-business suite?

Ms Divorty: Calvin.

Mr Robinson: Sorry, can I just clarify your question, please?

DR BOURKE: Yes. I just wanted to know what the value to the ACT public service was of Finance's development and maintenance of the Oracle e-business suite.

Mr Robinson: Oracle provides financial reporting for all directorates under the

Shared Services banner, and so it gives us the opportunity, I guess, of standardisation, having one chart of accounts, centralised control in terms of the system itself. So they are some of the key benefits, I guess, of having one Oracle, if you like.

DR BOURKE: So how is standardisation beneficial?

Mr Robinson: It is a productivity issue. The more processes you have in achieving the same outcome, the more it costs you. So standardisation allows you, I guess, to be efficient in the services that you provide.

Ms Divorty: Most jurisdictions would envy our single platform, single chart of accounts and, if you like, our efficiency in being able to process administrative arrangement changes. Part of that is due, of course, to one HR system and one finance system. So when Shared Services was created, the government was fortunate enough to only have one finance system, being Oracle, but there were many instances of that. Everyone had their own version of Oracle. Shared Services has been able to amalgamate those to come up with one set of accounts, one set of books, and actually it is a major standardisation and efficiency measure for a shared services centre to be able to achieve that.

DR BOURKE: You mentioned this was the envy of other jurisdictions. Could you give us some examples of the efficiency that has been achieved as a result of this?

Ms Divorty: Many other jurisdictions have not been as successful as the ACT government in achieving a shared services centre. You can see through media reports that some of the other jurisdictions have struggled to actually even be able to get agencies to come on board and to accept one way of processing information. But many of them actually have decided to take in, if you like, the goods and chattels of agencies in an as-is way and then try to achieve standardisation and efficiency over years. It does actually take years for that to occur.

I know of some jurisdictions who are operating two or three finance systems and actually have different staff operating different systems, because that is what they have taken on. The road to efficiency and standardisation is very long for those jurisdictions.

DR BOURKE: Why does it take years?

Ms Divorty: It is a matter of culture change as well as process standardisation, and some of them have licence agreements and support agreements with existing systems. They have to rationalise, and that does take sometimes some years. Some of the shared services centres also decided to do full automation on the way. For instance, one of our counterparts in another jurisdiction is doing a full e-automation, if you like, and to my knowledge has been working on it for three or four years at the moment in order to achieve that.

The ACT government have taken a different approach, which is to do one thing at a time and to do it well, and I think for our jurisdiction, for the size of our jurisdiction and the nature of our directorates, that has worked incredibly well. We are a very successful shared services operation, and we are now moving into a phase in our

finance services area where we can get gains to efficiency through automation. Calvin and his team are later this year hoping to introduce a range of credit card options which will actually streamline payments of invoices to suppliers for a range of smaller value invoices.

We pay something like 340,000 invoices through our Shared Services centre each year, and we think about half of those are less than—is it \$2,000?

Mr Robinson: Less than \$2,000.

Ms Divorty: And they are prime candidates for something like a credit card purchase, obviously through a good delegation process with the directorates. But taking that sort of approach will, number one, streamline and standardise and get more efficiencies through the Shared Services centre, but it will also do good things for the community in terms of getting invoices paid on time, because once you pay with a credit card you have basically paid the invoice.

DR BOURKE: So you are basically talking about issuing ACT credit cards to public servants?

Ms Divorty: To public servants. That would be the first stream, if you like, in our range of automation, and then we would have to do some scanning technology, which would then take the range of larger value invoices and actually be able to turn those into digital technology, which can again streamline payments and get greater efficiencies through the system.

THE CHAIR: Mr Gentleman.

MR GENTLEMAN: Still on Oracle, does Oracle actually facilitate the payment of invoices to directorates?

Mr Robinson: Yes, it does.

MR GENTLEMAN: And I remember in an earlier term there was some issue with the length of time for payments of invoices. What is the target time for payments of invoices?

Mr Robinson: Thirty-five days is the target time, really our policy if you like. There are variations to that because some suppliers have different payment terms. But generally it is around 35, yes.

MR GENTLEMAN: And are you meeting those time limits?

Mr Robinson: We meet those times 84 per cent of the time. So 84 per cent of payments are made on time. There are various reasons for the suppliers not being paid on time, and they range from incorrect invoices, incomplete invoices, lost invoices.

Ms Divorty: Goods not received.

Mr Robinson: Goods not received, predated invoices. There are a whole swag of

things there that account for, I guess, that 16 per cent of invoices that are not paid on time.

MR GENTLEMAN: And do you have to deal with those 16 per cent in a mechanical nature, or do they pop out of Oracle, for example, or do they get flagged?

Mr Robinson: We have to deal with them in a mechanical way, if you like. And generally they are captured before they get into the Oracle system. If they hit Shared Services and they are not right, we would send them back to the directorates to get it fixed, or they hit the directorates and the directorates deal with it themselves to have the invoices rectified.

Some directorates will ask for a credit note or a debit note, whereas others will say, "Just send me a new invoice." So there is some variation in how we treat it, but generally it is fixed before it goes into the system.

THE CHAIR: Mr Smyth.

MR SMYTH: If we could go to page 178 of budget paper 4, your cash flow statement, again this is one of those curious ones where "other receipts" is the vast bulk of receipts. The same applies to other payments. What is the \$686 million in other receipts and the \$685 million in other payments?

Mr Burton: Basically that relates to the capital works payments that George Tomlins spoke to you about before. There is about \$440 million that would flow through that, plus the GST component, plus GST for our services and supplies. They are the two largest components which make up other receipts and other payments through the cash flow.

MR SMYTH: It might be nice to have a note. There does not seem to be a note to cover it. "Other" is normally the smallest amount on the list, whereas for you and a couple of others it tends to be the largest. Thanks for that.

THE CHAIR: Mr Wall.

MR WALL: You may need to take this on notice. Going back to the payments, I was just curious as to how many invoices are currently overdue, over the 30-day period, the value of those invoices, what the average overdue payment time would be and the maximum overdue payment time. Could you take that on notice, please?

Ms Divoraty: We would have to take that on notice, yes.

THE CHAIR: That is fine. Thank you very much. That ends Commerce and Works. Thank you very much, Treasurer. Thank you, officials. The committee stands adjourned until 10.45, when we will see the Land Development Agency to examine their statement of intent. Thank you very much.

Sitting suspended from 10.20 to 10.45 am.

THE CHAIR: We will get underway. These proceedings will be recorded by Hansard

and are being webstreamed. Can I confirm that you all have the privilege statement and that you are aware of it? Fantastic. Do you have any statement to make, minister, before we—

Mr Barr: No. Time is short. Let's get into the questions.

THE CHAIR: Time is short; let's get into it. The land release program is 4,500 dwellings in 2012-13. Can you give me an update on whether we are on target to meet that? Also, what are the targets for the forthcoming years and how do we expect to meet those? Are we confident that we are going to meet them?

Mr Barr: I will answer the second part first and the officials can give you an answer on how we are running in 2012-13. Attachment 2 on page 23 of the Land Development Agency statement of intent outlines the dwelling sites targeted in the indicative land release program. For 2013-14 it is 4,800, dropping to 4,700, 4,500 and then 4,000. The details of the location of dwelling sites are outlined there, across Gungahlin, Belconnen, central Canberra, Molonglo, Woden, Weston and Tuggeranong. For once, to accord with Mr Smyth's preferred "other" being smaller than everything else, it is there, although I might ask the officials what "other" means in this context. We will come to that in a minute. In terms of the 2012-13 land release program, David will answer.

Mr Dawes: For the 2012-13 financial year, we are on track to deliver around 4,200 blocks. Obviously we have moved or dropped some things and swapped some things around in the current year's land release. For example, in discussing and working with the private sector, we were quite heavily lobbied to look at the additional land releases that we had in Belconnen. We had some 500 more sites to release in Belconnen. When you look at what units are on the market there, we thought that was prudent in not releasing those.

We also moved and swapped some land releases around that we had, for example, in Lawson this financial year. We have moved those to next financial year. That was mainly due to environmental clearances taking a little longer than we would have expected and hoped. But we now have those through, so they will be going in the early part of the next financial year. We have actually called for tenders for the first stage of civil construction of Lawson as well. So that will track quite well.

Obviously, as I have reported previously to the committee, we have had quite significant delays in getting some environmental clearances through for our land release program. But I think we are very close. I understand that the strategic assessment for Gungahlin, the whole of Gungahlin, is before the government now to be finalised. That means we will not have to refer anything further in the suburbs of Gungahlin back to the commonwealth. We will have to go through our own clearances here.

I think the good part of that particular process has been that through the national environmental plan that we put in place in Molonglo, we have actually been meeting all of the required targets from the commonwealth. There were 67 items that we had to adhere to in Molonglo and the commonwealth government were very comfortable with the way in which we are dealing with those. Gungahlin will probably be one of

the largest strategic assessments that has taken place in Australia in probably the shortest time frame, because of the work that we have done and also the work that ESDD have done in identifying some of the areas and some of the offsets that have been targeted for that.

In saying that, we believe that the bulk of those impediments that we have had in the past will actually be eased. We have clearances for Campbell. That was another one that we had to delay until the next financial year. We now have all the environmental clearances for Campbell 5. Also, we have national capital plan and works approval. So with some of the impediments that we have been putting up with for the last 18 months, having regard to some of the delays, we seem to be working through those.

THE CHAIR: You said it was 4,200 that you were likely to get in 2012-13; is that right?

Mr Dawes: Yes.

THE CHAIR: So you are 300 short. Does that 300 then roll over in addition to the 4,800 target or is that incorporated into the 4,800 for 2013-14?

Mr Dawes: No. Obviously, we will have flexibility because some of those blocks will be carried over to the next financial year, and we will be monitoring what we can release. One of the advantages that we have with the work that we have been doing is to provide choice to consumers. That will actually mean that we will be able to advance some blocks. If we have an oversupply in some segments of the market, we will—

THE CHAIR: Do you expect that in 2013-14 you will get about 5,100; is that right?

Mr Dawes: It depends on the market conditions, Mr Hanson.

THE CHAIR: The target in the statement of intent is 4,800.

Mr Dawes: Yes.

THE CHAIR: I am trying to get some clarity around that.

Mr Dawes: The target is 4,800.

THE CHAIR: That is a range, is it?

Mr Dawes: No, the target for the next financial year is 4,800.

THE CHAIR: Yes, but the 300 then is on top of that?

Mr Barr: I think you misunderstood. The target is 4,800. What Mr Dawes is saying is that there is quite an amount of flexibility in which blocks will make up the 4,800 because of other circumstances.

THE CHAIR: I understand that, but I want to confirm that with the 300 that were not

met in this target, do we then reset the target or do they roll over? Once you have reached the end of this financial year and you have not met the 4,500 are you going to roll those out to try and—

Mr Dawes: Certainly, one of the key things that we have been trying to achieve is to have an inventory of land on the shelf. With the process that we have been going through, that will be available. If, for example, there is a stronger market next year, we will increase our land supply next year by 300. That is something that we will monitor and work with the industry to look at what we can and cannot release.

MR COE: Do you have a rough breakdown of how many of those would be RZ1, RZ2 or the like?

Mr Dawes: Yes, we do have a breakdown there. I can take that on notice and give you a breakdown. In our four-year land release program we actually break it down to what the unit sites will be, what the standard residential blocks will be.

Mr Stewart: I can give that now, if you like.

Mr Dawes: Okay.

Mr Stewart: For the 2013-14 program, of the 4,800 sites that have been earmarked for release, there will be 799 standard residential blocks, 1,298 will be terrace and townhouse and 2,703 will be apartments. I am hoping that adds up to 4,800. Yes, it does.

THE CHAIR: Okay, thanks for that.

MR SMYTH: What are the 35 “other”?

Mr Stewart: CSD redevelopments.

DR BOURKE: By way of a supplementary, what about commercial and industrial?

Mr Barr: Page 23 of the statement of intent gives you that. There is land release across Gungahlin, Belconnen, central Canberra, Molonglo, Woden, Weston and Tuggeranong in the commercial space, and industrial land release in Hume, Fyshwick and Symonston.

DR BOURKE: Minister, how will the recently announced partnership between the ACT government and the Riverview Group figure into this land release program?

Mr Barr: Dwelling sites, as part of that development front, are slated from the 2015-16 year onwards. So they are in the tail end of this four-year program. It is anticipated to be around 400 dwelling sites per year over a decade or so—10 or 11 years—to release the 4½ thousand. It provides a further land release option from 2015-16 to almost towards the end of the 2020s.

DR BOURKE: So it is going to be a longer, slower process?

Mr Barr: Yes, because there will be three greenfield development fronts for the ACT over the next decade and a half—longer, potentially, in Molonglo. It means two decades in Molonglo. There are, I think, six remaining suburbs in Gungahlin, the Riverview development in west Belconnen and the development of the Molonglo valley on the greenfield side. There is quite a significant amount of urban renewal, either infill suburbs in their entirety like Lawson, or individual sites within the existing urban footprint—for example, Campbell, the Canberra brickworks site, there is plenty in the town centres. City to the lake has a residential component, again coming online in the latter part of this decade in particular. What you see is the widest range of land release that the city has seen in some time, in all different categories on the market.

DR BOURKE: Coming back to Riverview, Treasurer, what about the level of public infrastructure that will be needed out there to support this development?

Mr Barr: Certainly, the staged nature of the development allows time and capacity to progressively add infrastructure as this community develops. Ultimately, education facilities, retail facilities, additional road infrastructure and additional transport infrastructure will be required over the next decade. Given that the initial releases are only 400 and not for two or three years, the immediate infrastructure needs can be met in coming budgets, but the larger infrastructure needs will be met in the second half of this decade and beyond.

For example, in the education system there are currently works underway to increase the capacity of Macgregor Primary School, largely associated with the west Macgregor development. There is capacity within the Kingsford Smith School, but that would not be sufficient. Both of those projects would not be sufficient to meet the needs of the ultimate residential population, with 4½ thousand dwellings. There will need to be new education infrastructure, but that will not be needed for quite some time.

DR BOURKE: What about transport, water and sewerage?

Mr Barr: Certainly, each of those areas will need supplementation. There will need to be some duplication works on particular roads, clearly, and additional infrastructure associated with urban development.

MR GENTLEMAN: Minister, in the statement of intent, page 9, under objective 2, affordable housing has been funded to \$12.4 million. How many Canberrans have benefited from this fund so far and how many do you intend—

Mr Barr: Broadly, the policy intent here is through the housing affordability strategy and the different thresholds for particular dwelling types. The first point to make is that we have now indexed thresholds for different dwelling types, depending on size and number of bedrooms. That gives industry flexibility to supply a different range of product within that 20 per cent affordability target that applies to new greenfield estates. If you look at the real estate pages now, they will show the different sorts of new products that are being offered, from three-bedroom properties at \$373,000 to two-bedroom and one-bedroom properties at the \$343,000 and sub-\$300,000 market, depending on the particular configuration and location.

The policy is delivering a diversity of housing stock, which I think is important. The challenge has been with diversifying that affordable housing product beyond just one-bedroom offerings, and we certainly have achieved that through the change in policy. The LDA are obviously taking an active leadership role here.

Mr Dawes: One of the key things there through affordable housing is the funding that was received from the commonwealth. We have been able to apply that towards our OwnPlace dwellings that we have released to the market. Also it has assisted in advancing certain stages of Crace in our joint venture. Chris might like to go into it in a little more detail.

Mr Reynolds: Certainly. When the HAF funding was first made available, the LDA was successful in securing funding totalling \$13.2 million. In fact, on all three submissions that we put in—one of those was in partnership with Community Housing Canberra, the other one was in the Bonner estate and the final one was in the Crace joint venture—we were successful, which was a great outcome.

Within the LDA projects, largely in Bonner but also in Franklin and Harrison, in total we have delivered 454 OwnPlace houses, which is a large contribution, and those are delivered as affordable OwnPlace houses in partnership with six builders that we established through a competitive process back in 2007, when the government's first affordable housing policy was released. Those were delivered in Franklin, Bonner and later in Harrison.

There are 454 house and land packages through OwnPlace that have been delivered under the OwnPlace program. Some of the other funding went towards fast tracking the delivery of some infrastructure. That applied in Bonner and also in Crace. There are additional affordable houses that have been provided in the Crace joint venture. I do not have the numbers here as to exactly how many they are, but there were a few initiatives. One in Crace was that the land that was sold to eligible purchasers was discounted directly by the amount that the application was secured on with the commonwealth. The other provision was an application of affordability through the terrace product in Crace.

It has been applied both in bringing forward infrastructure, obviously to leverage the delivery of the land sooner, which was an important component, and directly to house and land packages.

THE CHAIR: Any further sups on housing affordability? Mr Smyth.

MR SMYTH: Denman Prospect was passed in at auction last week?

Mr Dawes: It was not passed in. The process now is that we are in negotiations—

MR SMYTH: Sorry, it was or it was not?

Mr Dawes: It was not passed in. We did not have an auction at all through the week. We went through a fairly rigorous process of doing evaluations of people that submitted their details. We were left with one person that was qualified, that met all of

the criteria for the auction process. So rather than having an auction, we are actually in the process of negotiating an outcome with the successful entity.

MR SMYTH: Why did you not have an auction? Why was there not more than one bidder for this?

Mr Dawes: Good question. Obviously when you look at the process that we went through and complying with a number of different requests and addendums that we put through that process, even if you look at us spreading out settlement terms and that, I think it is just the nature of the climate at the present time, honestly. But at the end of the day we are negotiating with a very reputable organisation. We will see what happens over the course of the next week. They have 10 days in which to satisfy an outcome.

MR SMYTH: And that 10 days expires when?

Mr Dawes: It would expire in the middle of next week. It started on Monday.

MR SMYTH: So it started yesterday and will finish on Wednesday.

Mr Dawes: Yes, officially yesterday. It is 10 business days.

MR SMYTH: Right, so that would be Friday next week.

Mr Dawes: So it would be the end of next week, Friday week, yes.

MR SMYTH: All right. What is the nature of the climate that you talked about?

Mr Dawes: I think actually when you look at what is happening right around Australia, the residential market, and the market in general, is certainly faltering in some of the other states. The ACT has been very, very strong. We have been very fortunate. The outlook here for single residential blocks is still quite strong.

MR SMYTH: Did the LDA do any work on the impact of DV306 on the market?

Mr Dawes: We are in the process of working through that at the moment as well. At the end of the day, there are some very good provisions in DV306. It goes to the way we will develop our estate development plans as well and be able to incorporate integrated developments as well, which will achieve the objectives that we want.

I think people are a little—they need to sort of look into 306. I know there has been a bit of hysteria from certain segments of the industry, but I think actually when you look into it there are some very, very good provisions. I think already it is a matter of education with the industry organisations that have those concerns.

MR SMYTH: All right.

Mr Dawes: I see some great advantages with it. For example, we are doing a completely integrated precinct within Coombs. They will have lease and development conditions. I call them the old lease and development conditions that you are all

familiar with. That will actually set the principles of how they can be built. So in 306 there are some provisions that do provide the flexibility.

MR SMYTH: Does the LDA get asked for cabinet coordination comments when a cab sub is circulated prior to it going to cabinet?

Mr Dawes: That is always the norm and we provide that feedback.

MR SMYTH: And did you provide feedback on DV306?

Mr Dawes: Yes, we would have, yes.

MR SMYTH: And what was that feedback?

Mr Dawes: Well—

MR SMYTH: You can easily lift that embargo, minister.

Mr Barr: I am not going to, Mr Smyth.

MR SMYTH: Why not?

Mr Barr: I am not going to undermine the cabinet process.

MR SMYTH: Mr Dawes, you have just said that there were some very good aspects. By implication, there are—

Mr Dawes: I think they are actually in the public arena.

MR SMYTH: obviously some very poor aspects. What were the poor aspects of DV306?

Mr Barr: You are a master of twisting people's words, aren't you? He said nothing of the sort.

MR SMYTH: Where did I misquote him? He said there were some very good aspects to DV306.

Mr Barr: That is right.

MR SMYTH: There were some very good; so what aspects were not good in DV306?

Mr Dawes: I am not suggesting that there is anything wrong with 306. I am suggesting that people need to review the document a little more vigorously than they have to date. As I said, we actually are getting some very, very good outcomes that will comply with DV306. If you look at it, there are provisions there for what we use to determine the lease and development conditions. So we can actually go in and design an estate and have precincts in that particular estate.

THE CHAIR: You described some of the responses as hysterical. I have had a number of small businesses approach me saying that this is going to have a significant impact on their business. They may lose business. Some are very concerned. Are you comfortable with me going back to them and saying that they are being hysterical and that they are your words? Are you comfortable with that language?

Mr Dawes: I would be quite happy. I have actually spoken to some of those particular people myself, Mr Hanson. I think, again, it is like everything—the only thing that is constant is change. We have to adapt our businesses as well to the potentiality of that change. I think consumers today are far more educated than they were 10 years ago, 20 years ago. They are looking for energy efficient homes. They are looking for cost savings within those homes as well and 306 goes a long way to providing alternatives.

In general, I think the nature of some of the homes that have been built in the past as well need to change. They need to be more energy efficient. I think we all agree that we actually want to be more sustainable moving forward.

THE CHAIR: Would you agree with that language, that the concerns that have been raised by a range of groups, including small business, the Institute of Architects, MBA and so on, are hysterical?

Mr Barr: I think that in the way public debate is carried out on these issues, there is a bit of hyperbole at times from players who might wish to illustrate a particular point.

THE CHAIR: No, no, minister. You have got a senior official here saying that the people that are raising concerns are being hysterical. I am saying: do you endorse that language or not?

Mr Barr: What I am suggesting, Mr Hanson, is that of all of the issues that are pertinent—

THE CHAIR: So is that a no?

Mr Barr: there will be—

THE CHAIR: You do not think they are hysterical or you do?

Mr Barr: Will you even let me answer the question before you speak over me?

THE CHAIR: It is a very simple answer.

Mr Barr: What I am suggesting is that the tone of public debate on this issue—in fact, on almost on every issue in this country at the moment—is getting to ridiculous levels in terms of people wanting to make a point and then using the largest bounds of the English language to—

THE CHAIR: Sure, that is a very long-winded answer. I am asking a very specific question. The concerns—

Mr Barr: What I am suggesting—

THE CHAIR: No, no, minister. Listen to my question—

Mr Barr: I am aware—

THE CHAIR: Concerns have been raised by a range of groups, including small business and others, with regard to DV306. Do you believe that their comments and concerns are hysterical?

Mr Barr: I understand there are concerns. I understand there are processes to work through those concerns. And I think Mr Dawes—

THE CHAIR: Yes or no?

Mr Barr: Mr Dawes has made the point that education—

THE CHAIR: Yes or no?

Mr Barr: and a better understanding of the provisions—

THE CHAIR: Are you refusing to answer yes or no?

Mr Barr: within 306 would be important for everyone to make informed comment, Mr Hanson, in relation to the impact of that variation. But if the suggestion is that business as usual can continue in estate development—

THE CHAIR: No, that is not the question. The question is: do you support the comments of your senior official? And you are refusing to do so. Are you at odds or not?

Mr Barr: I have responded to the question.

THE CHAIR: Hardly.

MR GENTLEMAN: Mr Dawes raised some issues that he said were benefits of that draft variation. Can you just go through those benefits for the committee, Mr Dawes?

Mr Dawes: I think one of the key elements of the particular 306 is that it does provide clarity around the solar provisions that are required. Also, it does have the degree of flexibility, as you are developing your estate development plan, to incorporate things such as lease and development conditions for certain dwellings types, especially when you are looking at the provisions where we have terrace homes, courtyard homes, those sorts of things as well. We can actually dictate the site where the boundaries will be, where the houses will be on those particular boundaries. So they are all advantages to the process and for the approval process.

That will also assist in providing the assistance to the builders, because some of the land—I think this is where we have got to be very careful—is quite steep in some of the new estates. The traditional method is for builders just to cut into the block and put a concrete slab. That is not all that efficient. Quite often if you are looking at what

is left, you can just about step from the bank onto the roof of some of these homes. You have just got to drive around for us all to be aware that that is not a great outcome.

MR COE: That is going to have to happen more with these solar provisions. Look at Lawson, for instance. On the southern slopes of Lawson with the northern sun, the shadow is going further down the slope. Some of these RZ1 and RZ4 areas are going to have extreme difficulty I would imagine, in complying with DV306. I was wondering whether the LDA have actually modelled the impact of those overshadowing rules in Lawson.

Mr Dawes: Could I say this to you as well: it is interesting. I have been around the housing market for a long time. I recall that we used to build homes that were tri-level—split-level homes as well—rather than digging into a block. Some of the outcomes out there—obviously, you would be seeing some of the outcomes there. They are perverse outcomes.

MR COE: In Coombs?

Mr Dawes: No, I am not talking about Coombs.

MR COE: Or Wright?

