



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2016-2017

(Reference: [Appropriation Bill 2016-2017 and Appropriation \(Office of the Legislative Assembly\) Bill 2016-2017](#))

Members:

MR B SMYTH (Chair)
MR J HINDER (Deputy Chair)
MS J BURCH
MR S DOSZPOT

TRANSCRIPT OF EVIDENCE

CANBERRA

TUESDAY, 21 JUNE 2016

Secretary to the committee:
Ms K Harkins (Ph 620 50435)

By authority of the Legislative Assembly for the Australian Capital Territory

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

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Amended 20 May 2013

The committee met at 9.30 am.

Appearances:

Barr, Mr Andrew, Chief Minister, Treasurer, Minister for Economic Development, Minister for Tourism and Events and Minister for Urban Renewal

Chief Minister, Treasury and Economic Development Directorate
Nicol, Mr David, Under Treasurer, and Acting Head of Service
Fletcher, Mr John, General Manager, ACT Insurance Authority
Tanton, Mr Graham, Executive Director, Shared Services
Davis, Mr Gary, Executive Director, Shared Services ICT
Burton, Mr Ross, Chief Finance Officer, Shared Services Strategic Finance
Rutledge, Mr Geoffrey, Acting Deputy Director-General, Policy and Cabinet
Overton-Clarke, Ms Bronwen, Deputy Director-General, Workforce Capability and Governance
Peffer, Mr Dave, Deputy Director-General, Access Canberra
Phillips, Mr Brett, Acting Work Safety Commissioner
Perkins, Ms Anita, Director, Communications
Childs, Ms Judi, Director, Public Sector Management
Ogden, Mr Paul, Chief Finance Officer, Strategic Finance
Jones, Mr Greg, Director, Regulatory Compliance, Construction, Environment and Workplace Protection, Access Canberra
Simmons, Mr Craig, Director, Regulatory Compliance, Community, Business and Transport Regulation, Access Canberra

Icon Water Ltd

Knox, Mr John, Managing Director
Sachse, Mr Sam, General Manager, Finance
Lewry, Ms Amanda, General Manager, Asset Management
Breaden, Ms Jane, General Manager, Business Services

THE CHAIR: Good morning all, and welcome to the third day of the public hearings of the Select Committee on Estimates 2016-2017. At the commencement of this sitting of the estimates committee, the committee acknowledges that we are meeting on the land of the Ngunnawal people, the traditional custodians. We respect their continuing culture and the unique contribution they make to the life of this area.

Ladies and gentlemen, the proceedings today will examine the expenditure proposals and revenue estimates for the Chief Minister, Territory and Economic Development Directorate in relation to budget statement B, ACT executive in relation to budget statement A, and the ACT Ombudsman. What a great day for all of us. Please be aware that the proceedings today are being recorded and transcribed by Hansard for publication. The proceedings are also being broadcast and webstreamed.

When witnesses come to the table, could they please familiarise themselves with the privilege statement. Would those at the table please confirm that they have seen and read the statement, and understand the implications of privilege?

Mr Barr: Yes.

THE CHAIR: Thank you for that. The Chief Minister has indicated he does not wish to make an opening statement but that Mr Nicol has some information. Before we go there, at the close of yesterday's hearing I advised a time frame for receipt of responses to questions on notice as being five working days from receipt of the transcript. Apparently, the decision the committee took was five working days from the hearing, with day one being the first business day after the relevant hearing. So your clock started yesterday. I understand Mr Nicol has some further information from yesterday.

Mr Nicol: Chair, there were some questions yesterday about the methodology for calculating rates as they applied to unit title properties, and particularly with respect to a change included in the budget as to how we calculate those rates for apartments.

Essentially, under the current arrangements the unit entitlement for each property is used to determine how rates are distributed. Under the current system the AUV for the property is determined using the standard valuation methodologies. That AUV is split amongst units on the property according to their unit entitlement, and then the marginal rate is applied to each of those individual AUVs to calculate the rates for each property.

Unit entitlement is determined when the DA for the building is submitted to EPD. It is determined using professional standards and takes account of floor space, including car parking spaces, aspect and view. It could be said to equate to a relative value of each property within the development. We use that unit entitlement to determine how rates are distributed amongst the whole property. It is also used, we understand, to determine strata title fees and strata rights et cetera.

Under the new arrangements the AUV of the block is calculated as it is now. That has not changed. What has changed is that the rating factors are applied to that entire AUV first, and that amount of rates, the variable component, is then split amongst the unit holders according to their unit entitlement, which again has not changed under the formula. The only change made is about when the rating factors are applied. Currently, they are applied after the AUV is distributed. Under the new arrangements they will be applied before the AUV is distributed, and the variable components as a result are then distributed amongst the units.

THE CHAIR: Was there any calculation done on what that will do to most people's rates in a unit?

Mr Nicol: Yes, we can provide information on that. It will vary according to the development, the number of units, the values et cetera, and the unit entitlements for each property.

MR HINDER: But the proportionality will not change, so the larger units will pay a larger share—

Mr Nicol: The proportionality will not change. That is right.

MR HINDER: than a smaller unit.

Mr Nicol: Yes, that is not affected.

THE CHAIR: We will look forward to that additional information. Members, today we start with ACTIA and Shared Services between now and 11, and then Icon Water, before moving to the Chief Minister's department this afternoon.

We welcome Mr Fletcher from ACTIA. Could you go to page 35 of budget paper 3. There is a summary of major technical adjustments, of which ACTIA is the first line under "expenses". Could you explain what is happening there, please?

Mr Fletcher: Certainly. The authority is heading towards a good outcome again for the 2015-16 year. That comes on the back of a couple of things, the key item being an adjustment to our claims expense. On page 153, which shows our financial statements and our operating statement, you will see that the budgeted figure for our claims expense is 64,327. The outcome is 17,906, which is a reduction in our claims expense of just on 46.4. That reduction in claims expense comes on the back of an adjustment to our liabilities. Our actuaries have again reassessed our liability profile, adjusted their assumptions used to arrive at that liability outcome and reduced that number.

Those numbers appear on our balance sheet in current liabilities and non-current liabilities as payables. Most of those payables are associated with claims liabilities. Some of them are associated with other expenses. That number is just on 64 million as a reduction. That reduction is then written back to the claims expense number that appears in the operating statement. Along with some adjustments in the revenue for non-government user charges, we arrive at 44.512 net, off that amount.

THE CHAIR: What is the negative figure in the outyears on page 35?

Mr Fletcher: It is that adjustment in income reduction and claims expense reduction. They net one another off, to be 1.5 in those outyears. It is because it is a budget adjustment in 2015-16.

MR HINDER: With the premiums charged, have they fallen?

Mr Fletcher: Yes.

MR HINDER: How come?

Mr Fletcher: We anticipate in the budget for 2016-17 that our user charges for government will reduce by \$5.7 million. That is a 10 per cent reduction. The authority has been on a bit of a journey over the past five years. We are always reviewing our financial position. Based on some good claims management performance by our claims management team, we have settled quite a few long-tail claims in particular, which has added to our experience, and that experience informs our actuaries in terms of what our liability profile is. We have reduced our liabilities and we have made a number of returns of capital back to the budget. This year is the first year where there is a significant downward adjustment in our user charges. So that \$5.7 million is about a 10 per cent reduction. The premiums for the past three years have seen only minor,

small increases. It is really quite a flat line for the past three years.

MR DOSZPOT: Mr Fletcher, on page 6 of budget statement B, under “strategic indicator”, what new ways of delivering services have been identified or have been implemented? I believe we are talking about table 4.

Mr Barr: That is Shared Services. We are not there yet.

MR DOSZPOT: My apologies.

MS BURCH: By way of a supplementary to what Mr Hinder was asking about downward pressure on user charges, what was behind that? Is that expected to continue, so that there will be ongoing downward pressure on user charges?

Mr Fletcher: The objective of the authority is to meet the cost of claims. That adjustment in our premiums is aimed at coming down so that we only collect the revenue necessary within insurance to meet the expected liability. Our liabilities are being adjusted, and at the same time our actuaries are advising us that we also need to collect less revenue to meet the costs of claims in particular insurance here.

MS BURCH: Page 140 of budget statement B says that in addition the authority also performs the function of the office of nominal defendant and the default insurance fund. Can you talk to us about that?

Mr Fletcher: Yes, I can.

MS BURCH: Is that a stock-standard part of the trade, and what does that mean for you?

Mr Fletcher: It is. With those two funds, the nominal defendant fund is the default insurance arrangement for the ACT CTP insurance scheme.

MS BURCH: Even though that is compulsory and people should be insured?

Mr Fletcher: Yes. Under the legislation the authority is established as the nominal defendant. We look after claims that involve either unidentified vehicles or unregistered vehicles. A hit and run is an unidentified vehicle; sometimes that involves pedestrians, cyclists or other vehicles. There are other circumstances where the vehicle is unregistered. In that case the nominal defendant steps in as the insurer.

MS BURCH: Do you have much work? Are there many claims?

Mr Fletcher: From memory, from the annual report outcome last year, there are about 100 open claim files in the nominal defendant’s office.

MS BURCH: Are those 100 open because they are just going through the process or is it because they are hard to resolve?

Mr Fletcher: No, they are currently under management by us. They can sometimes involve personal injury, and sometimes quite serious personal injury. It can sometimes

take time to resolve those types of claims. As people's injuries become apparent, we just go through the claims management process. The split in those 100 is about fifty-fifty between unidentified issues or vehicles, and uninsured.

MS BURCH: What about the default insurance fund for the ACT private workers compensation scheme?

Mr Fletcher: The default insurance fund is the same mechanism, except for workers comp claims. In the private scheme, where an employer does not hold a workers comp policy for their worker—

MS BURCH: How would that happen? Wouldn't they be obligated to have one?

Mr Fletcher: Yes, they are, but if they do not—

MS BURCH: So they are not doing what they ought to do?

Mr Fletcher: That is right. Similarly, we act as insurer for a worker in that circumstance.

MS BURCH: Apart from unidentified vehicles, where things happen, say, in the night and there is a claim made, you would expect that a worker would know the employer. How do you go about dealing with them?

Mr Fletcher: There are mechanisms under the act for the authority to recover costs from an employer, and they can be quite significant. We liaise with WorkSafe in terms of reporting entities that obviously do not have a workers comp policy at the time that the claim arises, and we do our best to pursue recovery of those costs. In most cases that is difficult, because the businesses that are usually involved are not the large corporate-type entity. They are small businesses, and they can often involve day labour type workers. I do not know the exact split but there are a lot of construction-type claims in particular.

A person might have their own business driving a two-tonne truck and collecting waste. He goes on holidays, gets his mate to drive the truck, there is no workers compensation policy in place and he gets injured. Therefore there is no policy and the claim defaults to the fund.

MS BURCH: There are two elements. You might try to get the claim money back. But how do you work with WorkSafe? Do you let that organisation go? Do you find them? How many of these claims would be—

Mr Fletcher: I think that question needs to be put to WorkSafe. We certainly inform them about the default, and we do our best to pursue recovery of costs from the employer where we can. Sometimes employees do that; the worker might not necessarily be severely injured, so the employer is prepared to fund the costs of the claim.

MS BURCH: Of the broken leg or whatever.

Mr Fletcher: Yes, whatever it might be. The employee has a month off work and then goes back to work. We have discussed the lack of a policy with the regulator.

MS BURCH: Are there many? You said there were about 100 open claims.

Mr Fletcher: That is the nominal defendant.

MS BURCH: What about this one?

Mr Fletcher: There are about 30, roughly.

MS BURCH: Are there repeat offenders?

Mr Fletcher: No.

MR HINDER: As a former commercial lawyer, would it be fair to say that in catastrophic circumstances a lot of individuals or corporations would seek protection under the corporations law or bankruptcy provisions?

Mr Fletcher: Yes.

MR HINDER: Which then puts the onus on the state to prove that no policy existed?

Mr Fletcher: Yes, we find that as soon as we apply pressure to some businesses to recover costs they go bankrupt.

MR HINDER: Yes.

Mr Fletcher: As simple as that.

MR HINDER: That would be the advice they are likely to get from their lawyer, I would suggest.

Mr Fletcher: That is definitely the path they take.

MS BURCH: Are you speaking as a lawyer?

MR HINDER: Just by things I have heard.

THE CHAIR: Just a casual observation.

Mr Nicol: I think if a business has not the wherewithal to arrange workers compensation insurance, either through cost or lack of sophistication, a significant claim would be enough to send them bankrupt anyway.

MS BURCH: Is there anything else we can do in this area, or do you think as a fund holder and as an insurer we have got it covered as much as we can?

Mr Fletcher: I think that is probably a question better put to those in the industrial relations space who are responsible for that scheme. We are certainly involved in

advisory board committee meetings with the DIF where there is discussion about those types of issues, and I understand that Mr Young takes those to an insurers forum that he runs.

Mr Nicol: We have Access Canberra on this afternoon and we can raise that then.

MR DOSZPOT: Mr Fletcher, still on page 140, the insurance coverage provided via indemnity agreement is broad form cover that includes liability, medical malpractice, professional indemnity and property damage. Can you give us a narrative as to which area provides most of your activities?

Mr Fletcher: Sure. We have just short of 500 open claim files: 223 of those are liability claims; 187 are medical negligence claims; and 54 are property claims. They are the numbers. In terms of commitment of time by our people, certainly medical negligence claims, from a claims management point of view, are more time consuming than liability claims. Then obviously property claims are on a lesser basis because they just involve material damage to property.

MR DOSZPOT: Is this ratio much the same year on year on, or do you see an escalation in any particular area?

Mr Fletcher: It usually pretty much stays the same. There is a table in our performance indicators. The easiest page to look at is probably page 145. That has a bit of a profile of the three main classes of cover. If you look at that table, there is a thing called ultimate claim numbers. They are our actuary's estimate of the number of claims in an insurance year we will have to deal with. You can see the ratios are about the same as the numbers that I just quoted there. So year on year it is pretty much the same.

MS BURCH: Medical malpractice seems to be creeping up a tad. Is that just because of more people in town, more doctors, more—

Mr Fletcher: Certainly part of the process is taking into account growth in provision of services. When our actuary looks at that particular profile they factor in obviously some expansion in provision of services.

THE CHAIR: On page 155, statement of changes in equity, and on page 160, the second dot point talks about the return of capital. Did the government request the return of capital?

Mr Fletcher: No. Where should I start? Back in 2014 we did a financial condition review of the authority. One of the recommendations out of that review was that the authority should establish a capital management plan. What we do each year just before the budget is look at our financial position and determine whether or not we are in a position to budget for capital return. In last year's budget we budgeted for the \$60 million that appears there in the estimated outcome column, and this year we budgeted for a return of \$50 million.

THE CHAIR: You have no numbers in the outyears. Why is that?

Mr Fletcher: Because I would like to be a bit surer of our financial position before we include more capital return in the outyears. It is simply a process of being sure about the advice that I provide to government. We have made some changes to the way we do our business. Those changes are starting to flow through into the liability profile. The key change was in December 2014. We adjusted our claim reserving practice.

The authority had reserved claims in the past on a more conservative basis, looking more towards a maximum loss scenario that did not take into account liability risk for the plaintiff. We looked at that claims experience, and because it obviously drives our whole business, I made the decision that we would move to a probable loss scenario. That means we rely more on the experience of our claims officers and the experience of lawyers in the Government Solicitor's office, who do a fantastic job for us, to try to target in a less conservative reserving practice that is based on probable outcome rather than maximum loss outcome.

THE CHAIR: Your closing accumulated funds, though, decline over the years. What is an acceptable level of funds at the end of a period?

Mr Fletcher: The capital management plan talks about us having a funding ratio between 100 and 110 per cent. Either side of those numbers we can make decisions. At the moment that ratio is fairly healthy. It will be 142 in terms of an estimated outcome for 2015-16. If we make the capital return in 2016-17 it goes to 122, and in the outyears it is 120, 118, 116.

THE CHAIR: So still healthy?

Mr Fletcher: Yes, it is still pretty healthy. But that is not to say that in future budgets, based on some more information and some more experience, particularly with that claim reserving practice, we can look at future capital returns. The thing is, though, we are starting to now adjust the revenue side of the equation, so we are bringing our revenue down to meet the cost of those liabilities. There have been capital injections in the authority's history in the early years when it was thought that there would be some unfunded liability.

THE CHAIR: So the authority is now how old?

Mr Fletcher: The authority kicked off in 2000.

THE CHAIR: So you now have a stable platform of knowledge?

Mr Fletcher: We have obviously a much better experience profile than in the early years. In 2005 and 2006 the authority did not have a lot of reliable data, hence the reserving practice and the capital injections. Now we are in a much better position.

Mr Nicol: Chair, from my perspective, it is really important for the commission to know exactly what its liabilities are, to measure them as accurately as possible and then apply a policy for what is the appropriate reserving ratio rate on those liabilities. As Mr Fletcher said, we are getting a lot better at that.

Attached to that good pricing information, the other part of the equation is to ensure that we have good risk management arrangements in directorates so that we get fewer claims. I am seeing strong evidence of that coming through as well. The goal of the reforms—“reforms” is probably too grand a word; it is evolution—is to get accurate pricing to directorates, accurate valuations of liabilities, an appropriate reserving ratio and then assuring the authority has the appropriate capital. Having lots of excess capital there is not good for the overall balance sheet of the territory.

The return of capital simply switches the capital from the authority to the main balance sheet of the territory. It does not affect the overall balance sheet of the territory. It does not affect the headline net operating balance directly; it is just efficient capital management of the process.

MR HINDER: The fact there are no figures in the outyears combined with what appears to be a more proactive management style of the risk and case load—

Mr Fletcher: Yes. In terms of the capital.

MR HINDER: That would suggest that you have mechanisms to increase premiums or decrease premiums dependent on what the—

Mr Fletcher: Yes.

MR HINDER: And the lengthy term of payout phases I would imagine would then give you the capacity to adjust in time for any increase in liability, or decrease for that matter.

Mr Fletcher: Yes, that is correct.

MR HINDER: The possibility is that there may be further returns to the territory should the claims history decrease or the management or the—

Mr Fletcher: Yes, that is a possibility.

MR DOSZPOT: On page 146 performance indicator (k) is to provide risk reports to assist agencies. What is the nature of feedback on risk management action that is provided to the agencies?

Mr Fletcher: Are they the director-general risk management reports you are referring to? Sorry, it is on 147?

MR DOSZPOT: Page 146, indicator (k).

Mr Fletcher: Yes, risk profile reports. What we do twice a year for directorates is provide them with a risk profile report. Part of it is a written script; part of it is a number of tables and graphs and then a download of all of the claims data that drives the graphs that are in the report. It tries to highlight trends and areas where agencies might like to pay some more attention to their operational activities. But in saying that, sometimes the claims profile is a reflection of the business they are in. If you drive enough buses around town, like ACTION, you have accidents and passengers get

injured. It is the nature of their business.

What we tend to do with that type of information is try to encourage them to change their practices or implement different activities. ACTION is a good example. In the past we have been to presentations for driver training about the consequences of errors by drivers, things as simple as driving off from the bus stop too fast while a poor senior citizen is still hobbling down the aisle and who then falls over resulting in an injury. Some of the work we did there in the early years resulted in ACTION's program of installation of CCTV cameras on buses. That has been beneficial to us in terms of understanding what has happened when a claim arises. They have made some changes to physical configuration of buses in terms of where senior citizen seats are and design changes in terms of the risks associated with the configuration of seating, for example.

For other agencies it is a little bit more difficult. Obviously ACT Health has a whole quality-of-risk division of people who are involved in clinical risk. We share information with them in terms of what our claim profile is, but obviously they are informed by their own internal processes that are associated with good outcomes for patients rather than insurance claims.

MR DOSZPOT: Have there been any public interest disclosures in the past 12 months?

Mr Fletcher: No.

MR DOSZPOT: Have there been any reports, formal or otherwise, of bullying within—

Mr Fletcher: There certainly have not been any reports made to me about bullying of staff. I am aware that one staff member made a representation to strategic HR about one of my interactions with him by email, and I understand that that issue was investigated and no further action was taken.

MS BURCH: On page 150 there is “deliver programs”. It is around the information sessions and trainings that you deliver.

Mr Fletcher: Yes.

MS BURCH: There was a larger than expected interest in one course but no demand for the other. There is no indicator for the outyears. Is that just an internal service you provide to different agencies, and do you change that to meet what the interest and the demands are?

Mr Fletcher: Yes. It is provision of an internal training activity to directorates. That profile, in terms of events and projects, was driven by demand, particularly the events training activity. In essence, the three courses are the same; they really have just a slant to a particular activity. We provided training, for example, to agencies that are involved in events management, and we would tailor our course to them. We bring our standard pack of training material and we liaise with them. We ask, “Well, what sort of examples would you like us to use in the training delivery?” Sometimes they

bring their own example, so I suppose there is a double benefit: they learn a bit about risk management and they usually walk away with an outcome, for example a risk management plan for a particular event.

MS BURCH: When you say “event”, is that like the Multicultural Festival or the noodle markets rather than large—

Mr Fletcher: Yes. Events ACT, Access Canberra.

MS BURCH: Not the cricket, for example.

Mr Fletcher: No, although events tend to fall into a couple of different categories. Obviously an event like the AFL, the cricket or Skyfire that is run by a big organisation has access to resources. They usually have someone involved that has experience in running events and they have people who have some expertise in the types of risk associated with those events. It is some of the mid-size ones, particularly community-type events, where those organisations do not have a lot of resources or a lot of expertise. The event organisers for the territory are obviously interested in protecting our interests but also protecting the interests of the event organiser; there is some opportunity for us to teach people in house about how to manage those issues from a risk perspective.

THE CHAIR: We might leave it there. Thank you for your attendance this morning. A transcript will be provided when we have it; if there are any corrections or suggestions you would like to make, we will gratefully receive those.

We will move to Shared Services. Welcome, gentleman. On page 23 of budget statement B is output class 7.1. There is a dot point there that says that Shared Services provides “a full range of record management, mail room and other courier activities to the majority of government directorates”. Which ones does it not supply that service to, and why?

Mr Tanton: I will need to take that on notice. Whilst we provide the majority of mail services to agencies, there are some functions from across the ACT government which we do not provide services for. I can take it on notice regarding which ones and the reasons why.

THE CHAIR: The third last dot point refers to the production and lodgement of monthly business activity statements. I notice that on page 38 you have BAS as 100 per cent in accordance with ATO deadlines, which is good. How many BASs do we prepare—the ACT government?

Mr Tanton: Again, I will need to take that on notice.

THE CHAIR: Yes. Is it a large number? And what sorts of organisations have to submit a BAS?

Mr Tanton: All legal agencies within the ACT need to submit BASs, but I can take it on notice as well regarding the actual number that we provide.

THE CHAIR: Thank you very much. Mr Hinder?

MR HINDER: I understand that Shared Services has been undertaking a fair bit of internal reform. Can you give us an idea of what sorts of specific measures that has involved and whether you have got any results from that reform?

Mr Tanton: There have been a number of process reviews. There are a number of areas where we are focusing at the moment. One is regarding looking at the structures that we previously had—I have been on board for about seven months—and through that process looking at how we align the structures. There have been some reforms in how we look to align our services. As part of that, we have looked to consolidate our ICT services under the executive director of ICT, Mr Gary Davis. But we have also been looking at our processes in place in regard to automation, working with the directorates to really get an understanding of their requirements going forward, understanding the needs of the ACT government going forward and working through what the key priorities of the directorates are as well. There has been some realignment of management structures and reporting structures in regard to that.

There has also been a body of work looking at our skill sets in ICT and, moving forward, taking on accounts for new technologies and the like. Through those processes, we are seeing improved engagement with staff. Obviously, with change, there are always some challenges in and around that, managing expectations and the like, but as a whole it has been positive to date. And we have a further process going forward.

MR HINDER: Thank you.

MR DOSZPOT: I am not sure which of you gentleman I should address this to. Further to Mr Smyth's question about which directorates you provide services to, I should imagine the education directorate would be one that you would be giving—

Mr Tanton: That is correct.

MR DOSZPOT: Yes, and to schools as well?

Mr Tanton: That is correct.

MR DOSZPOT: Can you elaborate a bit on how you deliver services to schools?

Mr Tanton: For the services to schools, the majority of our provision around services is in working with the education portfolio with regard to ICT platforms and the like. We did a body of work with them regarding the Google application education system that was put in place quite recently and was well regarded. It has been looked at as a bit of an exemplar for what can be done in that education space using new technologies. So it is around that platform. We obviously pay their staff, and pay their invoices on their behalf as well. It is that system around providing FBT, salary packaging and the like. It is a broad range of services without getting into the policy or actual delivery of education within those facilities.

MR DOSZPOT: I have had some very good reports about the implementation of

Google. I have a couple of questions on the actual number of people you have got involved. What are the numbers of Shared Services personnel that provide support in ICT?

Mr Tanton: For education or across the whole board?

MR DOSZPOT: In schools.

Mr Tanton: In schools? I do not have the breakdown just in schools. Gary, do you have embedded teams?

Mr Davis: We do not have embedded teams within schools; we have an embedded ICT team within the directorate proper. Obviously it is a better question to put to them regarding the number they exactly have, but each school has an operator, I believe they call it, or some sort of system administration function, depending on the school, so there is that barrier between the ACT government environment and the schools and students network.

MR DOSZPOT: That is what I am trying to get a better understanding of—I do understand schools have some expertise these days—and also what support you give to the schools. If you could take that on board, perhaps, as to the numbers involved.

Mr Davis: Yes.

MR DOSZPOT: Also, in addition to the schools' usage of ICT, with the proposed new ways of looking at NAPLAN, what is the capacity of the system to deliver the required capacity for the schools? How are we looking there?

Mr Davis: The education directorate has a CIO, Mark Huxley. I believe they will be on at some point regarding some of their strategic directions. It would be a good question to ask him. We support them in their strategic direction, of course: the Google implementation, the wireless access points, et cetera through the schools. I am sure Mark would be able to do that. I do not want to steal his thunder, but we have a very good capacity in the ACT to support ICT within schools.

MR DOSZPOT: Is that capacity able to be shared with other education systems?

Mr Davis: Once again, I would have to put that question towards education. Of course, we are, within Shared Services ICT, always open to working with other jurisdictions regarding the learnings we have in our provision of IT, and I know that they do that.

MR DOSZPOT: You provide the platform, though, for education?

Mr Davis: Yes, that is correct.

MR DOSZPOT: The question I am asking refers to the capacity that is available. Are we operating at maximum capacity? I should imagine we have got a fairly large—

Mr Davis: We are very fortunate in Canberra that, being a single-city state, we have

some excellent capacity, particularly regarding our communications infrastructure. I think Mark and ETD have some lovely charts to show the different parameters that we operate in regarding the different jurisdictions. Once again, without stealing his thunder, I can see that we operate very highly there; the students are very lucky here within the ACT. Regarding the back-end systems that support corporate, as Mr Tanton has pointed out, we are always working with ETD, and I appreciate that they have got some initiatives underway. They would like to do some further rationalisation and improving of those systems in the back-end ICT, which we are keen to support.

Mr Tanton: It is fair to say that with technology, as well, you can actually ramp up capacity quite quickly in this state, especially as we are moving into the cloud. Obviously, they have got the Google cloud platform as well, which allows for new services to be brought online very quickly. If there is a spike or if there are other areas that we can look to, we will go to those providers and request additional capacity to be added to the system if need be.

MR DOSZPOT: I have one final question on that. Originally, I think you had a fair bit of involvement with the printer services that schools required assistance on. Is that now handled in house by schools or do you still provide some assistance there?

Mr Davis: It is my understanding that we do not formally do that. I would have to get back to you on the exact numbers. I think each school operates slightly differently regarding our common-use printer devices that we have within the ACT government network, but I will have to take that on notice regarding each school or the level.

MR DOSZPOT: In terms of wi-fi, and I am referring to the Assembly here now, we seem to have a bit of a problem about getting wi-fi access in certain parts of this building.

Mr Barr: You had better raise that with the Speaker, who has control of these matters in this building.

MR DOSZPOT: I intend to, but I would like some advice from Shared Services as to what is the impediment. I can get wi-fi services, say, down here and in the chamber, but in my previous office I could not get it. One part of the building does not seem to have access to wi-fi.

Mr Davis: That is certainly something that has been raised with me, Mr Doszpot. I will go back and look into that. It is certainly not our intention that there would be black spots. I am sure you appreciate that when you put these access points in, sometimes these things can be created. I know there is no intent on our part to create that, but I will take that on notice.

MR DOSZPOT: I was not suggesting that you were only servicing the second floor but—

Mr Barr: The executive has to pay for its costs.

MR DOSZPOT: But I guess my question—

Mr Barr: The point is that this is something for the Speaker, as the Speaker runs this precinct.

MS BURCH: It is OLA, yes.

Mr Barr: It is an Office of the Legislative Assembly question.

MR DOSZPOT: I understand that.

THE CHAIR: But the service is provided by Shared Services.

MR DOSZPOT: The service is provided by Shared Services. That is why I am asking.

Mr Barr: Yes, but you can go to the Speaker and say that we need more coverage if you want more wi-fi base stations in the building.

MR DOSZPOT: Thank you for the advice, Mr Barr; I shall do that. But what I am trying to determine is: you have not received any complaints? I will take it up with the Speaker.

THE CHAIR: Take it up with the Speaker.

Mr Barr: Other than what we are formally lodging today, that is a major problem for you, obviously.

Mr Davis: We will be happy to take that on.

MR DOSZPOT: Do all ACT public servants have access to wi-fi?

Mr Davis: The majority in main buildings, but obviously people working out in parks and waterways—

Mr Barr: They would have the access to the CBR network, but yes.

MS BURCH: You made mention of ICT services. Budget paper 3 makes reference to Digital Canberra. Does that come under Shared Services or is that more Access Canberra?

Mr Davis: No, it is not.

Mr Nicol: It is probably best to have the CDO come up and talk about that.

MS BURCH: I do not know whether it was Access Canberra or Shared Services. Given that a lot of what you have spoken about this morning was ICT reform to improve efficiency and services, how do some of these budget—

Mr Nicol: I think that in respect of Digital Canberra, Shared Services would provide technical support to solutions that were created. But if your questioning goes to those solutions, that would be a question for—

MS BURCH: Is that now or is that some other point?

Mr Nicol: No, I think that is this afternoon.

THE CHAIR: It is this afternoon.

MS BURCH: I will leave it until then. I refer to page 23 of budget statement B and the list relating to the provision of payroll and personnel services. Do you do payroll for the entire public service?

Mr Tanton: We do payroll for the entire public service; so over 21,000 staff. That is correct.

MS BURCH: So the entire public service HR system sits with you. It is a question about HR provision and expertise sitting in separate directorates. Where does Shared Services fit in there? Is all HR function out of directorates now, which is the long-term goal?

Mr Tanton: We actually do provide all of the payroll, recruitment, the core capabilities. There would be contacts within different HR areas if they need to place ads or are looking to fill positions. Then that is provided over to Shared Services to actually do the advertising, go out and bring in their applications, pay staff when they come on board, do any FBT requirements; fringe benefit, salary packaging and the like. Long service leave is also covered by Shared Services. That is correct.

MS BURCH: The first dot point refers to “Services to government agencies as outlined in Shared Services ICT catalogue”. In the absence of having the catalogue in front of me, what would some of those services be?

Mr Tanton: The ITC catalogue is basically a listing of services provided if people are on-boarding someone. For example, they may need to get a mobile device, an iPad or the like. Basically, it is a catalogue of services that we provide. If they are on-boarding people, they can get these from Shared Services, so to speak.

MS BURCH: On page 38, there is a series of indicators—indicator a right through to indicator n.

Mr Tanton: Yes.

MS BURCH: There is not a lot of movement in those. Do you think you are doing the best you can?

Mr Tanton: There are areas that we will be able to look at improving on. A number of those indicators we are hoping to be obviously 100 per cent going through. I note that there are some areas regarding average time taken for telephone calls. We have currently got 29 seconds against a forecast or a budget of 20 seconds.

It should be noted that in most commonwealth departments I have worked in and in private enterprise, it is usually a benchmark of about 70 per cent of phone calls

answered in 30 seconds. But as we move forward and we start to automate some of our capabilities in regards to invoicing, payments and the like, we should start to see that number of call volumes coming down. The actual number of those queries coming in should be lessened as well. We are hoping to see that that trends downwards to that 20 second mark.

Also going through some of those other indicators, as we automate, some of those performance measures should be picking up, noting that we are just implementing some of those changes and processes this year.

MS BURCH: The first indicator is “a. ICT costs compared to peer organisations’ costs”. What do you consider a peer organisation? It is a discontinued accountability indicator; so does that mean you will not be benchmarking yourself?

Mr Tanton: No, we have got it as discontinued but it is actually not discontinued. We are just not going to do it as regularly as we have been doing it because it is quite a costly exercise to do that. As you say, some of these key figures do not change markedly from one year to the next; so we are looking to actually extend that out.

But coming back to your query in regard to that, “peer” is local governments or agencies of comparable size. So as a jurisdiction, we are doing shared services for around 20,000 staff in the ACT, which is a large shared services function by any measure.

MS BURCH: But BHP and Woolies would probably have 20,000 staff.

Mr Tanton: BHP could form part of it if they were running true shared services. Looking around at some of our peers in private enterprise, some of those larger firms are not actually providing a shared service as complex as what the ACT government does across those eight or nine directorates. What it does look at is comparable staffing, comparable government agencies and the like to be those peers.

MR DOSZPOT: I have some supplementary questions. I hark back to Ms Burch’s question regarding your delivery of services to agencies. Are all of your services supplied from your existing staff or do you outsource any activity?

Mr Tanton: I will answer that in two ways. Generally, the majority of our services are provided by the staffing that we have. However, sometimes, for example, we do need specific IT consultancies or expertise that we do not keep on board because it may just be for one body of work or for a short period of time. We may look to bring those services in for a short period of time and once that body of work is done release those people to go back.

We are not outsourcing our functions. New South Wales have gone to an outsourcing arrangement with a number of their facilities and functions. We are not looking at doing that at this time. From my point of view, I think automation for our services is more of a step to go rather than outsourcing or offshoring. There has been a trend in the past to look at offshoring but, again, that is not something that we are looking at at this time.

MR DOSZPOT: I understand the requirement for specialised expertise to be brought in. That is what my question is going towards. Out of your total workforce, how much of this outsourcing of expertise, if you like, is there? Can you quantify that to a certain extent?

Mr Tanton: Yes, I can. Currently, as of June this year, we had 111 contractors or consultants on board doing different bodies of work, noting that we do have a number of different projects that are ramping up across the government sector. But, saying that, that is coming back down from a benchmark of around 146 in 2012. It has been steadily trending downwards.

But, saying that, it is getting markedly harder to acquire those skills in the ACT as the commonwealth is starting to ramp up a number of key projects in DSS. There is a body of work around myGov; the ATO is doing a body of work in regard to their revitalisation; and the Department of Defence is running a \$100 billion program as well. There is a major number of projects being run at the commonwealth level which are all above \$1 billion, which are starting to suck a lot of resources into those large pools of money and are attracting a lot of staff. So, first, we have issues about retaining staff but then also attracting staff as well. But that figure is—

MR DOSZPOT: I can understand the competition from federal government agencies but they would be using, I should imagine, some of the larger companies, some of the interstaters and multinationals. What sort of interaction have you got with the local ACT providers? Can you explain a little how you deal with the local providers?

Mr Tanton: Yes, we have a good relationship with local providers. We are working with Kate Lundy at the moment looking at how we can have a portal that will actually give small business providers, especially in the ICT space, access to us to understand what their services are and what provisions they do provide for us. That is an ongoing body of work. We are working with the small business policy folk to really start to drive that engagement with small businesses so that we know what is out there, what they are doing in that innovation space and so that they actually have an area where they can proactively approach us and say, “This is what we are currently doing. If you are interested, come and see us.”

MR DOSZPOT: Do you have a sort of preferred group of providers at the moment that you choose from or do you make your opportunities available to the broad Canberra community?

Mr Tanton: We generally would go out to market, depending on the costings with regard to the project need and the like. There are a number of panels that we do also go to. That is for folks or businesses who are already on an ICT panel. We will look to get that expertise. But it does really come back to having the right expertise for the right project. One thing that we are not keen on is just getting engagement if we do not get the right people who can add that value that we are looking for.

MR DOSZPOT: I have to say that the narrative that I am getting is that local companies are finding it difficult to get access to opportunities within Shared Services. Is there a desire on your part to ensure that local companies get a look in? Is there any local preference in any of the work that you do or advice that you are giving to

agencies?

Mr Tanton: I would say that there is a merit process around the procurements that we do. We do open it up. We will look at everything on a case-by-case basis for the project in place. If possible, we will look at local businesses. Again, if they do not have the necessary skill sets that we are looking for it is not possible to go forward. So it is done on a case-by-case basis.

MR DOSZPOT: Should there be more emphasis on local involvement?

THE CHAIR: A supplementary is short and sweet.

Mr Tanton: Again, for me it is about the value add and what the capability is. I am someone who looks at an even playing field going forward and giving people the opportunity to apply on their merits. But there are a lot of very good firms in the Canberra region that we will look to engage as we have the requirement to do so.

MR DOSZPOT: Mr Smyth, I have kept it short and maybe not so sweet.

THE CHAIR: I will add a supplementary to the original question Mr Doszpot asked. You talked about the number of contractors being down from 146 to 111. What is your FTE for the 2015-16 year and the FTE for the 2016-17 year?

Mr Tanton: It is 840 from recollection but just let me—844 was the budget. We are estimating an outcome of 830 FTE for the 2015-16 financial year.

THE CHAIR: And for the coming year?

Mr Tanton: For the coming year our budget is 808.

THE CHAIR: So you are going to lose 30-odd staff from the 844.

Mr Tanton: Some of those arise from administrative changes to administration orders. Some of those staff have moved over into the broader CMTEDD.

THE CHAIR: All right; so how many jobs are actually lost?

Mr Tanton: At this stage, those jobs are yet to be defined in some of the areas that are around the ICT space as we move forward. Those roles have actually been transferred over to CMTEDD in other roles as part of administrative orders at this stage.

THE CHAIR: All right, so—

Mr Nicol: We can give you a reconciliation.

THE CHAIR: Can we have a reconciliation? Are any jobs lost? Will anybody be made redundant as a result of these changes?

Mr Tanton: There are no forced redundancies within the area being articulated.

THE CHAIR: Will there be voluntary redundancies?

Mr Tanton: There may be around part of SFIA in ICT as we move to more of a cloud-based infrastructure going forward but they are yet to be determined at this point in time.

THE CHAIR: what is an indication of the number that might be sought?

Mr Tanton: Again, we are working through that stage but probably no more than 10 to 15 at this point in time. We have ongoing processes looking at those efficiencies around automation. There may be efficiencies going forward that may lead to that as we go to automation of some of our services. But, again, in respect of those efficiencies, I would be seeing that those services would then be provided back into core services as part of the government going forward into health, education or somewhere else, depending on the objectives of the government of the day. I think it is a good news story for the ACT. We are competitive in what we do in Shared Services. If we can bring those efficiencies forward, it is just really managing that process for identifying people's skill sets and where they can be positioned within the organisation moving forward.

MR HINDER So you have not yet decided to lose any jobs, have you?

Mr Tanton: Not at this stage.

MR HINDER No.

THE CHAIR: We will have the reconciliation; thanks for that. For a substantive question, I will defer to Mr Coe, who has joined us.

MR COE: I want to ask about which agencies are not using Shared Services for procurement.

Mr Tanton: We do not actually look after procurement; that is—

MR COE: Capital works?

Mr Tanton: Yes.

Mr Barr: Yes, that will be dealt with later.

MR COE: With regard to that question more specifically, are you using central procurement and paying the five per cent whenever you have associated works or are you choosing to do that in house?

Mr Tanton: Again it depends on the body of work. I think that is more around large projects. We generally have software bills and the like. Given that we provide support to projects, for licensing we will use central procurement for advice on contracting going out for tender. In some of those bigger areas, we will use the procurement space. We have our teams who are ICT specialists who are also looking at and working with

the procurement team.

MR COE: What I am asking is: what proportion of procurement are you doing through central procurement as opposed to in house?

Mr Nicol: We will have to take that one on notice, Mr Coe. There are some things which are centrally procured, such as office space, lighting, power, gas et cetera which we consume. There are other, smaller contracts—my recollection is that it is up to \$250,000—devolved out to agencies, not centrally procured. There are other projects which are a complex mix of use of central procurement and our own procurement arrangements.

MR COE: Are there procurements over \$250,000 that you are doing in house rather than paying the five per cent fee to central procurement?

Mr Burton: For all of our goods and services procurement, we pay a fee, like every other agency per year. It is a fixed charge that we pay, and it is increased by CPI and WPI increases every year. For ICT projects, no part of the process is capital works. Capital works is managed by the central procurement body. ICT projects do not go through that process. If we procure on a goods and services basis then we would use the central procurement agency. But for ICT large capital projects, they do not attract the five per cent project management fee that is paid to procurement.

MR COE: Of the goods and services procurements, are there any that go beyond \$250,000 that you are doing in house?

Mr Burton: Not to our knowledge. Currently, with invoice automation, which is our large project at the moment, that has all gone through procurement, the central agency. They work with us. We have a specific ICT area within procurement goods and services that assists us with that project.

MR COE: Have you found that collaboration between central procurement and yourselves to be effective in terms of your being able to provide your requirements and your specific requests, and that it has been fulfilled by central procurement?

Mr Tanton: Yes. We work in partnership with them, and it is about working in a partnership to identify what the requirements for the procurement are, and actually going out and working with them about what the right procurement methodology or method is in order to get the right outcome. We work with them very closely on those projects, and I have had no negative feedback with regard to the procurement team or the services they are providing to us.

MR DOSZPOT: I have a supplementary on that. Can you elaborate on the partnership that you have with procurement in instances where there are major ICT acquisitions? You provide the technical expertise to procurement; is that correct?

Mr Tanton: Yes.

Mr Davis: A good example would be the cloud initiative. We worked very closely with the procurement team on that, in providing our requirements and other such

measures that Mr Tanton has already outlined. They obviously have expertise around procurement that we do not have. We work very closely with them. In many ways it is almost a virtual project team that we set up.

MR DOSZPOT: For example, Health had a fairly major acquisition. Can you elaborate on interaction between Health's own ICT expertise, yours and that of the acquisition or procurement team?

Mr Davis: It is always about knowing what you do not know. Health ICT have a strategic direction. They do their own procurements, particularly around a lot of their specialist systems, which sit outside our remit within Shared Services ICT. Obviously, we are providing those core functions—email, storage and those sorts of things. When they do their specialist system procurements, that is between their ICT body and their directorate and the central procurement function. We may or may not be involved, depending on what it is.

Mr Tanton: With some of the big capital works, like building projects that they currently do, they will run through a project design. We will then have a look at that design and act as a peer review, looking at the technical specifications, the scoping, whether it meets the requirements of our system networks. We will provide advice around that and around security and capability. That will feed back into any partnership, as part of the major capital works projects. As you can understand, buildings these days are getting more complex in their design and with the technology that they interface in. There is a body of work that we provide around that. Even though the health project will actually take on their design in the procurement, we will add peer review and technical advice to that system.

MR DOSZPOT: I understand the technical aspects of it. What I do not understand fully is the interaction between the three areas of involvement and, in particular, procurement. If procurement on a large system like health is to be done correctly, who has the lead role in making sure that the technical aspects of the ICT acquisition will fit in with the Shared Services platform? Who is the ultimate lead agency? Is it Health, is it procurement or is it—

Mr Nicol: I think it depends on the project and on the scale of the project. If it is a very significant project, for example, a cabinet-level sign-off, generally a project group will be formed, a steering group across directorates. That group will determine the governance for the project. For example, on the courts redevelopment there was a project steering group that was chaired by me, until it got to the contract signing stage. Now it is being chaired by the Director-General of JACS, who is responsible for managing the contract and the delivery of that project, including a very substantial ICT component.

Mr Davis was a member of that steering committee. It also had representatives of ICT in JACS. That process was to determine that the build and the proposals from the tenderers would meet all the needs of JACS and the courts—the courts were also represented on that committee—and, at the same time, would be technically feasible to implement and interact with our system.

In one sense no one single person was responsible for all of that; it needed input from

all players, and it came up to that committee. We had governance about quorums and voting arrangements. As chair, if a problem was raised by anyone, I encouraged an open environment where problems were to be raised, even if others disagreed. Problems were to be sorted out to everyone's satisfaction before the project moved forward.

MR DOSZPOT: How much time is normally given for organisations to respond to such a tender?

Mr Tanton: That will depend on the complexity of the tender. Usually, with some of our ICT projects, it is four to six weeks, trying to avoid the Christmas shutdown periods and the like, but it depends on the complexity of the project. For a large capital works program it may take longer. But it is four to six weeks. If it is a small procurement or a small body of work, depending on what the value is, you may look at two weeks. Again, it is about trying to define the amount of time so that you can give your vendors enough time to provide information going forward while also looking at the time lines of the project.

MR DOSZPOT: Is it common practice to change the parameters on, if you like, the mandatories on some of the scope of the tender from, say, about two weeks out? Is that common practice?

Mr Tanton: The tender has been released and you are asking about the mandatory requirements for a tender? It is not something that you would do; it is not common practice. If you did that, you would then have to provide the whole open field with notice that you had provided it. It may come up that one of the vendors who is looking to tender has raised a question that you have not considered in your request for tender which has a substantial bearing on costings or how someone may value a provision. You would then potentially go back, but it is not something that you would look to do on a regular or common basis.

THE CHAIR: We probably need to wrap up. Ms Burch has a supp.

MS BURCH: Just following through on some of this, I have heard that there are some significant rebuilds going on across ICT services and Shared Services are managing that. With respect to significant projects, I would be interested in a definition of "significant", because not every ICT project will go to cabinet; the cabinet would be very busy just ticking boxes. What is the role of the information chief officer in all of this? Whilst it may vary—Health may lead, Education may lead or a particular project group may lead—who makes sure that the threads are joined, whether it is a very small mail order, bespoke system being built in a particular area or a very major system? We heard yesterday that we had to build our own because the relationship with Queensland is falling over. We count on New South Wales for insurance. There must be a brains trust somewhere. It does not all happen per chance, because someone talked to somebody over the water cooler. What is that brains trust?

Mr Davis: There are varying levels of governance committees around some of the IT-enabled projects. The chief digital officer has recently formed a digital services committee, which is the whole-of-government premier ICT-level committee. Beneath that I also have a role in a committee called the ICT collaboration forum, which

comprises all the CIOs or ICT leads across the directorates. We meet on a monthly basis to talk about some of these issues. As you said, we attempt not to do so over the water cooler. The whole idea of these committees and forums is so that there is not one single entity or one single person that can control what is going on across ICT across government.