Mr Dawes: I am talking about in general. Actually, you will find that in Wright there still have been some buildings digging into the block. But that has not happened to the excess of some of the suburbs that are out in Belconnen. So there are some better planning outcomes. There is nothing to stop builders from building split-level homes. We used to do that before on steep blocks, rather than digging in and scouring the blocks as well. I think there are some advantages. Again, it comes back to different building techniques as well. We moved away—there were homes that were built in those days on timber floors as well. Some of that land actually lends itself to timber floors rather than digging in and putting a concrete slab.

MR COE: They are hardly disability compliant, as well. That is one of the other requirements, as mentioned—to try and improve universal access. A split-level home certainly does not achieve that.

Mr Dawes: But there are innovative ways that you can comply with those standards as well. Obviously commercial buildings have ramps and that. There are innovative ways, and they have been demonstrated in homes, in display homes, over the last couple of years.

MR COE: As to Lawson, in particular, have you looked at the impact of DV306 on Lawson, particularly on the southern slope?

Mr Dawes: Yes.

MR COE: And what is that impact?

Mr Reynolds: What that effectively has done is, if you look at Lawson, the blocks,

depending on their orientation and their cross-fall, will be wider or narrower. In fact, even before 306, starting in the suburb of Wright, and then Coombs, but very much also in Lawson, the LDA modelled what the likely overshadowing effects would be to ensure that any product we are selling can reasonably accommodate a house.

DR BOURKE: So when can we expect to have people living in Lawson?

MR COE: If there is a road going off—a continuation of, say, Maribyrnong, which goes through to Aikman, that sort of arc-shaped street—some of the streets coming off that are going to have to run more south. How are you going to be able to prevent serious overshadowing issues on a southern slope on a north-south street?

Mr Reynolds: Again, without having the layout and the plan in front of me, all I can do is assure you that we are using very experienced planners. We were aware of 306 when we were doing the estate design. Every block within Lawson will be able to accommodate a house compliant with the 306 variations.

DR BOURKE: When will people be living in Lawson?

Mr Dawes: In Lawson? Good question. We are in the process of finalising the tenders for the first stage of Lawson. That traditionally is 12 months from start to finish. So people will be able to start building probably this time next year or around the middle of next year. Then we would see that some people, depending on how quickly they get their plans in and get building, could be in before Christmas next year. But I would say that in early 2015 people would start moving into Lawson.

MR COE: Can I suggest to you that you put that information on your website. At the moment, some of the website information is quite outdated. I think 2011 is still touted there as a possibility. We have had a few people contact our office asking about that. It would be handy if that was done.

Mr Dawes: Certainly.

THE CHAIR: Mr Wall, any questions?

MR WALL: Just as a supplementary on 306, Mr Dawes, you were talking about adaptive building design to suit the contour of the blocks, such as developing things like split-level homes again. Obviously they come at a substantially increased cost compared to a traditional cut-and-fill single-level dwelling. Gradually the housing policy and the development policy in the ACT are driving the cost of housing up. Would you agree?

Mr Dawes: It depends. Again, there are fairly efficient methods of construction today. If you look at what we used to do 10 years ago and what we do today, and you look at the innovative products that are available, you will see that these are all going to help drive costs down in some cases.

MR WALL: As a comparison to a traditional cottage-style building, it is increasingly more expensive to build split-level or multistorey homes and to meet the criteria of DV306. Particularly on undulating sites, it does cost more to build.

Mr Dawes: Not in all cases. When you look at the ramifications of digging into a block and putting on a single level, that is left with massive retaining walls. All you have got to do is drive around some of those suburbs, especially in some of the areas of Gungahlin, where there have been massive retaining wall costs. One will counteract the other. It might be cheaper to build the home, but to then go and do your landscaping and build retaining walls is a lot more expensive, potentially. As you know, rock retaining walls can be anywhere upwards of \$10,000 to \$20,000 depending on whether they are sleeper walls or block walls. That also has a method.

Also, you will find that, whether it is a corner block or a sloping block, the prices reflect that. When you go out and value them, a sloping block is not as valuable as a flat block.

So there are other things that you need to take into account. It is not just about that; you are going to have to look at the overall package that is on offer.

THE CHAIR: Dr Bourke.

DR BOURKE: I want to come back to Lawson, which is, of course, in my electorate and which I am particularly interested in, Mr Dawes. You have been sponsoring the green star communities rating tool, and you are going to be a pilot in the tool in Lawson. Could you tell me more about that, please?

Mr Dawes: I will refer to Mr Reynolds, who has been proactively working with the Green Building Council on that particular tool.

Mr Reynolds: The LDA is in partnership with some other government land organisations. We are providing some funding and we have a formal agreement with the Green Building Council to pilot the green star communities tool, which is looking at a precinct-wide approach to sustainable development of land and community creation.

You might be aware of some of the commitments that the LDA has had to date, such as our mingle program in our existing estates, and our commitment to energy efficiency, for example in Bonner and Harrison, where we have got energy efficient street lighting, subsequently reducing CO₂ emissions by up to 50 per cent. With our mingle program, we have already held 35 events to date, with in excess of 50 per cent of Franklin residents already participating in a mingle program. We are well on track for 10,000 local residents to have participated in our mingle program, which is a subset of our community-creating events, by 2015. A significant proportion of Canberra is our newer communities in our greenfield estates.

But let me go back to the green star community tool. Lawson is going to be the first to pilot that tool, and there are a range of commitments around the community—water sustainability and energy efficiency, but also the estate design. What this tool is seeking to do is go to the next level beyond the built form and what you can do within a house, for example. There is certainly a lot that you can do there, but there is also some stuff within the estate design. We mentioned a few of those in 306 in terms of those elements, to orientation as well.

We are quite excited about being a participant in the early stages of the development of this tool. With a lot of the findings that we have got out of our enviro-development accreditation in Molonglo—incidentally, we just got reaccreditation of that, which is an independent process—we will be able to take the lessons learnt from that, apply them through the tool at Lawson, and influence the development of that tool, which hopefully, in the fullness of time, we will be able to adopt on many, if not most, of our greenfield estates.

DR BOURKE: Thank you. What will be the long-term benefits to home owners of this kind of process?

Mr Reynolds: The long-term benefits will be social integration, so good social wellbeing of the community, and more affordable living, so more energy efficiency, better ventilation in houses and better thermal performance of the house, all putting downward pressure on the cost of living and energy and water, for example. But it is that other dimension in terms of the social fabric within new greenfield estates. Effectively, what we are doing is putting a lot of new families and people together in a fresh, crisp estate, and we want to create opportunities for them to develop their own network socially.

DR BOURKE: You talked about those costs—

THE CHAIR: Thank you, Dr Bourke. Mr Gentleman.

MR GENTLEMAN: Minister, the indicative land release program talks about land release in Tuggeranong, which, of course, I am very interested in. Can you tell us where we are up to with the Greenway lake-side project?

Mr Dawes: Greenway is well advanced. As you would be aware, Mr Gentleman, there has been quite a good process with the community consultation process as well. We have agreement with the Tuggeranong Community Council to proceed with that development. We are doing a bit of work on feasibility, finalising the feasibility there. We are looking at taking the first releases; if it is not in November this year, it will be very early in the first quarter of next year. One of the key things we need to be careful of is that we do not get too close to that Christmas period, but the first sites will go to the market early in November.

Tuggeranong is looking forward to having potentially more residential. Some of the feedback that we have had, and we have been talking to the real estate industry as well, suggests that there is a pent-up demand. In Tuggeranong, as well, residents are looking at moving out of their existing homes and into some of the unit accommodation that will be provided there. We look forward to getting that underway. The first releases, I would anticipate, would be, if not in November, very early in 2014.

MR GENTLEMAN: And what is the level of release? How many units will be available?

Mr Dawes: There are going to be 1,000 dwellings there on that western side all up.

As you know, we need a territory plan variation for the eastern side of the lake, and we are in the process of preparing and finalising that, so that will go through the process for a territory plan variation. There was not a territory plan variation required for that western side; we were able to do that under a technical amendment to allow us to get underway.

Mr Stewart: The initial release, though, is for 300 dwellings and around 1,100 metres of commercial space.

THE CHAIR: Mr Smyth.

MR SMYTH: I will defer to Mr Coe.

MR COE: Thanks, Mr Smyth. Treasurer, was the LDA approached by CSD to assist with the ABC flats redevelopment?

Mr Barr: That is an interesting question. In the context of cabinet discussions and cabinet coordination, yes. In terms of the specifics of the development, there has been some discussion, but it is their project to manage.

MR COE: Have the LDA been providing advice actively along the way, given that so much expertise in this space does rest with the LDA?

Mr Dawes: The simple answer is no, Mr Coe. That is very much a project of CSD. They have a team there that I would assume would be looking after that. Obviously we are always at the ready as and when required, but that is a project that they are managing.

MR COE: Can you think of any projects which the LDA has done that are comparable to what is being proposed? Can you think of any comparable projects which the LDA has done or has been part of which CSD is currently doing?

Mr Dawes: I suppose if you look at the extensive work that we have done in Kingston. We were involved in a joint venture many years ago in the very early days. I think it was a flow-on from the KFDA, Kingston foreshore development authority, days. But we have just tended to package the land and sell that for development.

MR COE: Why have you done that as opposed to developing it yourself?

Mr Dawes: Again, it is horses for courses. Obviously, Kingston has lent itself to packaging the sites up for sale and development. We have looked at different projects from time to time, but we have decided to put those out to the market.

MR COE: When you put them out to the market, do you have confidence that the market can deliver and has delivered for the LDA when you have released land for that sort of brownfield work?

Mr Dawes: Kingston is coming along very well when you look at some of the interest there, some of the apartments that have been built there. As well, we are certainly honouring and committing to the public realm there. Only recently, last week, the

minister launched a new park that is being built there, but also we have opened up the harbour as well. There are a number of developments that are now fronting the harbour, and we are in the process of starting to market another site that will front the harbour. We did delay that particular site, mainly because we wanted to complete the harbour works. We felt that, to be fair to both our contractors that were delivering the pontoons and that harbour work and the developer, we did not want to have a cross. We have now concluded those works, so we can take that block to the market. And we are in the process, for the next financial year, of looking at getting sites ready to go to the market on the other side of the harbour as well, which will provide housing right around the harbour precinct.

Recently, a couple of months ago, we had a mingle project there, the folk festival. That was a very well supported event, and the satisfaction levels of residents in Kingston were very high. We got some very positive feedback from that event. I think the fact that we are honouring the commitment that was made to the public realm there has been well supported and appreciated by the residents who are living there.

MR COE: So you have got confidence that when you have sold blocks the market has delivered upon the expectations?

Mr Dawes: That is always conjecture. On the whole, I think Kingston has performed well. In a manner, as I commented earlier, buyers today are more sophisticated; they are looking for the best value for money for them. Obviously, with a bit of competition there, with different developers providing different products and different choices, people are able to make those decisions.

MR COE: Have the LDA ever been, to the best of your knowledge, the sole proponent for a territory plan variation?

Mr Dawes: No, I do not think we have, but I would have to just double-check that.

MR COE: I imagine there might have been times when you were at least a partner?

Mr Dawes: Yes, or in some cases we will prepare a territory plan variation as well. We have a scope with ESDD to be able to do that under our MOU.

THE CHAIR: You are taking that on notice, are you, Mr Dawes?

Mr Dawes: Yes.

MR GENTLEMAN: Mr Dawes, as a supplementary on that, you mentioned earlier that the eastern side of the Tuggeranong—

Mr Dawes: I was just about to say Greenway is one that we did, actually. In a sense, we did actually prepare work for Greenway, and that was able to be implemented under a technical amendment to the territory plan.

MR COE: Are you able to briefly tell the committee the process for how you would prepare for development a block which the government owns and then, in effect, pass it on to a developer for construction? As opposed to the government doing it

themselves, how would you, in effect, ensure a reasonable outcome and still have some control over the final outcome whilst still allowing the private sector to do the brunt of the work and take on the risk?

Mr Dawes: Obviously there are a couple of projects that we have been working on, and Campbell might be a prime example of what we have done there as well. As you know, there was a national capital plan in place for Campbell and when we actually went out to do some initial rounds of consultation, we felt that there was a better outcome for Campbell by stepping back some land and increasing some development land, swapping like for like. So we moved to ensure that we had agreement with the National Capital Authority as well.

But we are in the process now of working through how that will be delivered and some design principles. But Chris might like to elaborate a bit further on that.

Mr Reynolds: Yes, certainly. Just for clarity, I can give you an example on how we would approach preparing a site in a greenfields area, for example via englobo, and I can also add to that or just focus on infill sites, if you like.

MR COE: Primarily infill.

Mr Reynolds: Infill sites, okay. I think the best example that I can provide, and I can expand into Campbell, is again at Kingston, where we can actually see some of the built form on the ground, and those recent sites around the harbour edge that have been built. I think one of them is fully sold out, the commercial space and the residential, and the second site is all but there. Again in terms of the market acceptance of that product, I think that sort of speaks for itself.

Effectively what we do is rather than get directly into the LDA physically building the built form, private industry are very well placed to actually do that. They are well structured for it. They are very innovative when it comes to delivering built form and well in tune with what the market demand is. Rather than us directly competing with developers in the construction of built form, we tend to add as much value as we can to the sites that we are selling to them by de-risking and providing a lot of the certainty.

So when it comes to Campbell or Kingston or a range of infill sites, where though a range of community consultation there might have been expectations from stakeholders about the design elements or accessibility—and you will notice in Kingston there are laneways going through the harbour edge to help open that up—we will prepare the sales documents. We will also design a project delivery agreement, which you might have heard of or seen in some of the sales documentation that was released. Whilst we are not the regulator, we are not there to prescribe development conditions. What we will do is from time to time nominate active frontage zones or access routes through what we call the project delivery agreement and design guidelines.

There are a range of sales documents that are really seeking to provide the clarity, which is what private developers need. They want the clarity. That ensures the maximum value of the site, ultimately the territory's assets, and allows a developer to

get in there with maximum certainty, work out their market, assess their market risk, and get on and build the project. As a high-level summary, that is it effectively. From time to time there might be different methods of sale, depending on the complexity of the documents, but that will not affect the process we use.

The feedback that we have had from the industry is that they are very comfortable with that and that, with those strategic and complex issues, we are well placed to resolve them, provide the certainty, package it up and offer it to them.

THE CHAIR: Mr Gentleman has got a final supplementary.

MR GENTLEMAN: Just on Kingston—and you were talking about the results in the Kingston development—can you tell us what the results have been for the commercial entities in mixed use?

Mr Dawes: In Kingston? Actually, it is interesting when you look at the first major development there, which is the Aurora apartments. That is the first one that is closest to the new park that we have constructed but also to the harbour. Terry Shaw, who is the developer there for Englobo, said that all the commercial spaces have now been sold. They have some restaurants going in there. I think there is an architectural firm that has also moved their practice to there. They have been quite well received as well. Commercial spaces in those developments tend to be the last ones to sell, because people want to see what the final outcomes is, but he has been very pleased and very buoyed by that fact, which I think will help as we sell the new site on the island there as well which does have some commercial. I think that will give a potential purchaser of that a little confidence, knowing the fact that the commercial spaces have all been sold.

If you look, as part of Kingston, even at the ones that are fronting Wentworth Avenue, they have all been sold and have particular businesses being conducted from them, as well as a medical clinic there as well. So it has been well received.

MR GENTLEMAN: So you would say that mixed use is a successful program?

Mr Dawes: It has been to date, yes.

THE CHAIR: Thanks very much, officials. That ends the Land Development Agency. Thank you for appearing. We will now move to output class 1.1, economic development policy, which will take us to lunch at 12.30.

In budget paper 4, page 135, there is reference to the red tape reduction program the government has. Can you give me an outline of what action you have taken? I understand that there is a process underway but what has it actually achieved to date?

Mr Barr: Phase one of the process has involved the establishment of the fixed-line red tape feedback mechanism. We have taken decisions to abolish motor vehicle registration labels, establish the e-lodgement of rental bonds and there is legislation now in the Assembly to extend various licensing provisions in legislation. You perhaps would have seen that bill introduced on the Thursday of the last sitting week. So that completes the first phase of issues that were identified by the panel.

Further phases, two through five, are as follows: phase two proposes to streamline the approvals and licensing processes for outdoor dining areas, with a particular focus on food trucks and pop-up dining, to remove regulatory burdens there. Should there be any legislative amendments required as a result of this work, they would be introduced into the Assembly in the coming session over spring and summer.

In addition to the consideration of outdoor dining regulations, further work is being undertaken into options to facilitate pop-up dining and coffee carts near existing businesses. So what we need to do here is, obviously, ensure that there is protection for existing businesses who are renting spaces to not have commercial competitors just pop up right on their doorstep, but we do also want to encourage, around major events and activities, the possibility of some of those temporary traders being able to enter the marketplace. Phases three to five include work with the clubs and hospitality sector, real estate licensing and the university sector.

We have a red tape reduction panel that consists of representatives from the Canberra Business Council, the chamber of commerce and the Small Business Association. The government representatives include representatives from the Office of Regulatory Services and Mr Dawes as the Director-General of the Economic Development Directorate. I chair that particular task force. For particular pieces of work, we bring in relevant industry representatives. In the context of working with the clubs sector, we have invited Clubs ACT to participate in that work. I have met with the Real Estate Institute in relation to their particular deregulation desires, and I have written to the Vice-Chancellor of the University of Canberra in relation to our regulation of the university.

We have extended an invitation to each of the industry representatives to nominate further areas for work after phase five, and I would anticipate there being regular legislative processes by which we look to streamline regulation within the territory. We will look across existing regulation to ensure that it is contemporary. The more we can do in terms of providing information online and having information accessible and the capacity to provide feedback outside of business hours has certainly been put forward by the chamber and the Business Council as being important for their membership. Being able to provide information and feedback to government outside of 9 to 5 is important to their members, and we have created that mechanism.

THE CHAIR: So the portal, when did that go live?

Mr Barr: The portal went live on 16 January this year.

THE CHAIR: So that is a website where people can basically put in—

Mr Barr: They can log in and raise any issues.

THE CHAIR: And how many issues have been raised on the portal and, of those issues, how many have been addressed?

Mr Barr: Not that many, to be honest. From memory, it is somewhere between four and six issues.

DR BOURKE: Raised or addressed?

Mr Barr: I think they have all been addressed—raised and addressed.

THE CHAIR: What does “addressed” mean? Does it mean resolved or does it mean—

Mr Barr: Either information provided in response to a request for information or referral to the appropriate part of government to resolve the particular issue that was raised.

THE CHAIR: Have they been resolved or have you just—

Mr Barr: My understanding is yes, they have. I think it would be fair to say that the issues that have been raised on the website have been specific information requests rather than systemic issues. The systemic issues have been raised in large part by the representatives of the various industry associations.

THE CHAIR: Is the intent of the portal for, I guess, tactical issues, or is it meant to be addressing systemic?

Mr Barr: It can be both. It is open to people to raise whatever issues they wish. The portal has that flexibility. What we have found in this process is that, in addition to the regular meetings of the panel, each of the industry associations—the business council and the chamber of commerce—have held targeted, specific consultations with the various elements of their membership. They have had all of those forums and have identified issues that their representatives have then brought back to the red tape reduction panel for consideration and for action from government.

My observation would be that some areas are better at identifying specific issues, specific clauses within the regulatory framework, that can be improved. Others have raised perhaps more general concerns. To quote from that great Australian film, “It’s about the vibe of the thing.”

THE CHAIR: The essence, perhaps.

Mr Barr: Not so much the essence, but I certainly have heard that it is about the vibe of the thing. People generally want to get a sense that there is movement on these issues.

THE CHAIR: You are the Dennis Denuto in this scenario?

Mr Barr: Not so much, Jeremy. I am working diligently through each of the issues that has been raised. Officials are working hard across directorates in order to respond to issues as they are raised. There has not been an instance yet where something has been raised that the government has not been willing to examine and look to move on. Part of the challenge to date has been identifying specific issues that can be resolved. It is quite easy; if someone says, “There’s a problem in this area of regulation. This wording needs to be changed in order to facilitate us to undertake the activity we

want,” we will do it.

THE CHAIR: Great. Dr Bourke.

DR BOURKE: Minister, what sorts of benefits to small business have arisen from this red tape reduction process?

Mr Barr: There has been considerable benefit in terms of an opportunity, firstly, to raise issues of concern. So the conversation is happening. I was conscious that these sorts of exercises have been undertaken at different levels of government over a number of years. There are perhaps two elements to this. Whilst you can—and we have been—identifying areas and reducing red tape where those concerns have been raised and we have been able to respond, there is an equally important role in terms of ensuring that, whilst you are busy at one end reducing red tape, you are not in other areas adding to the regulatory burden.

There has been discussion with the panel, and coming from a number of different industry sectors, wanting to ensure that regulatory impact statements and the process of assessing the implications of new regulation are front and centre in terms of government and cabinet deliberations in relation to new proposals that are brought forward. We certainly wish to strengthen those processes. I think that is important in the context of future legislative programs.

It is a fascinating juxtaposition at times. One of the performance measures of the Assembly appears to be how much legislation and regulation is passed. Having lots of bills and lots of regulation on one level is seen as a performance measure, and yet on the other it seems to work entirely counter to an objective of reducing regulation and cutting red tape. So I reject the assertion that a performance measure of the Assembly is how much legislation we pass. That, ultimately, is a fairly pointless measure.

I think it is about the quality of regulation. Every rational person I know accepts the need for regulation in certain areas. Really, it is about the functionality of that regulation and ensuring that this jurisdiction, given its dual role, both municipal and state level, has the capacity to be innovative and to provide nation-leading regulation in areas where there is a consensus and an understanding that there needs to be a level of government regulation.

I have to say that, generally speaking, there is a desire for government—and you see calls coming from industry groups and community groups at certain times for government to regulate nearly everything. I reject that approach, too, and suggest that the idea that government can solve every problem by way of regulation—

THE CHAIR: You might be in the wrong party, Andrew.

MR SMYTH: Yes, sounding very Liberal there.

Mr Barr: That government can solve everything by way of regulation is not a particularly sensible approach to—

THE CHAIR: Hear hear, Minister. Finally!

Mr Barr: I hear your side of politics and individual politicians in your parliamentary party regularly calling for more regulation in certain areas, demanding government action in certain areas and seeking to have a performance measure on the Assembly as to how many pieces of legislation we pass. So you are as guilty of it as anyone.

Dr BOURKE: Maybe the corollary should be that there ought to be a KPI about how much legislation you get rid of.

Mr Barr: Indeed.

THE CHAIR: And how much has this government removed in the last 12 years?

Mr Barr: There has been a significant amount of streamlining of regulation in the territory. You need only look across the variety of reforms that have occurred in recent times, in the Liquor Act, for example, in the licensing amendments that we are bringing forward, the regular JACS reform bills across a range of legislation in order to improve its operation. There are many examples of that in recent times. In the end, as I say, there will always be a need for regulation in many areas, but my test of that is the quality of it, whether it can be enforced and whether it is being effectively enforced. That should be the test of the quality of a regulatory framework.

DR BOURKE: Minister, the fact that we have a municipal as well as territory combination of regulation and legislation in the same legislature, doesn't that provide us with a competitive advantage over other jurisdictions within this process?

Mr Barr: Absolutely; undoubtedly so, yes.

DR BOURKE: Can you provide us with any examples of how we have done things much more efficiently here than elsewhere?

Mr Barr: There is no doubt that having two levels of government combined in the way that we do in the territory in terms of investment facilitation is particularly important. A very contemporary example is the launching of invest in Canberra that we did in Singapore only six or eight weeks ago. The ability to be able to manage all of the issues that potential investors will face in terms of planning controls, taxation systems and municipal regulation in a one-stop shop is a significant advantage that the ACT has over other jurisdictions.

That point was acknowledged by a number of the investors. Perhaps not surprisingly, a detailed understanding of the different levels of government and governance within Australia is not top of mind for international investors. But when they learned that the ACT government had both a council function and a state government function and was a one-stop shop for all of that investment facilitation was very clearly of great interest to them—that they could navigate through those regulatory frameworks much easier as a result of the way our government is structured. I think that is a great benefit to us, and certainly will be, when it comes to attracting more international investment in Canberra in coming years.

MR GENTLEMAN: Minister, on page 133 of budget paper 4, in the output

description there, it says that “the directorate will provide programs, initiatives and business policy advice to support business development in the ACT”, and then includes dot points. With the programs and services, can you tell us what effect this has had on business confidence in the territory?

Mr Barr: Certainly the recent data has shown very positive feedback from the ACT business sector as compared with other parts of Australia. The most objective measures of that can be seen in terms of business formation, and there is data on that. Mr Cox can provide the absolute detail in terms of numbers, but my understanding is that the ACT led the nation in terms of the formation of new businesses and that it has in fact had the largest, strongest business growth of any jurisdiction in Australia in recent times. Clearly, the policy framework is conducive to new businesses establishing. Mr Cox, are you in a position to provide the numbers there?