MS BURCH: There is that discussion about whether you build it or buy it off the shelf. Who does that analysis around what is the best product?

Mr Davis: That is done in conjunction with my team, with the lead CIO or the lead IT person in that directorate. We have policies. The cloud policy has recently been released. It says, in essence, cloud first and then buy before build. We would like to see build as our Z option, if possible. We like to reuse other jurisdictions' capabilities, for example. You would have spoken about that yesterday. That is our strategic intention, absolutely. But we do that in conjunction. It is not a unilateral decision based on my part as the head of Shared Services ICT.

Mr Nicol: Under the Financial Management Act the director-general of the relevant agency is ultimately responsible for the spending of public money in that agency and for making sure that appropriate governance arrangements are put in place for any project—ICT or anything else. In all of Shared Services there is an interface between Shared Services and the relevant directorate. We have to put in place arrangements to ensure that both the directorate and the director-general are satisfied that their obligations are being met and that, from a Shared Services perspective, a particular project or projects can fit in with the overall responsibilities that I have to make sure that we have a backbone system.

MS BURCH: That the systems are able to talk.

Mr Nicol: That is right. That is a complex task. Mr Davis has pointed out some of the governance arrangements. We do not have a set of rules that are imposed on every project or on the size of projects. Ms Burch, you talked about what is a significant project. I define it not necessarily by size, although cost is one factor. Sensitivity to the particular sector is a factor. The environment is a factor. The complexity of the task is a factor. All of these things are factors that we have to weigh up when we implement a project as to what are the suitable governance arrangements for that project.

MR DOSZPOT: I have a supplementary on that.

THE CHAIR: No, there have been enough supplementaries. Mr Hinder has been waiting patiently to ask a question.

MR HINDER: What was the award that Shared Services got last Thursday? What was that for?

Mr Tanton: We did win an award. It was recognition of the value creation that we provide to the ACT government. It was part of the shared services and outsourcing network. The network has a yearly award which gets submissions from across Australasia. There were other winners in different categories, from New Zealand, and

one from Sri Lanka. It is both private and commonwealth. There are roughly 110,000 members of the association. It was an award that recognised the value of the work that the ACT Shared Services function provides more broadly to the ACT government. So it was quite an honour to receive that award last Thursday.

MR DOSZPOT: I have a brief supplementary on what I was going to ask before. My understanding, if I recall correctly, is that the D-Gs have a forum for technology-related decisions. How does the CIO fit into that?

Mr Nicol: Gary, I guess, is the CIO.

Mr Davis: Yes.

Mr Nicol: So perhaps you might want to answer that question.

Mr Davis: Thank you, David. In essence, I would be counted as the CIO for ACT government. Even though that is not my official title it is the easy way to introduce myself to people out there because they instantly understand what that means. Mr Cumming is the chief digital officer, and he and I meet very frequently—as recently as yesterday. We talk quite frequently about where we are going. To be honest, my role is very internally looking at operations and supporting the directorates with their ICT daily needs. It is a very broad role. It is much more operationally focused because it is supporting directorates and making sure their needs are met.

Mr Cumming's role is more around supporting digital Canberra, although he does have a keen interest looking back a little bit. It would be a little bit courageous if we were making calls about what digital Canberra meant and how we should get there if our own capability did not match that. So it is important that we are in lock step. But, as you said, there are many ways to achieve an outcome in ICT. I am sure we all appreciate that. If you get 10 different technical types in a room, you will get 11 different opinions. So it is important that we harness that and—

Mr Barr: That is nothing compared to economists.

Mr Davis: But it is important that we use those committees to get those ideas out there and understand the needs of the directorates against where we are going with digital Canberra and against the capability that we currently have. It can be a robust discussion at times, but we like to think that we get there in most instances.

MR DOSZPOT: That clears it up a little bit. So we have got CIO, digital governance—

Mr Davis: Brains trust.

MR DOSZPOT: and D-Gs.

THE CHAIR: He already took that on notice.

Mr Davis: The brains trust, yes.

MR DOSZPOT: If I could have some clarification on that overall I would appreciate that. Moving on to what you just talked about—the digital delivery—what is the status with the commitments by government in regard to having wi-fi available in all the town centres?

Mr Davis: That is not something within my bailiwick.

Mr Nicol: That is probably best to be done in economic development.

MR DOSZPOT: Is Shared Services not delivering that?

Mr Davis: No, Shared Services does not deliver the CBR free wi-fi; that is done by a third party.

MR DOSZPOT: And what about on the buses?

Mr Davis: That is the same.

MS BURCH: Going back to the number of contractors, you said you were 111 down from 140 out of a staff of 880. So about 15 per cent of your workforce are contractors. Is that consistent and why have you elected to do that? Is it to give you freedom and movement or what?

Mr Tanton: Yes, we have a large ICT proportion of the body of work that we do. How that benchmarks against other agencies, I do not have those figures, and how it goes against the commonwealth, how many contractors and the like. It depends very much on market forces, retaining public service FTE and the likes and how we can fill those roles because we have different levels of projects coming up that will wane and go through. I do not have that benchmark. But we look at the projects we have. We bring people on board as we need them. We release them as they finish their projects or their scope of works.

MS BURCH: From that, the bulk of these 111 or 140 are ICT experts; that is their skill set.

Mr Tanton: Yes.

MS BURCH: Out of the 880, how many have an ICT skill set? In other words, what have you kept in house as opposed to—

Mr Tanton: Okay, sorry.

MS BURCH: Given that we have established that a good thrust of your work is based on ICT, I am just curious about how much you have in house.

Mr Tanton: We have 460 ICT people working in the ICT space.

MS BURCH: So half of your workforce?

Mr Tanton: That is correct, yes.

MS BURCH: Around about-ish.

Mr Tanton: That is correct.

Mr Nicol: I can add that from my perspective it is not an unusual proportion of contractors for the work. The nature of the business is that there are some skills that you need short term. I think the ICT market is also a contractor-dominated market compared to some other markets. There are a lot of professionals out there who like contract work and who are specialist and they move from job to job. It gives us that flexibility. Sometimes contractors will not take a public service job.

MS BURCH: I know, and I think it is knowing that you have still got that core good rump of ICT expertise within Shared Services. I was starting to think we would lose all our skill sets.

Mr Nicol: No. The longer the appointment, the more we want to have a public servant rather than a contractor. The shorter the appointment, the shorter the need, the more a contractor fits the appropriate relationship.

MS BURCH: Yes. Going back to movement—your full-time equivalent—some of these folk, through the changes in government services and the ICT skills and expertise, you may not need in Shared Services. But procurement or other areas of the government may need them. Is there movement across the sector rather than just out of the service?

Mr Nicol: Yes.

Mr Tanton: We are currently seeing that with folks looking at other opportunities within the ACT government directorates as well. Again, it is shifting that corporate knowledge. We are not necessarily losing them to the ACT government but they are going out and doing other things, which is pleasing.

MS BURCH: A final quick question, because we are running out of time, in-house print and electronic publishing, what does that cover? Are you behind the budget papers?

Mr Tanton: We could well be. If directorates are looking at doing glossies or material for community, they can come to us and we will broker services with printers or with graphic designers. Where they do not necessarily have that expertise in house they will look to come to us. We have a team of folks who will look at what they are doing, go out to the different printers and graphic designers, get costings, come back and say, "These are the options you have," and support them through that process. Rather than them having to go out by themselves, we do that on their behalf.

THE CHAIR: You are responsible for accounts payable and receivable. I see on page 38 of BSB, indicator m, that the average time to enter an invoice once you receive it is two days. What is the average wait between when a directorate receives it and you receive it?

Mr Tanton: I actually do not have those figures. We pay roughly 85 per cent of all invoices within the terms of those conditions. As part of the invoice automation project we are looking to bring that up to the 90 per cent mark. That is what we are looking to achieve. I do not have that mark from when they come into the directorates. That is not something that we measure because often we do not know when they do come into directorates.

THE CHAIR: So the intention is to pay invoices within 30 days?

Mr Tanton: Within the terms of their contract arrangements.

THE CHAIR: What percentages of invoices are at 30 days, 60, 90 or 120?

Mr Tanton: We are paying 85 per cent within the time of those contracts at this stage.

THE CHAIR: I have heard you say that. That is fine. But what percentage are paid within 30 days, and when does the 30 days start? Is it when you enter it on to the machine?

Mr Tanton: It is when we receive a correctly rendered invoice. That means the ABN numbers, everything needed on that invoice has been received by us and we enter it into the system.

THE CHAIR: So the 30 days starts when it is entered into the system at Shared Services?

Mr Tanton: That is correct.

THE CHAIR: Could you take on notice then what is the time, if there is an average time, taken from when it is received by the directorate and when it is entered on to the machine? Can you give us a breakdown of payment of invoices, say, within the conditions of 30, 60, 90 days and anything that is greater than 120 days?

MS BURCH: And if I can add to that request: the reasons behind those delays that are common that you need to deal with as an entity.

Mr Barr: If it is anything like previous history, it will be incorrectly addressed invoices, wrong ABNs.

MS BURCH: That is right.

Mr Barr: Et cetera, et cetera.

MS BURCH: You need to understand the reasons behind it.

Mr Tanton: Or disputed invoices.

THE CHAIR: Yes, you can give us the reasons. That is fine as well.

MR HINDER: I see you have got a flawless record in regards to attacks on internally

hosted websites. Were there any unsuccessful attacks? How many attacks were there?

THE CHAIR: Were you looking for Mr Major as well?

Mr Barr: Yes.

THE CHAIR: The committee is concerned that Peter Major is not with us. Is there a reason for that?

Mr Tanton: We realised we did not have enough time for his answers to the questions. You would be here for another half an hour, and we understand time is precious.

Mr Davis: Mr Major works for me in SSICT. He makes me very aware on a very regular basis of any attempts to expose our network and environments. As we are all aware, sometimes you do not know what you do not know. There have been zero successful attacks. We get frequently spammed and phished. That is always a fun topic of conversation, if you understand what phishing is. Essentially you might get an email that looks very much like it is from your bank asking you to click on a link.

Every now and then something like that slips through our security measures. Mr Major is excellent at making us aware of those issues and sending out all sorts of broadcast messages to make people aware. Essentially it is very much a continuous education campaign. Let us face it, hackers out there can be one step ahead, and they are very smart. But we have had zero successful attempts.

MR HINDER: He is a very sound advocate for the Motorcycle Riders Association.

THE CHAIR: At the same time. Mr Doszpot, a quick question.

MR DOSZPOT: What is your policy in terms of employing the expertise of some of the seniors in our community who have been experts in ICT but who have taken early retirement? A lot of them from the federal public service are available as well. Is there a policy for looking out for the expertise and utilisation of these people?

Mr Tanton: Again, it is just based on merit. We do not have a specific policy in place to look at seniors going through. Again, we will look to recruit people on their skills going forward, but we do not have a specific policy.

MR DOSZPOT: Is there not an ACT policy for employment of seniors? Would not Shared Services have to abide by that as well?

Mr Barr: Shared Services would meet all their ACT government employment obligations.

Mr Tanton: That is right.

MR DOSZPOT: Well, that is what I am asking.

Mr Barr: And they just—yes.

MR DOSZPOT: Can I have some indication of how many people have been considered and employed from the seniors category?

MS BURCH: Would it not be in the *State of the service* workforce profile?

Mr Barr: Yes, it is reported on annually. So, yes, we will get the most recent edition of the state of the service, photocopy the page for you; might even send you a link. It is available online.

MR DOSZPOT: Mr Barr, that would be excellent.

THE CHAIR: A final question, Ms Burch.

MS BURCH: I am happy to finish my coffee, chair.

THE CHAIR: You will finish your coffee; priorities there. Gentleman, ladies, thank you for your attendance this morning. We will now break and resume in 15 minutes with Icon Water.

Sitting suspended from 10.59 to 11.16 am.

THE CHAIR: Welcome back, Chief Minister, to this second session of the morning of the third day of the public hearings of the Select Committee on Estimates 2016-2017. Ladies and gentlemen, welcome.

The committee will look at Icon between now and lunchtime. Please be aware that proceedings are being recorded and transcribed and will be published by Hansard, and that the proceedings are also being broadcast as well as webstreamed. If you take a question on notice, it would be useful if you would say, "We will take that one on notice and get back to you." Answers are expected within five days.

In front of you on the table is a pink card. That is the privilege statement of the ACT Assembly. Could you please confirm for the committee that you have read the card and understand the implications of privilege. All so acknowledged. Thanks very much. An opening statement, Chief Minister or Mr Knox?

Mr Barr: I will not, but if Mr Knox would like to make an opening statement—

Mr Knox: I am fine, thank you, chair.

THE CHAIR: You are going to pass. Fantastic. Over the past couple of years, Mr Knox, we have discussed the issue of debt repatriation. I was wondering what progress had been made between you in your current role and your perhaps previous employer?

Mr Knox: Certainly, chair. I might just refer to Mr Sachse, General Manager, Finance. We expected the question, chair, so we are off the blocks.

THE CHAIR: How predictable I have become.

Mr Barr: As I said, deja vu all over again.

THE CHAIR: But it has taken some time to get this answer. Have we got an answer?

Mr Barr: Yes, we do. Yes.

Mr Sachse: I just wanted to outline that under the Territory-owned Corporations Act we did require the Treasurer to approve the ActewAGL debt program, given that the Icon Distribution Investments Ltd subsidiary is also a territory-owned corporation. We have been consulting with Treasury on that ActewAGL debt program. Treasury has discussed that with the Treasurer, and I understand that the ACT government cabinet has approved that debt program. ActewAGL are in the process of going through raising that debt. It will take some time, still, to go through that process, but everything is running according to plan.

THE CHAIR: What is the quantum of the debt program?

Mr Sachse: It is proposed that the debt program will be \$150 million, and it is proposed to be a three-year debt program. The proceeds of that debt program will be to fund their regulated capex program.

THE CHAIR: What does that mean for Icon?

Mr Sachse: In terms of Icon, given that ActewAGL can fund their capital expenditure program or a portion of that capital expenditure program from that ActewAGL debt program, that will allow ActewAGL to pay higher cash distributions to its owners. Icon Water will use that additional cash distribution to borrow less on its own balance sheet going forward. So it will improve its gearing ratio over a number of years.

THE CHAIR: You are expecting to receive—is it \$50 million a year over three years?

Mr Sachse: The \$150 million will be split two ways, obviously. \$75 million would feed back up to Icon Water and \$75 million would feed back up to the other partner. It will depend on the draw-down profile. There are a few different options there. Over the three-year period, we would receive \$75 million of additional cash distributions.

THE CHAIR: You will use that to borrow less rather than pay it back to the ACT government?

Mr Sachse: There will still be a requirement for Icon Water to borrow additional, but yes, we would borrow less going forward. Our gearing ratio is heading in the right direction now. It is sustainable. We can borrow a portion of our ongoing capex program going forward as long as our gearing ratio is in that sustainable range.

THE CHAIR: Thank you. Mr Hinder.

MR HINDER: Can I have a supplementary on that. Can you explain the sustainable gearing levels? Why is that important for Icon?

Mr Sachse: Icon Water is incorporated under the corporations law. It has directors' duties under that corporations law. There are duties around being solvent. We need to make sure that Icon Water's gearing is sustainable—first, to satisfy the directors' duties but also because it is just good practice to make sure that we have got sufficient funds to allow Icon Water to continue growing over the long term.

MR HINDER: On page 35 of BP3, you have a dividend income tax revenue return of 41,589. Why is that so high compared to the next two years?

Mr Barr: That is an update; that is the change from the midyear update.

MR HINDER: So it is an increase of that over what was projected?

Mr Barr: What was previously projected; yes, that is correct.

MR HINDER: Why such an increase?

Mr Sachse: There are a number of reasons as to why Icon Water's dividends and income tax equivalents will be increasing during the year. Those reasons include that ActewAGL has just had a better year compared to the original budget. The other major reason really is that our gifted assets revenue is a lot higher than what we were originally expecting. Gifted assets revenue is fairly volatile; it depends on the developments that occur around the ACT. I know that Moncrieff is one such big development that has happened where there has been a whole heap of gifted assets transferred, or expected to be transferred, to Icon Water in 2015-16. That has increased our profit. We will pass some of that profit back to the ACT government through higher tax, income tax and dividend payments.

MR HINDER: All right.

MR DOSZPOT: Welcome. The question that I want to start with—do I address you, Mr Knox?

Mr Knox: Yes, certainly, Mr Doszpot.

MR DOSZPOT: You can perhaps direct the question. On pages 223 to 231 of the financial statements, in BSB, what are the intangibles of \$23 million stated on page 224?

Mr Sachse: Icon Water holds a number of high security water licences. Under the accounting standards, we are required to recognise them as intangibles in the balance sheet rather than as property, plant and equipment.

MR DOSZPOT: Do you have any further comment to make on that? No?

THE CHAIR: That is fine. That is what they are.

MR DOSZPOT: Why did Icon increase its borrowings in 2015-16 from the budgeted \$104 million to \$249 million?

Mr Sachse: Can I just ask what page you are on?

MR DOSZPOT: The same page.

Mr Barr: Do you want to repeat the question, just to—

MR DOSZPOT: Why did Icon increase its borrowings in 2015-16 from a budgeted \$104 million to \$249 million?

Mr Sachse: I am just struggling to identify which line that is. There is “Interest bearing liabilities”. Is that the line?

THE CHAIR: I suspect it is on page 227, at the bottom.

Mr Sachse: I can answer that. Icon Water had some short-term borrowings which we decided to roll over for another period of 90 days—or 120 days; I cannot remember exactly how long we had it for. It is just that we did roll over that short-term debt a number of times during the year. You might notice also, if you cross the page, that we did repay those borrowings. You can see there that we had a budget of 11 and we repaid borrowings of 199. So that just represents that we have drawn down the borrowings, paid it back, drawn it down again and paid it back, a number of times during the year. So that is instead of long-term borrowings. We have converted that to long-term borrowings now, so that will not be there again next year.

MR DOSZPOT: Thanks very much.

MS BURCH: On page 221, the first dot point says:

... to operate at least as efficiently as any comparable business ...

Is that other water utility firms? And how do you go about comparing yourself and benchmarking, given that it is a changing dynamic?

Mr Knox: It is comparable to other water authorities. Once we drill into the particular water authorities, there are a lot of different operators. In our case, we are vertically integrated, so we do everything—catchment dams, reticulation, a full treatment process through lower Molonglo for the sewerage and back into the river—whereas some are just retailers.

MS BURCH: Yes; they just have a slice of that integration.

Mr Knox: That is right, yes. We have probably about five or six ways that we use to determine whether or not we are operating as efficiently as possible. I would describe them as data points. The first one would be the national performance report. The Bureau of Meteorology prepare that. That gives an indication of various service quality issues and a whole array of KPIs and metrics. They are not always an apples for apples comparison, but we do take insight from what that is telling us more broadly against the industry. Another data point is the—

MS BURCH: So the Bureau of Meteorology—

Mr Knox: The Bureau of Meteorology prepare the national performance report; it is issued for all water authorities once a year. It used to be done by the national water commission and was transferred over when they were abolished.

Mr Barr: The commonwealth government went through a process of abolishing hundreds of agencies, but all the work still needed to be done. It was a red tape bonfire day—same work under a new name.

MS BURCH: All right.

Mr Knox: Another data point we use is through the ICRC when they do the reviews on our five-year determinations. In this case, the most recent review was done by the industry panel. They do a comparison of our prices against the rest of the industry. When they did that review, which was a year or so ago, we came up at the midpoint on residential prices across all the other water authorities.

Another point we look at is external benchmarking. We had a review done by WSAA, the Water Services Association of Australia. About 14 utilities went into that on a confidential basis and—

MS BURCH: So others opted to go in so they could go again through a similar exercise for their own entity?

Mr Knox: That is it. That gave us some data points as well, so we took those away. We also do ad hoc stand-alone reviews from time to time if we are doing any restructuring or if we think there are areas that warrant a reorganisation or efficiency initiatives that could be identified. We have probably about four of them. All of those come together and, basically, we match that against our prices.

MS BURCH: How did you fare against all those different data points?

Mr Knox: It told us three things. The first one was that lower Molonglo is the only tertiary treatment plant in Australia; therefore, it was an outlier. Once we normalised that, it came in okay. But there are signs there that it is fairly intensive from an energy consumption perspective, so we are doing a number of initiatives down there just to keep focusing on that. I am talking here about sub-metering into it, reviewing our high voltage and low voltage system and all the rest of it. It told us that our overheads are a bit higher than some of the rest as well. We are still drilling into that. And predominantly around the IT section, it was a bit higher as well.

MS BURCH: So that is your own internal operating business-type costs?

Mr Knox: Yes. It also told us that our asset management area is higher than some of the other authorities from a labour cost perspective. In saying that, we are also unpacking that a bit as we go along.

MS BURCH: How does that balance out given that you described it as a fully vertically integrated system whereas other agencies have just got one very thin,

efficient, concentrated slice of that pie?

Mr Knox: WSSA attempted to normalise the results with other vertically integrated water authorities so that we have an apples to apples comparison. It is not all that easy to do, but they attempted to do that.

MS BURCH: That is just work you have embarked on?

Mr Knox: Yes, it is.

MS BURCH: And that is part of the branding of Icon from ACTEW? Can you link it to that? You have a new name, a new face, a new way of doing business perhaps?

Mr Knox: Yes. From a water industry perspective, the Icon name was received very quickly. I would probably argue that there is far less confusion at a national level from an industry perspective than there is a historical legacy issue of confusion in the old ACTEW to Icon Water transition in the ACT. But there is not a single water authority in Australia that is not very conscious about whether they are acting as efficiently as they can be at the moment. Some have been on that process for some time; others are coming to it a bit later. That is pretty much driven by just their overall circumstances, similar to us. We have obligations to determine that we are acting as efficiently and sustainably as possible, but also there is the regulatory landscape through the energy side. Obviously, we are watching that and making sure. You are better off to be pre-armed and forewarned over your own position internally before others judge you externally.

MS BURCH: Yes.

MR HINDER: I have a supplementary. In terms of the environment, do you have a renewables commitment?

Mr Knox: Yes, we do.

MR HINDER: How much and by when?

Mr Sachse: Is this to be carbon neutral?

THE CHAIR: No.

MR HINDER: Is it 10 per cent renewables, 100 per cent renewables, and by when?

Mr Sachse: Icon Water does have an energy strategy. While there is definitely an opportunity to reduce the carbon footprint, we are also looking at driving improvements in the efficiency of using that energy. We are always looking for opportunities. We will look at rooftop solar, mini-hydro and those types of things to further enhance those opportunities.

Ms Lewry: To build on Mr Sachse's point, as part of any renewal, augmentation or new project that we are building or replacing, we always look at the energy efficiency of what we are doing. We have a sustainability scorecard that considers all parts of

sustainability, with environment being one of those elements. We seek to improve upon particularly energy usage in all of those projects that we build. A good example is that one of our larger projects next year is replacement of the blowers, the air systems that keep the bugs alive at our major sewage treatment plant at lower Molonglo.

MS BURCH: A blower that keeps the bugs alive? I want a copy of that minute!

Ms Lewry: It aerates. That is one of the largest energy users at the lower Molonglo plant. We have chosen a much more energy-efficient replacement system which should reduce energy consumption from those assets significantly, as an example.

MS BURCH: With other capital works replacement, do you think about how you reduce your environmental impact physically within different builds as well?

Ms Lewry: It is absolutely integrated into the optioneering we do before we select the preferred option. We will even look at where we source materials from. We also look at scrap material. We look at energy efficiency. If we are replacing a motor, we will look to ensure that we have the most energy-efficient motor practicable throughout the range of life cycle that that asset will operate through. So it is an absolutely integral part of determining what the preferred option is for any of our investments.

Mr Knox: Chair, if I could supplement a few matters, over the past five years we have achieved a 28 per cent reduction in emissions and energy consumption due to a whole range of abatement issues. We signed up to quite a few abatement issues when we completed the water security project that are very long-dated as well. We have a couple of forestries. [We also have our four mini-hydros operating at the moment.](#) The key to our energy strategy through to 2021 essentially is energy management systems, realising energy opportunities and future planning and preparedness.

Some of the things we are looking to pilot over the next year or two are things like floating PV panels, potentially on the enlarged Cotter Dam as well. It is very difficult for us to do wider PV because we get such a good electricity price from ActewAGL Retail, because we own half of them. But if there are opportunities to generate the electricity in house within our own plant, that is what we will be looking at.

We are also looking at things like green tariffs and testing those with the community reference group that we have recently set up. With any refurbishments we are doing in any of our existing properties, we are aiming for a 4.5 NABERS as well, and introducing new lighting schemes. There is a whole array of projects in the pipeline.

THE CHAIR: Why are you only aiming for 4.5 on NABERS?

Mr Knox: Most of the buildings that we are operating in were probably constructed in around the 70s. 4.5 is a conservative benchmark. We are pretty confident we can actually get to five.

THE CHAIR: On page 221 of BSB, the first dot point refers to operating at least as efficiently as any comparable business. Who does that comparison for you and how often do you do it?

Mr Knox: There are a number of data points. The most recent one was WSAA. We also just released the national performance report. About 12 months ago the industry panel did a review of our prices. When we look at efficiency, we do it from a price point down and we also do it from an operating costs building block upwards.

THE CHAIR: Which is more important? The price point or the—

Mr Knox: At the end of the day, what we charge to the community is the most important. It is just a case of triangulating the results to get there. Some examples of bottom-up benchmarking might indicate that you are more expensive than others, but you choose to be that way. For example, we might have a stronger commitment to the environment, therefore we have a lot more input into our capital projects, whereas we might be cheaper in other areas. So it is a net sum gain which is reflected in the headline pricing.

THE CHAIR: How do you determine what the pricing will be, when you say you want to get the cheapest product to the community?

Mr Knox: We do not determine it. Obviously, we put the pricing submission forward.

THE CHAIR: How important is the objective of cheapest or best to the community against the ability to service your debt and your borrowings?

Mr Knox: As a general rule, we do not wish to be at more than the midpoint within the industry. That is just one view we have. The other view, though, is that through the community reference group and other forums, channels, surveys and research that we are doing, it is important to get out there and test with the community what their expectations are around what they are prepared to pay and for what services moving forward as well. That comes into play more so than it ever has historically. It is an evolving landscape. The short answer is that you need to be able to meet your debts and your Corporations Act responsibilities. Your gearing is another indicator as well, and your prices should be still what I would call reasonable on a value-for-money proposition to the customers. They are the headline targets that we are looking for.

MR HINDER: You have talked about the change of name and that the industry has accepted that. Has that change of name been accepted here in the ACT?

Ms Breaden: We conducted a survey in April this year which asked respondents—and there were 816 respondents to that survey—if they could name their water utility, and 27 per cent could name Icon Water as their water utility. When they were prompted with, “Don’t you remember that they changed their name recently,” that figure increased to 42 per cent who could name their water utility.

Those survey results came about 12 months after we changed our name. So 12 months prior to that no-one had ever heard of the name “Icon Water”, including most of us. We feel that is a really good start on transitioning from “ACTEW Corporation”, which has been in the Canberra community for many years. We saw that in the results of the survey, in that respondents over the age of 40 were more likely not to be able to name “Icon Water” because they still had the name “ACTEW” in their heads. We feel

that is a good start and we intend to continue building that awareness of our name over coming years through our community support program and our community education program.

MR HINDER: Do you think it is confusing that they are still getting bills from the ACTEW people as well?

Ms Breden: No, they are getting bills from Icon Water. We have changed the billing.

MR HINDER: But ACTEW has not disappeared.

Ms Breden: They are still getting bills from ActewAGL for electricity. Yes, I think that does cause some confusion in that we have received anecdotal feedback that people are now referring to ActewAGL as “ACTEW” for short.

Mr Knox: And have done so for many decades. This has probably compounded the situation further, from an ActewAGL perspective. Once upon a time there was confusion as to how much ACTEW impacted us; now I am delighted to say it is all ActewAGL’s problem.

MR HINDER: It was ActewAGL even before we had gas.

Mr Knox: Yes.

THE CHAIR: Mr Doszpot, a new question.

MR DOSZPOT: I have a supplementary first, Mr Chair. Ms Breden, you mentioned community engagement. Can you elaborate on your community engagement plans?

Ms Breden: Yes. We have a community engagement program that comprises three tiers. At the lowest level we have regular customer surveys, and that can be hundreds if not thousands of respondents whom we engage with for very short periods. So it is a matter of being on the phone for 10 minutes; we get their feedback in that moment on various topics.

At the next level we have a think tank. When we did an annual survey in late 2015 we asked those survey respondents, “Would you like to join our think tank and remain in contact with us, and we will contact you about specific questionnaires, focus groups and the like?” So far we have had 300 people sign up for our think tank. We will use that think tank for longer term engagement and specific issues.

The other element of our community engagement program is a community consultative forum. We set up that forum recently. It met for the first time a couple of weeks ago. There are 13 members of the forum, and that includes representatives from across community groups such as the ACT Council of Social Service, disability groups, ageing groups, the Youth Coalition and the like. That group will meet regularly for the foreseeable future and we will engage deeply with that group about particular issues to get feedback from the community about our services, the way in which we operate and what the community values. It is an opportunity for those groups who represent the broader community to get to know us and our business and

for us to get feedback through them about what is important to their particular community sectors.

MR DOSZPOT: The community forum has 13 members?

Ms Breden: It does, yes.

MR DOSZPOT: That is fairly doable, I imagine. How does the think tank with 300 people work?

Ms Breden: These are people whose names we have in our database and they have agreed for us to contact them when we need to, to do questionnaires or attend focus groups. It gives us a resource with names we can go to regularly, and we have their permission to continue to contact them.

MR DOSZPOT: With respect to community engagement, did I hear you mention supporting junior sport?

Ms Breden: We have a community support program, which supports a range of organisations across the community. Sometimes that includes local sporting groups, but it is charities and the like.

MR DOSZPOT: Which sporting groups are currently being supported?

Ms Breden: I can give you some examples from 2015-16: North Canberra Gungahlin Cricket Club to the value of \$3,000; South Tuggeranong Softball Association; Canberra Amateur Swimming Club; and Norths Rugby ACT Inc. Those tend to be small donations to groups across Canberra.

We also have some larger, longer term community support arrangements. For example, we recently signed a three-year agreement with Karinya House, which supports mothers and pregnant women in crisis. That is a much larger arrangement for us to support them over a period of three years. We also support organisations like Salvation Army, Menslink and Lifeline.

MR DOSZPOT: What is the process? If I am in, say, a junior sporting group in the outer suburbs, can I make an application to Icon?

Ms Breden: Yes, you can. We have applications on our website. There is a page on our website about sponsorship, and it directs readers to the application form. There is an online application form that they fill out. The information comes to the relevant team internally who consider those applications against a set of criteria and make the decision based on the annual budget and the extent to which that application and the nature of the sponsorship or engagement with that group aligns with our criteria.

MR DOSZPOT: With the groups that you mentioned before, did that come about as a result of them applying to you?

Ms Breden: Yes.

MR DOSZPOT: Did you pick any of those organisations?

Ms Breden: Those smaller ones, the sporting groups, have all come about because they have applied to us. With some of the larger ones, occasionally we will approach an organisation. But a lot of the time it comes from those organisations approaching us.

MS BURCH: I have a supplementary on that. What are your criteria? How do you assess who gets grants, and regardless of size?

Ms Breden: There is a set of criteria on our website which we are currently in the process of reviewing. There are generally things about whether or not the organisation provides benefits to the ACT or surrounding local community. This year we were asked to provide a donation to Bikes to Africa. While that is a worthy cause, it is not something that benefits the ACT community. That is certainly a criterion for us. There is also the extent to which that organisation and its conduct align with our core values and our core purpose. We want to make sure that it is an organisation that Icon Water is proud to be associated with.

Other criteria include reach—that the organisation supports a reasonable number of beneficiaries. For example, we would not want to be providing a large sponsorship amount when only five Canberrans get to attend and participate. We recently sponsored the Million Paws Walk down by the lake. I understand that 9,000 people were able to attend that. It was exercise out in the open and it was free to attend. That is the sort of event that allows us to sponsor a large number of Canberrans. It also provided us with an opportunity to put up a marquee and communicate messages to the community about protecting our water assets and the environment.

MR DOSZPOT: A substantive question, Mr Chair.

THE CHAIR: Yes.

MR DOSZPOT: Mr Knox, at the bottom of page 229 under the title “Balance sheet”, there is an item “capital works in progress”. It is stated:

The increase of \$48.607 million in the 2015-16 estimated outcome from the original budget is due to an increase in the capital works program and the timings of projects.

Can you expand on what those capital works entail?

Ms Lewry: The capital works are mainly for next year. They are focused in and around the lower Molonglo assets. So lower Molonglo is our major sewer treatment plant. Elements of that sewer treatment plant have reached the end of their economic life and do require augmentation and/or upgrade. I spoke briefly—

MR HINDER: Like the fans?

Ms Lewry: Yes, like the blowers. That is one of the substantial parts of our investment program down at lower Molonglo. We also every year replace parts of our

water and sewerage mains. They are the mains in your street. We have enough water mains to reach from here to Singapore and back again with sewerage. So there is always a reasonable investment program to ensure the integrity of those pipes. That is a large portion of our program.

Also the 20-ml meters—the meters that most people have in their driveways or in their apartment blocks—always need to be upgraded to ensure their accuracy. They are the major components of next year's program. But it will be increasing because of the major investments needed to continue to ensure that lower Molonglo operates very well.

THE CHAIR: You are saying that is for next year, but this is an increase in 2015-16. So what happened in the year just finishing?

Ms Lewry: Again, in 2015-16 one of the major investments was in the sewer mains rehabilitation. That was the sewer mains. That is always one of our key improvement projects each and every year. As our sewer networks age, the amount of replacement required increases. So that was one of our major investments.

We also had an upgrade to our accommodation at Mitchell. We have a number of staff accommodated at Stromlo in demountable buildings, which was temporary accommodation. We need to vacate that site; so we have had to do an upgrade to our Mitchell facility to allow those staff to come back into that facility.

We have also done an upgrade at our two water treatment plants to the chlorine dosing facilities there. Again, those assets had reached the end of their useable life and required upgrade.

MR DOSZPOT: I have a final question. What is the state of the four water storages at present, especially with all the additional rain we have had?

Ms Lewry: Bendora Dam is currently at 66 per cent. Corin is at 33 per cent, and Corin Dam has been lowered. You may have seen that the road across Corin spillway has been closed. There has been some rehabilitation work occurring in the dam. It had been lowered to enable that work to occur. Googong is full, and Cotter is at 93 per cent. During the recent rain events we saw an increase in our storage of 2.4 per cent. That equates to 19 gigalitres.

THE CHAIR: Why is Bendora only at 66 per cent?

Ms Lewry: We choose to operate primarily from Bendora and Corin as two connected dam systems. That is our cheapest and also our best quality water source. When water is plentiful, like it typically is, it is our first choice. We draw those sources down to a point before we then move into our other more expensive water sources. It has been a dry year. We have just come out of an El Nino event. Our actual inflows into our dams up until recently have been the worst we have seen since 2001. That is why you see those dams lower than you might like. But it certainly does not impact on our water security. We just choose to use those dams because they are our cheapest and best quality sources.

THE CHAIR: How much more expensive is Googong water, for example, than Bendora water?

Ms Lewry: I will have to take that on notice. I do not have the exact figures with me. However, Googong is our second cheapest water source.

THE CHAIR: Can we have a figure on each of the four storages and what the cost is?

Ms Lewry: I will take that on notice.

MS BURCH: On page 229 under the heading “Joint venture share operating results” there were some wins and gains, so to speak. Can you talk us through that? How does the role of the Australian regulator and what the ICRC may do here impact on your pricing, expenses and revenue?

Mr Sachse: On the first question, Ms Burch, we did have a fair bit of upside from the ActewAGL joint venture income during 2015-16. This was due to a variety of reasons. Some of it had to do with the way that ActewAGL responded to the AER decision. They could actually react to that a lot quicker than original expectations when we set the budget. There were more favourable outcomes from the draft decision from the AER on the electricity decision when we set the actual budget and their final decision. So there was some upside there.

There is also some upside from the timing of recovering jurisdictional charges. They are for things like feed-in tariffs, schemes et cetera. There have also been some changes to the way that ActewAGL would actually pay for the upgrade to their billing system to charge their customers. They are some of the items there. Ms Burch, would you mind re-asking the second question?

MS BURCH: In both those points it seems to be the Australian Energy Regulator. You, like other water institutions, are impacted by the regulator. How often do they make determinations and how do you forecast and manage that in the outyears?

Mr Knox: With regards to the AER, they determine the prices for the distribution partnership of ActewAGL—the poles and wires side of the business—for both the gas and the electricity on the energy network side. They typically do a determination every five years. It has been through a fairly uncharacteristic transition over the past couple of years where they have had some transitional years involved, though. Atypically, the first year of the full five-year period has had different arrangements to it.

The AER process since its inception has been a long one loaded with disputes as well. I cannot recall a time since its inception when ActewAGL or the rest of the industry has not very heavily appealed some of the determinations. So there is some way to go as to a mature arrangement.

With regards to the retail side of the business, their electricity prices are set by the ICRC. Both of those pricing processes are undertaken by ActewAGL. The ICRC one has a terms of reference for the retail side. Atypically, their prices are set for probably around the two-year period, three-year period. They have review points each year

along the way as well as opposed to the gas prices on the retail side of the business, which is price monitored. In short, all of the regulatory determinations undertaken by ActewAGL can have an enormous impact on their business, similar to any regulated business.

THE CHAIR: In respect of the pumping from Angle Crossing to Googong, is Googong full because of natural flows or do we still pump? Do we pump regularly?

Ms Lewry: No, Googong is full due to natural inflows.

THE CHAIR: Since the opening of the pipeline, has there been any assessment on how effective it is?

Ms Lewry: We operate the pipeline three times a year to ensure that we lubricate it and continue to use all of the equipment. We have been doing some studies which are currently still underway to determine the long-term viability of the scheme and whether or not we should mothball those assets. But at this point in time it is still part of our water security arrangements and we continue to operate those assets to ensure that they are fit for purpose when we need to run them.

THE CHAIR: If we are considering mothballing them, why did we build them?

Ms Lewry: Sorry, can you say that again?

THE CHAIR: If we are considering mothballing them, why did we build them in the first place?

Ms Lewry: The water security situation today is very different from what it was when we made the decision to invest in the suite of water security programs. Further to that, the demand for water in the ACT and the Queanbeyan community has decreased by 40 per cent post-drought. There was not an understanding going into drought about all the wonderful water-efficiency measures that the ACT community have adopted, that that would result in such a very small, what we call, bounce back of water demand. Demand has changed dramatically since the drought. The ACT, more so than any other capital city across Australia, has continued to have lower demand profiles. So the situation today is very different from what it was at the time decisions were made to invest in the water security program.

THE CHAIR: When will a decision be made as to whether or not they need mothballing?

Mr Knox: We have not discussed that yet, chair. It is a concept, but we are still at this point in time lubricating the pipe three times a year, subject to a quality review arrangement as well. It is currently under what I would call a gas pipeline standard or code and we are keen to move it to a water pipeline code.

THE CHAIR: What is the difference between the two codes?

Mr Knox: Gas is far more stringent. Far more stringent in respect of pressure testing. I think we would want to work through that and actually understand what the full

profile of the operating costs look like before we make any decisions to mothball.

MS BURCH: Sorry—

THE CHAIR: Sorry, why was it not built at gas code rather than water code?

Ms Lewry: It was built under the gas code because that actually was the only part—it covers the New South Wales portion of the pipeline. That was the only way to actually obtain planning approvals because there is not a water equivalent to enable actual acquisition of land to run a pipeline through. It was the only way that we could work with the New South Wales Office of Water to gain access to easements to actually place the pipelines.

THE CHAIR: What is the process now as to whether or not you will mothball it?

Ms Lewry: The process from here is to transition out of the quality system and move to a water standard for which we can then have the pipeline certified against, understand our operating costs against that new model, and then do a cost-benefit analysis over those new operating costs for the pipeline.

THE CHAIR: Will the New South Wales planners be happy with that? If you got the pipeline because you adhered to the gas code, how can you then reverse that and go to the water code?

Mr Knox: I think we are still to find that out, chair. But if you are going through it from a quality perspective, when you look at the compliance costs associated with operating that to a gas pipeline, they are extremely steep compared to a water pipeline. So one would hope—

THE CHAIR: Can you give us a relativity? How many more times?

Mr Knox: No, I cannot off the top of my head, but just through the sheer experience of going through the audits, you can get an appreciation for the fact that it is not necessarily an appropriate model to operate to a quality review arrangement. We will have a look at that. The short answer is we do not know how moving from a gas pipeline to a water pipeline will be received. But I have no doubt that that is dependent upon the operation of the pipe when we do that three times a year—what the profile of that looks like, understanding the gap analysis between what it would look like under a water versus a gas, and what your forecast usage of that pipe would be into 10 and 20-year horizons as well.

THE CHAIR: You say “lubricate”; you just pump water through it?

Mr Knox: Yes, we do.

THE CHAIR: To make sure it is still sound?

Mr Knox: Yes.

THE CHAIR: The pipeline was completed when?

Mr Knox: I would have to take that on notice. I have not got the exact date, but obviously it was a few years ago.

THE CHAIR: How many times since then have we actually pumped water out of the Murrumbidgee into Googong?

Ms Lewry: Yes, we do pump three times a year.

THE CHAIR: But that is a test. How many times have we pumped it to build up the capacity of Googong?

Mr Knox: The short answer, to my knowledge, is that we have not used the line as a pipe to transfer water. Just to put some context in here, the M2G pipeline was the second-last limb of water security in the water security projects, with the final one being the Tantangara water scheme. As Amanda said, we are right down the bottom of the ladder as to when this will come into play. I think we are yet to actually determine what the extreme climate events could look like. We continue to hear that those extreme climate events are likely to be more extreme than ever before. It is one thing to talk about the utilisation of the pipe, but from our perspective it is a great insurance vehicle moving forward into an unknown.

MS BURCH: I am conscious of the time but that is a question I had. The thinking for this water security project is probably a decade old.

Mr Knox: Yes.

MS BURCH: And there have been lot of more science and assumptions about weather and requirements for water. The next 10 years is based on present data, not the information we had a decade ago. That will influence your investments and usage of different products.

Mr Knox: Correct, Ms Burch.

MR HINDER: But now that the dam wall has been increased, perhaps the need for that break-glass-if-necessary measure is gone, given that we have got capacity to store a lot more water now.

Mr Knox: Going back to Ms Burch's point, this is a long-term game. It is very difficult to say. We had our thinking 10 years ago when we did all the modelling for water security. The environment, the landscape has changed. We are now talking about, I guess, our current thinking right now. They have been telling me for the past four months that the enlarged Cotter Dam was going to fill by the end of September, and three weeks ago I was sitting there thinking, "I'm not too sure." Now I'm—

MR HINDER: So should we have this conversation at the end of next summer?

Mr Knox: Perhaps; I think it is a long-term discussion.

THE CHAIR: But you will come back with that information?

Mr Knox: Yes, chair.

THE CHAIR: That is kind. We have gone a little over time. Thank you, Chief Minister. Thank you, Mr Knox and officials, for attending. In respect of any questions you have taken on notice, we would like an answer within five working days, which starts tomorrow. That would be appreciated. A transcript will be provided when it is available for any additional information you may wish to provide or corrections that might be required.

With that, members, we will suspend until 1.30 when we get the Chief Minister instead of the Treasurer to come and talk about government strategy, policy and reform, public sector management, and coordinated communications and community engagement. Thank you very much.

Sitting suspended from 12.05 to 1.30 pm.

THE CHAIR: Welcome all to this afternoon's hearing of the estimates committee 2016-17 where we will look at output class 1, government strategy, then the executive, followed by Access Canberra. Please be aware that the proceedings are being recorded, will be transcribed and then published by the committee. The proceedings are also being broadcast and webstreamed live. Should you choose to take a question on notice, if you could say words like, "I will take that question on notice," that will help us track it and make sure all the questions go into the database. Before we begin, if those sitting at the table could please acknowledge that they have read the privilege statement and understand the implications of privilege? All nodding—fantastic! With that we will therefore move to questions.

Chief Minister, on total directorate—page 15, table 5, Chief Minister, Treasury and Economic Development—the estimated outcome for 2015-16 is \$754 million; in 2016-17, it is \$972 million. Could we have an ins and outs on what makes up all those changes?

Mr Nicol: I might ask Paul Ogden, the CFO, to come to the table to run you through that, chair.

THE CHAIR: Just for members and those visiting, this is the Chief Minister's element of CMTEDD, but if you want to ask general questions about Chief Minister's this is probably the best place to do it. Then we will get specifically into output class 1.1, 1.2 and 1.3.

MR HANSON: Are we doing the executive as part of this?

THE CHAIR: The executive will come on a little bit later but yes, you can do the executive.

Mr Ogden: It may be best that I take this on notice given the number of outputs and the movements within each of the outputs, if you do not mind. That would be the best way of doing it.

THE CHAIR: That is reasonable. What is the big driver, though, for the—

Mr Ogden: It is to do with the asbestos task force, the accounting treatment for it.

THE CHAIR: What is that?

Mr Ogden: It is the actual accounting, the expensing, of the remediation.

THE CHAIR: So you will take that on notice and give us a summary?

Mr Ogden: I can give you a reconciliation, yes.

THE CHAIR: Just in terms of asbestos as a general thing, Chief Minister, rather than the industrial relations area on planning, which Mr Gentleman will hold, the task force sits in Chief Minister's?

Mr Barr: Yes.

THE CHAIR: How much longer have we got the task force and when will it roll—

Mr Barr: Administrative responsibility for the task force shifted to Mr Gentleman.

THE CHAIR: So he has got that as well?

Mr Barr: He has got that as well.

THE CHAIR: So all asbestos questions are now in—

Mr Barr: Correct.

THE CHAIR: There have been some calls for inquiries into asbestos. Where are we at with an inquiry?

Mr Barr: I think I provided the Assembly with an update on that in the last final quarterly report that I gave as the responsible minister. Minister Gentleman would update as to the next one.

THE CHAIR: So he will have responsibility for all of that as well?

Mr Barr: Yes, he has responsibility for the asbestos task force. In relation to boards of inquiry, that responsibility sits with me, and there are no current plans for a board of inquiry.

THE CHAIR: So when do you intend to have a board of inquiry?

Mr Barr: I have not put a date on that.

MR DOSZPOT: Why not?

THE CHAIR: So how much longer can we wait before we have a board of inquiry?

Mr Barr: We are waiting upon the commonwealth and, to a lesser extent, cooperation from New South Wales in order for it to be effective.