Mr Cox: Yes. The most recent data that the ABS has provided on this is data on business formation or ABN-based data, which is a measure of new, tax-active ABN numbers. The series has been in place for about four or five years. It replaces a survey methodology which was a bit fraught. Since GST came along, there has been an ability to actually track ABN data and business formation by state and territory.

The most recent data, which lags a bit, is for 2011-12. The ACT had the highest net ABN growth in the country, at 1.6 per cent up on the previous year, which equates to about 500 businesses, net growth in business population, over the 12 months. The national average for that year was 0.4 per cent. Three states were in decline and one had no change. So it was, I think, a reasonably significant result.

MR GENTLEMAN: Do you think this has had a correlation with employment growth in the territory?

Mr Barr: The employment figures would tend to support that—all-time record levels of employment in the territory economy. It is always good to see all sectors contributing to that growth. As I said before, I do not mind where the jobs come from. I do not have a problem with there being growth in public sector jobs as well as growth in private sector jobs. The higher the level of employment within the ACT, the better it is for our economy and the better it is for Canberrans. To have strong private sector jobs growth is a great thing. Equally, having growth in the public sector is a great thing too.

MR SMYTH: Just as a supplementary to that, what does the data tell us about business failure rates in the ACT?

Mr Cox: The business failure rates in the ACT are marginally higher than the national average. One can speculate about reasons for that. The ACT has a very different industry structure to other states and territories. We tend to have a business environment that is very much more small SME focused—small to micro SME focused. You tend to see lower costs of exit and entry in those sorts of environments. It is about one or two per cent higher than the national average in terms of the failure rate.

MR SMYTH: And what is the national average?

Mr Cox: I would have to consult a document. The national average: Australia, the exit rate is 13.1 per cent; ACT, 14.1 per cent.

MR SMYTH: How many businesses would that equate to?

Mr Cox: Exits, 3,611 in the ACT, against entries of 4,014.

MR SMYTH: Against?

Mr Cox: 4,014. So the net increase rate was 403.

THE CHAIR: Do you have a new question, Mr Smyth?

MR SMYTH: Yes, I do. There is \$800,000 in your department for city to the lake assessment. Who will handle that inside EDD?

Mr Dawes: We can cover that now or we can cover that a little later under our capital works.

Mr Barr: We may as well cover it now. The question has been asked.

Mr Dawes: That particular—

MR SMYTH: Which area handles capital works? Which output class would normally cover it? Or is it distributed among the various outputs?

Mr Dawes: EDD have centralised the capital works program, so it is 1.6—

THE CHAIR: 1.6, land strategy and infrastructure. That is at 2.15 to 3.15 this afternoon.

MR SMYTH: I just wanted to make sure.

Mr Dawes: While we are here I am more than happy to answer. That particular project will be done by our capital works, obviously building on the work that is being done in the city to the lake program and the consultation we have done. We have \$800,000 to go towards further feasibility of Parkes Way. That, to me, is a crucial part of the city to the lake program, because that is the catalyst to ensure that we are able to deliver the program.

It is quite interesting when you look at the city to the lake program and the work that we have done to date. We have done quite a detailed study of the current infrastructure in and around the city. To me, one of the most crucial parts of the work that we needed to have a look at was the capacity and what else do we have to build onto that infrastructure.

When you look at conservative numbers of the headworks, obviously as we go through and do that further feasibility we will be able to refine the cost of it. Again, one of the things that we try and have, especially in EDD, is an under-promise, over-

deliver philosophy. That is actually taking a conservative approach to it. We have estimated that Parkes Way could cost in the order of \$250 million. That is with a 40 per cent contingency as well, which is sort of an industry standard.

When you are at these very early stages—and this is just half the residential development that could be derived without any of the commercial or retail aspects of it and the other part of the residential—when you look at the revenue, it is \$386 million to get that in the first few years in revenue. That is, again, taking a very conservative approach in the number that we would release in the short term. Depending on the take-up, that could be accelerated.

One of the things with the city to the lake program is that it unlocks about a million square metres of development space that is made up of commercial, retail and residential. That does not include some of the other things that we have looked at potentially developing, like the convention centre or the forum and potentially a stadium. That is a million square metres.

The figure of \$250 million that I have mentioned as well does take into account the headworks that we would need—I mentioned Parkes Way, but not only Parkes Way—to do the work that is required in West Basin. It is not just the road; it is also the works in West Basin itself. One of the key things that we would need to do there is to do the public realm first. I think that would be an important catalyst to get that particular project going.

Mr Barr: The other part of the \$800,000 is to progress the Australia Forum project to investment-ready status.

Mr Dawes: Yes. There has been a lot of work. We will be building on the work that the Business Council have already done. I met with the Business Council and the Convention Bureau last week. We are going to have a workshop on the site that we have proposed. Obviously, as you know, in their feasibility they looked at doing the convention centre in West Basin. We have identified through this process a site here on London Circuit, which makes a lot of sense because it is more in the centre of the city with access to retail and shops and, over time, good access to West Basin as well. We are going to ensure that that fits in with the thinking that the Business Council and the Convention Centre have. We will be organising a workshop with a couple of their key people that were involved in their process early in July.

MR SMYTH: Minister, you were asked, I understand, at the breakfast that the Liberal Party was not invited to on post-budget day what would happen with the Convention Centre. I understand your response was that, if the Business Council want to work to bring it forward, you would be happy to work with them. That afternoon in the Assembly you said, though, that there was a choice between whether you refurb the existing Convention Centre or build a new one. So what is it? Are you committed to building a new convention centre or are you still considering just refurbishing the old one?

Mr Barr: In the longer term we are committed to a new facility, but the question I posed was that requires an investment partner. The ACT government can provide the land, and we have identified a site. Every discussion that has been had with the

Business Council and others who are promoting the project has indicated that they would approach the federal government for a contribution. I have said that if the federal government says, “No, we will not be making a contribution,” and there would not be anything forthcoming for, say, 10 years, we would not just hold and wait for a decade and do nothing with the existing facility. I need a plan B if plan A is not going to work.

The question that government will have to determine is: what is the time frame for the construction of a new facility? If that time frame becomes too far into the future then the question to ask is: do we need to undertake an interim step with the existing facility before a new one is built? It would be my preferred option that we move to a new facility, but if that is not feasible in the next 10 years then we would need to consider whether a further investment in the existing facility would at least maintain our position in the convention market in the meantime. It is not my preferred option, but I need a fall-back position. We have got to have that contingency.

MR SMYTH: So the commitment in the ACT Labor-Greens agreement to have it shovel ready by 2016—does that exist?

Mr Barr: The commitment was to get it investment ready, and we intend to deliver on that in the first year of this four-year term.

MR SMYTH: So you believe \$200,000 will get it investment ready?

Mr Barr: I am not sure that necessarily \$200,000 is the exact figure. We will take advice as we progress through the work. Obviously, there will be further iterations of that work. But it is my intention to have that work proceed and proceed as quickly as possible to get it to that point.

MR SMYTH: So of the \$800,000, how much is for a new convention facility?

Mr Barr: It is flexible, depending upon the amount of work that is required.

MR SMYTH: You have just said that you want it investment ready in the first year—

Mr Barr: The indicative costs are around \$200,000. It may be slightly more or slightly less than that, depending on processes and how much work is required.

Mr Dawes: Minister, in discussions that I have had with the Business Council and the Convention Centre just last week the indication was that it would be on the lower side of the \$200,000 rather than over \$200,000. Obviously, we were able to build on the good work that has been done already. The ACT government contributed \$250,000 a couple of years ago for that particular process.

MR SMYTH: Have you asked your federal colleagues for funds for a new convention facility?

Mr Barr: We certainly have raised a number of investment opportunities.

MR SMYTH: Have you specifically asked for funds for the new convention centre?

Mr Barr: Through various budget rounds we have put forward a number of proposals, some of which have been funded; others have not. In this instance, we have not been in a position to put a final proposition to them because it is not yet at an investment-ready stage. We have foreshadowed it as a project for the city, but there were other projects—Majura parkway and Constitution Avenue, for example—that were at a stage where they could receive commonwealth funding.

The issue more broadly is that I imagine an allocation from the commonwealth in the order that would be required for the Australia Forum would in fact be equalised away from us in the GST process down the track. We would end up losing the equivalent amount in our GST payments over time because an allocation of that size would be equalised. In effect, a commonwealth contribution will simply bring forward the investment and we will lose the equivalent of added money in GST payments over time. But then, on the other side of the equation, other jurisdictions that receive large commonwealth injections that are equalised see more GST revenue flow to us. The best grant you can get from the commonwealth is one that is excluded from the equalisation process. Suffice it to say they tend to be smaller rather than larger.

THE CHAIR: Dr Bourke.

DR BOURKE: Minister, page 132 of budget paper 4 shows a couple of strategic indicators for business development, one measuring the number of businesses and the other measuring exports. Can you tell me why these two indicators were chosen, and what is our current performance against these indicators?

Mr Barr: Certainly, the ACT has been experiencing rapid growth in exports. I think it is a useful measure of performance of one of the fastest growing sectors of the territory economy. In a jurisdiction of 380,000 people, it represents two per cent of the Australian economy and, in an economy that represents two per cent of the world economy, business growth has to come off the back of exports. Our market locally is just too small, and even nationally for some businesses our market is too small. So growth in exports is important.

In recent years we have seen the ACT's share of national exports grow just marginally above our population share, so from around 1.7 or 1.8 per cent to 2.5 per cent of the national export effort. I think that is testimony to the success of ACT exporters and the policy framework that supports them. That growth has come in the export of government services, in education, in tourism—a number of areas of strength for the ACT economy. It has been pleasing to see. We will continue to build on that growth and the phenomenal success of a number of ACT companies through our global connect program that has received additional funding, ongoing funding, in this year's budget.

DR BOURKE: Can you tell us about the global connect program and why that is so important?

Mr Barr: Sure. There is a suite of programs under that banner that go to support a number of different export sectors for the ACT. The Centre for Exporting Government Solutions has been an important initiative. You would have heard me

comment before that our particular focus utilising free trade agreements with large international trading partners has seen ACT companies able to access markets for government services, such as the United States. Just their market for government services is larger than the entire Australian economy. Even grabbing a very small share of that is very significant in local terms.

Supporting the ACT Exporters Network, encouraging innovation through export awards and recognising success have been important elements. Trade mission programs, for example, and international student ambassador programs certainly have been important for us. You have seen some of the implications of that work, for example, in the recent international tourism data, where the visiting friends and relatives market, the education market and international tourism have been very strong for us. Having a large and vibrant international student population in the city does not only mean that their family and friends come to visit them in Canberra; it extends the development opportunities in terms of business investment.

We are seeing increased foreign investment in the territory in a number of different fields. Certainly, in launching the invest in Canberra initiative in Singapore we saw that already Singaporean companies have significant investments in the ACT. A number of businesses that came from throughout South-East Asia for that launch were supported by Austrade and delivered by InvestACT, our investment arm within Economic Development.

DR BOURKE: Obviously government services is a great area for us to be exporting, given that it is one of our major businesses here in town.

Mr Barr: You think about a number of businesses that exist within the ACT that have contracts with the territory government, the commonwealth government and other state and territory governments that are delivering excellent services in a variety of areas that are universal in terms of what governments need to provide to their citizens throughout the world. There are ample opportunities, be they in developed first world markets like the US or developing economies like Indonesia, for example, that present fantastic opportunities for ACT businesses. It has been encouraging to see them taking advantage of it.

DR BOURKE: Can you give me any examples of particular ACT businesses that have taken advantage of this?

Mr Barr: It is a long list. Ian, do you want to answer that?

Mr Cox: I go back to that mission that the minister was talking about. I was not on it, by the way; so my memory is a bit sketchy around this area. There are, I think, eight companies from the ACT that went on the mission. I think it was 2011. The two most successful outcomes were a company called Seven0 and a company called Intellidocs, who have since, as a result of that mission, established a presence in the US, a presence on the ground to service those markets. I believe that the other five or six companies that participated have all made regular trips back to the US to develop some opportunities that arose out of the mission.

What that mission actually also demonstrated to us was the absolute complexity and

specialisation of procurement in markets like Washington and Virginia and the need to deeply prepare, deeply build capability going forward. The mission was preceded by a six-month learning and development capability program for the companies involved. We work closely with Austrade on that, to the point where on return we conceived an idea called the Centre for Exporting Government Solutions, which effectively codified the learnings of the program in the form of a website, in the form of tutorial development, enterprise capability work skills development for companies. It has now been through a pilot program and has now got discrete funding through the most recent budget.

Mr Barr: I will just raise one other example that was on *ABC news* last night, I believe nationally. QuintessenceLabs are undertaking quantum mechanics, quantum computing network security work. They certainly got some national coverage on the ABC last night. It probably will be on their website. I am happy to provide that link. They have now been invited to reside at NASA's Ames Research Facility in Silicon Valley as a result of that particular work. I think these are examples of innovative ACT companies performing in exceptional terms in the largest markets in the world.

DR BOURKE: So just bringing you back to that other—

THE CHAIR: And we will move on after this, thanks, Dr Bourke.

DR BOURKE: Okay—great ACT industry, education. There are five universities with their footprints here in Canberra. You talked about the influx of parents and friends coming to visit. How important is that, and what are the other spinoffs we are getting out of that?

Mr Barr: Certainly the international education market is growing for the territory. We had discussions yesterday in relation to how the government is facilitating that growth through provision of credit facilities to the University of Canberra to expand their capacity to take international students. I think the data recently shows each international student, in terms of their direct contribution to the ACT economy, is more than \$30,000 a year. That does not include, I think, their sort of day-to-day expenses and their expenditure within the city. This is just in terms of tuition fees and associated economic contribution. So growth in that sector is important for us.

What has been interesting to see is the other flow-ons of that in terms of international visitation and investment opportunities. The alumni network of international students through the ACT's universities is extensive and often extends into the hierarchies of world governments. I think there are at least two members of the Indonesian cabinet who were educated at the ANU. They are very familiar with the city of Canberra. During our visits to Indonesia we were certainly able to access high level officials not only for government-to-government dialogue but also to unlock opportunities for the trade mission partners.

So that international engagement that commenced at university level pays long-term dividends for Canberra and is important to continue to develop. I think the measures contained in this year's budget certainly go to assist that sector to grow.

THE CHAIR: Mr Gentleman.

MR GENTLEMAN: Thank you, chair. Minister, page 136 of BP4 has a new measure towards the bottom of that list, which is the digital enterprise centre. Can you advise on the work that has gone behind that, the relationship with the Canberra Business Council and what you see developing out of that?

Mr Barr: We have got on the front foot in relation to the NBN rollout in our city and the partnership with the Business Council has been important. It would be fair to say that they are very enthusiastic about the economic development opportunities that flow from the national broadband network. We have established the centre in Gungahlin. There is a great deal of interest and the feedback I have had so far from this development has been very positive. Ian, do you want to add anything?

Mr Cox: Just to fill in a bit more background on it, in respect of the first rollout sites for the NBN, the department of broadband established a program a couple of years ago where, I think, the first 19 rollout sites nationally could apply for specific funding to raise awareness of digital economy outcomes, digital connection for constituents and consumers. The ACT government applied for funding under one of those programs around 18 months ago. We were successful in receiving, from memory, \$200,000 from the department to actually create this program.

So the digital enterprise centre is a funding stream that has come through the ACT government from the commonwealth, which we have partnered with the Canberra Business Council to actually deliver the program. The value of the CBC is that it currently delivers similar programs and advisory services through Canberra Business Point. Marrying the program to the CBC-delivered Canberra Business Point network was a logical and natural way to tap into their capabilities and skills in actually outreaching to the community.

The program has two years of funding life. We are in the second funding life of that program now. There were two other programs that were funded. One is the digital local government program. Chief Minister's and Treasury manage that relationship. The other one is the digital enterprise hub, which is the public or consumer-facing digital enterprise centre, which is based at the Gungahlin library. I think that was funded at around \$300,000 or \$400,000. But I would have to check on that.

MR GENTLEMAN: Thank you.

THE CHAIR: Mr Smyth.

MR SMYTH: I go back to the accountability indicators on page 135 for output class 1.1, No 2, the infrastructure plan. When will that update be issued?

Mr Barr: In the not-too-distant future. I imagine in the next month or so.

MR SMYTH: Next month or so. Okay; so sort of June, July?

Mr Barr: Yes, I think that is when we have traditionally done that.

MR SMYTH: All right. The construction snapshots, when will they be issued?

Mr Barr: Six monthly, yes. It is pretty close.

Mr Dawes: It is very close to being finalised.

MR SMYTH: So that is one.

Mr Dawes: I beg your pardon?

MR SMYTH: Is that both of them coming out at the same time or—

Mr Dawes: The construction snapshot will be out in the next month—in the next few weeks, actually.

Mr Barr: They may not necessarily come out on the same day, but they will not be too far apart.

MR SMYTH: Okay, that is the first one for the year, or is that a holdover from last year?

Mr Dawes: No, we have already produced a construction snapshot. This will be the second one.

MR SMYTH: It is for 2012-13. You have already done one and there will be one out shortly?

Mr Dawes: Yes.

MR SMYTH: But 2013-14, when will they be released?

Mr Dawes: We were looking at that construction snapshot being done in September—sorry, October and May-June next year. So it will be twice a year. Then the infrastructure plan will come out very shortly afterwards.

MR SMYTH: All right; indicator d talks of four Economic Development policy and project initiatives. Note 4 lists growth, diversification and jobs business development strategy, and coordination and implementation of affordable housing. So are they the other three—growth, diversification and job business development strategy? Or are there three strategies coming out of that list and what would they be?

Ms Gilding: The growth diversification and jobs business development strategy—that is one.

MR SMYTH: Yes.

Ms Gilding: There is ongoing progress, ongoing work, and the initiatives under that. Then there is the coordination and implementation of the actions under housing affordability phase III. Again, that is another one. There is a range of initiatives and actions under that. And then there is—in the nature of being in a policy area, there will be another two projects and policy initiatives there.

MR SMYTH: So they are unknown at this stage?

Ms Gilding: In terms of the nature of policy work, we need to be able to be flexible and adaptable across the year in terms of delivering and supporting the various business arms of the directorate.

MR SMYTH: So they are unknown at this stage.

Ms Gilding: Correct.

MR SMYTH: And then No 5, the gaming and racing policy, the electronic gaming machine training scheme—when will that be out?

Mr Dawes: We are in the process of finalising that as well. That will be going out for consultation in the course of the next month as well. One of the things that we are going to do is leverage off the gaming and racing commission's consultative committee that they have established. We will be going through that particular committee to consult more broadly with the industry, which includes the clubs and the hotels.

MR SMYTH: And the co-location of the three ACT racing clubs—when is that likely to report?

Mr Dawes: That feasibility and that work are in the process of getting underway. I would not see that being finalised until next year, because we have got quite a lot of work to do in that. There have been some preliminary discussions, as you are aware, with the three codes. We will be progressing that over the course of the next six months, with further consultation and discussions with those groups.

MR SMYTH: Will that actually determine a site? Is that the purpose?

Mr Dawes: The first phase, and part and parcel of what the policy area is working on, is the ability for the codes to share their administrative functions. The work on co-locating into a different site or even establishment on the same site—this is the work that is going to be ongoing. That is a different exercise altogether, because there is quite a bit of work that needs to be done about identifying an alternative site, if that is the outcome that the government adopts. And, as you know, we are looking at EPIC—whether that can be co-located with them to ensure that we can maximise the infrastructure of that as well. That is ongoing work over the next six to nine months.

MR SMYTH: So, just to be clear, the first phase is to establish the model, if we call it that, as to whether or not the three clubs can operate together?

Mr Dawes: That is correct.

MR SMYTH: And how that would work. And then the impact on government funding with the racing industry as a whole. And then, if that can be determined—that will also be affected by the possible sale of ACTTAB?

Mr Barr: No, because the government now fully budget funds.

MR SMYTH: It is all fully budget funded, isn't it?

Mr Barr: Yes, that is right. So ACTTAB is—

MR SMYTH: So the model is more important. And then if—

Mr Barr: The issue there is that effectively, at the moment, government funding for the three codes is split as per an agreed formula between the three. From memory, it is 75 per cent for the thoroughbreds and 12½ for the dogs and the trots. And it is whether co-location may influence that allocation to provide some infrastructure benefits as well as efficiencies in terms of the operation of race meets. Minister Burch, as Minister for Racing and Gaming, has the lead role in this area.

MR SMYTH: So why is it listed here?

Mr Barr: Because it is within the Economic Development Directorate. But as Minister for Racing and Gaming, Minister Burch has carriage of that.

MR SMYTH: Just to be clear, the first part is to establish the model and then work out if it is feasible to move forward then to selecting a site?

Mr Barr: Yes.

MR SMYTH: So when would we have a site, potentially?

Mr Dawes: We are working on that. In the back end of this next financial year I would see that we would be undertaking that work in the feasibility. That would be finalised by the beginning of the fourth quarter, I would think, of the next financial year.

MR SMYTH: Thank you.

THE CHAIR: Mr Wall?

MR WALL: No, unless we stray back into output class 1.2, which is where we were before. Otherwise, I am happy to wait until after lunch.

THE CHAIR: We will wait until after lunch. I have just got a quick one to finish. The Chief Minister has taken on the role of tertiary education or higher education. I was just reflecting on some of the answers to a question from Dr Bourke about the economic development and the economic activity that is generated by the tertiary sector. How are you managing it between yourself and the Chief Minister in terms of policy settings, in terms of how you—

Mr Barr: As you know, Mr Hanson, the Chief Minister and I have an exceptional working partnership and we have—

MR SMYTH: It is just all hunky-dory?

Mr Barr: Absolutely.

MR SMYTH: Fantastic.

Mr Barr: And we work—

THE CHAIR: You want her job, don't you?

Mr Barr: No. I do not know why it is assumed that every deputy wants to be the leader. It may be the case in your party, but it is not necessarily the case in ours.

THE CHAIR: But getting back to it seriously—

Mr Barr: I have the best job in government, Jeremy.

THE CHAIR: In terms of that, did the Chief Minister work through the Economic Development Directorate or is she working through CMD? Who are the people actually doing the work in terms of the bureaucracy? Although there is a minister and we see ministers working—

Mr Barr: There is a whole-of-government approach through CMTD. Chief Minister can also seek advice from the Education and Training Directorate. And to the extent that there are economic development issues and Treasury issues that relate to particular projects, for example, or particular financial transactions, the Chief Minister has the capacity to draw upon all directorates in order to assist in her work.

THE CHAIR: So there is no formal structure of staff that—

Mr Barr: There is not a higher education directorate; the support for the Chief Minister in that role comes from a number of different areas, depending on—

THE CHAIR: Has she established a committee of some sort or a coordinating body?

Mr Barr: I understand so, around the study Canberra initiative. You can obviously pursue that in more detail with her when she appears.

THE CHAIR: I will do that then. I just wanted to see it from your perspective. Thanks very much, minister and officials. We will resume at 1.30 for output class 1.2, business development, continued.

Sitting suspended from 12.29 to 1.30 pm.

THE CHAIR: Welcome back. We are continuing on with Economic Development. Mr Gentleman, for being back from lunch first, I will move to you for the first question.

MR GENTLEMAN: Thank you, chair. Minister, in output class 1.2, page 136 of BP4, you advise there that you delivered 378 BusinessPoint one-to-one advisory services for the territory. Can you tell us the benefit of that to the territory and how it

has been received by the business community?

Mr Barr: The man at the coalface is Ian Cox. He can talk about BusinessPoint.

Mr Cox: The one-to-one advisory service program under Canberra BusinessPoint is an intensive one-on-one consultation process with a Canberra BusinessPoint adviser and a company, usually an entrepreneur, an intender or someone at some point in the business journey. The program is divided into two types of advice. One is early stage—what is referred to as module 1 advice, which is advice around set-up, early advisory intender services. There is another side to the service which is delivered largely by the Lighthouse Innovation Centre, which is more for businesses that have reached a certain juncture in their journey. They may, for example, be looking at different development paths that might involve complex issues like IP or commercialisation, export market development, realisation of capital and so forth.

The great value of those particular services is that you are with someone that has a depth of experience on a particular issue, which takes it away from the other side of the service, which is what we call a one-to-many service. They tend to be workshops and training programs. Consistently, what we have seen through the program over the years, including one formal review, is that the great value of the service is that intensive one-on-one coaching, mentoring and advisory function.

MR GENTLEMAN: Businesses have found it to be quite successful?

Mr Cox: Yes.

MR SMYTH: The split between Lighthouse and the Canberra business centre: how do you feel that is working?

Mr Cox: We conceived the split in the last procurement, which was around two or three years ago. The nature of services through the program was more or less as I just described. There was a program demand for relatively soft touch, group-intensive workshop development versus this one-to-one function. The way the program became procured in that manner was that Lighthouse came out of a different program. They came out of what we described as a heavy lifting function, which is that stronger, more intensive advisory function.