THE CHAIR: So you have written to both the Prime Minister and the Premier?

Mr Barr: I have written and raised it personally one-on-one with them. Neither is particularly interested.

THE CHAIR: What further steps will you take?

Mr Barr: Following the federal election, if there is a new Prime Minister, I would raise it with the new Prime Minister. I would not anticipate that a re-elected Prime Minister Turnbull would have changed his position in the past six months, but I will take the opportunity when I next meet with the Prime Minister to check that there has not been a change in the commonwealth's position.

MR DOSZPOT: A supplementary?

THE CHAIR: Mr Doszpot, a supplementary.

MR DOSZPOT: Chief Minister, why are you so against a board of inquiry?

Mr Barr: I have indicated that it would only be useful if the commonwealth were involved, given that most of the records and most of the issues that are pertinent in the context of a board of inquiry relate to the commonwealth's time administering the territory.

MR DOSZPOT: There is another point of view, of course, and that is that such a board of inquiry would actually assist your case in taking it to the commonwealth.

Mr Barr: That is a view. I am not necessarily sure that there is much—

MR DOSZPOT: It is a pretty strong view.

Mr Barr: Held by whom?

MR DOSZPOT: A lot of us.

Mr Barr: And that is informed by what?

MR DOSZPOT: No. Through the community—

Mr Barr: We can all have a view.

MR DOSZPOT: The community wants to be better informed, you want to be better informed, and if you want to take the case to the federal government a board of inquiry would—

Mr Barr: "Take the case"? Take what case?

MR DOSZPOT: If you want to get the commonwealth more engaged, you will have a better chance of doing that if you have—

Mr Barr: On a board of inquiry or on the broader issue?

MR DOSZPOT: Hang on; I am talking to you.

Mr Barr: No, you are making statements. You are not really asking questions.

THE CHAIR: Let him finish. Mr Doszpot, please continue.

MR DOSZPOT: I am asking a question, Mr Barr. I simply asked you why you are so against it, because there is a point of view that a board of inquiry would assist you in engaging with the federal government.

Mr Barr: Engaging on what?

MR DOSZPOT: On issues related to asbestos.

Mr Barr: As in them doing what now? They have given us the loan. They are not going to do anything else, so what—

MR DOSZPOT: What is it that you are trying to get?

Mr Barr: What I am trying to understand is what would a board of inquiry without the commonwealth's involvement achieve other than costing the territory tens of millions of dollars?

MR DOSZPOT: Have you sought New South Wales's involvement in a board of inquiry?

Mr Barr: Yes, I have. I have specifically written to and raised it one-on-one with the New South Wales Premier, to which he said, "What would we hope to achieve by this?"

MR HANSON: A supplementary, Mr Chair? Are you worried about what a board of inquiry might expose about the conduct of the current ACT Labor government and certain inaction over the past decade?

Mr Barr: No.

MR HANSON: Why do you not hold one then?

Mr Barr: Because it is an expensive exercise that, without the involvement of the commonwealth, would not unveil anything new that has not already been—

MR HANSON: How do you know that?

Mr Barr: Without the involvement of the commonwealth?

MR HANSON: No, about involvement of the—the period from 1989.

Mr Barr: How do I know it is an expensive exercise? Because there has not been a royal commission or equivalent in this country in the past decade that has not cost somewhere between \$50 and \$100 million.

MR HANSON: Have you, in your correspondence with either the Prime Minister or the Premier of New South Wales, asked if they would cooperate with an ACT board of inquiry?

Mr Barr: Yes; that is correct.

MR HANSON: And they would?

Mr Barr: New South Wales indicated that, whilst they would not be interested in providing any financial element, they would be happy to share information, as they have done with our task force. In fact, they have utilised a lot of the work from our task force in relation to their own response in New South Wales. But the commonwealth itself, which obviously was in charge of the territory when the Mr Fluffy asbestos was put into houses—

MR HANSON: Initially, but there has been a lot since self-government that has occurred, hasn't there?

Mr Barr: The initial—

MR HANSON: A lot of action and inaction has occurred since self-government.

Mr Barr: The first attempt at clean-up occurred during the transition period when self-government was first established. Then there were a whole range of things that were not honoured by the Abbott government in relation to MOUs that were in place at that time when the commonwealth effectively negotiated with itself to dispense its liability for a range of issues. Then there was an MOU signed by a first assistant secretary, I understand, of the relevant commonwealth agency that the commonwealth has not honoured.

MR HANSON: Are you happy to table all the correspondence between yourself and the—

Mr Barr: Yes, absolutely. I may have already done that in the Assembly, but I am happy to provide that correspondence, and the Prime Minister's reply.

MR HANSON: With regard to costs—

THE CHAIR: Mr Hanson, Mr Hinder had a supplementary.

MR HINDER: Yes. Now that that question has been answered three times, can I talk to you about our relationship with the commonwealth?

THE CHAIR: Is this a supplementary on asbestos?

MR HINDER: Not on asbestos, just about the relationship between the commonwealth and—

THE CHAIR: Why don't we just finish the asbestos; then we will come to you.

MR HINDER: Right.

MR HANSON: I have a further one on this question. With regard to any liability or damages, have you been seeking any further legal advice in regard to whether there is any case against the commonwealth?

Mr Barr: Against the commonwealth?

MR HANSON: Yes.

Mr Barr: They extinguished upon self-government, it was my understanding. I will check that to see if there is any further advice, but one of the things they did when they transferred governance arrangements was to—

MR HANSON: So you accept that they have extinguished that responsibility, but you are saying that you will not do an MOU even though you say that legally there is no responsibility—

Mr Barr: No; they subsequently signed—

MR HANSON: You are saying you will only do a board of inquiry if they come and hold our hands.

MS BURCH: Mr Hanson, can you let the Chief Minister reply?

Mr Barr: They subsequently signed an MOU with the then ACT government—

THE CHAIR: Are you the chair?

MS BURCH: No, but I am a member of the committee, and I want to hear the answer.

MR DOSZPOT: Yes.

MS BURCH: He is being discourteous.

Mr Barr: in relation to that clean-up scheme; and they undertook to share certain costs, which they have subsequently not honoured.

THE CHAIR: All right. A new question—

MS BURCH: Can I go—

THE CHAIR: Is this a supplementary?

MS BURCH: It is on this.

THE CHAIR: Sorry, is this a supplementary?

MS BURCH: Yes. It is on asbestos, and it is a supplementary to this. You have made a commitment that you will table all that correspondence. Would you take an opportunity, in summary, about what has been the response from the commonwealth when you have asked them around a board of inquiry or around support, around their obligations, and why they did not actually do the clean-up in the first place?

Mr Barr: The prevailing view of the commonwealth, represented through the last two prime ministers, has been that there would be no benefit in a board of inquiry, in a royal commission. The problem is being addressed, they do not see the problem ever occurring again, and they see there not being any significant lessons that would be learned in the context of asbestos-specific issues. That is paraphrasing the position, but there is the question of what value there would be in expending what would be tens of millions of dollars of public money.

There are many ways to seek and to assess the program the ACT government has undertaken. The Auditor-General will undoubtedly look at the efficacy of the current ACT program. There are many things that can be done to provide answers for people who are seeking further answers. But as to what happened in 1968, or what happened in 1991, those issues have been pretty extensively canvassed, and I am not sure that there is any great value, particularly if the commonwealth would not cooperate and not provide officials. Many of the officials who would have been involved may no longer be with us, given that we are heading up to 50 years from when the program first commenced or when Mr Fluffy first started pumping loose-fill asbestos into certain houses. The man himself is dead. There is not a huge amount that is going to be ascertained.

I have a number of threshold issues, one of which is being able to justify the further expenditure of public funds on such a process when there would be other more cost-effective avenues to seek information and answers that some people would be seeking.

If the commonwealth are not going to be involved and are not going to assist in the context of all of the pre-self-government issues, it makes the exercise less than productive, and it would not be a complete examination of all of the issues. You are then left with a threshold question that this is never going to be repeated. You are not going to go through an issue like this. It is not like the royal commission into child abuse. This is not an ongoing issue; we are resolving it now. It would be appropriate for the Auditor-General to look at the program at a point in the future, but right now I think it is particularly important that the task force remains focused on dealing with the issue, managing the program and ensuring that we are assisting households who are affected. That should be the priority until the conclusion of the program.

THE CHAIR: A quick supplementary from Mr Doszpot; then a new question from Mr Hinder.

MR DOSZPOT: Just on managing the works that you referred to, are you aware that

the blocks are currently not being completely cleared as was originally guaranteed to the Mr Fluffy owners? Garages and sheds have been left on the premises. They were told that everything would be cleared.

Mr Barr: I am not sure that that is a correct explanation, but the detailed operation of the program now sits with another minister and with another set of officials who will be appearing before the committee, so you can raise those specific—

MR DOSZPOT: Would you be concerned to know that the expectations that were given to the Mr Fluffy owners are not being carried out?

Mr Barr: I am not sure that the way you have characterised it is in fact the expectation, because I know that many owners were particularly keen for non-affected areas on particular blocks not to be touched so that they could be left in place and they could come back and rebuild. If there were new structures or structures that were not in any way impacted by Mr Fluffy, many owners wanted them left untouched.

MR DOSZPOT: And they were told that in the interests of safety everything had to be demolished, such as sheds and—

Mr Barr: I am not certain that that is the situation, Mr Doszpot.

MR DOSZPOT: Okay. If you were certain, would you be concerned that the commitments are not being kept?

Mr Barr: It is a hypothetical on a hypothetical on a hypothetical.

MR DOSZPOT: It is not a hypothetical; it is—

THE CHAIR: Perhaps it is a detail for Mr Gentleman.

MR DOSZPOT: All right.

THE CHAIR: Mr Hinder, a new question.

MR HINDER: Chief Minister, can I ask you a question about some of the information on page 16 of budget statement B in relation to output 1.1. It is about the relationship between state, territory and federal governments. The third and fourth dot points there talk about an objective of the government being to lead, coordinate and monitor the policy and project initiatives across government outcomes, but then also talk about the ACT government's participation in COAG reform agendas. Is there any move towards uniformity of reporting and reportable standards across the various governments across the country, amongst COAG and—

Mr Barr: In terms of reportable conduct?

MR HINDER: Yes.

Mr Barr: Yes. At the last COAG meeting I took a proposal for a nationally consistent framework for reportable conduct based in large part upon the work that New South

Wales had undertaken. That has now been put into our Assembly by way of a new bill that was introduced in the last sitting. That was agreed in principle across all jurisdictions—to have a nationally harmonised framework. Jurisdictions will implement that with the New South Wales legislation as a guide. There was pretty strong support across the states and territories to do that. Of course, different jurisdictions have different starting points and different levels of data collection, information sharing and the like. But what we have put forward in our legislation, and what has been in place and operating effectively in New South Wales, is a good framework for a nationwide response. I hope that other jurisdictions, having agreed in principle at the last COAG meeting, will pursue that in the coming year.

MR HINDER: A supplementary?

THE CHAIR: Yes.

MR HINDER: That is in relation to states and territories and the commonwealth. In relation to our relationships with local government and some of the initiatives that the former Chief Minister and you pushed in relation to growing that interaction between us and local councils—

Mr Barr: Yes. There are fewer local councils to—

MR HINDER: Yes—the amalgamations. Have they impacted on the outlook?

Mr Barr: Yes. Some have described it as a *Hunger Games* like exercise for New South Wales councils surrounding the ACT. With the Canberra Region Joint Organisation, which is the representative body of the surrounding councils and the territory government, prior to the council amalgamations there were 12 members; it might be down to about seven now as a result of those amalgamations.

Obviously some of those amalgamations are more popular than others in different parts of the region. To the extent that they might result in greater capacity at a council level in those surrounding districts to engage more with the Canberra Region Joint Organisation, that would be a positive, but there has been a suspension of democracy in some of those areas for a period of 12 to 18 months whilst various administrators have been put in place pending new elections for the changed council areas.

That said, there do not appear to be any problems in the short term in terms of continued engagement from the amalgamated councils, but we will await the results of various election processes before being in a position to determine who is going to be in and out in terms of the organisation and what resources they will be able to contribute.

It is fair to say there is a lot of excitement in the Canberra region about the freight opportunities that are aligned with the Singapore Airlines flights.

MR HINDER: There goes my supplementary.

Mr Barr: Basically, anywhere within six hours of Canberra Airport will see a benefit, a more efficient way of getting their goods to market via Canberra rather than going

through Sydney. That presents a pretty significant opportunity not just for Canberra but for the broader region. I think that has been recognised in decisions that have been taken by both sides in the context of the Eden-Monaro campaign.

We have seen, fortunately, commitments on both sides of politics to upgrade the roads that lead into Canberra and, hopefully, also for partnering opportunities between the ACT, New South Wales and federal governments in relation to the road network around Canberra Airport. We have made provisions for upgrades, for our share of that. We have had some announcements from both major parties in relation to the road network in Eden-Monaro, north, west and east of the ACT. I think there is encouragement there that, regardless of the election outcome, there will be some investment in that transport infrastructure. That will certainly support more opportunity for freight through Canberra Airport.

THE CHAIR: Mr Doszpot, a new question?

MR DOSZPOT: Chief Minister, output class 1, government policy and reform, is what I am referencing. What progress has been made to achieve the one government model?

Mr Barr: Significant progress. It would be fair to observe that through the changes that have occurred, the adoption of many of the key elements of the Allan Hawke governance review, going back a few years now, have been embedded across the service. We have a strategic board that provides high-level advice to cabinet in a way that reflects the very strong principle of one government. I invite the Acting Head of Service to make some observations, in both the dual role of being the Under Treasurer and in the acting role. It is clearly very important that the Treasury is involved in the one government approach as well.

Mr Nicol: The strategic board continues to refine its operating model, including its subcommittees. We have undertaken a range of other reforms. For example, we now have a cross-directorate development focus program on band 2s in terms of leadership and development. That is about more than just technical training in their specific areas; it is about growing the leadership of the service and making sure there is that cross-fertilisation of ideas and contact at that level. I think in the past that has been less evident, partly because of the specialisation of the service in certain areas.

We have implemented a number of other reforms. For example, there are now more instances and more encouragement of joint cabinet submissions across directorates, so that joint matters go to cabinet. Where an issue affects more than one directorate, directorates are encouraged to work together to develop solutions and proposals. In the past we have tended to allocate a problem to a specific directorate to solve rather than having a joint solution. That brings its own governance issues that we have to manage very carefully, but I think we are doing that very successfully. The strategic board has had a number of off-sites where we have had planned agendas working through issues particularly focused on cross-portfolio and cross-directorate issues rather than issues that are wholly within one directorate. So we are getting input from multiple areas into policy solutions or technical and governance issues. That is all that comes to mind immediately, but Bronwen might want to add some more.

Ms Overton-Clarke: A couple more manifestations of that would be the joined-up budget bids that we have. This year there are the Aboriginal and Torres Strait Islander people and the healthy weight initiative; they are two very strong cross-government initiatives. One is managed out of Chief Minister's, and the other out of the Community Services Directorate. They are very specific signals of the government wanting to take a joined-up view.

As Mr Nicol was intimating, we have had a lot of secondments and interchange across directorates at a number of levels, all the SES levels, and we are also looking at having initiatives out into the private sector. We have had some short-term secondment with ACTCOSS and a private sector company as well. We are really looking at ways to get advice not just across the whole of government but from the private sector and other non-government organisations as well.

Mr Nicol: The other aspect I would add is that we have created a new accommodation office property committee that is a cross-directorate committee. We are looking at new property arrangements across the service. A particular focus of that committee is to look at operational interchange so that, rather than having every directorate going to wherever they want to go, we have a factor considered as to where directorates should best sit in relation to each other. With those directorates that work closely together, where we can, if those things come up, we can have them located next to each other. The new office accommodation strategy that the government has announced in the medium term will be a big benefit there. One of the best things you can do to work more closely together is to be physically located more closely together.

MR DOSZPOT: Thank you, Mr Nicol; that gives me a little bit of an insight. Chief Minister, it was interesting to note that you mentioned the Hawke report. When you look at the Chief Minister's directorate now controlling the government's policy agenda, Treasury, the public service, land release and sales, policy on the development of the corridor to develop capital metro, new funding models for the new court, capital metro, the UCPH, infrastructure redevelopment, public housing, research and higher education, Access Canberra, centralised services through Shared Services, tourism, sport and arts, does this massive consolidation reflect on the performance of your ministers?

Mr Barr: No. I am just looking at the Hawke report now. One of his recommendations for a model for the ACT public sector is in fact to have a stream. His proposed option A pretty well reflects the current arrangements for the Chief Minister's department—to have the Treasury section and to have the Economic Development section. That was pretty well as recommended by Allan Hawke, and included in that at the time was consideration of the location of vocational education and training. In his proposed option A it sat in a central agency.

I have noted this commentary before. It is wrong. In fact, if you look at the Hawke report you will see that one of his proposed structural models was to have Chief Minister's as a central agency that included, amongst other things, Economic Development, Treasury and a central government area. That is option A on page 14 of the executive summary of the Hawke report.

MR DOSZPOT: You are saying that it does not reflect on the performance of your

ministers; it is nothing to do with that?

Mr Barr: No, it reflects upon a report that advised on a potential model for ACT government, one that my predecessors put in place, and I have simply picked up one of the options contained within the report.

MR DOSZPOT: Has the expansion of the ministry to six ministers spread the workload for all ministers as was envisaged?

Mr Barr: To seven.

MR DOSZPOT: Seven?

Mr Barr: Yes. It has, as you would see from the portfolio allocations. There have been changes, and responsibility is shared across the seven ministers.

MR DOSZPOT: Will you be looking at any further consolidation of responsibilities within the Chief Minister's directorate?

Mr Barr: Not other than what has been outlined in this year's budget.

THE CHAIR: I have a supplementary. Mr Nicol, you mentioned collocation and working together. The government office building: where is that project up to?

Mr Nicol: That question might be best asked of Economic Development, because they are responsible.

Mr Barr: They have responsibility for property.

Mr Nicol: It is in the middle of a tender and I am not up to the minute on where that is at. It would be better to get it from them.

THE CHAIR: I thought I was asking under output class 1.2, public sector management.

Mr Barr: There is a tender process underway.

THE CHAIR: And a likely conclusion date?

Mr Barr: Yes. Very soon; that is my understanding.

MR HINDER: I have a supplementary. At appendix Q of BP3, page 449, it seems to me that, of the transfers of responsibility in those tables, 15 of the 24 are actually away from the Chief Minister's department to other ministers. Would that be right? "Function/funding", "Transferred from", "Transferred to".

Ms Overton-Clarke: LDA is part of Chief Minister's.

MR HANSON: So it is not just the people who got sacked at Access Canberra?

Mr Barr: There are some internal transfers from CMTEEDD to the LDA, but there were also some project or asset transfers out of the central agency into line agencies; that is correct.

THE CHAIR: Ms Burch, a new question.

MS BURCH: On page 16—and it is probably prompted by the question on the government office building—the last dot point is “support and coordinate workforce planning and change management across whole of government through government learning and development and capability programs”. We have heard over the past day or so about how business aspects across the service change. Is that linked to that or is it just making sure we all do our current job rather than our future jobs?

Ms Overton-Clarke: No, that is a link to that. If I can segue back to the discussion about the government office block, one of the initiatives within output 1.2 is the work on activity-based working, which is—

MS BURCH: Activity-based working? As in you are active when you work?

Ms Overton-Clarke: You can be more active in the physical way that you work. One of the initiatives that we are doing across government is pilots on different ways of working in the physical environment. That includes collocating business units with each other, not just like units, but where business activities are best located with each other. At the moment in Nara, across the road on level 4, the cabinet office is located with parts of the business area, and also arts. We find that there are synergies that naturally happen, but by collocating like functions or functions that really do well out of being located next to each other, you can get additional synergies from that. The pilots involve a number of areas across the whole ACT government workforce.

More broadly, in relation to that specific strategy as a whole, we have built on the shared capability framework which was launched last October across ACT government. We have now launched an employment portal which is open to everyone to look at. It is called the ACTPS employment portal. For officers, for managers, for executives, for unions, and for any stakeholder who is interested in ACT public service business, we have every policy and the annotated enterprise agreements. So we are building on the work we did last year around a manager’s toolkit to really give tools to managers and staff for new ways of working and to be able to manage their staff in the best performance light that they can. We are really trying to free up tools for managers and staff, and that is through the employment portal.

That is another example. I can talk about the graduate program and initiatives we have in terms of diversity, and also the traineeships.

MS BURCH: With graduates, it is about getting the new bright sparks into the service. But as service systems change, as we have heard just over the day and a half here, business functions change and new streamlined processes come in. You may be a very skilled officer at a level in a particular area, but because of the nature of the development of the service and modernisation, it changes. How do you support that tier of workforce to grow and develop into whatever the next version of that function is?

Ms Overton-Clarke: We are putting together some workforce planning tools. I will ask Judi Childs to talk about those. We are at a point where, as you say, we are looking at the existing tools that we have, and at how we can now go to the next level and provide services for directorates that help them to think strategically about their workforce and, as you say, the next phase of skills that staff need.

Ms Childs: As Ms Overton-Clarke mentioned earlier, the shared capability framework was one of the first building blocks for a more strategic approach to workforce planning and management across the service. The capability framework articulates very simply 12 core capabilities that are expected to be seen across the entire public service.

From that, we are now building a workforce planning toolkit which will enable various parts of the organisation or the organisation as a whole to drive straight from strategic business priority to a description of the sort of workforce that will be required to undertake that strategic direction, and then drill down through capabilities to understand what staff with what capabilities we need, where we need them and what learning and development will be required. We are also in the process of linking the shared capability framework with the performance planning and development process. Individuals and their managers will have a discussion about the critical capabilities for the next 12 months and also for their future career development.

MS BURCH: From an officer's point of view, they can use that to more or less scope out what is ahead of them in their career—

Ms Childs: Absolutely.

MS BURCH: and target their own professional development to be where they want to be in 10 years?

Ms Childs: Yes. The capability framework articulates capabilities quite simply. It is only a five-page document for the entire service. It articulates capabilities at what we would call a team member level, a team leader or a semi-autonomous type of role, a manager or expert type of role, and a senior executive level. It articulates each of them as they go across those four levels; they build on the previous level. People at a particular level can look at what is expected at the next level and beyond.

MS BURCH: Whether you are in Access Canberra, TAMS or elsewhere, if you are a public service officer—teachers will always be teachers and nurses will always be nurses, fabulous as they are—

Ms Childs: This is a general capability that would be expected. It does not matter what sort of role you are in. Obviously, there are some roles that have professional capabilities on top of general capabilities. It is simple and it is easy to understand. It may well look different in various workplaces, depending on the type of work.

THE CHAIR: A supplementary and then a new question from Mr Hanson.

MR HINDER: Just a further question to Ms Childs. That was to do with the career

path for employees of the territory. Given the size of our jurisdiction, how can we be sure that we maximise the use of that expertise right across the territory workforce? Is that information then available for the purposes of filling other—

Ms Childs: It is a work in progress, you would have to say, at this stage. Obviously it is having systems that can actually gather information and enable you to have a good picture across the whole service. We are currently looking at the next phase of systems, development in the HRIS space, and that will certainly make it a lot easier to have a view.

However, with the tools that we are actually putting in place, it will, I believe, enable at a directorate level that a director-general will be able to have a fairly clear view of what is going on in their directorate. Given that we have the very collaborative processes now across not just the strategic board at the top level but within the HR practitioner cohort, we will be able to generalise that information. Indeed, one of the 12 capabilities is called “one service”, for obvious reasons.

THE CHAIR: Mr Hanson, a new question.

MR HANSON: Thank you. Chief Minister, what are you doing to address the perception of a smell around your government? I go to a couple of issues that have been raised that go to this perception. There have been recent editorials talking about a government by cronyism, articles in the paper and editorials talking about the deal between the government and UnionsACT just not smelling right, and allegations from a former Chief Minister of corruption and rotting in the Labor Party. A minister from your government has been stood down and her chief of staff was sacked after—

MS BURCH: I think I resigned, Mr Hanson.

MR HANSON: sensitive police information was leaked to the CFMEU. My understanding is that the police are investigating allegations of missing money following a lease variation waiver that was signed by you and involving Mr Lamont. My understanding is that other land deals in the LDA are being looked at by the Auditor-General. That has all led to a perception of a smell around this 15-year-old government. What are you doing to address those perceptions?

Mr Barr: I reject most of the assertions in your question. I think most of them pertain to a tired old opposition leader who, frankly, has—

MR HANSON: But these are the quotes. This is the *Canberra Times*.

Mr Barr: Okay, a tired old journalism outfit in a decaying form in terms of readership and interest. The *Canberra Times* are welcome to their opinions on various issues. They have written an editorial or two about the opposition and its lack of policy development and anything positive to say about the future of Canberra. There will be from time to time criticism of government. That is part of political life. From time to time there will be opposition leaders who will come to an estimates hearing with nothing substantive to ask about a budget and instead seek to muckrake. I am not going to dignify that muckraking with any further response other than what I have said in response to specific—

MR HANSON: It is hardly muckraking. The issue—

Mr Barr: If I am being asked a question I should be entitled to answer it and not be interjected upon by the Leader of the Opposition, whose rudeness in this context, and indeed in the chamber, is legendary.

THE CHAIR: Keep going.

Mr Barr: Thank you, Mr Chair. I am not going to dignify your muckraking with any further response. I will remain focused on the priorities of the people of Canberra, and that is to continue to invest in their health and education and support for community services, to respond to family violence, to invest in the infrastructure that this community needs, to utilise the budget as a tool to support the territory economy, to continue our focus on economic growth and opportunity and to ensure that Canberra remains the world's most livable city, a place where all people can feel included and have an opportunity to contribute.

The best and most successful cities in the world are focused on ensuring that they harness the talents of all of their citizens. They are focused on positive outcomes for the future. They are focused on jobs. They are focused on economic growth, which has tripled in the ACT in the past three years. They are focused on putting their citizens first. That is what my government is focused on across all of the different portfolio areas, as outlined in this very positive budget that outlines a path forward for this city to remain the most livable city in Australia—

MR HANSON: Just on an issue of relevance, Mr Chair—

THE CHAIR: He will wind up in a minute, I am sure.

Mr Barr: one of the most livable cities in the world, and to continue to ensure that through our budget and through the work of the Chief Minister, Treasury and Economic Development Directorate we remain focused on the priorities of Canberrans. We have demonstrated that through this budget, particularly through the work in this output class, particularly focused on the efficient, collaborative delivery of services through the ACT public service as led by the Chief Minister, Treasury and Economic Development Directorate.

MR HANSON: I just make the point, Mr Chair, that the questions I have are about ethical conduct, not policy. Quotes from *Canberra Times* editorials, Jon Stanhope, the factual evidence about a minister resigning and her chief of staff standing down because of leaking information to the CFMEU, police investigations and Auditor-General's investigations are not muckraking; they are factual. Simply attacking anyone in the print media as a response does not seem to be, to my mind, a sound way of removing the perception of this smell around your government. Are you going to continue to just essentially attack the media that raised concerns or are you going to address these issues substantively?

Mr Barr: All of the issues that have been raised have been addressed substantively. That is there to be seen for all who take an interest in these matters. We are here to

talk about the budget, and that is exactly what we are doing and what my government remains focused on. The fact that you come in here this afternoon with nothing substantive to say about the budget and no substantive questions on the priorities that actually matter for the people of Canberra and you have nothing positive to say in relation to the future of the city—

MR HANSON: Do you not think ethical government matters to the people of Canberra?

MS BURCH: Can we manage the visitors to the committee?

THE CHAIR: I think they are both coping. I am very relaxed.

MS BURCH: I am a member of this committee and I find it difficult.

MR HANSON: I think ethical government is important.

Mr Barr: This is not a place for you to come and make political statements. You can make political statements elsewhere. We have a committee—

MR HANSON: You make them all day.

Mr Barr: That is the wonderful opportunity you get when you appear before estimates.

MS BURCH: Chair, I might have to raise this poor behaviour.

THE CHAIR: You can raise it later if you so wish.

Mr Barr: You get to ask questions, not make political statements, and I get to respond to the questions.

MS BURCH: I will raise it now if you wish.

THE CHAIR: No, that is a private matter for the committee. If you want to raise it privately, that is fine.

MS BURCH: Let us park that for the next committee meeting.

THE CHAIR: This is about the government's agenda. Do you feel that the government is delivering its agenda, for instance, through the MOU that it has with UnionsACT?

Mr Barr: Yes. The government continues to deliver on its agenda for safe workplaces, collaborative industrial relations and the delivery of high-quality projects in a value for money way for the territory.

THE CHAIR: So even though the MOU was in place during the period in which the bringing them home safely report was written, what benefit has the MOU brought the workers of the ACT when it clearly failed in that period?

Mr Barr: It has brought considerable benefits.

MR HANSON: To the CFMEU.

THE CHAIR: What benefits has it brought?

Mr Barr: It has brought considerable benefits to workers across the territory engaged in a variety of projects with ACT government. It has ensured that dodgy businesses are not winning ACT government contracts.

MR HANSON: What about dodgy unions?

MS BURCH: Chair, can you please—

Mr Barr: You are already being sued, Mr Hanson, and the fact that you come in here under parliamentary privilege like a coward and make allegations like that—

THE CHAIR: No—

Mr Barr: demonstrates your appalling lack of character and fortitude.

THE CHAIR: we will not have language like that.

MS BURCH: Chair—

THE CHAIR: No, sorry.

MS BURCH: We can accept language like “smell”—

Mr Barr: The Leader of the Opposition has just made allegations—

MR HANSON: You just said “dodgy businesses” before I responded.

THE CHAIR: How about one at a time?

MR HANSON: What about this arrogant claim of dodgy businesses?

THE CHAIR: Mr Hanson, if we could just hold that for a moment.

MR HANSON: Which dodgy businesses are you talking about, Mr Barr?

THE CHAIR: You have used pejorative language—

Mr Barr: I am talking about businesses, phoenix companies, people who underpay their workers and break the law, who do not meet their occupational health and safety—

THE CHAIR: Who should be prosecuted.

Mr Barr: requirements and people who do not take out workers compensation insurance, as we were discussing this morning.

THE CHAIR: This morning—

MS BURCH: That is right.

Mr Barr: Those sorts of issues matter. Your ideological starting point, Leader of the Opposition, is that you put workers rights so far down the queue. That it is effectively a cheap political point again demonstrates your values or lack thereof, frankly.

THE CHAIR: With regard to the MOU, were most of the deaths that happened on ACT worksites with organisations that had union EBAs?

Mr Barr: I would have to check that.

THE CHAIR: All right.

Mr Barr: I do not have that fact.

THE CHAIR: During the period that led to the report—yesterday comments were made about the MBA abandoning the field, yet the MBA pushed very strongly for reform—

Mr Barr: They have taken an ideological position in support of the hard right; that is true, yes.

THE CHAIR: They have also pushed strongly for worker safety reform. You would acknowledge that they have pushed hard for reform?

Mr Barr: Backed in by the Leader of the Opposition, who is adopting an Abbott-like stance on this question, yes.

THE CHAIR: You do not think the MBA has pushed for increased safety on worksites?

Mr Barr: I think the MBA have been reluctant in the past to contribute. They certainly took a position in relation to the *Getting home safely* report. They commissioned their own process and did not seek to engage with that one, which was disappointing.

MR HANSON: They did not know about the MOU, did they?

MS BURCH: A supplementary question?

THE CHAIR: All right. I will just finish and then a supplementary—just two more.

MR HANSON: Why was that a secret?

MS BURCH: It is not a secret.

THE CHAIR: If all of this occurred during a period when there was a Labor government and union EBAs in place and when the MOU was in place, would you not concede the MOU has not served the workers of the ACT well?

Mr Barr: No, I think the MOU has, but there are opportunities through further reform of policy and practices to improve the situation, and we intend to do that. We did through our commissioning of that work and that report and then accepting the recommendations, rolling them out, to which there was no opposition at the time. But now to score a cheap political point all of a sudden you join the bandwagon of the *Australian*, Tony Abbott, Michaelia Cash and the far right.

MR HANSON: You are calling business members of the MBA the far right, are you?

THE CHAIR: Sorry, Mr Hanson. Ms Burch has a supplementary.

Mr Barr: There is an ideological agenda at play here—

MS BURCH: Chair, could we just allow—

THE CHAIR: Mr Hanson—

MS BURCH: I have a sup.

THE CHAIR: If you would let me speak, Ms Burch. Ms Burch has a sup.

MS BURCH: I am going deaf with the interjections over this side.

THE CHAIR: I called him to order. Ms Burch has a supplementary. Mr Doszpot has a supplementary. Mr Hanson has a supplementary.

MS BURCH: Just on MOUs, we seem to think there is only one MOU that this government has, and it seems to be with—

MR DOSZPOT: There are more, are there?

MS BURCH: There are—many. If you had paid attention yesterday, you would know that there is an MOU, I believe, with, say, an insurance authority. Chief Minister, what are the benefits of MOUs with various groups? How does the government decide to enter into them? And are they under periods of review?

Mr Barr: We certainly have numerous MOUs. There is one between the ACT government and Canberra Airport, one between the ACT and New South Wales around regional collaboration—

THE CHAIR: ClubsACT.

Mr Barr: Yes, we have one with ClubsACT.

MS BURCH: I did not know about the New South Wales one or the airport one.

Would they be considered secret or is that just commentary that the Leader of the Opposition likes to do?

Mr Barr: There are obviously varying degrees of interest in MOUs, depending on how cheap and populist one is and how many bandwagons the opposition leader wants to jump on, but yes, there are numerous MOUs in place between the government and various entities: capital and labour representatives, together with regional governments, state governments, and organisations. Indeed, there are some international city-to-city MOUs in place. It is not unusual for governments to have MOUs. It goes to the importance of good strategic relationships, mutual understanding of relevant issues. I am sure that governments in the future will have MOUs, just as governments in the past have had MOUs.

That there is a particular interest in the relationship with the union movement reflects a pretty bizarre ideological obsession and hatred for working people that is manifest in the approach, and certainly hatred for the organisations that represent working people. It is almost the—

MR HANSON: That is unparliamentary. Could I just ask, Mr Chair, whether it is appropriate to make a slur like that?

Mr Barr: It is almost a core question. Why some individuals are in politics, it would seem, is to destroy organised labour. That is a pretty disappointing reason to be motivated in public life. If getting the unions is what gives you your jollies, that is pretty disappointing. But that seems to be the one track that the Leader of the Opposition is pursuing.

MR HANSON: No; I just want to see ethical government. It is a very different issue.

THE CHAIR: I suspect that is your view, Mr Barr.

MR HANSON: Ethical government is what I am after.

THE CHAIR: Mr Doszpot has a supplementary; then Mr Hanson has a supplementary. Then, members, we have got till 3 o'clock to cover output classes 1.1, 1.2, 1.3 and the executive. Mr Doszpot; then Mr Hanson.

MR DOSZPOT: Chief Minister, you keep talking about ideology. Is the effect of your MOU with the unions to effectively exclude smaller ACT firms from government contracts?

Mr Barr: No, definitely not. In fact, through a range of policies that we put in place through the local industry advocate, the small business innovation program and the weighting that local small businesses get in the procurement process, the only favouritism that is provided in ACT procurement is towards small and medium-sized local enterprises. They are deliberately favoured. They get the leg up in the process.

MR DOSZPOT: They just seem to be missing out. As the Master Builders Association indicated to you, their preference, and their strong suggestion, is that the MOU be torn up. Is your government not concerned that this MOU has the effect of

increasing the cost of doing business in the ACT? Do you not think that the ratepayers and the citizens of Canberra deserve recognition in the way the government should be doing business and the impact that these MOUs have on the Canberra economy?

Mr Barr: There are four questions there. As to the first question, I do not take industrial relations advice from the MBA. They represent a particular point of view, but not a balanced one. They represent capital. There are other sides and other opinions that any government should take into account in the context of reaching a balanced outcome. I do not rely solely on the MBA for advice on those issues, and I would be surprised if any government did. It would be very disappointing if they only listened to one side of an argument.

MR DOSZPOT: It is okay to just listen to the unions, though?

Mr Barr: I listen to all opinions, but I do not take my orders—

MR DOSZPOT: That is not the question.

Mr Barr: from the MBA or the union movement—

MR DOSZPOT: Well—

Mr Barr: or any stakeholder group, Mr Doszpot, and I certainly will not be dictated to by the MBA in relation to how—

MR DOSZPOT: But you are not dictated to by the unions, of course? You quite accept that?

Mr Barr: Are you going to let me answer your questions?

MR DOSZPOT: Certainly; go.

Mr Barr: Well, stop interjecting.

MR DOSZPOT: Certainly.

Mr Barr: Thank you. Now, to proceed, in relation to the other assertions that you have made, value for money is the first principle for government procurement, and we achieve that. The assertions you make have no basis in fact, are based entirely on your hard-line ideological position, and reflect again the anti-worker agenda of the Liberal Party in this city. It is in your DNA, as you so proudly proclaim. It is a hard-line, right-wing position inherited from Tony Abbott's Liberal Party. That is your position.

MR DOSZPOT: My parents were both trade people. It is not in my DNA.

Mr Barr: That is your position.

THE CHAIR: Mr Doszpot—

Mr Barr: That is your position. You are free to advocate, but I am free to disagree

and my colleagues are free to disagree, and we do. We do not accept your hard-line, right-wing, conservative, Neanderthal position on industrial relations.

MR DOSZPOT: Throw in a few “ageing” ones as well while you are at it.

Mr Barr: We do not accept your hard-line position on industrial relations; it is as simple as that.

THE CHAIR: I think Mr Hanson had a supp—a short supplementary. Then we will—

MR HANSON: Yes. It goes to the ethical conduct of the government I was talking about before and the issue of one of your ministers who resigned or was stood down, and then two staff members, I believe, one of whom was stood down by you or sacked by you in relation to the leaking of sensitive information from the Chief Police Officer to the head of the CFMEU. That matter was then referred to you by the Chief Police Officer for you to take further action on. Can you please advise the committee what action you have taken. I understand that you did stand down one staff member, but there was another staff member involved. Could you advise what action you have taken with regard to that matter?

Mr Barr: There is simply no change in responsibility for that staff member. That staff member is now no longer in a position of access to information in relation to the police portfolio, and no further action is necessary beyond that. In relation to the other questions that you have raised, they were assessed by police, no further action was taken and the matter is now closed.

MR HANSON: When this issue arose late last year, both you and the Attorney-General on the radio said that there were unprecedented other issues not relating to the minister at the time and that you would make a full statement once these matters were finalised by the Chief Police Officer. Are other matters being investigated by the Chief Police Officer or can you now advise what those unprecedented other issues were?

Mr Barr: I made a full statement to the Assembly, as you would be aware, in relation to those matters, as I said I would, and the Assembly has dealt with the matters.

MR HANSON: But you have not advised what all these unprecedented other issues were.

Mr Barr: I made a full statement to the Assembly. You were there. You were aware of the issues.

MR HANSON: What were those unprecedented other issues?

Mr Barr: I have made a full statement to the Assembly in relation to that.

MR HANSON: But you did not state what they were.

Mr Barr: I have made a full statement.

MR HANSON: Well, you made a statement.

Mr Barr: I refer you to my statement.

THE CHAIR: For the record, will you elaborate on what the unprecedented investigations were?

Mr Barr: I made that statement to the Assembly.

MR HANSON: You did not. You did not say what they were.

THE CHAIR: Mr Hanson, please.

Mr Barr: I refer you to the transcript.

THE CHAIR: We will move on. Output class 1.3—

M BURCH: Can I add to that just for the record? I still am not aware of any claim or any question in regard to that inquiry. So just for the record, the Chief Minister has made a statement but I am not aware of any information or any questions that have been put to any staff member.

THE CHAIR: I think that is the problem.

MR HANSON: We are all in the dark then, aren't we? That might be my point. That is why there is a smell around the government if you are not open about these sorts of issues.

THE CHAIR: Chief Minister, output class 1.3, coordinated communications and community engagement, seems to have had a significant boost from \$3.3 million to \$5.5 million for the coming financial year. This is on page 17 of BSB. What is the reason for the almost two-third increase?

Mr Rutledge: Ms Perkins will join us at the end of this. It is largely internal transfers with the establishment of CMTEDD as the larger organisation—staff. We are doing communications work. Both Shared Services and Access Canberra have been moved into this output class. There is no new money, is the short answer.

THE CHAIR: So it is money from other areas that has now been consolidated.

Mr Rutledge: Yes, from other areas into this output class.

THE CHAIR: Could we have reconciliation as to where it has come from?

Mr Rutledge: Yes, sure.

THE CHAIR: Ms Perkins, do you want to add anything?

Ms Perkins: With regard to staffing, there are two small teams from the Access

Canberra division that will be joining the central communications division. There is a communications team and there is a web centre team. That is the staffing increase that is joining our team. Separately, there are some funds that have been reallocated from both within CMTEDD and other directorates to pay for a number of whole-of-government communication services and products that we are putting in place.

THE CHAIR: How much of this \$5.5 million will be spent on promoting capital metro?

Ms Perkins: In terms of the whole-of-government communication spend; we promote initiatives from across the government; so I would not be able to provide you with specific breakdown on individual initiatives.

THE CHAIR: Why not?

Ms Perkins: There are many initiatives that we promote in the whole-of-government tools.

THE CHAIR: Will you take on notice and find out for the committee how much of this \$5.5 million will be spent on promoting capital metro?

Ms Perkins: Sure, we will take that on notice.

THE CHAIR: Thank you.

Mr Nicol: Chair, we might—we will—identify specific spends on the capital metro alone. But the difficulty we will have is when; for example, we might do a brochure on events happening in a particular region and capital metro is mentioned. It is very hard to break down the costs of that.

THE CHAIR: Capital metro-specific would be fine. Also, how much in the current financial year has been spent on promoting capital metro?

Mr Nicol: I would have to take that on notice.

THE CHAIR: That is okay. I was lucky enough when I got home to find what looked like an electorate brochure about the government's ACT budget 2016-17 for Tuggeranong. I understand that there are five versions of this. Oddly enough, there are five electorates in the coming election. How were the five areas selected as the breakdown for these brochures?

Mr Barr: Five regional areas in the city; so there are a Tuggeranong one, a Woden-Weston Creek-Molonglo one, a central Canberra one, a Gungahlin one and Belconnen one.

THE CHAIR: How much has the brochure cost?

Ms Perkins: The brochure, including printing and distribution, was around \$41,000 and that is around 187,000 households it was delivered to.

MR HANSON: How much was that again?

Ms Perkins: \$41,000.

THE CHAIR: And will other such brochures be going out between now and the election?

Mr Barr: There is a monthly government newsletter that has a similar cost.

THE CHAIR: Is the monthly newsletter broken down into the five electorates?

Mr Barr: It is—not on electorates; five regions, yes. It does not accord with electoral boundaries in a large part because as you would be aware the electoral boundaries—

THE CHAIR: I think it does in large part.

Mr Barr: No, the electoral boundaries split Belconnen, split Tuggeranong.

MR HANSON: I have a supplementary.

THE CHAIR: Supplementary, yes.

MR HANSON: In respect of previous brochures that have been arriving in our mailboxes, I recall getting one with a picture of a tram with “Woden” on it. There was another one that had a tram that said “Belconnen”; another one that said “Tuggeranong”. Can you show me the output and the line item in the budget where those are funded?

Mr Barr: Sorry, the brochures?

MR HANSON: No, a Woden tram. I am getting brochures in the mail telling me that there is a Woden tram.

Mr Barr: Yes, you would be aware that there is a light rail master plan exercise that has been funded in the budget. That would indeed indicate the long-term planning for—

MR HANSON: Right. So it is almost like that was an election sort of commitment some distance forward.

Mr Barr: We are doing light rail network planning, Mr Hanson, as you would be aware.

MR HANSON: When will the tram go to Woden?

Mr Barr: I will make further announcements.

MR HANSON: But you are sending me a brochure at \$41,000 telling me there is a tram coming.

Mr Barr: I will make further announcements on the next stages of light rail in due course.

MR HANSON: So you are advertising something that you have not made an announcement about. That is odd.

Mr Barr: We have a light rail network master plan exercise.

MR HANSON: When does the tram come to Tuggeranong? I noticed that there was a tram for Tuggeranong. When is that coming?

MS BURCH: Are these images out of the light rail master plan?

Mr Barr: As part of that master planning exercise, we have indicated potential routes—

MR HANSON: Potential routes?

Mr Barr: for future stages of light rail. We had a consultation—

MR HANSON: So is the tram going to Tuggeranong, yes or no?

Mr Barr: We have had a consultation process in the—

MR HANSON: Is the tram going to Tuggeranong or not?

MS BURCH: Mr Chair!

THE CHAIR: Mr Hanson, let him finish, please.

Mr Barr: We have had a consultation process in relation to that network master plan and the minister and I will make further announcements in due course.

MR HANSON: But I do not understand. You are spending \$41,000 of taxpayers' money to advertise to the constituents that a tram is coming to Tuggeranong but you are not prepared to say that there are any announcements or any plans about the tram going to Tuggeranong. So why are you advertising something that may or may not be announced?

Mr Barr: I am fascinated by your interest in—

MR HANSON: In false advertising.

Mr Barr: No, in trams—

MR HANSON: In false advertising.

Mr Barr: in light rail given your atrociously inappropriate position to seek to tear up contracts and place the territory in a very bad position. Sovereign risk is not

something that you should be entertaining, Mr Hanson. It is a very irresponsible position for someone who seeks the high office of Chief Minister of the Australian Capital Territory to be advocating. It would be a very expensive proposition for you and one that demonstrates again your unfitness to hold this office.

MR HANSON: Right. What about the Tuggeranong tram—

THE CHAIR: No, it was a supplementary. We will leave it there. We will get back to you shortly. Mr Hinder has a new question, I assume.

MR HINDER: I was fascinated by the Leader of the Opposition's interest in trams.

MR HANSON: Well, a Tuggeranong tram; I think we are all interested. We have been told that it is coming. The brochure tells us this.

MR HINDER: I go back to comments that Mr Nicol made about the operational interchange, I think you called it, about office accommodation and how you are better doing those kinds of things across government. I think Ms Overton-Clarke also mentioned that you were trying to co-locate like with like in different directorates. Is there any other work going on within government to try to break down what you might call that silo mentality that sometimes develops in directorates?

Mr Nicol: I think this is a cultural issue, Mr Hinder. I think there is a significant focus from strategic board down on making sure that if there is a policy problem to solve or a technical issue to solve or a constituent issue to solve or a piece of legislation to be complied with or new legislation to be developed, one of the rules is that the originating area, the responsible, area, has to consult with every other relevant area of the public service as a first step.