In terms of how the program has actually evolved, it has become a little grey at the margins and a little crowded at the margins in terms of who does what. The way I tend to rationalise it is that you have two subdelivery program deliverers in the form of Lighthouse and Canberra BusinessPoint that offer slightly different services and slightly different approaches. The feedback we tend to get from the client is that they feel more relaxed or more attuned to a different form of advice, and they tend to vote with their feet in terms of where they go. But in terms of the projection of the service to the community, there is a degree of confusion.

MR SMYTH: How will you rectify that degree of confusion?

Mr Cox: The current arrangements finish in June 2014, so we will procure the program again in June 2014. In the lead-up to that we will conduct another formal

program review, and from that program review we will structure a procurement process that will take into account the issues that are raised through that review program.

MR SMYTH: The stats on page 136, the accountability indicators, the estimated outcome for the BusinessPoint one-to-one advisory service is 378 clients this year. You have scaled that back in the target to 350 for 2013-14, which is higher than the target for this year. But given the interest, would it not be more judicious to have a higher target?

Mr Cox: The Canberra BusinessPoint one-to-one advisory services in that area relate to the Lighthouse offering. That service is also being provided to some degree by Canberra Business Council. So the overall program numbers are actually higher than those figures.

MR SMYTH: What are the numbers then?

Mr Cox: I can give you some numbers for year completed 2012, to give you a sense of what—

MR SMYTH: So it is calendar year?

Mr Cox: Calendar year. If you could just bear with me for a second, June 2012, year to date, one-to-many was 1,100, across 65 workshops, master classes and events. One-to-one client sessions, 852.

MR SMYTH: If that is what happened in 2012, why aren't we reflecting those sorts of numbers in a full year for 2013-14?

Mr Cox: The indicators here relate just to Lighthouse. They do not relate to the whole program for that particular service.

MR SMYTH: So where are the indicators for Lighthouse?

Mr Cox: The Lighthouse indicators are the 378 figure. So the one-to-one, 378 and 350 line—300, 378, 350—is the Lighthouse one-to-one advisory function.

MR SMYTH: But they did 852 in the—

Mr Cox: No, that is across the total Canberra BusinessPoint 2011-12 year. I would have to disaggregate and backtrack to give you a comparative figure in 2011-12.

MR SMYTH: Maybe it is just the way it is written. You might point out “these are Lighthouse” and “these are”—

Mr Cox: Mr Smyth, we moved from four or five grab-all accountability indicators last year to a deeper set of accountability/activity indicators this year. There is a degree of settling that needs to occur around these figures. I would like to go back and review some of these metrics over the course of this year to try and isolate a more precise set of figures.

We also suffer from volatility. Some of these services are quite hard to predict through the course of the year. There are swings around with economic function and economic activity that make predictability of these figures quite difficult. These capture, perhaps, a subset of 20 core activities and programs. There is another set of around 10 or 12 programs, subprograms, that sit outside that which are not captured in this data as well. But for a set of accountability indicators across this function, it is actually quite extensive.

MR SMYTH: Could you provide to the committee—I assume your last full year is the calendar year 2012—all the activity covered by the Canberra BusinessPoint?

Mr Cox: Yes.

MR SMYTH: Thank you. Just moving down the list, on global connect, minister, I see there is \$1.5 million in the budget, but the election promise was for \$3 million over four years. Why have you only funded one year?

Mr Barr: One year? Do you mean two years?

MR SMYTH: Sorry, two years.

Mr Barr: We have made provision for the continuation of the program, and in subsequent budgets I will have a look at how it has gone over the next two years and make further provision.

MR SMYTH: But why wouldn't you just keep your commitment and put the \$4 million—

Mr Barr: I intend to keep my commitment. I may expand it. I want to see how it goes over the next few years.

MR SMYTH: So it is not a way of just minimising the expenditure in the outyears?

Mr Barr: No. In the context of a \$5 billion budget, \$750,000 is neither here nor there, really.

MR SMYTH: There are a number of programs that only managed to score one or two years of funding.

Mr Barr: But I have things to announce in future budgets, Mr Smyth. Four years to deliver.

MR SMYTH: Well, there you go!

THE CHAIR: “Neither here nor there” is the \$750,000?

Mr Barr: Out of \$5 billion.

THE CHAIR: I think there would be a lot of community organisations that would see

\$750,000 as a lot of money.

Mr Barr: Yes, but in terms of the budget and the totality of the budget.

THE CHAIR: That is a cavalier view of \$750,000. Mr Smyth, are you done with your—

MR SMYTH: I will stop there.

THE CHAIR: Mr Wall, do you have anything?

MR WALL: Thank you, Mr Chair. Minister, I want to focus a few questions around the innovation connect grant program which is item a in the accountability indicators. New client connections: you have registered an estimated outcome of 70 for this year. What constitutes a new client connection?

Mr Cox: A new client connection is a company, an entrepreneur or an individual coming through, if you like, the program front door where they get connected up to one of the staff, a business development manager. From that point we will go through a process to work out—the company or the individual often come looking for a grant, looking for funding for a particular idea or a particular opportunity.

The way the business client manages work is that we will try and understand the nature of what the idea, opportunity or business development idea is; we will work with them. At some point we will make decisions around where that individual or that opportunity is best placed within the innovation network. For example, I think in nearly all of them now, we will spend some time with the Lighthouse innovation service to refine the proposal. They may spend some earlier time with Canberra BusinessPoint. We may hook them up to the commercialisation expertise in one of the universities.

The difference between a funded application and a client connection is essentially that the application is funded through a panel approval process, whereas the others may be individuals, companies or entrepreneurs that we work with and develop their skill sets or their capability or refine their particular offering around the innovation network.

MR WALL: How many applications for the program were received during 2012-13?

Mr Cox: I do not have the figure in front of me. I can take that on notice.

MR WALL: Okay. How many grants have been awarded for the year?

Mr Cox: 2012-13?

MR WALL: Yes.

Mr Cox: I will not have that. We have just completed a funding application round last week, so there will not be any final figures known until we get those particular grant applications under contract. There is a negotiation phase as well around those. So we will have final numbers probably around a month after the end of the financial year.

MR WALL: If you are happy to take on notice those two, could you possibly also provide who the successful grant winners were and for what amount category they belong to?

Mr Barr: I imagine I will issue a press release. In the context of 2012-13 requests, obviously we have still got 12 days to go in this financial year, so we can wait until July to provide information up to 30 June, or do you want information as of today?

MR WALL: How about providing the information that is available currently and then perhaps administer an update once the financial year is complete?

Mr Barr: Okay, at a later point, certainly. We are happy to do that. What is the normal practice—five days after the hearings?

THE CHAIR: Five days after you appeared.

Mr Barr: Obviously that will not extend to the end of this financial year. But if the question were to be placed on notice on 30 June, for example, we may be in a position to provide information in July.

MR WALL: I think the five days for the information that is currently available and—

THE CHAIR: You have been asked to provide that information so there is no requirement for a question on notice to be placed by this committee. You have agreed to provide that information, so we will anticipate receiving that within five days. If there is any concern about it, you can let the secretariat know.

Mr Barr: Sure.

THE CHAIR: Thanks very much. In regard to ScreenACT, in the accountability indicators on page 136, I note that the ACT film fund applications seem to be going from 12 to five. Is there some change in the funding or what we are expecting from ScreenACT, or what is the—

Mr Cox: That is a function of the residual funding program. There is around, I think, \$500,000 left in the fund and over the course of this current financial year that fund will dissipate.

THE CHAIR: So they have got a fund and then that goes, and is there any more funding for ScreenACT or—

Mr Cox: Again, there will be a review, conducted in the second half of this year. The results of that review will be presented to government and decisions will be made, I assume, about the future funding of the program.

THE CHAIR: So that is likely to be something for next year's budget, is it, or is it a separate approp or what?

Mr Barr: Yes, that time frame would suggest there is funding for the coming

financial year, residual funding in the grant fund, and I would presume following a review that if that review recommended there was continued value in supporting the fund, then we would consider that in a future budget grant.

MR SMYTH: I have a supplementary on the grant, on the screen fund. The two measures talk about development applications. The documentation that covers the guidelines for the ACT screen investment fund talks about the government investing in projects. How many current investments has the government entered into since the fund started?

Mr Cox: The figures I will give you now are: as at the end of March this year, 22 applications, 12 approved. Quite a few of those are still at contract development phase. So the final number will not be known for a while.

MR SMYTH: And the breakdown between general and documentary?

Mr Cox: The list I have, to give you a sense of the magnitude of the split—and I will confirm this data through further advice—shows roughly 40 per cent TV doc, 40 per cent low-budget feature, and the residual is feature film.

MR SMYTH: What return do we get from this co-investment? And have we received money—

Mr Cox: Monetary or otherwise?

MR SMYTH: The document mentions significant returns. It refers to the ACT government expecting its investments to trigger significant expenditure. Do we get significant returns or have we got any returns at all?

Mr Cox: The nature of the funding arrangement is that it is a co-investment fund. The ACT government will typically be, particularly in the feature area, a small, minority funder. For example, in a million-dollar production, the ACT government may have contributed \$100,000. Most of that \$100,000 would be offset by agreements to employ locals, to spend locally. So you quite often get the situation where the amount invested almost equates to what the recipient agrees to actually spend in the local economy.

There are also requirements around film attachments and the use of local talent and post-production work in the ACT as well. So in terms of economic benefit, there is a fairly linear relationship between what is actually being provided in terms of the funding and what is being spent in the ACT. Beyond that, the ACT becomes an equity investor in the fund, which gives it rights to income as it comes in through the sale of those particular products. There have been small amounts of funding come through, principally in the doc area.

MR SMYTH: And how much is that small amount?

Mr Cox: I would have to check. I would have to take that on notice.

MR SMYTH: Are there other co-investments that have not led to any return to the

territory?

Mr Cox: You are talking about financial return?

MR SMYTH: Both financial and employment.

Mr Cox: All of the contracts require a particular spend in the territory. Broadly defined, we would not get a situation where, for example, an amount was invested by the territory government that did not result in co-production activity or talent attachment or some degree of spend locally.

MR SMYTH: And you will take on notice what the return was.

THE CHAIR: Dr Bourke.

DR BOURKE: Minister, the budget allocates \$3 million for NICTA, Australia's Information and Communications Technology Research Centre of Excellence. What are we getting for our \$3 million?

Mr Barr: A diverse range of outcomes, some specific project work relevant to the service delivery by the ACT government in e-health and transport logistics, for example. As well, our contribution goes to complement a commonwealth contribution. That has been the subject of some discussion in the Assembly. I think there is perhaps some confusion over—

MR SMYTH: Quickest issued erratum in the history of a federal budget.

Mr Barr: Conceivably. I am not sure. Anyway, it is certainly pleasing that—

MR SMYTH: It took the minister three days to answer the question while he made up his mind.

Mr Barr: It is certainly pleasing that our understanding of the commonwealth's position was confirmed to be correct.

MR SMYTH: Only after pressure.

Mr Barr: No, not the—

THE CHAIR: If you just answer the question, minister, and Mr Smyth, if you just stop the interjections, that probably resolves that issue.

Mr Barr: As I say, there are a number of elements of work that are undertaken by NICTA that go directly to support a particular innovation in service delivery within the ACT. The two that come readily to mind are, as I say, e-health and a particular transport logistics program that assists in designing more efficient transport routes. I understand they have had some discussions with ACTION buses in relation to its potential application within future network planning.

The other elements of our investment in NICTA go to support other innovation: ICT,

education and higher education opportunities and partnerships and obviously leverage off other investments by other governments, including other state and territory governments and the commonwealth, although, as I understand it, the Queensland government may have withdrawn its financial support for NICTA in the recent budget. Is there anything else we should cover?

Mr Cox: In pure dollar terms, the federal government has spent about \$90 million over the life of the Canberra program. In addition, the ACT government has actually contributed to that program. There are around 50 to 60 PhD students per year working through the lab. Eventually those students work their way through the economy. Many do not stay here; many do stay here and become integral parts of the ICT community here.

DR BOURKE: You talked about e-health. What is happening there, minister?

Mr Barr: There are a number of projects that they are undertaking. When I visited, there was some bionic eye work, from memory, and some further utilisation of, I think, many surgical procedures that could be undertaken remotely. It was a while ago now, my visit. Is there anything else, Ian?

Mr Cox: The e-health living lab concept out at the University of Canberra is probably the most interesting and well-developed program that has quite extensive potential to reach out into the community here. It is a program to develop the technical skills of medical staff, from nursing through to doctors, in the use of advanced technologies in their day-to-day practice. So it is quite a significant national project that is being rolled out in the ACT in conjunction with the University of Canberra, which also—

DR BOURKE: Is that one of the partnerships that the minister was talking about before?

Mr Cox: That is right.

Mr Barr: Our most recent funding agreement with NICTA did seek to derive some particular local project work that would assist us in particular areas of service delivery.

DR BOURKE: Minister, perhaps you can tell me also about the benefits to the economy of your delivery of the skilled and business migration program?

Mr Barr: Indeed. We, like many areas of Australia, have particular skill shortages in some key areas. So it is important to maintain the capacity to bring those skills into our economy. Through this program and through participation in a number of other programs, we certainly seek to ensure that our migration program and our skilled migration program meet and address particular skills shortages in the territory economy.

We have evolved the program beyond the old live in Canberra program that operated in the last decade. There have been evolutions in that program over time, responding to changed circumstances. There was fairly active recruitment, for a period, of child protection workers, for example. There has been a focus on recruiting GPs and other medical professionals in areas of skill shortage over the years, as well as a range of

other occupations that have been in short supply in the territory.

DR BOURKE: Apart from meeting skill shortages, what are the economic benefits as a result of those people coming to Canberra?

Mr Barr: In a broader context, obviously contributing to the territory's economic growth, our population growth and, in some instances, bringing significant capital to invest. The Australian government has had particular programs around high-wealth individuals, and there have been some who have settled in the region and made some investment in the territory.

MR GENTLEMAN: Can I continue on the same—

THE CHAIR: Mr Wall has a supplementary, and then we will come back to you, Mr Gentleman.

MR WALL: Minister, the estimated outcome for 2012-13 is only 310 employer-sponsored places when the target was 720. I note that that has been put down to changes in the federal laws regarding skilled migration. What lobbying or campaigning has the directorate or you undertaken to ensure that the needs of the territory in skilled migration are still met?

Mr Cox: Would you like me to take that?

Mr Barr: Yes. I am just looking at the figures.

Mr Cox: There has been enormous change in the skilled migration policy over the last 12 months or two years, instigated mainly by a move to a very demand-driven program. The former program, until a couple of years ago, was what was broadly described as supply driven or pool driven—a labour market, pool-driven program. The government in power federally now has taken a much stronger demand-driven approach to that program and has completely reformed a range of visa categories, a range of visa processes, which have had impact in the way we have operated with the program.

The ACT government has an agreement with the federal government called the state migration plan, which determines particular quota categories, visa categories, that we operate under. We operate what is called a regional certifying body. The way the visas are actually structured and moved and defined can also lead to quite significant shift in numbers. So that figure of 310 employer-certified sponsored, the outcome in 2013 is lower but in the previous year, because of some changes around rules, there was a rush to actually drive applications in the last few months of the previous financial year. So there are quite significant shifts between years due to definitional issues and visa changes.

MR WALL: Why has the target for 2013-14 then been reduced by almost a couple of hundred positions? Is there a wane in demand or are there stricter criteria?

Mr Cox: We are required to actually do some demand estimation work, and there will be some softening of the labour market.

THE CHAIR: Mr Gentleman.

MR GENTLEMAN: My question was in the same vein, on skilled migration. Can you, for the committee, advise us of the streams available for migration under this program and the work that you are doing with DIAC?

Mr Cox: The two major streams are as shown there. With the employer-sponsored certified stream, the ACT government works to provide labour market validation support for applications. The employer goes through a process to identify a particular skill required in the business, and there are quite significant processes and criteria around the way that works. At some point, that applicant is presented to us to verify labour market conditions, to verify the genuine need for the role. So we have a vetting role, which then goes into a DIAC approval stream. There are a couple of different visa channels for the employer certification which would probably be better provided to you as an answer to a question on notice.

MR GENTLEMAN: Sure.

Mr Cox: The skilled independent stream is a different stream where skilled independent migrants who are not connected to a specific labour market opportunity in the ACT can actually use our skills demand and skills occupation list to identify where the need is and independently apply for sponsorship or facilitation by the ACT government. That is not a DIAC approval process. That is a front-end vetting process where the ACT government or the regional certifying body has determined that there are particular skill sets in demand and there is a high likelihood that those particular migrants coming through that process will settle and find a job. It then goes through a DIAC approval process to meet a whole range of other criteria that relate to age, health, capital to settle and so forth.

MR GENTLEMAN: When those criteria change, what consultations do you have with ACT businesses on those changes? Do you work with DIAC in that consultation process?

Mr Cox: DIAC consult extensively with the state governments. There is a body called the ministerial advisory council on immigration. There is also a body called the senior officials group. Those consultations happen at a state and territory level. They happen at an individual state and territory level, but all of those consultations are brought up through a national framework and consultation.

THE CHAIR: Mr Smyth, you have a supplementary?

MR SMYTH: Yes, just a supplementary on that. The changes to the commonwealth visa categories happened on 1 July 2012. How did we adapt our programs to accommodate those changes?

Mr Cox: We have moved a lot of our program delivery to online systems. In the last 12 months or so, we have actually built effectively an e-processing system which relates to the commonwealth SkillSelect process, if you are familiar with SkillSelect. It is essentially an online database where employers and intending migrants lodge an

expression of interest or lodge their skill sets electronically, and then there is a matching process that occurs under that. Before, the process of essentially migrant recruitment under the state and territory independent stream was done through offshore marketing. It was done through paper-based systems coming into the directorate. Now we have moved to an online system which allows greater ease of movement between the DIAC skill sets and capabilities and our skill sets and capabilities.

MR SMYTH: That is interesting. I asked the minister a question on notice on 10 April. The question was:

How did the Government change their skill migration attraction programs accordingly to accommodate these changes.

The answer, on 29 April, was:

The Government has not, to date, changed its skill migration attraction program to accommodate the 1 July 2012 changes.

Is the answer provided by the minister now incorrect, or did those changes occur after 29 April, when he answered?

Mr Cox: We may be referring to different shades of grey in this, Mr Smyth.

MR SMYTH: My question was in relation to the employer-sponsored and skilled identification migration programs. That is in there. They changed on 1 July 2012. I asked how much notice the government received that they were coming. The answer says it was nine months generally, four to six weeks with the legislation. Then I asked:

How did the Government change their skill migration attraction programs accordingly to accommodate these changes.

The answer was:

The Government has not, to date, changed its skill migration attraction program to accommodate the 1 July 2012 changes.

Mr Cox: I think we were talking about different systems of marketing. I was talking about how our e-system relates to the SkillSelect system in DIAC. What we have actually done is move away from offshore recruitment—expo-driven, DIAC-driven expos.

MR SMYTH: Going back to the changes that the federal government made on 1 July 2012, did we make any changes to accommodate their changes?

Mr Cox: Not in the way that we have explained it, no.

MR SMYTH: Minister, does the government intend to change? Given that you have got the fall-off in the numbers, why didn't government change their programs, and what are you going to do about the decline?

Mr Barr: I will seek some advice. There is obviously some confusion over the questions you have asked on notice and what you have asked today. I will seek some clarification of that rather than providing an answer.

MR SMYTH: I do not see how it is unclear. It is skill migration attraction facilitation, and the question was on employee-sponsored skilled identification migration programs.

Mr Barr: We will have a look and come back to you on that.

MR SMYTH: To go back to the numbers, what are you going to do? Given that apparently you have changed nothing, what are you going to do to address the decline?

Mr Barr: We may not need to address a decline.

MR SMYTH: You have raised one number. You have left one number at 500, the skilled independent certified, from 408. What will you do to get it back up to 500?

Ms Hudson: I think the difference with those numbers when you look across the line is that for 2012-13 there was an increase, as Mr Cox explained, before the 1 July change from the commonwealth. So some of them that would normally have been in 2012-13 went into the year before, and getting to 550 for 2013-14 is more what we anticipate. We do not have total control in this environment. When the commonwealth changes policy, what happens—that is our best estimate of a realistic target for 2013-14, based on things staying the same.

MR SMYTH: Is that adequate to meet the skills need, given that we still have a skill shortage?

Mr Barr: We are in a softening labour market and we would anticipate that being the case.

Ms Hudson: And a lot of the work that goes on—there is a lot of detailed work that goes on, informing the state migration plan that Mr Cox talked about—informs all of the planning of this. Also, as part of that work, we work with Education and Training in the training areas. There is quite a lot of work behind that, including—to inform the state migration plan, we did a joint project with KPMG in terms of looking at the skills. In terms of our work, we are reasonably confident, but with the proviso that the commonwealth may potentially change their policy setting.

MR SMYTH: There are no numbers in the previous year's budget for the 2011-12 outcome, so if you feel that some of this has gone into the 2011-12 outcome, what numbers were received for the employer-sponsored certified and skilled independents for 2011-12? Have you got them there?

Mr Barr: No.

MR SMYTH: Could you take that on notice? And therefore how did you determine

that 550 and 500 would be appropriate for the coming year?

Mr Cox: That would be based on current activity through the program.

MR SMYTH: But current activity at the end of 2013 is a lot less than both of those. It is 25 per cent less of skilled and it is—

Mr Cox: I would not be surprised if there are quite significant shifts and movements on a month-to-month basis through the program. I would have to unpack the numbers and come back to you.

MR SMYTH: If you could give a fuller explanation, that would be kind.

THE CHAIR: Mr Gentleman with a new question.

MR GENTLEMAN: Not on this one, no.

THE CHAIR: Mr Smyth, do you have any questions?

MR SMYTH: Yes, I have got lots of questions. We have got five minutes. Global connect is made up of trade connect and the ACT Exporters Network, the trade mission program, the Chief Minister's export awards and the international student ambassador program. Is that correct?

Mr Barr: That sounds pretty close to the mark, yes.

MR SMYTH: So in theory, global connect is just a bringing together and rebadging of all those existing programs?

Mr Barr: I think you have left out the Centre for Exporting Government Solutions.

MR SMYTH: I am sorry to have left out the Centre for Exporting Government Solutions. What is new about global connect that is different from the elements that already existed, except that you have got a new name for it?

Mr Barr: The Centre for Exporting Government Solutions would be a new element in recent times. When the initiatives were put forward in the business development strategies, ongoing successful elements of the previous program were carried over and continued into the new one and then new elements were added. From memory, the Centre for Exporting Government Solutions was one of those new elements.

MR SMYTH: When did the Centre for Exporting Government Solutions commence?

Mr Cox: It was launched in March.

Ms Hudson: But it was a pilot before, as Mr Cox explained. It went from pilot stage into the program.

MR SMYTH: So it is not new for global connect. It was a pilot, and it has just been rolled in.

Mr Barr: Into the new program, yes.

MR SMYTH: In the current year, how much was spent on trade connect, the Exporters Network, the trade mission program, the Chief Minister's awards, the international students program, and the Centre for Exporting Government Solutions?

Mr Cox: In terms of total appropriation in the year before—this is a number off the top of my head—I think the figure was 770 all up.

MR SMYTH: So 770 all up. And the appropriation for global connect this year is?

Mr Cox: Is 750.

MR SMYTH: Why the cut?

Mr Barr: Study in Canberra is picking up elements of programs.

MR SMYTH: And study in Canberra is worth how much?

Mr Barr: \$2 million over four years.

MR SMYTH: Has it been funded for \$2 million over four years?

Mr Barr: It has, yes.

MR SMYTH: Well, there you go. Study in Canberra is very lucky. Why would you split study in Canberra from global connect?

Mr Barr: It has a number of different elements within its program funding. It is in the Chief Minister's higher education portfolio, so you can dissect that with her when she appears in due course, but we see synergies in bringing all of those higher education and international student attraction and facilitation programs together under that banner.

MR SMYTH: Across global connect and then study in Canberra, there is new money to the value of what?

Mr Barr: About \$480,000 to \$500,000, I am being told. Yes: study in Canberra, 205, 718, 664, 504. That is about \$2 million over the four years.

MR SMYTH: Thank you.

DR BOURKE: Minister, could you tell us something about the \$650,000 for the innovation connect program, which includes support for early stage clean technology companies, that was announced in the budget.

Mr Barr: Innovation connect has a number of different elements. The clean tech grants stream has two funding grants provided against the \$150,000 provision there. There were four projects selected for funding under the strategic opportunities funding

stream, and there is a second round to be held in the 2013-14 financial year.

There is the my digital city innovation prize. There was the feasibility study undertaken into business incubation and Entry 29, which is located on the edge of the ANU campus. Some funding was provided to help establish that as a pilot company working space. Then there is a funding agreement for CollabIT, the IT collaboration program and the top up of the regular grants scheme under that program suite.

DR BOURKE: Can you tell me a bit more about what Entry 29 does?

Mr Cox: Entry 29 is a shared working space. Are you asking about how it works?

DR BOURKE: Yes.

Mr Cox: It is essentially a contribution by the ANU Exchange with a currently vacant building, I think the old food co-op building, which has been renovated. It is a basic renovation mainly done by volunteers. The premise is being supplied rent-free by the ANU. A shared working space is based on a model where entrepreneurs come together, or people with ideas come together and work together and share ideas to benefit and develop their ideas in perhaps directions they did not see in the first place.

I think the space has provision for about 20 or 30 people to actually take, essentially, a hot-desking arrangement where they pay either a daily rate, a weekly rate or a monthly rate for access to the facility. Shared working spaces are popping up all over the place. There are three or four quite significant ones in inner Sydney. The shared working space Entry 29 is based largely on what is known as the Fishburners model in Sydney at Ultimo.

It is really just people—I was going to say bright young things—of all ages actually coming together with ideas, with entrepreneurial aspirations wanting to connect to other entrepreneurs and also being able to connect to government services and programs that we actually provide as well. The partners in Entry 29 are ANU, there are people from Lighthouse involved, there are people from the business community involved, who are providing this environment for this to happen.

Mr Barr: Entry 29 is named after Walter Burley Griffin's successful entry in the design competition for a national capital for Australia.

THE CHAIR: Thanks for that.

DR BOURKE: Can you give me some ideas of the projects or initiatives that might have come out?

THE CHAIR: Can we just hold it there, members? We are due to move on to output 1.6, land strategy and infrastructure delivery. I note that we did have a number of questions that sort of emerged with the LDA earlier. Are we comfortable to continue on with 1.2 for a little while, or do you want to move to 1.6? If no-one is of a fixed view, then you can continue with that question.

MR SMYTH: I am happy to go to on when you are ready.

DR BOURKE: So my question was: can you give me some ideas of the kind of innovations and projects—

Mr Cox: What will come out?

DR BOURKE: Yes.

Mr Cox: It is very early days. The centre has only been open for about a month. We will see what comes out of that when these people come together, and when they start accessing government services, if they do. They may not. They may have their own trajectories outside government service program delivery roles. But we will at some stage start to see people and entrepreneurs building particular businesses. Some we will have vision of and some we probably will not.

Mr Barr: An example of a business that I met at the launch is a company that is developing a queue hopper system. At a major event—by the sound of it we should be trialling this technology at Canberra Stadium—you would order from your smart phone your food and beverage and then you will get a message telling you that it is ready for collection. You can make your payment on your phone and you just go and pick up your pie and chips and Coke or whatever it is that you are ordering. This application obviously can be extended to all major event venues in Australia and the world if they are successful in developing the technology. That is just one of the companies that I met on the day of the launch for Entry 29.

Mr Cox: No more queues.

Mr Barr: No more queues.

THE CHAIR: Are there any more questions in this area? We will move on to 1.6. I know that some of the issues that might be covered in this area were covered earlier under the LDA. Mr McNulty, welcome.

Mr McNulty: Thank you.

THE CHAIR: I seek one piece of clarification here in terms of infrastructure delivery. There is a new accountability indicator in terms of capital works projects, which is the percentage of projects completed on budget and on time. Are they just the ones within the Economic Development Directorate or do you map and assess all of the projects across government?

Mr Dawes: That is just for the Economic Development Directorate.

THE CHAIR: That is just the Economic Development Directorate. Thank you very much. If I could go to some of those—

MR SMYTH: Sorry, before you go there, what is the link with the LDA? Is the LDA the theoretical and you the delivery arm?

Mr Dawes: No, what we have done—actually, there have been some significant

savings in some of our capital works jobs. What we did last year, you might recall, is transfer some of the planning for that early infrastructure from ESDD into EDD. We now have a fully integrated delivery from designing the major infrastructure—all the greenfield and brownfield areas—and as well EDD does all of the capital works, the feasibilities and the preparation of that and delivers the capital works. I suppose the simplest way to say it is that the LDA might plug into it, whether it is a greenfield or a brownfield.

One of the things that we found by actually having that fully integrated approach is that we are able to even potentially vary a contract. It might mean that EDD capital works could deliver some of the work for the LDA as well so that we can actually speed up some of the delivery and vice versa as well. It might make sense for the LDA contract to be slightly varied as well.

If you look at some of the things that have been done, just in Molonglo itself we have been able to make some savings in the order of \$10 million in the delivery of some of the capital works in Molonglo, which we have been able to put back to Treasury, I suppose, but also use to advance some of the other capital works that we might wish to undertake as a broader directorate.

The other thing that we actually do as well is that in those early stages we do quite a lot of value workshops to look at as and when the capital works are required. Last financial year we identified an issue because of some of the environmental constraints, for example, in the suburb of Kenny. Why would we deliver a road—it was in the order of \$14 million—when it is not required at this point in time? That is a project that is now planned, and we have actually put that back as well. It was just a project that we did not really have to deliver in this capital works cycle. There is a lot more work and it is actually paying dividends.

MR SMYTH: But you deliver infrastructure related to the land release and the land release program.

Mr Dawes: Correct.

MR SMYTH: Whereas ESDD will deliver Majura parkway, for example.

Mr Dawes: No, TAMS would deliver Majura parkway.

MR SMYTH: But ESDD planned it?

Mr Dawes: No, TAMS did.

MR SMYTH: TAMS did?

Mr Dawes: Yes.

MR SMYTH: So it is kind of an artificial division. It is the delivery arm for EDD as well?

Mr Dawes: Yes. I would not say artificial. I think the delineation is anything where

development occurs. Whether it is residential, commercial or industrial land, EDD delivers that capital works component. And TAMS does the traditional roads and maintenance and upgrades that are required.

MR SMYTH: TAMS does the roads and the road-based infrastructure. What is left with ESD, then?

Mr McNulty: My group do all the roads and other infrastructure associated with land release that facilitates the LDA's estate development works. TAMS do the network augmentation work once the development works are completed, if you like, and manage the existing network.

MR SMYTH: And where does ESDD fit in, then?

Mr McNulty: ESDD used to do the infrastructure planning for the land development activities. As Mr Dawes just said, we have transferred that function a year or so ago into our directorate and it is working really well.

THE CHAIR: All right. I go back to the original question which relates to page 242 of budget paper 3. It has a list of some of the rollovers from the Economic Development Directorate. I wonder if you could go through some of those and provide an explanation—a brief explanation—on those delays. One question I have is in terms of the way you have described the responsibilities that you have, where the Narrabundah long stay park fits into that in terms of it not quite fitting into what you just described there.

Mr McNulty: My group, as Mr Dawes said, does all the capital works for the Economic Development Directorate. The directorate is the owner of the Narrabundah long stay caravan park. Hence, we are managing the capital works for that.

THE CHAIR: What are you actually doing, though?

Mr McNulty: There are two components to the work at Narrabundah: there is the remediation of the existing dwellings and then there is the provision of 19 new dwellings to try to improve the viability of the park.

THE CHAIR: Okay. I will just go through a couple of the others. John Gorton Drive extension has been delayed.

Mr McNulty: Yes, the expenditure has been rolled over. Essentially what we are trying to do is deliver the capital works to coincide with the release of the land so that the capital works are completed in time for the LDA then to do their land development associated with that.

THE CHAIR: Does that indicate that the release of the land is behind what was expected?

Mr McNulty: No. What it indicates is that, in order to respond to industry requests to smooth out capital works, we looked at the program. That was one we could smooth out a bit, to smooth the profile.

THE CHAIR: Just on a side note: the sale of blocks in the first couple of suburbs of Molonglo—have they gone well?

Mr Dawes: Wright is all sold out. We have one unit development available over the counter. Wright we took to the market the other day and we sold about 100 of those dwelling sites out of the—

Mr Cox: It was Coombs.

Mr Dawes: I am sorry, in Coombs. We have just started marketing Coombs. We have got about 150 there. Talking to the agents, there is an anticipation that they will be sold in the coming weeks.

THE CHAIR: So there is quite a bit of interest?

Mr Dawes: Yes, especially for the standard residential, stand-alone block.

THE CHAIR: North Weston—is that the same?

Mr McNulty: Similar.

THE CHAIR: Manuka Oval?

Mr McNulty: The Manuka Oval one is slightly different. The issue with Manuka Oval is that the next stage of the redevelopment there is to resurface the ground. We cannot actually start that work until after the last AFL game, which is on 6 July. So on 7 July we are moving in to resurface the ground.

THE CHAIR: The engagement with the Services Club and the block that they own—are you guys looking at that?

Mr Barr: Yes.

Mr McNulty: Yes.

THE CHAIR: Where is that process at? You offered them another block; is that right?

Mr Barr: That is correct, yes.

THE CHAIR: And they have accepted that?

Mr Dawes: We are in the process of finalising that. Obviously there are still some commercial-in-confidence negotiations, but I think there has been agreement. We are waiting for the paperwork to be completed from their side as well so that we can proceed.

THE CHAIR: You will essentially take that block over—that is the plan—and then what does that become? Car parks?

Mr Dawes: That will then go into the Manuka Oval redevelopment. We will do some master planning to look at how we can actually incorporate that site into—

THE CHAIR: So that has not been done yet? You are essentially taking over that site without knowing what you want to do with it?

Mr Barr: There is a variety of options in terms of Manuka Oval upgrades. There has been master planning work done for Manuka going back four or five years. There is a range of different options. They can include—we will need to take this to market to test levels of interest—that site being a hotel, being integrated into new stands at Manuka adjacent to the existing Bradman stand. There is a range of opportunities for integration into upgrades at Manuka.

THE CHAIR: But there is no—

DR BOURKE: What are the consequences if you do not take on the site?

Mr Barr: Less development opportunity and less capacity to attract private investment into the Manuka precinct.

THE CHAIR: Do any of those proposals include more parking? As you would be aware, minister, there is a—

Mr Barr: Not at Manuka Oval, no. There is a structured car park proposed and feasibility funded for Kingston foreshore. At that intersection, I do not think you would get National Capital Authority approval to put a structured car park there. You could have some basement-level car parking. The idea that you could put 2,000 cars or something on that site is not possible, and nor would we ever contemplate that.

THE CHAIR: Do members have any questions on those rollovers on page 242? It might be an opportunity to ask about them. Do any members have a particular interest? No? Thank you. Dr Bourke.

DR BOURKE: Just returning to the Riverview land release, which we talked a bit about before with the LDA, what is the government's role in the land release? Is it different from previous land releases?

Mr Barr: Dan Stewart, your moment has arrived. You have worked long and hard on this project.

Mr Stewart: In essence, the project remains an LDA land release. However, it is unique in the sense that we will be engaging an external party to assist in the formal development of the area in question. To give Mr Maxwell his due, he has already done a lot of work in terms of environmental surveys, some of the early infrastructure planning and some of the social infrastructure planning as part of bringing forward his proposal to government.

But moving forward from here, the directorate will assist in preparing the territory plan variation and the engagement with the National Capital Authority. However,

Mr Maxwell's organisation or company will act as project director moving forward for the delivery of the project, whereas ordinarily for an LDA estate we would do that work in house.

DR BOURKE: How is the river corridor going to be managed?

Mr Stewart: A large portion of the area has already been set aside as a future reserve. Going on history, although this will be a question for the government at some point in the future, it would be managed by TAMS as part of the larger reserve system.

Mr Dawes: Obviously, the uniqueness with that particular development is that the same family had that leasehold and the freehold of land in New South Wales. That has enabled us to do that additional development between where we could normally do it and their property in New South Wales. That forms part of it. That becomes our buffer. The objective there with Mr Maxwell is to really create a great urban edge to Canberra, and that will then link back into the Mulligans Flat reserve, wrapping right around. It will be quite an extensive conservation corridor.

DR BOURKE: You mentioned a buffer. Could you just explain what that means?

Mr Dawes: For example, when you go to do any development on the urban fringe you are required to have a bushfire abatement zone as well. The land that they own in New South Wales is able to be provided for the buffer that is required for us to do that development. So there is additional protection there from the territory perspective.

DR BOURKE: There have also been calls for a national park around Ginninderra Falls, I think. That is in New South Wales, isn't it?

Mr Dawes: It is in New South Wales, Ginninderra Falls. I can only speculate from what I read in the paper earlier in the week that there is more occurring there—and for it to be resumed by the New South Wales government to manage and incorporate it into a recreation and conservation area.

DR BOURKE: It would take a very long time for New South Wales to do that, wouldn't it?

Mr Dawes: I am not too sure. We are not directly involved in that. We are focused on ACT land development.

DR BOURKE: Of course. Thank you.

THE CHAIR: Mr Gentleman.

MR GENTLEMAN: Minister, can I just go to page 139 of BP4, output 1.6? Indicator b. talks about median house price/income multiple. Can you just describe that for us? I am assuming that annualised average weekly earnings are ACT, not just national?

Mr Barr: Yes.

MR GENTLEMAN: I would also like to know what effect that change will have.

There is a 0.25 reduction in median house prices.

Mr Barr: We are certainly seeking to improve housing affordability within the territory. I have just become aware of a new dataset that has been released. The Bendigo Bank-Real Estate Institute of Australia market facts report has provided some information on median prices across the country.

I think some of the impacts of the ACT government's housing affordability policies are starting to be seen in terms of supply-side outcomes. The median household price in the March quarter 2013 for the ACT is now \$482,500, and the median price for units is now \$390,000. I think there was a time previously when units had gone over \$400,000; they are now back to \$390,000.

To put some perspective on this in terms of capital city median house prices across the country now, where Canberra used to be the second most expensive city in Australia, we have Sydney sitting on top at \$674,000, Darwin second at \$592,000, Melbourne third at \$545,000, Perth fourth at \$505,000 and Canberra now much more affordable, compared to other jurisdictions, at \$483,000. Only Brisbane at \$430,000, Adelaide at \$395,000, and Hobart at \$360,000 have a lower median house price.

Given our above national average incomes and this latest information, it would certainly seem that we will be able to achieve our desire for the multiple of income required to enter into the housing market being much lower in the ACT. It is pleasing to see that that significant increase in supply, particularly at the affordable end of the market, has delivered these sorts of results.

MR GENTLEMAN: What has it been like for the ACT historically?

Mr Barr: We can probably provide a graph of the movements over a period of time. I do not think that will be too difficult to ascertain. It might even be in the budget papers. Is it there? We will just have a look on that one. If it is not, we certainly can provide that to give you a longer running sense of the movements in that indicator. Because the ACT has higher—

Mr Stewart: It is page 129 of BP4.

Mr Barr: Page 129. It has been as high as seven, it would seem, but it is tracking down. I think that is a good outcome.

Mr Stewart: Essentially, it is a reflection of the number of years it would take to pay off the median house on average weekly earnings.

Mr Barr: Yes.

THE CHAIR: Mr Smyth.

MR SMYTH: Minister, on page 190 of budget paper 3 there are a number of projects that I would not mind having a chat about. The Majura Park estate development—what is the nature of that and what is its location?

Mr Barr: That provides for design work for road infrastructure for land release adjacent to the existing Majura Park estate. The relocation of the road by way of the parkway creates some development, some blocks, that this road will facilitate access to.

MR SMYTH: So it will be between the new parkway and the existing Majura Road?

Mr Barr: Yes.

MR SMYTH: How far? Is it opposite Masters, is it opposite Macca's, is it opposite—

Mr Dawes: As you are aware, the development is around the airport where Costco and Masters and all of that are. Land between the roundabouts and before the roundabouts is an area of land that we are able to develop.

MR SMYTH: The government has control of that land?

Mr Dawes: That is correct.

Mr Barr: Yes, we own it.

MR SMYTH: So it is roads to access the new estate, but it is not an access road off the parkway to the northern end of Majura Park?

Mr Barr: If you are coming from the south, you will have an access point coming up. So for south heading north you—

MR SMYTH: You will just continue up the existing Majura Road?

Mr Barr: We need to section a north and south access point off the parkway onto the existing road. It is about 500 metres to—

MR SMYTH: Yes, but there will not—

Mr Barr: At Fairbairn.

MR SMYTH: But there will not be an off-ramp at the northern end, say, at Masters, off the parkway into the estate?

Mr Dawes: No. That particular link—

Mr Barr: That is what we are looking at.

Mr Dawes: That is what we are designing. That will come down into our estate.

MR SMYTH: So you are looking at an off-ramp off the parkway?

Mr Dawes: Correct, and that will come down into our development estate.

Mr Barr: But only for those coming from the north heading south.

MR SMYTH: That is okay.

Mr Barr: It is not another intersection 500 metres from the other one.

MR SMYTH: So why is that off-ramp not in the existing design for the parkway?

Mr McNulty: I cannot answer that question. Roads ACT were responsible for the design of the parkway.

MR SMYTH: So we are going back already. Even before a square metre is laid on the new road for the parkway, we are modifying the design to allow better access to Majura Park.

Mr McNulty: I would not say that, Mr Smyth.

Mr Barr: No, to allow for that land release.

MR SMYTH: Yes, but that will allow people to come off the parkway, go into the Majura Park estate, cross the existing Majura Road and go into Majura Park.

Mr Barr: That is not the purpose of the road. The purpose of the road is to unlock land release for the ACT government.

THE CHAIR: When was the decision made that that was going to be developed? It sounds like there is a road being planned by TAMS that does not have an off-ramp.

Mr Barr: It does. It has an off-ramp 500 metres further south.

THE CHAIR: It sounds like that has been bolted onto the existing plans or is not on there yet; that is my understanding.

Mr Dawes: No, I think this is part of the evolution of planning. When we are doing some of that initial planning, we are looking at where it creates land development opportunities. We see an opportunity there with the land that is being unlocked for development. This was the expedient way. So we will go ahead and design it. When you look at the time frames, we will have a fully designed road and that will then be considered in the budget context. If that can be delivered we can vary the contract for TAMS to deliver that particular road. It makes sense, provided it is budget funded to be built. But that is the great advantage of us having a look at it and seeing the development opportunities.

Mr Barr: But we will only do it in order to facilitate our land release.

MR SMYTH: Why wouldn't you do it to facilitate access to an existing estate?

Mr Barr: Because they have already got access 500 metres further down.

MR SMYTH: Logically, isn't that adequate access for your estate as well?

Mr Barr: Not for what we need. In order to release these blocks we need another road. You cannot maximise—

MR SMYTH: So the government estate needs an off-ramp from Majura parkway but the existing privately-owned estate does not need an off-ramp from Majura parkway at the northern end?

Mr Barr: We need a road that facilitates the release of a number of sites. You cannot just have the parkway and the old road by itself. We need a road, so the question for us in this examination will be as to the value of connecting it to the parkway.

MR SMYTH: My understanding is that the retailers at Majura Park and the airport did ask for an off-ramp at the northern end but that was knocked back.

Mr Barr: They certainly lobbied for one, yes.

MR SMYTH: What is the case for an off-ramp for a government estate that would not apply to an off-ramp for an existing estate?

Mr Barr: We maximise the value for the ACT taxpayer. The new estate pays for the road. That is the value proposition, in short.

THE CHAIR: How far from the current commercial site is the off-ramp that is going to be—

Mr Barr: On Fairbairn Avenue?

THE CHAIR: Yes. What is the distance?

Mr Barr: It is about 500 metres.

THE CHAIR: I do not know if you have got this pictorially; it might be useful, if you have got it, if you can provide it to the committee so that we can get an idea of where the ramp is. If you do have that—

Mr Barr: We are funding it to do that work.

THE CHAIR: If you can provide a sketch or something like that, the initial design. We do not need the engineering works; we simply need a sense of—

Mr Barr: A sense of where a road could go.

THE CHAIR: Exactly, so that we can then have a look at that. Certainly, it might help to inform a number of the concerns that have been expressed by the people currently in the commercial site, Masters and—

Mr Barr: Yes, but in the end, if the ACT budget is going to finance this road, there has to be a return to taxpayers for that, and that would be from the land that we will facilitate through this construction—

THE CHAIR: I want to get a sense of where that road comes off and where it goes.

Mr Barr: Yes, I understand.

THE CHAIR: And how it all maps out.

Mr McNulty: It joins in to the Mustang Avenue roundabout.

THE CHAIR: Which one is Mustang Avenue?

Mr McNulty: The second one from Fairbairn Avenue.

THE CHAIR: Going north?

Mr McNulty: Going north, yes.

Mr Barr: So up closer to Masters.

Mr McNulty: Yes, the Masters end of the roundabout.

THE CHAIR: That might answer a bunch of questions. Clearly, there are some concerns there with those commercial enterprises. If that does resolve that issue that would be good; we are just trying to get a grasp of that.

MR SMYTH: So is it an on and off-ramp? Is it a left-on, left-off?

Mr McNulty: No, just an exit off the parkway.

THE CHAIR: If they are coming north, there is a separate road running through?

Mr McNulty: Coming north from Fairbairn Avenue.

Mr Barr: If they are from the south coming north, they would get off at the Fairbairn Avenue intersection and then travel 500 metres north on the road they currently travel on to get there.

MR SMYTH: Why wouldn't you make it a left-on, left-off?

Mr Barr: Because you would be travelling—you have to go north to go south. You could go south back down the existing road, then get back on at the intersection there.

MR SMYTH: But you are about to put another development there and then funnel more traffic into that southern—

Mr Barr: That is what this feasibility study will be looking at.

MR SMYTH: How much land will it open up in that block? What is the size of the government's block?

Mr Barr: Blocks, plural.

MR SMYTH: The totality is how many square metres and how many blocks will it be?

Mr Dawes: How many hectares? We are in the process of determining that, because there is a bit of work that we have to do. But it creates in the order of 30 to 40 hectares.

MR SMYTH: What would the intended uses be?

Mr Dawes: It will be a business park, industrial uses, which would complement what already exists.

MR SMYTH: We talked a bit this morning about the city to the lake assessment. How does the city to the lake assessment that you are doing link in with the capital metro project and what input do you have on capital metro?

Mr Dawes: Capital metro is a different portfolio but we have done some of the initial work. Mr Stewart can chime in as well and talk a little bit about the work that we are doing. The work that we are doing for capital metro has been around the uplift and the land development opportunities along the Northbourne Avenue corridor. We touched on it a little bit this morning. We are looking at potentially relocating the racing codes and EPIC, as all of that potentially unlocks land there for the territory for future commercial and residential opportunities. That is the work that we are doing.

MR SMYTH: I can see the logic of moving the racetrack and EPIC, but logically they would then go to Majura valley.

Mr Dawes: That may be an option. That is some of the work that we will be undertaking over the next nine months, to look at where the best opportunities for them are.

MR SMYTH: Again, if they go down to the Majura valley in the eastern broadacre study area, wouldn't more on and off-ramps, proper on and off—what do we call them, turnpikes?

Mr McNulty: Interchanges.

MR SMYTH: Interchanges—wouldn't that therefore necessitate further interchanges on the Majura parkway?

Mr Dawes: That is if they go down that part of it. We are yet to determine exactly where they are going.

MR SMYTH: But wherever they went in the Majura valley, you would need an interchange, surely.

Mr Dawes: That is if they go into the Majura valley. As I said, we have not done that crucial bit of work to determine where the best option for them to go is.

THE CHAIR: Just to pick up on that point, in terms of the planning for the Majura parkway, how is that synchronised with this project with regard to EPIC and the racecourse? You would not want a situation, I would imagine, where you are locked into what you are doing with the Majura parkway, then move EPIC to the Majura valley and then say, “We’re going to have to retrofit a whole bunch of”—whatever the technical term is.

Mr McNulty: Interchanges.

THE CHAIR: Interchanges. Is that body of work synchronised between the two or not?

Mr Dawes: It is being synchronised because we are doing it. What we have to remember is that the highest and best use for the land that we are looking at developing is for the purpose that we are going to develop it, not for a racecourse or showground use. There will be other opportunities and other land that is of less value that will be able to provide for that particular infrastructure.

Mr Stewart: Those interchanges have not been planned on the basis of the possibility of relocating the racecourse and Exhibition Park.

THE CHAIR: No, I understand that. It was just to make sure that one project informs the other. In terms of the project with regard to the racecourse and EPIC, there is nothing that means that capital metro unlocks that. You could do that without capital metro, can’t you?

Mr Barr: Yes, you could, but given the route of stage 1 of capital metro goes right through that precinct, you would certainly want to look at—

THE CHAIR: Sure, but the logic stands whether you have capital metro or not. You have still got heavy road usage on Northbourne, you are close to the city—

Mr Barr: Ultimately, there is a transport corridor there that has been planned in. If your question is whether the public transport vehicles that operate in that corridor have steel wheels and run on a track or have rubber wheels and run on a road, you can still develop in that—

THE CHAIR: This has been mooted before the advent of capital metro.

Mr Barr: Yes, but there are obviously an array of options around the route of the light rail through that part of the city.

THE CHAIR: Sure, but as I say, ultimately this is a land release project, not a capital metro project, isn’t it? The two are separate. One is simply—

Mr Barr: Yes, that is right, but it makes sense, given that, to connect to Gungahlin, once the light rail gets beyond the Northbourne Avenue point, it will run through the area that is bounded at the moment by the racecourse on the western side of Flemington Road and Exhibition Park on the eastern side. So the exact route through that area is obviously to be determined, and the land release opportunities and urban

development opportunities that would come from development close to that route need to be explored.