That is certainly something I expect out of Treasury. It is essentially that all issues, problems with proposed solutions, comments from relevant stakeholders within the service in the first instance are understood and addressed. It does not mean that every view is accepted but every view should be given an airing and responded to within the service. I think that should also happen when engagement with stakeholders happens externally to the extent possible.

That is where I see the big cultural change in the ACT public service. There is a lot more emphasis placed on consultation and the questions at senior levels are often now: has everyone with a relevant interest in an issue been consulted? As I said, that is easy to do when we collocate areas that have a lot of consultation with each other.

I will provide a recent example. We had the Revenue Office in the Nara Centre opposite the Assembly. The Revenue Office do not have a lot of involvement with the Assembly ministers and policy development. They do have an involvement but we took the opportunity to move those people out and move other policy people in so that there was greater interaction between policy areas across the service within the one building.

That is not perfect because we need to have the Revenue Office involved in discussions of policy development as well but we try to optimise the locational

arrangements of our office staff.

Ms Overton-Clarke: Can I add to that? I think Mr Nicol hit the nail on the head in terms of the cultural side of things. What we are increasingly becoming better at is recognising that government needs to present itself to the public as a single face where it is most appropriate. We have initiatives such as Access Canberra but also better services in Community Services Directorate.

The public do not appreciate having to tell their story 100 times and that does not matter whether it is a human services issue, a health issue or a business issue. As public servants who service the public as well as ministers, we are increasingly aware that where it is appropriate to provide those joined up services, be it a single case manager in a human services context or a business context, we need to do that. That naturally then feeds into how we think about the way that we structure our policy advice.

Another example is the clusters that were formed across directorates a couple of AAOs ago so that like directorates do work together. One obvious cluster is Health, Education and CSD. There is a business cluster and a planning and TAMS cluster. What the government is saying to directorates through the AAO, something as formal as that, is that we have expectations you do that joined up work.

Mr Rutledge: I was just going to add, Mr Hinder, as Ms Overton-Clarke said, that we have activity-based working. On our floor that means no-one has an office and no-one has an allocated desk. That allows you to go and work with the people that you want to work with on a daily basis across the whole floor.

But another enabling capability that we are trialling is electronic record or document management systems so that you can go paperless quite quickly. That means that there is another reason why you do not need an office and you do not need filing cabinets. If all of your documentation is easily searchable in a formal record management keeping system and it is all on your iPad or on your laptop, it does not matter.

For people on our floor, if there is wi-fi we are enabled. We can work anywhere and there is wi-fi in other government buildings. It means that when we are out either meeting with other directorates in a meeting formally or informally, we can all access all of our documents and work in a totally mobile environment. This allows the flexibility or, the buzz word at the moment, “agility”.

It just means that you can be productive all of the time and the reason to rush back to your 15 square metre allocated desk is eliminated. We are involved in both the activity-based working trial and the EDRMS trial. In both of those you have really seen a productivity boost to the policy and cabinet division as a result of both of those pilots.

MR HINDER: How long before you can send someone from the Revenue Office over to the settlements room at the Law Society so they do not have to go out to Fyshwick to do their revenue lodgements?

Mr Nicol: The government is actually considering a way to change the settlement processes, which we could have covered off in the revenue session. I think my understanding of the current process in relation to stamp duty was that the transaction is stamped and duty is paid on the stamp; a long history. We talk about things out of date in the 1990s. That is rather further back. We are looking how—

MR HINDER: It is a paper hungry industry.

Mr Nicol: Yes, we are looking at how we re-engineer that, particularly in the light of a new system we are working on at the moment. We are also working with stakeholder groups to make sure the banks, the lawyers and the conveyance solicitors know how to do that. I am confident it will produce a process that is better for the public as well. We are looking at one interaction rather than multiple.

MR HINDER: Thanks.

THE CHAIR: Mr Doszpot, a new question.

MR DOSZPOT: I have a number of questions to continue with the Chief Minister and the MOU. Chief Minister, what is the role of the two FTE staff allocated to administering the MOU?

Mr Barr: They sit in the procurement area. This output class comes up tomorrow, so your question would be best asked in that output class tomorrow.

MR DOSZPOT: Have the numbers of the staff changed since the original MOU was signed?

Mr Barr: Your questions would be best asked in the appropriate area of government, which we have tomorrow.

MR DOSZPOT: Why were business groups not consulted, given that the MOU was about how government related to business?

Mr Barr: The original MOU was signed by then Chief Minister Stanhope before I was a member of the Assembly, so you would need to ask him the question in relation to the origins of the MOU. But we have MOUs with industry groups as well. We have regular meetings. They involve a number of—

MR DOSZPOT: My specific question is on the MOU with the unions. I understand what you are saying about the previous Chief Minister, but you have been Chief Minister for quite a while. Why have you not consulted with the business groups in relation to the MOU?

Mr Barr: I do not consult with unions.

MR DOSZPOT: You do not consult.

Mr Barr: I do not have a conversation with unions in relation to MOUs we may have with business groups—distinct issues.

MR DOSZPOT: How many times has the MOU monitoring committee met?

Mr Barr: Again, these are all questions for the output class tomorrow when the relevant officials from that area of government will be appearing before estimates.

MR DOSZPOT: Thank you.

MR HANSON: Supplementary.

THE CHAIR: Supplementary on the MOU, but it may—

MR HANSON: This is on the MOU and the business relationship.

THE CHAIR: It may need to be tomorrow.

MR HANSON: Following the concerns that were raised about the MOU by various business groups, did you or one of your staff or officials in government approach any Canberra-based business groups to offer an MOU with them?

Mr Barr: Not directly related to the union MOU, but yes, we have had discussions in relation to a number of businesses. We have an MOU with the Canberra Business Chamber in relation to the light rail project. So yes, we have—

MR HANSON: Following, as I am saying, directly after the concerns raised by people like the Property Council, the MBA and the Business Chamber, did you approach any of those organisations seeking to have a similar MOU signed with any of those organisations, and what was their response?

Mr Barr: I have had meetings with a number of those organisations where they asked some questions in relation to the application of the MOU. When the detail of its operation was explained, and the very clear element within the MOU in relation to nothing in the MOU obligating the ACT government to in any way operate outside of existing legislative frameworks and the law was explained, most of those concerns were allayed. We have subsequently entered into particular partnerships with particular business organisations on specific projects, the light rail project being one such example. We meet with a range of business organisations on matters of interest to them, and we will continue to do so.

MR HANSON: Concerns have been raised about the integrity of the procurements process from people like the MBA, the Business Chamber, the Property Council and the Council of Small Business. Would you label them as right-wing Neanderthals and extremists as well?

Mr Barr: I would say, in relation to the concerns that they have expressed, that there has been nothing in those concerns that has not been able to be addressed and there is no evidence of any of the more extreme allegations that have been made by some. Those organisations have a particular perspective on industrial relations. That is well understood. That perspective is going to differ from that of the Labor government. That is also understood. And we continue to work cooperatively with all organisations.

MR HANSON: You just said that all of the concerns of local business organisations have been addressed. Is that correct?

Mr Barr: No: that the allegations and the concerns that were raised around the operation of the MOU and certain assertions that were made—none of those assertions has been proven and, in fact, in relation to the operation of the MOU, all of those concerns have been able to be addressed.

MR HANSON: So all of the concerns about the MOU have been addressed with local business groups?

Mr Barr: The issues that have been raised in relation to the operation of the MOU as opposed to its existence. There are some people who will take the view, and there will be nothing that will persuade otherwise, that there should be no MOU. That I understand. I note that view and I disagree with it, and we maintain an MOU. But in terms of the substantive issues of concern in relation—

MR HANSON: So those business groups do not want the MOU to exist?

Mr Barr: No. There are a number of them who have put on the public record—

MR HANSON: So there are a number of business groups—

Mr Barr: Who do not believe the government should have an MOU with UnionsACT. That is correct.

MR HANSON: Of that nature, yes.

Mr Barr: I understand that is their position. I do not agree with it and the government will maintain an MOU with UnionsACT.

MR HANSON: So—

THE CHAIR: Mr Hanson, this is a supplementary.

Mr Barr: With my policy on industrial relations, I do not take dictation from the Canberra Business Chamber, the MBA or the Property Council.

MR HANSON: Just the CFMEU.

Mr Barr: That sort of assertion again reflects your ideological prejudice and the pettiness and the hopelessness of your position. That all you can do is suggest—

MR HANSON: It is a more ethical position.

MS BURCH: Chair!

Mr Barr: Your position—

THE CHAIR: That is your position. Perhaps we will shorten this. If you would conclude, Chief Minister, we will move to a new question?

Mr Barr: You are being sued, Mr Hanson, for this sort of defamatory statement. You can come in here and make it under parliamentary privilege, but when you make the mistake of making it outside of this place you open yourself up.

MR HANSON: Are you commenting on a current court case?

Mr Barr: You are now being sued, so I would be very careful.

MR HANSON: Are you commenting on a current court case?

MS BURCH: I think I have read about it in the *Canberra Times*.

THE CHAIR: We will stop right there.

MR HANSON: Are you commenting on a current court case?

Mr Barr: I would be very careful.

THE CHAIR: We will stop there, please. A new question from Ms Burch. Sorry; Mr Hinder has a supplementary, then a new question from Ms Burch.

MR HINDER: Chief Minister, just because some of my colleagues do not seem to understand what an MOU is as opposed to a contract, is it true to say that an MOU is an indication between two groups of an understanding about certain issues which does not bind any of those groups to any contractual obligation at all?

Mr Barr: Indeed, and the MOU that is specifically of interest is explicit in relation to its legal standing.

MR HINDER: It is not binding on anybody, is it? It does not bind anybody to any contractual—

Mr Barr: It explicitly states that parties are bound by the law.

MR DOSZPOT: It keeps the unions on side, too, doesn't it?

THE CHAIR: We might finish there. A new question from Ms Burch.

Mr Barr: And so it continues. So all working—

THE CHAIR: It is all right, Chief Minister.

Mr Barr: All working people in this territory will get this transcript—

THE CHAIR: No, Chief Minister.

Mr Barr: and will understand the position—

THE CHAIR: Come to order, Chief Minister.

Mr Barr: of the Liberal Party in relation to their rights at work.

THE CHAIR: Chief Minister, come to order: a new question from your colleague Ms Burch.

MS BURCH: Chair, I expect you to call others to order, too, when they prattle on.

THE CHAIR: Ms Burch, I do not need your assistance in running the committee.

MS BURCH: I think at times you do.

THE CHAIR: Have you got a question?

MS BURCH: My question will be to Ms Overton-Clarke. It goes to something that happened whilst I was sitting here and allowing myself to be distracted, because I needed a distraction. An email has come from you as head of the commission; it talks about respect, integrity, collaboration and innovation. Are they the hallmarks of a good public service? Is that why you hold them on your banner?

Ms Overton-Clarke: Indeed. The code of conduct, as part of ACT government, is indeed respect, integrity, collaboration and innovation. As I want to talk to public servants about those values, I talk a lot about respect and integrity being the more traditional types of values. What is particularly interesting for the ACT public service is that when the consultation with public servants was done by my predecessor, Mr Kefford, the public service came out overwhelmingly and also asked for innovation and collaboration. Going back to the discussion we have had about one government, I think that collaboration and innovation are particularly pertinent. Certainly the code of conduct identifies both sets of values and behaviours that pertain to them. Yesterday I was out at the Canberra Hospital talking to nurses and midwives about their set of values that sit within that, and of course other directorates have subsets of that. For them in particular, “care and excellence” is a very strong mantra as well as respect and integrity. They certainly mean very specific things to all of the public servants across the territory.

MS BURCH: In regard to that respect, it is around people being aware of their obligations but also about concerns that others may have of them and then being fully aware of what those concerns could be?

Ms Overton-Clarke: That is right.

MS BURCH: If they are not fully aware of those concerns, how does that play out?

Ms Overton-Clarke: It is about how we operate in the workplace in understanding each other’s behaviours, working as teams and working to get the best outcome. I suppose it is really like a family environment: when you do not have to worry about the specific issues at hand and you are all working together as a team, you are going to get the best outcomes. We encourage growing diversity across the service to be

able to get different ideas and different viewpoints. It is only in that way that we can get the best initiatives and the most innovative practice. Diversity is a very strong part of what we are doing as a service in terms of being innovative and agile and getting best outcomes for the territory.

MS BURCH: And therefore having mutual respect within a workplace.

Ms Overton-Clarke: Absolutely.

THE CHAIR: Mr Coe has strategically placed himself next in line for a question.

MR COE: With regard to the *Our Canberra* newsletters, how are they getting into the hands of Labor candidates?

Mr Barr: I am sorry?

MR COE: How are the newsletters getting into the hands of Labor candidates?

Mr Barr: They are delivered in their letterbox.

MR COE: There are Labor candidates who have huge stacks of them, unfolded, unlike the ones that are arriving in letterboxes, and they are being handed out with Labor Party material inside them or within Labor Party material. I am wondering whether your office or another minister's office is actually doling these out to candidates.

Mr Barr: I do not believe so but I will inquire.

MR COE: Would it be a misuse of resources if you had Labor candidates in Labor gear with Labor corflutes at Labor shopping centre stalls handing out ACT government material?

Mr Barr: Not necessarily. It would depend on the availability of certain material publicly. There is a whole bunch of information that is available, for example, from ACT government shopfronts that citizens can avail themselves of and then disseminate. If the government makes information available in various locations across the city, as we do, I do not think it is unreasonable. It is a little bit like federal candidates handing out information, for example, on availability of Centrelink services and the like. There is a lot of publicly available information.

MR COE: Would you hand out ACT government material in amongst Labor Party material?

Mr Barr: In amongst? If I am holding a—

MR COE: Literally a pamphlet, a Labor Party pamphlet, with an ACT government flyer on the inside?

Mr Barr: If I were holding a street stall, it is conceivable. Certainly in the past I have had a variety of information that would be publicly available, and people would ask

for information on a variety of things. So it is possible to have at hand an ACT government—

MR COE: If you were a Labor candidate—not representing the government, representing the Labor Party—in Labor T-shirts, with Labor paraphernalia and Labor corflutes, at what is advertised as a Labor event, and in fact the only thing they are handing out is ACT government newsletters, do you think that—

Mr Barr: They are publicly available material.

MR COE: Where are they getting them from? That is the curious question.

Mr Barr: The material is disseminated widely. You can print it off the internet. They are on websites. You can—

MR COE: Has your office given out literally hundreds of these flyers to Labor candidates?

Mr Barr: I will check as to the availability of that material, but it is available online. There are 180,000 newsletters circulated around the city, so there is—

MR COE: If you could take on notice how many of those have gone to Labor candidates, that would be useful.

Mr Barr: The content is not secret. The information is publicly available. So it is not unreasonable for anyone to hand out a publicly available piece of information.

MR COE: It begs the question, though: is this—

Mr Barr: If it settles it, I am very happy for Liberal candidates to hand it out as well.

MR COE: Is it in effect political material if Labor candidates are so confident handing it out that they feel like they are doing themselves a service by handing out ACT government material?

Mr Barr: I think Liberal candidates equally would be confident in handing out—

MR HANSON: What about this mythical Tuggeranong tram that you have not announced yet?

Mr Barr: So the independent and Greens candidates—

MR COE: So you do not have a problem with it?

Mr Barr: The information is publicly available.

MR COE: But do you have a problem with hundreds of flyers being given to Labor candidates for distribution at Labor street stalls?

Mr Barr: I have no problem with the public being provided with information.

MR COE: The question was: do you have a problem with Labor candidates handing this out at Labor street stalls?

Mr Barr: I have no problem with the public being provided with information.

MR COE: You are refusing to answer a question.

THE CHAIR: We will have to call a halt there. Will you take on notice whether the government funded and printed brochures have been given to the Labor Party to distribute?

Mr Barr: They are available at many locations. I can take on notice where they are available, and what people do with them afterwards—

THE CHAIR: And how many were provided to the Labor Party.

Mr Barr: I do not know that any would be provided to the Labor Party, but if they are, I will—

THE CHAIR: To Labor candidates.

MR COE: How are they getting them?

MR HINDER: They are not folded; they are not the same ones.

MR COE: That is right. Exactly; that is the point. That is the very point.

THE CHAIR: The other question is: do they need an authorisation? You might take that on notice as well, if they are being handed out as political material. It is now past the time for us to finish with this area. Members, any other questions on this output class will have to be put on notice.

Sitting suspended from 3.04 to 3.21 pm.

THE CHAIR: Good afternoon, ladies and gentlemen, and welcome to the afternoon session of the Select Committee on Estimates 2016-2017. This afternoon we will look at output class 3.1, Access Canberra, and later this afternoon we will have a discussion with the ACT Ombudsman.

Please be aware that the proceedings are being recorded and will be transcribed by Hansard and will be published by the committee. The proceedings are also being broadcast and webstreamed. On the table in front of you is a pink card containing the privilege statement. Could all of those at the table and those that come to the table please read it. Could those seated there now confirm they have read and understood the implications of privilege?

Mr Barr: Yes.

THE CHAIR: We will move straight to Access Canberra. Chief Minister, the total

cost for output class 3.1 does not seem to have varied a great deal. It certainly does not look like it has even gone up by CPI. Is there any reason for that?

Mr Peffer: There are a number of movements back and forth which have delivered that increase in the payments. I will run through them quickly. There is an increase of \$732,000 in total costs. This is mainly due to the transfer of staff and associated costs from the Gambling and Racing Commission to Access Canberra. This transfer follows an agreement entered into between the commission and Access Canberra on the provision of services for the administration of gaming laws, including control, supervision and regulation of gaming and racing in the ACT. Offsetting that is a combination of general savings and transfers which were discussed before into the CMTEDD communications unit.

THE CHAIR: Can you give us a written reconciliation of those movements?

Mr Peffer: Sure.

THE CHAIR: Thank you. Mr Hinder?

MR HINDER: In terms of service delivery, I am assuming that each year we get better at what we do. What are we currently doing about reducing the time it takes people to apply for licences or government approvals for various enterprises?

Mr Peffer: Certainly, Mr Hinder. There is a range of things that we have been doing in Access Canberra. As a starting point, we are looking to make each transaction simpler, easier and faster. In many cases that means the transaction will be moving digital in the future, or has moved digital already. In some cases that might mean we are working to internalise some of the complexity when individuals, businesses or community groups transact with government.

There are a number of specific initiatives which I am happy to talk to that we have delivered in Access Canberra which have made quite a difference in terms of turnaround time frames. One which I have spoken about briefly here before is around events approvals. To deliver more on the objective of having more events and being an event-friendly city, we created an events approval team within Access Canberra. This team provides a case management approach to securing events approvals. Depending on the nature of events that are held, they can require anywhere up to 20 or 30 approvals to be in place for the event to occur. Many are much simpler, but there are some more complex events.

In the past it has taken the event organiser many months to do that themselves. Through this team we are case-managing the approvals process. We do that running around for them. Since the creation of Access Canberra we have done that for 473 event organisers. That has ranged from small community-based organisations that run quite localised events to the larger Summernats-type events that draw in quite a number of regulatory approvals.

In terms of what I mentioned before, digitising transactions, in the past 12 months—this financial year—we have built 81 new digital transactions. We would, of course, like to be moving our transactions online a lot quicker than that. What takes the time

in digitising a transaction is not just converting a paper form to a digital format but redesigning the business process to try to simplify it and strip out as much complexity as we possibly can to make it an easier and simpler experience for the end user, be that a member of the community, a community group or a business.

MR HINDER: I have a supplementary about your new Gungahlin shopfront making those things easier. I recently attended the first birthday over there. They, unbeknownst to me at the time, are also delivering a fair bit of births, deaths and marriages type services that some of the other shopfronts have done in the past. Is there a plan to roll that out, as the digital services become available, across all Access Canberra shopfronts?

Mr Peffer: That is correct. Gungahlin was our flagship shopfront store when it opened. We introduced a much broader range of services. Essentially, with the services that were provided at Canberra Avenue, Fyshwick, we extended the majority of those into that shopfront. It was a trial to begin with. We wanted to see what would work and what would not, what sort of systems capability would be needed and the back-of-house support required to do that successfully.

We evaluated that some time ago, and assessed that the majority of that was successful and provided a community benefit. On that basis we have commenced a rollout of that model. It has been rolled out to Tuggeranong, which was recently entirely fitted out with our broader service suite, and we are looking to do that for the other shopfronts in the future.

MR HINDER: When you say Canberra Avenue, do you mean births, deaths and marriages, not land titles, at this stage?

Mr Peffer: That is right.

MR HINDER: In that first 12 months out at Gungahlin, how many people have been through?

Mr Peffer: Gungahlin, since opening, has had in excess of 39,000 customers go through its doors.

THE CHAIR: Mr Doszpot, a new question?

MR DOSZPOT: What is the nature of the agreements that are negotiated between Access Canberra and the agencies? Is it a formal agreement?

Mr Peffer: It has been. We have a number of MOUs in place with our policy agencies. Those MOUs essentially describe how we will work together in a collaborative way. They outline the differentiation of responsibilities between the two organisations. As we brought Access Canberra together, it did come down literally to, line by line, staff members figuring out who was a policy officer as opposed to operations. With us being in operations, it did mean separating those two functions. The MOUs serve as an agreement between us and our policy directorates about how we will work together on common objectives.

MR DOSZPOT: Are these working quite acceptably from your point of view?

Mr Peffer: They are, yes.

MR DOSZPOT: You mentioned that your operations involve small events and also larger ones like Summernats. Were there any particular issues that Summernats raised for you that were outside your scope of activities?

Mr Peffer: When you say “particular issues”, are you talking about regulatory approvals?

MR DOSZPOT: Did anything occur that was outside what you thought the MOU would cover? Summernats has a lot of other activities related to it, and some issues with the attendees. Were you able to operate as you would normally have operated or were there any issues that caused you concern?

Mr Peffer: It is fair to say that the relationship we have with the organisers of Summernats is very productive. In some cases we facilitated discussions between those organisers and other government entities as it related to different parts of the event, street cruises and that sort of thing. From my perspective I think it worked reasonably well.

MS BURCH: That is a very good question about Summernats, Mr Doszpot. The street cruise has only been back in town, so to speak, for how long? Is this the second year?

Mr Peffer: I am not sure whether it is two years. It may be one year longer.

MS BURCH: What other agencies do you work with to get permissions and make sure there is a streamlined process of approvals?

Mr Peffer: We work very closely with the police and with TAMS. We work quite closely with our Justice and Community Safety colleagues, and of course the Economic Development arm of the CMTED Directorate.

MS BURCH: As a substantive question, you made mention of shopfronts. You described Gungahlin as an exemplar model, and you are doing that now in Tuggeranong. Are the people who work in the shopfront function-specific in the shopfront or are they whole of government? Could you have someone at a licensing window that would also be able to accommodate other forms and functions within government? How do you go about training and skilling for that?

Mr Peffer: The majority of our shopfront staff provide the full suite of services. Training our team members takes some time. It takes some months of investment to equip them to use the various business systems and to understand the important aspects of the regulation under which they are issuing approvals, permits or licenses. That does take time. There are some areas in our shopfronts that are quite specialised, and that relates to things like the land titles office. That is quite a specialised business, and those providing that service do not necessarily provide drivers licences, for instance.

MS BURCH: But you endeavour to have the suite of services at one shopfront, so that it is a one-door policy position, so to speak?

Mr Pepper: Yes, that is certainly our objective.

MS BURCH: Have you considered any change to the hours of operation for shopfronts to accommodate the traditional nine to five worker?