THE CHAIR: Have you done an evaluation of what that land is worth?

Mr Dawes: No. That is the work that we are doing.

THE CHAIR: That is the work you are doing?

Mr Dawes: Yes.

Mr Barr: It would have considerable value.

THE CHAIR: I am just wondering what that considerable value would be.

MR SMYTH: And I am sure the racecourse is aware of it. Just for clarification then, who is responsible for the eastern broadacre strategy?

Mr Barr: ESDD.

MR SMYTH: And as they determine that parcels can be released, they give it to you for release?

Mr Dawes: Yes, in effect, if there is an area that we can release that is worthy of further investigation. Obviously, as you are aware, for that to occur, we need a territory plan and a national capital plan variation. So we will be talking to them about getting that bit of work underway.

MR SMYTH: Back to the city to the lake and the uplift value—in most of these projects where light rail lines have been laid or tram systems have been put in, the uplift, in reality, is never realised as to the expectations—what work have you done on the uplift value of the corridor, and how important is that in regard to its contribution to the cost of—

Mr Stewart: The most recent example we have been able to draw upon is the work that was done on the Gold Coast. I joined Minister Corbell and Mr Dawes on that visit and had a talk to some of the project managers up there and the learnings they obtained through some of the research they did bringing forward their own project. They were talking about a corridor stretching—correct me if I am wrong—yes, roughly the same distance as the ACT stage one, with a corridor of some 400 metres on either side, with uplift potential of around 30 per cent in value. And that was the basis of the business case analysis that underpinned their proposal. If I have got any of those numbers incorrect, I will correct the record after.

MR SMYTH: So it is 400 metres either side, with an uplift of 30 per cent?

Mr Stewart: That is right.

THE CHAIR: That is the planning?

Mr Stewart: And in terms of the development of the economic analysis and the business case and from what we were told by the proponents and the analysts on the Gold Coast, that rings true in terms of the conversations they have had with other cities who have done similar projects. So that has become, I guess, a benchmark, in a sense, for what light rail does in terms of its transformation of the corridor and—

THE CHAIR: Where is the Gold Coast at?

Mr Stewart: They have commenced construction.

THE CHAIR: They have commenced construction on the track, but not the—

Mr Dawes: It is not operational.

Mr Stewart: It is not operational. They have done a large amount of work within the corridor. They are in the midst of building the storage depot and sheds where the mechanics will work. A number of those large bridge crossings were well underway when we were up there at the beginning of the year, and the interchange at the hospital, was it?

Mr Dawes: Yes, at the hospital.

THE CHAIR: What is that costing the Gold Coast for construction?

Mr Dawes: It is around that one billion dollar figure.

THE CHAIR: About \$1 billion?

Mr Stewart: Yes.

THE CHAIR: And it is about the same length as ours?

Mr Stewart: Same length, but with a lot of additional complications that we do not have in Canberra. It is a very undulating course, with a number of large crossings. We have got a relatively flat, straight course.

THE CHAIR: And what is the—

Mr Stewart: I am sorry, and there are also a lot of acquisitions that they had to make.

MR SMYTH: What is the population density of the Gold Coast per hectare?

Mr Stewart: I do not know, off the top of my head.

MR SMYTH: What is the population density along the Northbourne Avenue corridor?

Mr Stewart: I would say lower than the Gold Coast.

THE CHAIR: Could you get that for us, if you have had those discussions, for a

comparison?

Mr Stewart: Yes.

THE CHAIR: The uplift value of the Gold Coast may be more significant because of the density there?

Mr Stewart: But in a sense, this links back to the work that EDD is doing in relation to capital metro, which is to realise the value of the government's significant land holdings, and putting forward a land release strategy for the corridor that both supports the development of light rail and transforms the corridor as part of the strategy.

Mr Barr: The significant difference is the amount of government landholding in the ACT along the corridor as opposed to the Gold Coast.

THE CHAIR: Dr Bourke.

DR BOURKE: Minister, coming back to that other transformational project, the city to the lake, you have had a great deal of community consultation happening recently. What has been the outcome of that?

Mr Barr: The summary information I have seen has been overwhelmingly positive—about 70 per cent support. I think there are some elements of the project that people want to see happen immediately and other elements that they recognise will take some time to deliver. Various stakeholder groups have particular desires to see elements of the public infrastructure delivered first, for example, those who have an interest in a new aquatic facility and bringing the CBD aquatic facility into the 21st century, a desire to see that be the first piece of public infrastructure that is completed.

There is, obviously, a very powerful lobby behind the Australia Forum. We discussed this at length this morning in terms of the interest in that element of the project. I think it is also fair to say there is a constituency led by the Brumbies and the Raiders and their support base—

MR SMYTH: And you.

Mr Barr: And me, indeed, for an enclosed stadium in the CBD. Certainly I am convinced of the arguments in favour of the location of major stadium infrastructure close to city centres. I think the evidence is there in other Australian jurisdictions. I am also convinced—and I am sure I will be reminded of that point this evening at the Brumbies versus Lions match—of the need in our climate for an indoor facility. I think you need only look at the declining crowd numbers, even though the Raiders and the Brumbies are both performing quite well this season. The Brumbies are now certain of playing finals and the Raiders are looking quite good in regard to that prospect. But we should not be expecting people to attend matches when it is barely above zero outside. It is difficult to get families along to those events. So a better spectator experience would certainly assist for those major tenants of our existing infrastructure.

I think there are opportunities there for associated development with each of those projects—the swimming pool, the Australia Forum and the stadium—for complementary private sector investment, be it in hotels, in commercial activity, in car parking et cetera, with each of the different elements of the project. There are quite significant opportunities to be pursued and significant investment nationally and internationally. Some of the parcels of land in the study area are within the parliamentary triangle. There are some blocks on Constitution Avenue. They are some of the more attractive development sites available within the city. So there is no shortage of interest. Undoubtedly as we move into the next phase of the development of the project, the sequencing of infrastructure works and land release will be important.

I have said before and I repeat today that certainly the experience and lessons that have been learnt from the Kingston Foreshore development are, I believe, to undertake investment in the public realm earlier in the project and allow ongoing community access during the construction phase. I do not think what is available in terms of the public realm at Kingston Foreshore is as widely known, because the site has been a development site for quite some time. And when people see what is available there and the quality of the public realm, it is going to astound people. I am absolutely confident that it will take off as a destination within this city for locals and tourists alike.

The second thing is that a wide array of commercial operators opens up and I think the opportunity that is there to replicate that quality of development in West Basin, to connect the two with ferry services from the harbour and marina at Kingston Foreshore, where you will have a lot of employment and residential activity, to a similar precinct in the city west is very exciting for Canberra's future. It provides another transport medium and also some terrific tourism opportunities for existing and new operators.

MR GENTLEMAN: There is going to be new residential development in the area as well?

Mr Barr: Absolutely, yes.

MR GENTLEMAN: At the moment, Parkes Way is a transport corridor. So how would you allow access for residential development off—

Mr Barr: As I said, the piece of work that is funded in this budget is to further progress the engineering work on the Parkes Way smart boulevard option, the lowering of Parkes Way, removing the east-west traffic that is moving through the precinct, rather than destination-based traffic, from street level activity and have more suburban-scale, inner city-scale streets at pedestrian level, with slower traffic. It not only opens up land release and opportunities for mixed use development but removes that pretty significant physical barrier that is there at the moment that cuts the CBD off from the lake front.

Mr Dawes: It is very interesting if you look at the overlay of the Melbourne grid pattern, from Etihad stadium to the MCG—and we have done this, and that is part and parcel of our presentation—and you put that overlay of that grid over the ACT grid, it

is around the same distance from the Canberra Centre to West Basin as well. It starts to really provoke some incredible interest about what could be with this particular project and having that real connection of the city to the lake as well. I think it is a wonderful opportunity, and I think we all agree walking around those streets in Melbourne, between those stadiums, is quite a reasonable and pleasant walk. But today, to walk from the Canberra Centre to West Basin, you would not say it was an enjoyable walk. So that is the goal and objective, to make this city more liveable and accessible for everyone. I think, in the longer term, it will be a wonderful project.

MR BOURKE: As to your community consultation, I saw a tent in Garema Place. What else did you do?

Mr Dawes: Obviously we have had not only the face to face but we also have had a stand in City Walk as well, where we were there for a number of days as well. We were also in the Walker Corporation building there, on section 29 near Veterans Park. We had display boards and that there. We have websites hits and other—

Mr Stewart: The marquee in West Basin as well.

Mr Dawes: Yes, the marquee in West Basin. Also, we had some community forums as well with people that live in and around there in the Capital Towers and also Nagee.

Mr Barr: There was some specific targeted consultation with existing residential complexes within the precinct area and then more general opportunities at information sessions, of which a number were held, and then drop-in sessions, obviously, in Garema Place and a number of other locations. Clearly, there has been a degree of media coverage and that has engaged the general public. But equally, there is strong interest from a variety of industry stakeholders who are engaged in the development of the projects through the project reference group, everyone from the ANU through to the Property Council, everyone who has had an interest. The Lake User Group, the Walter Burley Griffin Society and a number of industry associations have all had an interest in either specific parts of the proposal or the project overall.

DR BOURKE: What about social media?

Mr Barr: Yes, it is very much a part of the communications program—so use of the mainstream, highly popular social media outlets, as well as some of the more niche ones and opportunities to share project updates and the like through those media.

DR BOURKE: What was the feeling from residents in city west?

Mr Barr: Obviously a lot are moving into new developments themselves anyway in the context of the New Acton precinct in particular. I think the principal concerns that residents in Capital Tower, for example, would have would be around their existing views, so the height of the proposed development. Fortunately, the land slopes away and down towards the lake from where Capital Tower is.

Obviously, not every concern can possibly be allayed until the final development proposals are put forward but, given a lot of people have paid a lot of money for lake views in their existing properties—there was, I think, concern from Capital Tower

residents when stage 1 of the New Acton buildings—the first one, the apartments and then Nishi—was developed. They had obviously gone through development approval processes. It would probably be a little bit ironic if people who had purchased into those new developments were then to complain about other new developments, but stranger things have happened.

MR SMYTH: Just on the height, what is the proposed height for West Basin?

Mr Barr: We have still to go through some further detail.

Mr Dawes: We have got to go through it in a little bit more detail.

Mr Barr: I think there are limits set within the national capital—

Mr Dawes: That is right.

MR SMYTH: The national capital plan and the variation, yes.

Mr Barr: Yes.

MR SMYTH: The Australia Forum—there were some concerns that the site allocated, or the indicative site and size of the site allocated, was not adequate for current need, let alone future growth. Is that space negotiable?

Mr Barr: I think those issues have been overcome. It is my understanding that there was quite detailed work undertaken. Discussions were held with people who have those concerns. To the extent that there are some physical boundaries in terms of where Constitution Avenue is and where Commonwealth Avenue is—given, again, the slope of that particular block and the capacity for multi-level activity—my understanding is that those concerns have been overcome.

THE CHAIR: You mentioned earlier that there was a workshop.

Mr Dawes: We are having a workshop.

THE CHAIR: You are having a consultative workshop to discuss that issue?

Mr Dawes: There is a further workshop. If you look at it in context, the current Convention Centre's exhibition space is 1,500 square metres, and we have proposed between 8,000 and 10,000 square metres. That just gives you a bit of scale of what is there and what is proposed. As the minister indicated earlier, we are having a workshop in early July just to go through and check that scope. But it has got the capacity to—

THE CHAIR: I cannot recall whether you outlined who is going to be at that workshop.

Mr Dawes: Certainly the Business Council and the Convention Centre. I have actually met with the two CEOs.

Mr Barr: The Convention Bureau.

Mr Dawes: The Convention Bureau, yes. I have met with the two CEOs of the Business Council and the Convention Bureau. They have nominated a couple of people that worked on their first proposal.

THE CHAIR: Will the outcomes of that workshop be published in any sense?

Mr Dawes: I would not have thought so, but I suppose that is something for the Business Council and the Convention Centre to look at as well.

MR SMYTH: The other side of Northbourne Avenue from West Basin is owned by the Catholic Church. What consultation has been held with the Catholic Church with regard to the impact of this project on their site?

Mr Barr: The archbishop's house, yes.

Mr Stewart: Zero. We have not—

Mr Barr: There were discussions in relation to sites that I think were within the church's purview on Donaldson Street in Braddon and Cooyong. I do not think the church has ever volunteered to give up—

MR SMYTH: I asked them back in 2000, and they declined then.

Mr Barr: Imagine our surprise.

Mr Dawes: I think we have also got to remember the context of Commonwealth Park. That is a wonderful park, but it is very difficult to get to it. Obviously the whole city to the lake proposal, with that lowering of Parkes Way and the connections across there—not only is it West Basin—will unlock Commonwealth Park back to the city as well. That is part of the proposal, but there is no development opportunity in Commonwealth Park.

MR SMYTH: The archbishop's house is there, but the block next to it, which is often used as a reserve car park for Floriade, is also owned by the Catholic Church. They have plans for a national basilica there. Is there a need to have consultation with the church to see where they are at with their plans for the Basilica of Our Lady Help of Christians and what their likely time frame is?

Mr Barr: We would not get works approval.

Mr Dawes: No.

MR SMYTH: Yes, but in terms of the look of West Basin and it all integrating, here is a grand opportunity to prepare the entrance to the city of Canberra.

Mr Dawes: We are happy to take that on board and talk to them as well.

MR SMYTH: I am just surprised that you have not spoken to them. They are the

closest residents.

Mr Barr: I do not think they have ever raised it with government. They probably did not think they would have to because it would all be with the NCA.

MR SMYTH: If they go ahead and some time in the future build the basilica, I understand there is a trust with a small amount of money. I am not sure of the likelihood of it going ahead.

Mr Dawes: That is where the first cathedral was to go, wasn't it?

MR SMYTH: No, the first cathedral was to go where the Centre for Christianity and Culture is. The Uniting Church were given that site for their cathedral and the Catholic Church were given this site for their cathedral. It morphed into the cathedral at Manuka, but the church have retained that site for the national basilica. You might just want to take that on board.

THE CHAIR: This body of work that has been put together, obviously there are a few strands to it. Is this going to be consolidated in one spot on a website as a resource for people?

Mr Barr: Citytolake.com.au.

THE CHAIR: That is where it is all going to go? Will all the various studies be published online?

Mr Stewart: We are in the final stages of wrapping up the consultation report from the back end of the eight weeks of public consultation.

THE CHAIR: Essentially, as these things get produced, they will be put on there, will they?

Mr Stewart: There is a commitment to publicly release that and the other work as we do it.

THE CHAIR: We have one minute if it is a very quick question.

MR SMYTH: In that case, the Isabella weir. What is it? Why are you doing it? Is this the weir at the top end of Lake Tuggeranong?

Mr McNulty: It is. Some work that was done on due diligence in the Greenway development has identified that, due to changes in rainfall intensities and weather patterns, the weir needs upgrading. The work we are doing is to look at what that upgrading is and how much that will cost.

MR SMYTH: So the weir is the zig-zagged piece of infrastructure to the western side of Drakeford Drive north of Isabella?

Mr McNulty: Correct.

MR SMYTH: If the height on that is increased, though, will it not cause a backup?

Mr McNulty: It is not the height so much as the stability of the embankments that we need to look at. In extreme rain events, we need to make sure that the banks are still stable.

MR SMYTH: So is that a fear of a collapse of the weir?

Mr McNulty: Potentially, yes.

MR SMYTH: When was this discovered?

Mr McNulty: Earlier this year.

MR SMYTH: What is the likelihood of a collapse? Is it erosion or—

Mr McNulty: We are talking about a probable maximum flood, which is a one in ten thousand, one in a hundred years, storm event—so a very, very, very rare event.

MR SMYTH: Which we have had several of in the last couple of years.

Mr McNulty: I do not think we have ever had a one in ten thousand year storm, ever. We have had a couple of one in a hundred.

MR SMYTH: We would not know; we have not been here for 10,000 years.

THE CHAIR: Thank you, Mr Smyth.

MR SMYTH: I am sorry; if you have not got 10,000 years of records, you do not know what a one in a thousand year event is.

Mr McNulty: It is an extremely rare event.

THE CHAIR: We will leave that there.

MR SMYTH: There have been a number of large events in the last decade.

Mr McNulty: There have been a couple of 100-year storms.

THE CHAIR: Thank you, members. Thank you, minister and officials. We will resume with sport and rec.

Sitting suspended from 3.14 to 3.32 pm.

THE CHAIR: We are moving on to sport and rec. I notice we have got a few new staff, so there are some housekeeping matters. These proceedings are being recorded for *Hansard* and are being webstreamed. Have you seen the privileges card? You are aware of that?

Ms Priest: Yes.

THE CHAIR: That is fantastic. Are there any statements regarding sport and rec before we crack into it?

Mr Barr: No; we will get into the questions.

THE CHAIR: All right. Stromlo Forest Park—

Mr Barr: It is actually in Territory Venues & Events.

THE CHAIR: Is it?

Mr Barr: Yes; that is output 1.5. You will get to it in a minute but it is not in this output class.

THE CHAIR: Okay. We are not going to talk about it under sport and recreation—what is happening there? The events that are happening out on the—

Mr Barr: No. It is under venues and events, output 1.5.

THE CHAIR: So there is no sport and recreation happening out there?

Mr Barr: There is, but we will talk about it under venues and events.

THE CHAIR: All right.

MR SMYTH: Mr Guthrie is keen for an early start—aren't you, Neale? He has got his head down there, ignoring the conversation.

Mr Barr: All right; sport questions.

THE CHAIR: I will move to Dr Bourke.

DR BOURKE: The budget gives \$5 million to house community sport in the UC sports commons. How will community sports organisations benefit from the co-location with these elite sports and the university sports management and research programs?

Mr Barr: The \$5 million component is part of a broader ACT government partnership with the University of Canberra towards the development of the sports hub. That \$5 million funding contribution from the territory government is to ensure the presence of community sport within the hub. This includes the accommodation of a contemporary sports house, so relocation of sports house from the old Hackett primary school to the new sports hub. UC and ACTSport are currently negotiating the arrangements to facilitate that transition. The basis of the government grant is to ensure that ACTSport gets a peppercorn lease within the facility and has the space within the facility to sublet to community sporting organisations.

Stage 1 of the construction works is the construction of the sporting common. That includes headquarters for the Brumbies, the University of Canberra union gym space,

some sports science rooms for the national institute of sport studies, the ACT Sports Hall of Fame and sports house within the first phase. The development application that has been lodged is currently being assessed. I am advised that community consultation on that closed on 7 June and that the university is anticipating completion of stage 1 for February 2014.

DR BOURKE: Sorry, I missed that bit about sports house. Could you reiterate what that is.

Mr Barr: Sports house at the moment is located within a wing of the old Hackett primary school.

DR BOURKE: Yes.

Mr Barr: It has had some refurbishment, but it is essentially a primary school corridor with a series of classrooms coming off it. That would essentially describe the current facilities. What will be provided in the new building—if you jump on the ACTPLA website, you can get an indicative sense of what the building will look like—is the relocation of sports house at a peppercorn lease—

DR BOURKE: But what is sports house?

Mr Barr: Sorry?

DR BOURKE: What is in sports house?

Mr Barr: ACTSport and a number of community sport tenants are within sports house at the moment.

DR BOURKE: Right.

Mr Barr: The way sports house operates at the moment is that ACTSport are effectively the head tenant and then there are subleasing arrangements. There is the small sports hub; there are a couple of other sports. There are meeting rooms and other facilities that allow ACTSport to undertake the range of programs that they are contracted to deliver by the territory government through the sports grants program.

DR BOURKE: Thank you.

THE CHAIR: Mr Gentleman.

MR GENTLEMAN: Minister, the budget includes \$40,000 to progress design work for Greenway oval. How is that project being progressed, and how is the consultation going with the Hawks, Bushrangers and gridiron?

Mr Barr: This is the first part to progress the government's half million dollar commitment to upgrading facilities at Greenway. \$40,000 has been allocated to progress the design work. Once that design work is complete and the project is ready for construction, the government will provide the balance of the funding to meet our election commitment. The main user groups are gridiron, Tuggeranong Hawks AFL

and the Bushrangers Rugby League. Obviously, in the time since this election commitment was made, there have been some discussions around the sorts of facilities that would assist those clubs, in terms of function space and, in some instances, opportunities for revenue raising, through fundraising or the like. Jenny, do you want to comment on that?

Ms Priest: Yes. We have got a Greenway oval subcommittee that formed, I think, last year, which constitutes three sporting groups that the minister has already referred to—gridiron, Bushrangers Rugby League and Hawks AFL. We have been in constant discussion with them since that subcommittee formed. They have invited us along to their meetings; we attend periodically as and when we are required. We have also commenced a series of constructive conversations with them about what the new facilities might entail. So their input to that design process is underway.

It will cater for things such as an admin office, game day viewing-type facilities and VIP areas. These are the sorts of conversations that we have been having with them to date. They have been constructive conversations. We have got a good relationship with them, and we will continue through that consultation process in the design phase.

Mr Barr: We have, in terms of other facility improvements at Greenway, provided funding for an electronic scoreboard. And I understand there are some discussions underway around some other infrastructure improvements there.

Ms Priest: There are. The other work that we have been doing with them to date has been around the installation of the new electronic scoreboard. We have also provided a foundation for a marquee and improved access for disabled people into the facility. We have also sourced—recycled from Football Park, actually—a new ticket booth for them, which they are very happy about. It keeps them warm and dry from the elements on those cold winter sports days. They have been very happy with that progress, and we continue to have those discussions on a regular basis with that committee, and in particular, in that instance, with AFL.

MR GENTLEMAN: Thank you.

THE CHAIR: Mr Smyth.

MR SMYTH: Perhaps we could knock off the capital works. Can we go to page 190, BP3, the Lyneham sports precinct central amenities. What is that? Is that the central toilet block, canteens et cetera?

Mr Barr: Canteen facilities and undercover seating provision.

MR SMYTH: Where will that go? Is that near the basketball stadium?

Mr Barr: Do you mean netball?

MR SMYTH: Sorry, netball.

Mr Barr: Not far from the netball centre, but more towards the north Lyneham side of the—

MR SMYTH: So between netball and hockey?

Mr Barr: Yes.

Ms Priest: And the grounds that are being remediated, yes.

MR SMYTH: And that is just design?

Mr Barr: That is correct. This has been the approach with all new capital proposals. I want to get them designed, development approved and ready for construction with a sure project budget. Then they move into the construction funding phase.

MR SMYTH: We have done Greenway oval. Manuka is under Territory Venues & Events?

Mr Barr: That is correct, yes.

MR SMYTH: Yes. Stromlo Forest Park is Territory Venues & Events. The netball infrastructure upgrade is for design for various netball courts around the territory. Which are included on that list?

Mr Barr: Charnwood is high on the priority list, but there are others.

Ms Priest: Yes. We have been undertaking an exercise to do a conditional audit of all the district associations across the ACT in terms of working out what the condition of those is, relative to setting up a priority list of what we can then get costings for, for the rollout of that funding under the government's commitment.

MR SMYTH: So at this stage there is no list as such, but Charnwood is at the top?

Ms Priest: We have undertaken the conditional audit. We would have to say that, of all of the facilities that have been audited, Charnwood is probably cropping up as one of the most needy. It will certainly be up there in terms of priority—be one of the priority facilities to receive an upgrade.

MR SMYTH: Is it possible to have a copy of the audit?

Ms Priest: Yes, we can provide that.

MR SMYTH: Thank you. Then Melrose synthetic football facility design.

Mr Barr: Yes.

MR SMYTH: When you say “facility”, what is involved there?

Mr Barr: This is the multifield synthetic facility to be located on the campus of Melrose High School, so next to Marist on Athllon Drive.

MR SMYTH: I know it well. How many pitches will there be?

Mr Barr: There are two.

MR SMYTH: Will there be a grandstand or seating?

Mr Barr: The development of the precinct does involve something for spectators. There are not going to be thousands of grandstand seats, but there will be—

MR SMYTH: Is this more like Kingston Oval—a smallish sort of facility?

Mr Barr: That is probably a reasonable benchmark.

MR SMYTH: Kingston and Garran?

Mr Barr: Yes, that sort of thing.

MR SMYTH: That sort of thing? Two pitches, synthetic turf, multiple sports?

Mr Barr: Yes, with football being the primary user, though.

MR SMYTH: Rugby Union will be the primary user?

Mr Barr: No, football—soccer. Don't tell Steve Doszpot.

MR SMYTH: He is not here. The Narrabundah velodrome upgrade?

Mr Barr: We had the condition audit that suggested that we needed to undertake remedial work on that facility; this funds that work.

MR SMYTH: And this is to address the camber of the track?

Mr Barr: Amongst other things, yes.

MR SMYTH: What are the other things that need to be addressed?

Ms Priest: It is largely around the safety issues, around the transitions of the cycling track. Through the report, and in other reports previous to that, the transitions were considered to be unsafe. It is to address the safety issues around those transitions and make the grade a more even arrangement.

MR SMYTH: Will it address the camber of the track? I understand there is a problem with the track itself, the angle on the—

Mr Barr: Yes, that is—

Ms Priest: We are saying the same thing using different language.

MR SMYTH: So this will be a transformational project to address the transitions of the velodrome?

Mr Barr: There you go. I could not have put it better myself.

MR SMYTH: After 30 or 40 years of existence?

THE CHAIR: It appears to be contagious.

Mr Barr: Love a good transformational project!

THE CHAIR: You clearly do.

MR SMYTH: You obviously did not get enough toys as a child. I will speak to your father about it!

THE CHAIR: Dr Bourke, I believe you have some questions about transformational facilities.

DR BOURKE: All questions are transformational. Indeed, it is the answer that is the interesting part. Minister, can you tell me more about the sports facility budget media release mention of an extra \$500,000—that is half a million dollars, Mr Smyth, transformational in anybody's terms—for additional staff for increasing maintenance of sporting grounds?

THE CHAIR: Could I clarify that? You said half a million dollars is transformational in anybody's terms. Earlier I do recall that the minister said that \$750,000 was—

Mr Barr: In the context of a \$5 billion budget.

THE CHAIR: nothing, was throwaway. So I am a bit confused. One man's transformational is another one's throwaway, it would appear. Anyway, back to the question.

DR BOURKE: Well, he is the Treasurer.

Mr Barr: Thank you for that intervention.

MR SMYTH: And it is only quarter to four on day 3.

Mr Barr: One of our election commitments was to undertake some further targeted work in terms of upgrading sportsground infrastructure. This sort of work has been undertaken previously in relation to improving irrigation systems, resurfacing sportsgrounds and the like. There has been a series of different projects that have been undertaken. Some have been around restoration of sportsgrounds that had to be turned off during water restrictions. So there is a program of funding there. There has been a program of upgrading district playing fields, improving irrigation and re-sowing and the like. This additional funding boost will allow for the employment of some additional staff to assist with that sort of work and deal with improving the quality of our sportsgrounds. Is there anything else to add?

Ms Priest: I would say that we have already got recruitment underway at the moment for a GSO8 plumbing position as part of that initiative, which will kick in from this

year, and a GSO3/4 position from July 2014.

Mr Barr: One of the issues that has been raised, particularly in areas where the irrigation infrastructure is ageing and where there are multiple sports utilising district playing fields, is that people want investment in quality and they want to see the government investing in improving the quality of the sportsgrounds. They are not so worried about whether their training fees are 5c or 10c an hour but they are interested in the quality of the infrastructure. So the government has taken the decision that we would increase the resources in this area rather than reduce them.

DR BOURKE: So you will actually be employing the staff.

THE CHAIR: Could you outline where training fees are 5c an hour or 10c an hour? You said that they are not concerned whether they are 5c or 10c.

Mr Barr: Yes. For team sports in the junior fields and in a range of junior sports where there might be between 20 and 40 people training at any given time, it is about 5c an hour.

THE CHAIR: Okay, I see how you manage that. In terms of the training fees, though, has there been an increase in the fee in the budget for the use of sporting grounds by local teams?

Mr Barr: A very marginal increase, yes.

THE CHAIR: Is it a CPI increase across the board or how has it been applied?

Mr Barr: No, I think there was some rounding of figures. I think in one instance fees might have gone from \$2.85 to \$3 and it will vary depending on the sorts of facilities and the particular sports. We certainly discussed this in the Assembly during the annual report hearings earlier on. The fees are available online.

THE CHAIR: I am trying to get to the bottom of what they have gone up by. Across all the sporting grounds has there been an increase? What is it—a one per cent increase or a two per cent increase? When you aggregate it out, what is the increase?

Ms Priest: Predominantly the increase aligned with WPI, so it is 3.5 per cent, but there have been a number in relation to a policy of us getting junior training fees to the rate of 50 per cent of senior training fees, which we are doing incrementally over time, not in one jump. That has resulted in a number of fees increasing to a capped range. I think 9.7 per cent was the largest increase in that space.

THE CHAIR: So junior sporting fees in some cases are going up nearly 10 per cent?

Mr Barr: Yes, from \$2.85 to \$3 in some instances.

THE CHAIR: How long will it take for them to triple, I wonder?

Mr Barr: Mid-century, I imagine.

THE CHAIR: Mid-century, is it? So 10 per cent a year is mid-century.

Mr Barr: It would not be 10 per cent a year.

DR BOURKE: Minister, you are providing more support for sporting organisations—

Mr Barr: This is exactly the point.

DR BOURKE: through your grants programs.

Mr Barr: You have two options here. You can increase the investment in the quality of facilities. Most of the sports are reporting that the impact on their participation levels is because they cannot get access to quality facilities. That is what drives people out of sport and recreation, not whether their training fees are \$2.85 an hour spread across 40 players or \$3 an hour spread across 40 players.

DR BOURKE: So that is why you put \$400,000 extra in this program?

Mr Barr: That is why we have decided to invest in the quality of the facility. We believe that is the biggest contributing factor regarding participation.

THE CHAIR: In terms of the whole-of-government attempt to tackle the obesity problems that we have, and particularly with youth, what involvement does sport and rec have with that in terms of particular programs or engagement with Health? Did you get involved in the decision not to continue with Robert de Castella's program? Wherever it might be, whether it is curriculum within schools, what engagement do you have? Or are you just managing those programs?

Mr Barr: There is both a policy role and a delivery role for sport and recreation and a contract management role, depending on the nature of the particular program. In a policy sense, there is contribution to a number of areas of government policy. There is the active living, healthy eating and physical activity element within broader planning policies for the government. There is input in relation to curriculum and programs that are run in schools. That input has been both at a national level in terms of the national curriculum through ministerial council advice and other avenues, and then locally in terms of the application of physical activity time within the education directorate. There is direct financial involvement and contract management with organisations such as the Physical Activity Foundation that I established and am patron of. That is funded out of this area and engages with many thousands more students than the Robert de Castella program for significantly less cost to taxpayers.

THE CHAIR: That was targeted, though, wasn't it? The point of Robert de Castella's program was that it was targeted at particular kids at risk of obesity.

Mr Barr: Yes, and the active kids challenge is targeted at primary school age kids and has 25,000 involved. The Physical Activity Foundation's work, together with its partners, is delivering to every school sector and every school that wants to be involved. It provides a fantastic array of services, delivers the annual physical activity challenge in term 3, and also undertakes work with schools in a number of different areas throughout the school year.

Sport and recreation also deliver particular programs and provide financial support across a number of at-risk groups within the community. There are inclusive participation grants provided to targeted groups—youth at risk, multicultural. We have support for actively ageing programs as well. We look at the data that is provided by the ABS and other data sources to—

THE CHAIR: Who determines those grants?

Mr Barr: They go through a grants process managed by sport and recreation services.

THE CHAIR: What is the total of those grants?

Mr Barr: The total of sports grants is about \$2.8 million per year. Some of the targeted programs are subsets of that. The details of those are outlined, some in the budget papers and others on the grants website for sport and recreation.

MR GENTLEMAN: Minister, in the last budget year I believe the community motorsport development program grants were completed. It would be good if you could update the committee on what was achieved out of those grants, firstly.

Mr Barr: It is in TVE, these grants, at this stage.

MR GENTLEMAN: I will wait for TVE. I will just ask if there is any funding left out of that pool that was originally allocated?

Mr Barr: I think there may be some residual funding but I will need to check. We will come back to that. There is a funding provision around the Pierces Creek recreation riding facility. Funding was reprofiled into 2013-14 from 2012-13. That project will continue its development. Let me see what other information I can find. I will come back to it.

MR GENTLEMAN: Thanks.

DR BOURKE: I might have a go. There is \$50,000 for a study to assess the need for additional indoor sporting space in Canberra. How is that study going? How is that study being set up?

Mr Barr: Do you want to talk about that and I will find the motor sport information?

Ms Priest: That study has come about as the result of the need to see whether or not we need further indoor space. The funding will be from internally, within Sport and Recreation Services, from our grants program. We are yet to undertake the work to set that study up, but it will be set up to do an assessment of what facilities currently exist, both in terms of what the private sector and what the government may need to provide to supplement that. That piece of work is yet to be done.

DR BOURKE: So what sort of indoor sport spaces are you going to be looking at within that study? Everything?

Ms Priest: I guess one of the initial drivers for this was in relation to the need to look at other facilities for indoor cricket and the like. There has been a number of initiatives, and there are a number of initiatives currently underway by the private sector to provide additional facilities in this space. We will need to be looking at all of that as part of this study.

DR BOURKE: And certainly perhaps where they are distributed across Canberra in a way that is equitable. Would that be part of it?

Ms Priest: Exactly, and whether or not there is a need or a demand for government to come in and provide additional facilities in that space. There is a range of indoor facilities at the moment provided, including those provided at the hockey centre. There is a proposal for a new facility out at Gold Creek, for example. There is the Kaleen indoor sports centre. It will assess and consider all of those venues and the mix of activities that are going on within them and whether or not there are any other indoor sporting activities that are, I guess, left needing after those facilities have been considered.

DR BOURKE: So you would be looking at supply but also at demand as well?

Ms Priest: Absolutely.

THE CHAIR: We might have to cut it there, unless you have an answer on motor sport?

Mr Barr: Yes, there was a second round of the community motor sport development program grants in 2012. Capital funding of up to \$150,000 was available to groups who completed a planning project to undertake capital improvement works. There was funding of up to \$25,000 available for groups to help deliver events at national or international level, and funding of up to \$25,000 available for groups to undertake planning projects in relation to business and governance, business and operational plans, strategic planning, strategic facility development, and marketing and media. I will get you a list of who was successful under that grants round.

MR GENTLEMAN: That would be great, thanks.

THE CHAIR: Thanks very much, minister and officials. See you next time. We will move on to tourism and events with output 1.3, tourism. Mr Smyth, I put you on notice that you will be asking the first question. Good afternoon, Mr Hill. Minister, is there any statement you would like to make before we get stuck in?

Mr Barr: No.

MR SMYTH: I start by saying thank you for spreading out the output classes—

Mr Barr: After this many budgets—

MR SMYTH: A single line for tourism.

Mr Barr: you are very happy to see it.

MR SMYTH: It just makes life easier. Can you detail what the increase in funding is and what it will be spent on?

Mr Barr: There are a number of elements of new funding. If I go to BP3 it might be the easiest way. Page 148 is the page I want to get to. In this area it includes the Enlighten festival, Canberra Convention Bureau, the tourism events fund, the national capital education and tourism project and the international marketing for the first phase, being the New Zealand—

MR SMYTH: New Zealand and Singapore.

Mr Barr: Yes.

MR SMYTH: Earlier this year a report into occupancy rates was published in the *Australian Financial Review*. It was done by LandMark White and Transfield. It found that room occupancy rates around the country are on the rise, but of the 10 cities listed, Canberra was the third lowest. Does the government have a view on why our room occupancy rate is growing at a slower rate than most of the country?

Mr Barr: I think it was coming off the highest base. We were above the national average in terms of room occupancy. I understand—it is ironic that today of all days—

MR SMYTH: But we have always been higher than the national average.

Mr Barr: when you cannot get a room within—

MR SMYTH: It is one of those odd days, is it not?

THE CHAIR: Is that tourism or is that the parliament—

Mr Barr: I think there is probably a major event on tonight—

THE CHAIR: There is a major event, but I wonder whether the effect of parliament sitting has some contribution?

Mr Barr: Undoubtedly it does.

MR SMYTH: We have always got a high base. We have always achieved better. Why is the rate now slower?

Mr Barr: I think once you are already above the national averages, you cannot—there is only so far—it is like saying, “Why do first world economies not grow as fast as third world economies?”

MR SMYTH: Are there any constraints on the growth of our room rates?

Mr Barr: I suppose it is a question of to what extent new supply lowers the overall occupancy level. Then there is a question of supply at different points in the market.

What we have seen in Canberra in recent times has been a higher order use of land that was previously used for two and three-star accommodation in particular. That has been phased out, if you like. We have obviously had to release new land in that area.

We have seen more new investment at the top end of the market. So the yield is certainly very high in Canberra. In the end, I think to an extent there are cyclical impacts based on parliamentary sittings that clearly see some periods of the year demand at or sometimes exceeding the supply in the marketplace. Other times the accommodation provided has not been as full.

MR SMYTH: No.

Mr Barr: That is certainly the case.

MR SMYTH: How does this data accord with your accommodation strategy?

Mr Barr: It certainly indicates that for periods outside of the parliamentary sitting weeks further work can be undertaken to stimulate demand in those times. I think the hotel sector itself can look at its price points across the year and its yield at particular times. There has been some success in terms of cooperative marketing with tourism to target particularly Friday and Saturday nights and look at price points to stimulate demand.

I think there are also questions about how particular businesses go about their own marketing and promotion in a competitive marketplace. Whilst you can get a snapshot for all accommodation aggregated, it is not to suggest that within particular markets, particular accommodation providers do not do significantly better than others because of the standard of their product or their capacity to market it well to distinguish themselves from other providers within the city.

You certainly see innovation in the hotel space from those who are providing new product or who have refurbished and invested in their product. They do better as a result of that investment. The standard of hotels in the city in recent times in terms of new additions is way above what was previously offered. Diamant, the East Hotel, the Realm and the Burberry are of a standard that we have not seen in Canberra in recent times. The feedback from them is that they are doing very well.

MR SMYTH: Part of the analysis in the *Financial Review* is that it is Chinese tourists and investors that are a big driver of increased tourism numbers. What have we done to capitalise on this?

Mr Barr: I think that in the last international figures China was top of the list.

MR SMYTH: So how are we capitalising on that?

Mr Barr: We are working with Tourism Australia, who are obviously the lead agency on international tourism marketing. A direct—

MR SMYTH: The same one that regularly forgets to include the ACT in their promotions?

Mr Barr: A direct flight into Canberra from South-East Asia would certainly aid our capacity to attract tourists from that region. Hence, we are working in that area. But I do not think we can have an international focus that is just one country. I do not think—

MR SMYTH: It is a reasonably big country.

Mr Barr: It is, but I think to overlook the biggest market for Australia, which is New Zealand, and to overlook a high-yield market of free and independent travellers like Singapore, would be a mistake. What are the top five—China, US, UK, New Zealand and that Singapore-Malaysia-Hong Kong-South-East Asian market? They are all within our scope of activity. We have various partnerships and engagement to develop our offerings in that space. Anything else, Ian?

Mr Hill: There are a couple of things going on in the China market that are particularly pertinent. Inbound arrivals from China have gone from about 350,000 people to 600,000 people over the last few years. There is massive growth out of China into Australia. We talk about China as a market. There are some recent statistics that show there are 850 million mobile phone users in China, 23 cities bigger than five million people by 2025, 163 cities that will be bigger than a million people by 2025. When we talk about China, we really do need to try and segment as best we possibly can.

There are some things that we are doing on the ground right now. We recently hosted ATEC—Australian Tourism Export Council—to run some China-ready workshops with our industry here in Canberra. It was very well attended by hoteliers and tourism operators. That really starts the conversation around the sales techniques that are required in a market like China, the product development that is required, the distribution channels that sit behind a Chinese market.

There are a range of quite challenging conditions there around even setting up a website behind the wall, so to speak. Another challenge is being service-ready for Chinese visitors that are a different profile to historical visitation from China. I think there are far more affluent Chinese visitors arriving in Australia now than there were 10, 15 years ago. There are certainly some opportunities for that. The evidence from some of the hoteliers around town that we talk to is that they are already benefitting from increased Chinese FIT—free independent traveller-type—visitation.

MR SMYTH: So what China segment are we targeting then?

Mr Hill: Our initial steps are about looking at those FIT more profitable Chinese rather than the group Chinese travel, in the sense of them being people that probably come into Sydney and then travel south through to the capital. The aspiration to go to the capital remains. We are doing some work on our website around Chinese translations. Within a few months our visit Canberra website will be translated into Mandarin. So it is about getting some of those very basic messages about Canberra to that marketplace.

So we will be working closely with Tourism Australia. We are close to making a

fairly major announcement around how we can partner more effectively to your earlier point about getting some better leverage out of Tourism Australia. They are spending a significant amount of money through the passenger movement charge in China. Making sure we get our share of the voice in that environment is an important aspect.

MR SMYTH: Just to finish on that, how big is the segment and what is its value?

Mr Hill: I cannot give the value off the top of my head, but the number of inbound arrivals is over 600,000 people off a base of about 350,000 from about five years ago.

MR SMYTH: Are we due a new tourism strategy?

Mr Barr: For next year, yes.

MR SMYTH: What will be the focus of that strategy and how will you accommodate this segment?

Mr Hill: One of the key planks of our 2020 strategy is driving demand from Asia, capitalising on that demand. We will have an increased focus on Asia over the period from now to 2020. That strategy development is being driven as we speak through a demand-side project. We are about to go to market in about two weeks' time looking at Singapore, China, New Zealand and some Australian work around what is the demand for the products and experiences that we have here in Canberra relative to that market.

It is going to be more of a demand-driven-style strategy rather than a statement-driven-type strategy. We have got to get a sense of what appeals to these markets from this destination. I think that will unlock where the best opportunities lie.

THE CHAIR: You have got \$500,000 in the budget for your international tourism marketing campaign for phase 1, which is Singapore and New Zealand. Is phase 2, then, China? Have you planned what phase 2 will be? How does that work? How many phases will there be?

Mr Barr: Potentially, a number. It is really linked to international flights. Our commitment is in partnership with the airlines, the airports and the partnering tourism authorities in the respective international markets to provide marketing support around the establishment of new routes. We would not utilise this international aviation fund into China until there was the prospect of a direct flight into Canberra from China.

THE CHAIR: I am just trying to work it out, because my understanding is that you have promised \$1.8 million over four years.

Mr Barr: That is correct, yes.

THE CHAIR: And you are calling this phase 1.

Mr Barr: That is right.

THE CHAIR: So you are going to put \$500,000 into phase 1, which is Singapore and New Zealand?

Mr Barr: Yes, but route establishment in the airline sector is more than just one year. We will make further announcements in relation to our commitments that support—

THE CHAIR: So it may well be an expansion of New Zealand and Singapore rather than going to another market?

Mr Barr: We have not yet got a commitment to fly the route. But what we put on the table is our first-year offering to provide greater certainty to the airlines around the sort of marketing support that we would provide. We need to establish ourselves in partnership with all of the other stakeholders. In the end, Canberra Airport will have to put money on the table. We have been to New Zealand and met with Wellington and Auckland airports, tourism authorities, Air New Zealand et cetera, to put the business case and the proposition. We have funding commitments made from the New Zealand side as well to support a package to go to the airlines.

THE CHAIR: What does that \$500,000 actually look like between New Zealand and Singapore? Is it half and half or does it depend on negotiations?

Mr Barr: It depends on which one goes first or, in fact, if we get both.

THE CHAIR: When are you likely to have some visibility?

Mr Barr: Ultimately, that is a matter for the airlines, but the international facilities at the airport are in the second half of this year. So it is in the coming financial year, hence the allocation in this budget.

DR BOURKE: Minister, can you tell me about the boost in tourism for the centenary and what spin-off you expect from that in the future?

Mr Barr: We saw it first in the international figures. They were up probably the highest we have seen in the best part of a decade. That trend was confirmed in the national visitor survey that saw the ACT have the largest increase in tourists of any jurisdiction in Australia in the March quarter of 2013 and the largest year-on-year increase of any jurisdiction in Australia.

I have some raw numbers on this. In the March quarter of 2012 we had 450,000 domestic overnight visitors. In the March quarter of 2013 it was 526,000. For the year ending March 2013 we are over the two million mark in domestic overnight visitors. If you look back at the history of this, the last time we were at this sort of level was during the Sydney Olympics, which obviously was—

MR SMYTH: 2003?

Mr Barr: In 2002, I think, we had just over two million.

MR SMYTH: Yes, 2002-03.

Mr Barr: Yes. But the highest we have achieved was 2.2 million in the Olympic year. So we are sitting at just over two million, with, one would presume, some stronger quarters to come given the centenary year. If we got a similar boost quarter on quarter from what we have seen in the first quarter, we would be on track to—

THE CHAIR: With regard to specific events that have been conducted under the centenary of Canberra, I assume that they are going to be best directed at Chief Minister's rather than yourself?

Mr Barr: Yes.

MR SMYTH: But you did say in the article in the *Canberra Times* on the 8th:

Mr Barr said it was difficult to comment on whether centenary promotions had affected the visitor figures.

Have they or haven't they?

Mr Barr: Sorry, I was quoted as saying?

MR SMYTH: Yes:

Mr Barr said it was difficult to comment on whether centenary promotions had affected the visitor figures.

Mr Barr: Promotions as opposed to events.

MR SMYTH: So you do not think any of the promotion has been worthwhile?

Mr Barr: Of course the promotions have assisted. But I think the events program was largely what has driven the increase, particularly as you see it coming in the VFR market. Canberrans are saying to their family and friends, "This is a great year to visit the city. We've got all this stuff on. Come and look at"—you name the event.

DR BOURKE: So what is it worth, minister?

Mr Barr: An increase of \$117 million on the previous year; \$1.18 billion for the year ending March 2013.

THE CHAIR: They have all come to see *Skywhale*.

Mr Barr: No, not in the March quarter.

THE CHAIR: No?

Mr Barr: Not in the March quarter. So we will see what the June figures are like, if there is a *Skywhale*-led—

THE CHAIR: There will be a tourism boost all around Australia as it floats around the various places.

Mr Barr: There was a fair amount of interest in Hobart, was there not?

DR BOURKE: So you think it will be inflationary?

Mr Barr: Yes, “the great *Skywhale* overlord”, as it has been described in the RiotACT.

DR BOURKE: What further spin-offs will come from these centennial visitor numbers, minister?

Mr Barr: I think the challenge for Canberra has always been around overcoming negative perceptions and getting people to visit. Once we get them here, we exceed expectations in 90 per cent of our visitors. The most common thing that you hear anecdotally is that people do not leave enough time. They think they can see everything in a couple of days and they cannot. So what was interesting in this March quarter data was the length of stay increasing from 2½ to nearly three days. That is an important outcome and it is up from the previous period. It was three nights, up from 2.7.

MR SMYTH: But almost 60 per cent still do not stay overnight.

Mr Barr: We get a lot of day visitors; that is true. But some of our biggest markets are surrounding New South Wales and Sydney, from which you can do the day trip. People do numerous day trips.

MR GENTLEMAN: Do you think you will get more revisits out of that increased number?

Mr Barr: The data tends to support that. I think the evidence out of the human brochure project, for example, is that that is the case.

Mr Hill: There are probably a couple of things driving that. The human brochure certainly demonstrates the propensity to return to Canberra. With things like the blockbuster exhibitions that have been held, there was some research done specifically around that by the National Gallery which indicated that people who came down here, particularly from Sydney, to see the blockbusters are more likely to revisit rather than less likely. So it is not a matter of, “Tick the box and I’ve done Canberra.” It is more likely they are going to return to do other cultural events or the food and wine or the restaurant-type scene. Those things help to drive repeat visitation.

THE CHAIR: How much did we spend on the human brochure?

Mr Hill: The total investment would have been about \$1.4 million to \$1.5 million.

THE CHAIR: Have you been able to map the benefit in terms of direct visitor numbers out of it?

Mr Hill: We used the Tourism Research Australia numbers, which are independent of us, around visitation for the quarter. Those are the figures that we have been referring

to. Those quarterly figures for March are up significantly, particularly for visiting friends and relatives and leisure for the March quarter. They are quite volatile, I will be very honest—the quarterly figures are quite volatile. But they are up 54 per cent.

THE CHAIR: Are you planning another human brochure program or is it a one-off?

Mr Hill: We have used it twice. We have done two visits—one in October and one in February. There is probably a risk of some wear-out in repeating the same thing over and over. But there is certainly some legacy from us around the human brochure concept, which is about being far more interactive in the digital space. We have a range of activities that are going to roll out in the next six months that I would classify as spin-offs from the human brochure. But at this point we are not planning to do another visit of our humans.

DR BOURKE: Minister, you quoted some excellent—

THE CHAIR: Thanks, Dr Bourke. We will go to Mr Gentleman.

Dr Bourke: satisfaction figures. Could I just get a little more information about how you measure those?

THE CHAIR: No, we are going to go to Mr Gentleman and we will come back to you if we have time, Dr Bourke. Mr Gentleman.

MR GENTLEMAN: Thanks, Chair. Minister, page 137 of BP4—congratulations on the increase in visits to the Visit Canberra website. I have been looking through it this afternoon. One of the things that I think stands out really well is the “What’s on tonight!” button which refreshes every couple of minutes and shows you what is available in the ACT every day. When you go to accommodation and look for caravans and camping, there is very little in the ACT. Most of it is around Namadgi National Park and our Cotter reserve areas. Have you had any discussions about future opportunities?

Mr Barr: There is an allocation to expand camping facilities at Exhibition Park and with the block adjacent to Exhibition Park that has gone to the market for low cost accommodation. The proposal there is a variety of different accommodation types but it includes capacity for camping and caravans. So there will be a significant supply boost in that precinct.

THE CHAIR: Mr Smyth.

DR BOURKE: Chair, Mr Smyth had a substantial series of questions at the start of this session.

MR SMYTH: They were good questions, weren’t they?

DR BOURKE: You cut me off, and I have got a question that I would like to get answered. Then you can go to Mr Smyth, if you do not mind.

THE CHAIR: Mr Smyth seems agreeable with that, so let us do that then. Dr Bourke.

DR BOURKE: Let us go back to my question about—

THE CHAIR: I would not want you to have a tantrum at this stage in the afternoon.

DR BOURKE: the visitor satisfaction numbers.

Mr Barr: How does the NVS work?

DR BOURKE: Yes. Where do you get these wonderful numbers from?

Mr Barr: The national and international visitor survey is undertaken under contract to Tourism Research Australia by Roy Morgan; am I right?

Mr Hill: Correct.

Mr Barr: And their sample size is between 60,000 and 80,000?

Mr Hill: Correct.

Mr Barr: There you go; I have read my briefs. How about that? It is a regular survey with a panel of 60,000 to 80,000 people. They survey Australians and international visitors. We also, of course, have further data that is available in terms of arrivals into Australia that are tracked through Customs, ABS and the like. Tourism Australia have datasets.

Mr Hill: Tourism Australia sit within the federal Department of Resources, Energy and Tourism, a federal body that all the states and territories contribute to. They have a statistical unit that has been collecting data for the last 30 or 40 years around tourism visitation both in the country and across the country.

DR BOURKE: Thank you.

THE CHAIR: Mr Smyth.

MR SMYTH: Going back to the human brochure, there was a spamming incident when it was overrun by—

Mr Barr: We started to trend and people suddenly wanted to—

MR SMYTH: Yes, everybody was doing it. So how accurate is the 4.2 million number?

Mr Hill: It is a good point. I think the hashtag #humanbrochure was trending on Twitter above Justin Bieber and the Windows launch for a while there.

MR SMYTH: So everybody—

Mr Barr: There you go. There is an accountability indicator!

Mr Hill: With all that attention it does attract the opportunity for people to try and spam and ambush those types of activities. We were on to that pretty quickly. We were able to manage that pretty well, to the point that I think those 4.2 numbers can be independently verified through the tracking and the placement of cookies and those sorts of things through technology. I am happy to provide more detail on the accuracy or veracity of those numbers.

MR SMYTH: That is good. What did it translate into in terms of direct economic benefit for the ACT? What did you set in place to measure that?

Mr Hill: For us the measure is the NVS data. It is around visitation, ultimately. For us there are a range of legacy issues from the human brochure. There were over 5,000 images on Instagram that were posted through the human brochure. We signed up the image rights of people who participated in the human brochure. A legacy for us is 500 fantastic images of people doing activities in Canberra that we have access to across any medium we wish to use them in. So that is fantastic. We have filmed a range of activities that happened during the human brochure, like people riding mountain bikes at Mount Stromlo Forest Park. We have reams of footage now that we can use for many purposes, both for tourism and other promotional activities.

We have a real capacity building legacy from the human brochure with our industry. To give you one example, the East Hotel is now very much more in the space of digital, social media channels as a form of communication to existing and potentially new clients. There is quite a bit of legacy that has been built into our industry capacity. As to the raw numbers, was it delivered, we have really got TRA numbers to say it is X amount of dollars—\$117 million for the quarter.

MR SMYTH: But how do you justify the link? Is it just an assumption?

Mr Hill: To be honest, it is the sole measure that is out there in terms of the economic value. We are unable to track at the border. It is not like Tasmania, I suppose, where you can consider how many people come across by boat or by plane and sit there and say exactly how many people came, which is why we used the TRA. It has a significant sample size.

Mr Barr: I guess the comparator would be that if you were to spend a similar amount on more traditional media, if it was TV ads you could get some data on who is watching through the various survey methods that they use to record TV ratings, although what they tend to find is that people skip through the ads, and there are no surprises there. Certainly, the online space is much more accountable in terms of click rates and interaction than you get in terms of eyeballs on TV sets or ads in newspapers.

What you can certainly say about human brochure, as opposed to buying an ad in a News Ltd publication or in Fairfax Media, is that the bulk of the money stayed in Canberra in support of activities in this city. That is a tangible benefit for your advertising spend; that it stayed in Canberra, as opposed to lining the pockets of Rupert Murdoch or—

MR SMYTH: But you still cannot determine a direct link between any economic benefit?

Mr Barr: To the extent that you can determine any direct link between any spend in tourism, I suppose the only way to test this would be to not have a tourism promotion and no budget for a year and see what our figures were and then compare it with—

MR SMYTH: One could say you are having an enormous tourism promotion called the centenary, where you have finally got a calendar of events that runs consistently through the first half of the year and suddenly you have got an increase in tourism numbers.

Mr Barr: Yes, there has been a very strong program of events. There is no doubting that. But, it is—what?—20 million bucks worth.

MR SMYTH: Not all the \$20 million went on the promotion though.

Mr Barr: Events, yes.

MR SMYTH: Two things just to finish up: the end of the year, the launch of the new brand—when will it be launched?

Mr Barr: Towards the end of the year. There is no fixed date at this point, but before the year's end.

MR SMYTH: You mentioned there would be an assessment of the impact of the centenary year.

Mr Barr: That is correct, yes.

MR SMYTH: How is that progressing?

Mr Barr: There are pieces of work around individual events, some of which have already been released. There are further research projects underway. We will obviously look at our existing dataset and undertake further research. Some will be progressively released during the year, and then of course there will be a summation at the end of the year.

MR SMYTH: When will that be released?

Mr Barr: I do not want to put an exact date on it, but it will be some time in 2014, presumably, and hopefully in the first half rather than the second.

THE CHAIR: That will do for that output class. Thank you very much for attending, officials. We will move now to the final one, which is events, isn't it?

Mr Barr: 1.5, venues and events. It is where you get to ask your Stromlo Forest Park question.

THE CHAIR: That is very good. I have been waiting all afternoon.

Mr Barr: Neale Guthrie, you are on!

MR SMYTH: I think he has been called away to a football match!

THE CHAIR: It is going to be a wet one.

MR GENTLEMAN: It is rained out.

THE CHAIR: This is our ten thousand year flood that we are worrying about.

Mr Barr: It is of biblical proportions, is it? It is just as well Hamish McNulty is working on that weir, isn't it?

THE CHAIR: Welcome, Mr Guthrie. Are you all set for tonight?

Mr Guthrie: Yes. I just took a call; the field is covered in hail at the moment.

THE CHAIR: In hail?

Mr Guthrie: We have cancelled the pre-match entertainment, the pre-match game.

THE CHAIR: Are we anticipating a win for the Brumbies?

Mr Guthrie: Always.

THE CHAIR: Good on them. And in all seriousness, what is the ticketing for tonight?

Mr Guthrie: We have had very strong sales in the last week. We are probably looking at a crowd of between 22,000 and 23,000, which is just under capacity. Capacity is 25½. Given the crowds we have been having this year for the Brumbies matches, I think it is a pretty good effort. It just reminds us of the pulling power of the Lions tour. It is something not to be ignored, albeit that it is once every 12 years. We should just remember that it is a big deal.

THE CHAIR: Are the Brumbies games down on previous years?

Mr Guthrie: I would not say down. I would say they are running flat from last year, sort of consistent with last year's games.

THE CHAIR: All right.

Mr Barr: But there is a noticeable drop-off in crowd the deeper into the winter you go, isn't there?

Mr Guthrie: Yes, there is. It is just harder. And it is different now. Ten years ago you were only competing with going to the movies. You are now competing with watching big flat screen TVs, whether they are in your own lounge room, your mate's lounge room or the club that you frequent. There is a lot more choice. And there is broader pickup of Fox television. They are all competing for the dollar.

Mr Barr: For a while there you had a bit of Tom Waterhouse action as well, but now you do not.

THE CHAIR: Not anymore?

Mr Barr: No. No-one is missing that. I do not know many people who were missing that.

THE CHAIR: No. I will talk about Stromlo park now. There are a number of events planned for this year. Could you outline what those events are and what the progress has been in terms of attracting international events or national events to Stromlo park?

Mr Guthrie: The two major international or national events that we have attracted to Stromlo this year are the national mountain bike championships, which were held in February at Stromlo Forest Park, and WEMBO. The acronym is WEMBO, but the name escapes me. It is the world solo mountain bike championships, which we held here in 2010. 2010 was the first time that event had been held outside North America. We had something like 800 entries—versus 200, the previous best record, so it is pretty popular in Australia. That event is back for its second run in 2013. It will run the first weekend of October. The second weekend will be the traditional Scott 24, which is always a strong event. I would regard that as an event that we own and promote as a major national event for Australia, held here in Canberra.

THE CHAIR: In terms of validating it as a pretty good facility, has it got everything it needs there at the moment? Are there plans or requirements to expand it in terms of facilities?

Mr Barr: Certainly there is master planning work underway and a number of additional development opportunities for the park.

THE CHAIR: Is there any money allocated towards that? How is that occurring?

Mr Guthrie: There is current allocation from last year's budget of \$2.8 million allocated over last year and this year—the current financial year we are just finishing and next financial year. It is reflected in the budget here. We have retained AECOM as a master planning lead contractor, with Cox Architecture as the supporting architectural firm. We are updating the 2009 master plan. The intent with the updating of the master plan and the contract that AECOM have is to actually design the detailed services infrastructure—so power, sewer, water, road. That work is underway. We are at a point where we will be signing off on the draft master plan; we can then move into the detailed design phase for the base infrastructure.

THE CHAIR: The enclosed oval and the aquatic centre that are going to be in that vicinity—

Mr Barr: In the precinct, yes.

THE CHAIR: In the precinct. Is that part of the master plan?

Mr Guthrie: Yes. The two priorities that are driving it—it is really the site for the

enclosed oval. There is an environmental issue to do with Holdens Creek; we need to address that as a priority, and it is to be discussed with the minister and the government. Those sorts of issues are driving the master plan, but certainly the enclosed oval inside Stromlo Forest Park. The aquatic centre site, whilst it is a sport and rec issue, is on land that is adjacent to Stromlo Forest Park. We are aware of where that is, just understanding that with our basic infrastructure—to make sure that if there is any leg up in the future that we can provide with how that is designed and sited that might assist, taking that into account.

THE CHAIR: Thanks very much. Good luck to them.

Mr Guthrie: Thank you.

THE CHAIR: Dr Bourke.

DR BOURKE: Minister, this afternoon we have already been hearing about the possible development of a stadium in Civic as part of the city to the lake. Therefore what is the long-term plan for Canberra Stadium?

Mr Barr: Canberra Stadium is a leased asset. The Australian government owns the facility; we lease it at peppercorn rent but undertake the maintenance for the facility. And obviously, historically, over the 20 years of self-government, we have undertaken some capital investment, as a government, in the facility.

There is an annual capital upgrade budget for the facility that goes to address minor upgrades, safety improvements and the like. Over the last four years, we have had a number of examinations of possible redevelopment on the site in different configurations. When Australia made its bid for the football world cup, the commonwealth put \$100 million on the table for one of the major rectangular stadia to be built in the car park of the existing Canberra Stadium. Had that bid been successful, we would have actively explored reconfiguring the current Canberra Stadium back to an oval and had both of our sports facilities there.

That did not eventuate. That gave us the opportunity to make some decisions about whether to go with one stadium—an oval shape that could be reconfigured for rectangular sport. That model has been utilised in some larger stadia, but it is very expensive and it does not have the spectators close enough to the action for the rectangular sports. When you go to venues and events and look at the number of events held at Canberra Stadium versus Manuka Oval, even with the extra cricket that we are getting at Manuka now, this year there will be 25 major events at Canberra Stadium and four at Manuka.

Rectangular sport is the predominant sport. Hence, after undertaking all of that work, we determined to go with a two-stadium option for the city. We will continue to utilise Canberra Stadium, I would envisage, for the rest of this decade, or thereabouts. Beyond that, it needs a major reinvestment and a major renewal, which the commonwealth are not going to pay for, so they would expect us to. And even if you were to spend hundreds of millions of dollars, you are still left converting an old 1970s athletics track into something that is a piece of contemporary infrastructure. Your alternate choice is to relocate and seek new investment in a new and better

located facility that is a purpose-built rectangular stadium.

That is what has occurred in most other jurisdictions where rectangular sports—sports played on rectangular fields—are the predominant sports. In New Zealand, through the Rugby World Cup, obviously there are a number of examples of new stadium infrastructure. Melbourne did it with AAMI Park. The Queensland government spent a large amount on Lang Park. And we saw it sometime earlier in Sydney in terms of the Sydney football stadium.

Those purpose-built rectangular facilities get spectators closer to the action. When you are competing with watching it at home on telly, that spectator comfort and experience in the stadium are pretty critical.

DR BOURKE: So the synergy to be gained from locating it in Civic as opposed to having another development at Bruce—could you talk us through that, please?

Mr Barr: Sure. The rationale for that really goes to two or three main points. Number one is your capacity to generate other economic activity around the site. Bruce is geographically somewhat isolated from other economic activity, and at the moment—

DR BOURKE: Only for people who are not from Belconnen.

Mr Barr: Which would be the majority of ACT residents. But it is a drive-in and drive-out facility, so on major event days—you will see it tonight—the place will be ringed by 10,000 cars; it will take an hour to get in and out, even if you open all of the roads; and people will go to the event and then they will go home. There is very little else in the precinct by way of pre and post-match activities and business opportunities. Generally speaking, you cannot really go for dinner before the event or after. There is not much by way of drinking venues before or after. You will see this in the context of this Lions tour. It is good for King O'Malley's, because they have got a large number of people there, but there is no real economy around the event.

Compare that with other cities where their major event infrastructure is located where there is economic activity, where there is existing business and transport hubs and where people live and work. There is much more economic activity. You generate more from your investment in major events. In the context of stadium investment, it is hundreds of millions of dollars. It is one of the larger pieces of public infrastructure that governments and/or the private sector ever invest in in a city. You want to maximise the return from it.

With Canberra Stadium, we had the rocket man and we have had a couple of extra footy games, but we get 25 events a year. We should have 325 events a year at our major piece of stadium infrastructure. If it were enclosed in the CBD and had the flexibility to support a range of events, you would have a chance of getting that level of activity around your stadium infrastructure. Then, over the 50-year life of such infrastructure, you are a chance to get an economic return on an investment of hundreds of millions of dollars.

That is the rationale for that—and its accessibility and walkability. There are 27,000 car parks in the CBD. Most of them go entirely unutilised during the evenings. Why

not locate a facility where more people can access it and where there is going to be more economic activity?

MR GENTLEMAN: Minister, what would you do with the old infrastructure? You said it is owned by the commonwealth.

Mr Barr: It is owned by the commonwealth. I suppose there is potential for some land swaps. We own some land within the precinct that the Institute of Sport operates that they may have some interest in. Alternatively, they could just resume the lease. What happened in Melbourne, for example, was that Waverley, which used to host AFL games, was converted into a partial training facility for the mighty Hawthorn Hawks—top of the table, looking forward to a premiership in 2013.

DR BOURKE: Dreaming!

Mr Barr: There was housing built around that as part of the redevelopment. I understand something similar is proposed in Adelaide. They have determined to move from football park in the suburban areas of Adelaide and relocate into Adelaide Oval. I presume a similar development proposal would be there for the old site. Does that sound right?

Mr Guthrie: Yes.

DR BOURKE: So that sort of suburban development of sport that happened all through the last century did not draw upon the experience of the 19th century, where you had the G right next to Jolimont railway station.

Mr Barr: Yes, I guess.

DR BOURKE: Development right in the centre of the city is now occurring again?

Mr Barr: That is certainly the global trend around major event infrastructure.

THE CHAIR: Mr Gentleman.

MR GENTLEMAN: I do not have any further questions on this.

MR SMYTH: Just on the Canberra stadium, how long have we been looking for a naming rights sponsor?

Mr Barr: I think, on and off, for a period of time. There were some approaches to market around the GFC, yes, 2011.

Mr Guthrie: August 2011.

MR SMYTH: They have sort of come to nought at this stage?

Mr Barr: There has been some interest, but I do not think necessarily at the level that we anticipated. I think a hurdle was overcome, in terms of Canberra sporting venues able to attract naming rights sponsorship, with the Star Track arrangement at Manuka

for the football season. I do not discount the possibility that there will be a naming rights sponsor for that venue. We are still in the marketplace and there is still interest. If there is a good offer, we will take it.

MR SMYTH: The Manuka oval's new spectator facilities and media infrastructure, what is involved?

Mr Barr: There are 1,400 extra seats, replacement of some of the existing seats, some of which were drawn from the old Bruce stadium prior to the upgrade of what is now known as the Gregan-Larkin stand—I think it was known as the east stand at the time—a platform for media for major events, particularly the cricket World Cup and some other improvements. What else have I left off the list?

Mr Guthrie: Completion of the playing surface. There is some extra infrastructure we need to include with the playing surface works, and the reseeding.

Mr Barr: You lower the playing surface by 1.2 metres?

Mr Guthrie: About that, yes, about a metre. We are lowering the playing surface and we are also taking the opportunity to increase the capacity, with a couple of extra rows of seats, the cheap seats, so to speak.

MR SMYTH: So you are reducing the size of the playing field?

Mr Guthrie: That is right, by about one metre. The only sport that is affected by a reduced size is the AFL. Cricket already play in a much-reduced size oval.

Mr Barr: And Manuka is bigger than the MCG anyway.

Mr Guthrie: It is one yard longer.

Mr Barr: There you go. So it will now be the same length as the MCG.

Mr Guthrie: Yes, it will be about the same playing length.

MR SMYTH: And you have got two extra events there this year, 2013-14?

Mr Guthrie: Yes.

MR SMYTH: And they are?

Mr Guthrie: When the budget for four events was put in place, we were only budgeting for the PM's XI and we thought we were getting three GWS matches. We budgeted for four. The actual outcome is four GWS matches and the two cricket matches.

MR SMYTH: As to the catering at both Manuka and Canberra, has there been any review done of the services there, particularly for the big events? And are they up to expectation and—

Mr Guthrie: Yes, we are aware of the challenges that we have had with catering this year. There have been a series of meetings. We have engaged a catering consultant that we have used in previous years to assist the existing, extant catering company with their business to try to lift the standards that we expect at these venues, noting that in Manuka oval's case the venue has no infrastructure in terms of catering infrastructure. They do have a bit of a challenge there. But at Canberra Stadium, there is no excuse for not delivering.

That said, with capacity crowds, there are always challenges for all of the infrastructure, because we are at the limits of their capacity. In Canberra Stadium's case, Canberra Stadium, as it is built now, is still only 80 per cent or 70 per cent of the venue that was planned. So there is some temporary infrastructure, as such, at that venue as well. But yes, we acknowledge that there have been some problems. Yes, we have been working with the caterer in a positive, cooperative way to try to lift their standards and assist them.

MR SMYTH: Where does one find a catering consultant, and how much did it cost you?

Mr Guthrie: Just from my experience of those I have met and through conferencing, there are only two I would regard as venue-specific catering consultants in the country, one out of Sydney, one out of Brisbane. And in both cases I think he is quite reasonable. We have just retained him to provide some advice for Floriade as well. He is on a \$15,000 retainer for advice, through processes starting now right through to the end of Floriade, to try to work on improving the catering offering and to try to bring some contemporary and changing face to the event as we work with the theme for Floriade and try to reflect that in the food that is offered.

MR SMYTH: Was there a report done on Manuka and Canberra Stadium?

Mr Guthrie: Sorry, could you say that again?

MR SMYTH: Was there a report done on the catering at Manuka and at Canberra Stadium? If so, is it available?

Mr Guthrie: There was a full review of the catering offering at the ARL test match, and that is an internal document for review. I am happy to discuss some of the outcomes but I would prefer not to release it because we were assessing the KPI assessment against the catering contractor.

MR SMYTH: So what were the deficiencies and what has been put in place to rectify them?

Mr Guthrie: Deficiencies at the ARL test match at the top level were that there were not enough cash registers operating in the extant concessions, that there were not additional concessions put in place, temporary concessions put in place, to provide alternatives to try to move the crowd around because we were at capacity and there are limitations. Catering is all about length of service and the number of cash registers that are available.

As far as quality of food goes, I think, in a quality sense, the quality is fine. It is more about systems that make sure that food arrives in the right location at the right time, and they were found deficient in some of the operational, back-of-house areas that only we see and our hirers see.

Mr Barr: We touched on Qhopper earlier. Do you want to talk a little about that new technology?

Mr Guthrie: Sure. We have been working with the local Canberra start-up company around a product that they are developing for iPhones that would see people able to order their food and beverages from their seats and then they would get a message back to say that their order was ready for collection from a certain place. Trials started late last year and they will continue tonight as part of the Lions match.

We are at a point where I think we are now going to try to service a whole bay of people tonight through a couple of our concessions, and there has been some infrastructure installed just using a wifi net. They did try to use Twitter, which I think did not work. There was not enough bandwidth. It is a real challenge, I think internationally, at the moment to install wifi systems into stadiums and then try to have 25,000, 40,000, 50,000, 60,000 or 100,000 people all at the same time talk to each other and utilise it. So it is a bit of a challenge. But this is starting it. They have done very well. There have been a couple of research grants granted to this company and if they crack it I think they will have a really great international market.

MR GENTLEMAN: What is the app called?

Mr Guthrie: The company is called Qhopper and I think that is what they are calling it.

THE CHAIR: Minister, on page 148 of budget paper 3, under the tourism major events fund, there is \$1 million in 2013-14 and \$1 million in 2014-15 and that is part, I imagine, of the funding that was promised in the ACT election promise.

Mr Barr: Yes.

THE CHAIR: I am trying to understand why if the promise is for \$4 million, only \$2 million has been allocated out of this budget. Why have you only applied the \$2 million and not the \$4 million, assuming that it is the plan eventually to put that into the budget?

Mr Barr: I want to review the effectiveness of the fund in its current operations. I have been concerned to date that only two national institutions have applied for funding and that we have received no grant applications from outside of the national institutions. Whilst the quality of the events that we have supported is very high—and I have got no concerns about the allocations that have been made; they have been entirely appropriate—I do not want the tourism major events fund to become the National Gallery of Australia major events fund. Although I welcome applications from the gallery—and we have supported a number of them—we do want to look at this program broadly.

We are evaluating elements of the centenary year program—and we touched on this earlier—around elements of the program that have worked particularly that we may wish to continue beyond 2013 as a legacy. I wish to retain some capacity within our election commitment around support for major events.

At this stage I wanted to provide two years funding certainty, because there is generally a lead time for institutions and event organisers, but I want to have the capacity, in the context of this post-centenary year review, to have a look at what we will do in the forward years. It may well be that, given the to-date evidence that suggests that the strength of the events program will drive increased visitation, increased allocation by the government in the outyears may be appropriate but I want to have a look at this in the context of all of the analyses.

THE CHAIR: If you decreased it, you would be stepping away from your election commitment?

Mr Barr: Our commitment was \$4 million over the four years. Yes, I would accept that, if we were to not provide \$4 million worth of events funding. That would be a fair observation.

THE CHAIR: Dr Bourke.

DR BOURKE: Minister, on EPIC, can you tell me more about the benefits to the ACT of the low-cost tourist accommodation project and what it involves?

Mr Barr: Sure. We are seeking to augment supply in this area because there has been a reduction in recent times of some major hotels and motels that were offering product at this end, turning over the higher residential and commercial use. We have been progressing a couple of pieces of work, one of which is funded in this budget, and which goes to enhanced camping facilities at Exhibition Park, and then also the low-cost accommodation site that the FreeSpirit group, I believe, won the tender for. They operate a variety of holiday parks that have accommodation that varies from camping, caravan, vans, onsite permanent vans through to—

DR BOURKE: Cabins.

Mr Barr: Yes, and the like. Liz, do you want to talk about the camping upgrade and the car park upgrade?

Ms Clarke: Yes. We have been provided \$120,000 in the new budget to extend our current camping ground. With that money, we will be developing 60 spaces for our large-rig caravans, which will assist in increasing our revenue.

THE CHAIR: Thank you. We might leave it there if we may. I just want to remind the committee that all questions on notice are to be lodged with the committee support office within three business days of the receipt of the uncorrected proof transcript, with day one being the first business day after the transcript is received. Answers to questions on notice are to be lodged with the committee support office within five business days of receipt of the question, with day one being the first business day after the question. And answers to questions taken on notice are to be provided within five

business days of the hearing at which questions were asked.

On behalf of the committee, I would like to thank you, minister. Thank you very much for your time. Thank you to all the officials and good luck tonight, Mr Guthrie. Members, we will return here tomorrow morning for the Attorney-General at 0900. This hearing is now adjourned.

The committee adjourned at 4.59 pm.