Mr Pepper: We have. With Gungahlin, for the first time we trialled extended opening hours from 8 am to 6 pm. That was a trial, just to see when people would access our services, in providing that longer time frame. Interestingly, we saw out there that 5 pm to 6 pm was the most popular time—more popular than lunch or any other time during the day. Obviously, people on their way home choose to access our services at around that time.

For the opening at Tuggeranong, we put a survey up on our website as well as providing a short questionnaire to those who came into the shopfront for some time, to get a sense of what the preferred hours for that shopfront would be. It came back quite strongly that 8 am to 9 am was a time that people accessing services there were looking to have that service centre open, so we expanded their opening hours from 8 am to 5 pm.

THE CHAIR: Mr Wall?

MR WALL: Chief Minister, I just want to direct your attention to something. I have written to you about on a number of occasions: a block in Hume, block 66 section 22, which is on the corner of Tralee and Paspaley streets in Hume. The current use on that site of land is the stockpiling of rubbish, skip bins. Previously you have indicated to me that they do not require any environmental approval if they process less than 10,000 tonnes per year. I note the words there—that you said “process less than 10,000 tonnes”. The concern that has been raised predominantly by people who operate businesses or have land holdings around this property is that the pile of rubbish keeps growing, very little seems to be processed, and there seems to be very little action on the part of government to try to manage the situation. Also, there is quite a large amount of angst as to why this type of land use has been permitted in the centre of Hume when just a matter of a couple of hundred metres away, at the bottom of Mugga Lane, there is a dedicated precinct for this type of land use. Maybe you could update me and the committee as to what safeguards are in place to manage the stock load there.

Mr Barr: I will invite Greg Jones to answer that.

THE CHAIR: As opposed to the grey man. You do not have to get worried unless I am referring to you as the ghost who walks.

Mr Jones: With the block you refer to, the lease purpose clause allows industrial commercial use. The current activity fits in with that, so it fits in with the lease purpose clause of the industrial estate out at Hume. The activity that is going on there is the processing and recycling of mostly building material, as you said, mostly from

skip-type bins. There is a lot of timber and things like that that actually get recycled out of that site. Obviously, with bins coming in, there is a fair percentage of rubbish in there. Some of it is stockpiled on site, but, based on the monitoring of the EPA, it is always below the 10,000 cubic metres of capacity in terms of the authorisations that they would require above that.

MR WALL: Just to clarify, is it that they are not allowed to store more than 10,000 tonnes on the site at one time or is there an annual restriction on how much they are allowed to bring in?

Mr Jones: I would need to confirm whether it is an annual turnover. My understanding is that it is on site at the time, but I can confirm that. And there are a number of environmental conditions that they must meet. They have an environmental management plan, which is the next level down from the environmental authorisation that the 10,000 cubic metre threshold would trigger, and we monitor that fairly closely. We visit the site reasonably regularly, and we make sure that there is appropriate dust control; that there is bunding around the fencing in terms of controlling run-off and things like that; and that when the stockpile is above the fence line, as it has been in recent times, there is appropriate litter control and they are taking steps to actually remove what is effectively rubbish, non-recyclable material, from that site.

MR WALL: The concern from a number of people that operate businesses on the surrounding leases is, obviously, that this is substantially devaluing their asset. It is not a very attractive looking site. Particularly their understanding was, as they relayed it to me, that there were some discussions between your agencies and the operator on that site to maintain that stockpile below the fence line. I went past it less than an hour ago, and the stockpile is probably close to twice the fence height. You can understand the frustration of those who have poured, in some instances, millions of dollars into the buildings that they put on adjacent sites, that they have this sitting there. It is not only as an eyesore but because of the contaminants, the pollution, the dust and the other things that are going by.

And there is concern in the broader community. We have had examples such as the Skippy Bins operation that was operating out of Parkwood. They take the easy money in accepting the skip bins full of rubbish and stockpiling it, but where they actually need to do the work—do the processing and the recycling—that is not being done. The time eventually comes where the taxpayer has to step in and clean this mess up. I guess there is a lack of guidance. What are the constraints that the operator on that site needs to meet?

In previous correspondence, the Chief Minister has said that the facility does not require any EPA authorisation so long as it processes less than 10,000 tonnes per year. I guess there is concern as to how much they have processed; how that is monitored—is it self-reporting or is there some other mechanism by which there is an honesty check as to what sort of quantities are being brought in—and then how regularly it is checked to see that what is coming in is actually being sorted, processed and removed to the appropriate final destination.

Mr Jones: Sure. The sort of monitoring that the EPA does is regular site visits. We are in contact with the owners, the operators, regularly. There is checking of tonnage

with weighbridges and things like that.

In terms of the overall amenity of Hume, that is a bit of a dilemma in that the lease purpose clause allows that activity to be conducted there. There have been a number of discussions between agencies, including the LDA, about finding suitable sites which may be more appropriate for, shall we say, more industrial-type activities which do not fit in with warehousing or transport-type activities so that there is better opportunity for a balance of different industrial activity in that zone. My understanding is that they are looking around the edges of Hume at having what you might call a dirty site type activity which is more appropriate and away from some of the transport activity and some of the other warehousing which is perhaps your more traditional Mitchell-type industrial area.

Overall, I guess the territory needs sites where that sort of activity can occur. At the moment, comparing Mitchell, Fyshwick and Hume, Hume was considered by LDA to be the most appropriate site, but perhaps some more activity needs to occur there.

MR WALL: I do not think anyone that has raised this issue with me negates the fact that this type of operation needs to occur somewhere in the city. The thing that has them absolutely perplexed is that quite literally 300 to 400 metres across the Monaro Highway is a precinct dedicated for goods recycling and exactly this style of work. What they are struggling to come to terms with is that the government has designated a precinct for it metres away, yet that land is substantially underutilised and we are having this type of land use in the middle of a broader use industrial area, which just does not seem to fit.

Mr Jones: That is probably a question more for the LDA. All I can comment on is that it is a privately run commercial operation which is entitled to run a recycling activity which we see in the end as supplementary to what is happening out at the Mugga Lane area. Yes, they could all be rolled together, but if someone sees a business activity there with an appropriate land use, they have been able to take that opportunity. In terms of the actual location, I think that is more of an LDA question than a question for EPA.

MR WALL: Has there been any approach by either Access Canberra or the operator on that site to perhaps switch the site and move across into that precinct?

Mr Jones: We have initiated discussions with LDA and encouraged the operator to discuss alternative sites with LDA. My understanding is that some discussions have occurred, and presumably they are ongoing, on looking for alternative sites.

MR WALL: I will follow those up with LDA. Thank you.

MS LAWDER: I have some questions relating to output 3.1, the table on page 33 of budget statement B. It has the number of interactions with Access Canberra and the average cost per interaction. I understand that it is a slightly different output class, but the average direct cost per customer interaction in previous years was \$1.77 in the 2014 target and \$1.16 in the 2014-15 estimated outcome. With some new way of calculating it, it has gone up to \$7.75, and \$5.83 and \$5.92 if you read across that table. Can you explain the differences in measuring and why the cost is so different?

Mr Peffer: Sorry, I do not have the 2014-15 figure just in front of me.

MS LAWDER: I have it here if you want one.

Mr Peffer: I suspect the difference between the two figures is that one would have looked at the customer shopfront and contact centre, the previous Canberra Connect. Previously, the figures of \$1.77 and \$1.16 relate to Canberra Connect, so this captured our shopfronts and our contact centres. The new figures pick up the broader organisation. The activities have significantly broadened. The sort of activity that we had there was someone answering a call, perhaps renewing a licence or something like that; the activities we have now range right through engagement and education, that sort of front end, which we have still got, through to harder enforcement action, which might constitute a federal court case. When you look at the nature of the activities that we undertake now, some of them are far more complex and far more costly. That explains the difference between the dollars as to where we are now.

MS LAWDER: On the number of interactions with Access Canberra—and I am about to lead to an EPA question, just as a word of warning—the target was 14.2, the estimated outcome 12.2 and the target 12 million for this coming year. It is a crude target in a way. If there were lots of complaints about the smell from the tip, you would actually be counting that as a positive thing on this measure. Am I reading that wrong? Is that what this measure says—that the more complaints you have, the better your figures look?

Mr Peffer: No; I would not necessarily read it that way. This is a benchmark for a service: the level of activity that we—

MS LAWDER: Sorry, I gave a warning about the EPA to give Mr Jones an opportunity to hop up a little quicker so we do not waste time.

Mr Peffer: Mr Jones is ready to bounce up. I would not necessarily interpret it as a positive or a negative. For instance, the more we are working to consolidate websites so we do not have people moving between multiple websites and that sort of thing, that is a good outcome, and it reduces our number. This is just a measure of general activity that we undertake with the Canberra community. I would not necessarily say a move one way or the other suggests it is a positive or a negative.

MS LAWDER: More specifically, about the smell from the tip, Mr Jones or whoever, is the staffing in the EPA adequate? I am asking that question in relation to a letter I received last week from Minister Fitzharris saying that, despite complaints that your organisation has received from November last year through to today, to my knowledge, you have been unable to determine the source of the smell.

Mr Jones: The answer to that is that it is not a matter of the numbers of EPA inspectors. The numbers are adequate for what they need to do in the ACT environment. The difficulty with trying to locate the source of the odour from the Mugga Lane area is the complexities of determining an odour: exactly what it is, where it is coming from, and therefore how you deal with it.

We have had something like 20 or 30 visits within the past five months to the area, both in the affected suburbs where we are getting complaints and visiting the operations around the Mugga Lane recycling area. We have visited Macarthur and Fadden within half an hour of complaints being made and our inspectors, who are experienced in this area, have not been able to detect the odour. That is due to the transient nature of the fact that these odours are around. Also, in visiting the operations around the Mugga Lane recycling area—the tip, the green recycling and the vicinity—there has not been an excess odour at the time that our inspectors have visited, and they have been there very early in the morning, during the day when it has been really hot, in different prevailing winds, and in the evening, when the wind on some days eases off. Finding the location of the odour has been particularly difficult.

Inspectors have spoken to some of the experts interstate who have a lot of experience in odour detection, and their advice is to say that by going through and reacting to complaints from suburban areas which are something like three or four kilometres from the potential source, by visiting where the odour is detected in the suburbs, you have very little chance of identifying exactly what the odour is and therefore finding out what the source is. We have been talking to them to try to get advice, and really their only advice, somewhat unhelpfully, is to just focus on the operations at the tip and the green waste recycling area, making sure that all those operations are consistent with the environmental authorisations which we have in place. So we have focused on that, making sure that all the tip face is completely capped at night so that it is not exposed. Obviously, early in the morning before the first truckloads of rubbish and things come in, it is exposed. It is waste material on a relatively short tip face that is exposed first thing in the morning, and if there are odours, that could be a potential release at that time.

MS LAWDER: So it is coming from the vicinity of the tip?

Mr Jones: No, we have not been able to determine it.

MS LAWDER: Right.

Mr Jones: Based on probabilities and what is around in the area, we have been focusing our attention on that area, but we have been unable to confirm that that is in fact the source of the odour in the tip area or on that tip face. We have also been talking extensively to Corkhill green waste recycling to make sure that there is not an issue from their operations and that they are consistent with their authorisations.

MS LAWDER: If at some point you determine that it was either the tip face or the green waste recycling, notwithstanding that I am quite confident that they meet their environmental authorisations, would you consider imposing a higher standard?

Mr Jones: Absolutely. Once we determine, assuming that we do at some stage, what the source or likely source is, we will take all reasonable remedial action to minimise that. I guess we also need to face that it is a rubbish area, a recycling area and a green waste area—

MS LAWDER: What, Macarthur and Fadden are a rubbish area? Is that what you said?

Mr Jones: No, the tip, the Mugga Lane area. The immediate Mugga Lane facility is a rubbish and recycling depot, and these activities do produce some odours. It is a matter of mitigating those at what is a reasonable cost for the ACT community.

MS LAWDER: Given that it is a rubbish recycling area at the tip, and from what you are saying you are implying that Macarthur and Fadden are quite close to that area, why is it that our rates and our unimproved value of properties are going up in those areas—if we are so close to an area that is creating a lot of issues?

Mr Jones: I do not think I said they were close. In fact, they are three to four kilometres—

MS LAWDER: I can tell you from previous correspondence that it has been implied that if you live close to a tip you should expect a smell.

Mr Jones: I guess “close” depends on what you talk about. Our environmental legislation typically deals with close meaning within one to 1½ kilometres, so I still would not think that Macarthur and Fadden, at three to four kilometres, is close. It is—

MS LAWDER: I would not have thought so either, but apparently—

Mr Jones: Yes. It is closer than other suburbs, and with some prevailing winds it may go over those suburbs rather than others. It is interesting to note that in the actual Hume area, which operates 24/7 with some businesses there, we have not received complaints when the prevailing wind is going that way. Admittedly, they are not residential areas, but there are areas occupied 24/7.

MS LAWDER: Sorry; one last question—I promise.

THE CHAIR: Yes; then a supplementary from Ms Burch.

MS LAWDER: My letter from Minister Fitzharris said that the EPA needs to receive complaints directly via Access Canberra. Why would that be? Why is it that when my constituents contact me and I pass them on, I cannot do that? Is that not taking away my right and responsibility as an elected representative? Are you saying that you do not consider the complaints that I pass on from my constituents?

Mr Jones: No. We certainly consider them. I would expect that what—

MS LAWDER: Perhaps Minister Fitzharris is a bit incorrect then.

Mr Jones: No, I would not say she is incorrect.

MS LAWDER: In saying the EPA needs to receive complaints directly via Access Canberra.

Mr Jones: To make it simpler for us to try to locate the source.

MS LAWDER: Oh, simpler.

Mr Jones: All complaints are dealt with, whether they are direct from your office—and we thank you for the one you forwarded today, although given that it is on the past weekend or the weekend before; I am not quite sure of the date—

MS LAWDER: Saturday.

Mr Jones: Saturday. That does not give us much opportunity to use that particular complaint to try to locate what the source is in terms of prevailing weather conditions. Yes, it is still registered, and we still put it in our database and look at that. I think what Minister Fitzharris would be angling at is that the sooner we get them—so if we get them directly—the better chance we have of trying to locate the source and be helpful at the time. We usually would go out and talk to the resident, if we could identify them, in terms of what they smelt, when they smelt it and any particular things.

What we need to be particularly careful of is that, if there is just one complaint from one household in an area, it is not something very local, like next door's rubbish bin, for example. We just need to be fairly particular with that. That is why we like to get onto these things quickly—I think that is what Minister Fitzharris would have been indicating—so that we can resolve them sooner rather than later, rather than ignoring complaints that do not come through, shall we say, the quickest mechanism that she would be suggesting.

MS LAWDER: Thank you.

THE CHAIR: A supplementary from Ms Burch.

MS BURCH: The number of complaints received, through either Access Canberra or EPA?

Mr Jones: In the last six to eight months we have received around 90 complaints. Some of those would be duplicates. We do not always get the name and address of those who are complaining but in the last, as I said, six to eight months it is about 90.

MS BURCH: I have had a discussion with you around what is being done about this and I letter-dropped the entire suburb of Macarthur, bar a couple of residents, and the top end of Fadden. My office has not received a single response or complaint about that. Just on the link with smells generally—an interesting subject—in the city, for example, or it could be in some areas of Dickson or Erindale, as I walk through sometimes I know that there is fast food cooking and different odours are produced. They are not just produced by rubbish but by hospitality sectors. Do you get many complaints about various fast food or other—

MRS DUNNE: Coffee roasting is my current one. Someone complained to me about the coffee roasting in the—

MS BURCH: Is that a point of concern? How do you manage that? You cannot get rid of hospitality.

Mr Jones: Sure. We get very few. In fact, I am not aware of any recent complaints at all about odours coming from shopping centres or food outlets. Typically you would only get a complaint from those sorts of activities if there were a build-up of rubbish or there were problems with their grease traps, for example. They are part of the inspection program in terms of those sorts of activities. There are very few complaints from those areas.

MS BURCH: Along with the fast food smell out of the chip—

Mr Jones: That lovely grease smell.

THE CHAIR: Mr Hinder also has a supplementary on this issue.

MR HINDER: On the odour issues, you have inspectors that go out there when you get a complaint. Is there any permanent testing equipment set up at the waste transfer or the Mugga Lane tip to be aware of these things without somebody complaining—four kilometres before it gets to where it might be complained about, maybe?

Mr Jones: At this stage there is no reliable equipment that measures odours. The best odour detection mechanism is the human nose—it is the most sensitive—and that is what our inspectors are trained to use.

THE CHAIR: Could you detail the training program for your inspectors on how to use their proboscis?

Mr Barr: That is the quote of estimates so far without any doubt.

THE CHAIR: Yes, that is the one.

Mr Jones: Perhaps, Mr Smyth, it is not putting it in other people's business, I am not sure.

THE CHAIR: Good comeback!

Mr Jones: The inspectors—

Mr Barr: That is the second best.

Mr Jones: And it is early days:

Mr Barr: Two zingers.

MS BURCH: This is your doing, Mr Hinder.

MR HINDER: Yes.

Mr Jones: We send the inspectors out because there is no reliable equipment. For example, you can measure noise very accurately with equipment, but there is no reliable odour measuring equipment. It has to be human intervention—let me put it

that way—to make that judgement. It also takes into account the prevailing conditions in terms of the weather: the wind direction, the temperature, the humidity and that sort of thing. It gets really, really complex, especially when you are trying to determine the source of that odour. So to answer your question—is there permanent equipment set up?—no, because there is no reliable equipment that can do that.

MR HINDER: The Leader of the Opposition had better strike you off his list of other career choices—perhaps after October—because he had problems with a defective nose here before. I noticed he thought there was a smell and there definitely is not one.

THE CHAIR: All right.

Mr Jones: It is obviously very subjective.

MR HINDER: One last question: responding to these complaints, do you have KPIs around how long before one of your people can get there?

Mr Jones: No, we do not. It is one of those risk-harm judgements—obviously our EPA inspectors have multiple tasks to do. While we try to respond as soon as possible, there is a chance that they may be on something like an oil spill or a chemical spill that may be of a higher priority. We do prioritise what our tasks are based on availability and what is happening on a risk-harm basis. We do not have an immediate KPI about responding within a given time. It depends on the circumstances and on a case-by-case basis.

MS LAWDER: If you do not know where the smell is coming from, how do you know it is not harmful?

Mr Jones: Because we have checked the most likely sources, which is in terms of the Mugga Lane recycling area broadly. The only odours coming from there are, I guess, the diversified or diluted odours that typically come from either garbage or recycled green waste. The main chemicals that would come from that would be methane gas, which is largely captured through the activities of—

MS LAWDER: Isn't methane odourless? So it would not be methane?

Mr Jones: Methane is odourless.

MS LAWDER: So it is probably not that then?

Mr Jones: No, it is still present. We know that with rotting garbage methane is given off and that is largely captured and used. It is where you get the more rotting garbage-type smell which has got your hydrogen sulphides and those sorts of things in it. But they tend to be in quite small quantities and certainly over a three or four kilometre radius. So even if they were detectable they would certainly be of a dilute nature that would not be a health issue.

MR HINDER: Further to Ms Lawder's question: if you are talking about the prioritising of your oil spill, how do you know it is not serious when you get a call? You have to prioritise your oil spill over that, so you do not know, do you?

Mr Jones: That is the experience of our inspectors. That is why, if get the call directly, which is the advantage, we can actually ask what does it smell like and where are they? If they are three or four kilometres from a source and it is a single point, such as in Macarthur or Fadden then, yes, it is pretty reasonable that it is coming from perhaps the Mugga area. It is not certain but it is most likely. Also, if there was something more local you would expect a lot more localised complaints or calls to come through. We are pretty confident that it is based on the experience of our inspectors.

THE CHAIR: A new question from Mrs Dunne and then we will come back down the line from Ms Burch.

MRS DUNNE: Thank you, Mr Chairman. My question is about dirty blocks. I was actually about to sign a letter to the Chief Minister when I looked up and realised that Access Canberra was up so I decided that I would take the matter directly to the Chief Minister. Chief Minister, you wrote to me in December last year about a dirty block in Dunlop. I have been making representations about this and a neighbouring block for upwards of five years. I think one of them, the neighbouring block, is now completed and relatively tidy, but the other still does not have a certificate of occupancy and there is an ongoing problem of refuse, piles of dirt et cetera on the median strip and on the nature strip.

My constituent was advised by various people that they should contact officers in Access Canberra, various inspectors who gave them the flick to the rangers who were in charge of nature strips. This has been the sort of roundabout since December last year. This has been an ongoing problem. There seems to be a question about whether or not the nature strip is dirty enough to do anything about it, but there is also the question that the house itself is uncompleted and has been uncompleted, to my knowledge, for five years. So there is the issue of the leasing as well. When can my constituents get a resolution to this matter?

Mr Jones: I am not familiar with the specific case, but perhaps if I can talk generally and then perhaps forward the details on to Access Canberra so we can look at it?

MRS DUNNE: I have made a number of representations to the Chief Minister about it, and in the previous Assembly I made a number of representations to the planning minister about uncompleted works that were in breach of the land act.

Mr Jones: In terms of issuing a certificate of occupancy, obviously building inspectors need to go and confirm that all activity has been completed, and by the sound of it that certainly has not. There can be a whole range of reasons why it has not in terms of running out of money, going broke or whatever. What we typically do is interview the lessee. Sometimes that is easier said than done because they do not make themselves available to us. Do you know whether the block is actually occupied, like being lived in?

MRS DUNNE: My understanding is that it is not. There were two blocks side by side. One of those has been substantially completed and it is occupied, but the one beside it is still unoccupied. There is a mess and it has been a mess for five years, to my knowledge—five years before it was brought to my attention.

Mr Jones: Quite often tracking down the lessee, the landholder or owner is extremely difficult, especially if they are building perhaps a rental home or something like that and they live interstate. Having jurisdictional difficulties tracking them down can be a problem. Perhaps without getting into specific cases in the public arena it might be better to get the details from you and Access Canberra officers will follow up on that. I think that might be safer in this arena.

Mr Barr: Is it that one?

MRS DUNNE: It looks like it might be. Mr Jones, if I send you my lot of correspondence that dates back to 2010, are you the person?

Mr Jones: We will investigate it—absolutely—and give you a response either directly from us or through the minister.

MRS DUNNE: Great you. Thank you, Mr Chairman.

MS BURCH: At budget statement B, in the accountability table, you have the number of inspections conducted by Access Canberra at 95,000, 95,000 and 95,000—a flat line across. My question goes to some of the commentary from Ms Lawder about your ability to have compliance checks, given that our city is growing. Is it fair and reasonable? Why are you locked at 95,000?

Mr Peffer: I might start and then get some additional details. At the core of what we are trying to do in Access Canberra is to institute a very strong focus on risk and harm. That means, for instance, we do not necessarily inspect every kind of business or every particular building. We really try to use the data that we have in order to be intelligence led and focus our efforts on the inspections that really matter, on those areas where the risk of harm is greatest.

We have a range of initiatives underway that are assisting us to undertake those inspections in a far more efficient way. At the same time we have an offsetting factor whereby the inspections that we are undertaking are in those areas where compliance is most likely to be low or non-existent, which means that the effort we exert in those inspections is greater.

You have two factors at work here. One is promoting a greater range of inspections. By way of example, if we take our WorkSafe inspectors, for those inspectors we have introduced some technological capabilities which mean that they operate almost entirely from out in the field. With respect to the number of inspections, from October 2014 to March 2015 that workforce undertook 958 inspections. They issued 356 notices and we had 63 per cent of workplaces compliant. In the same period in 2015-16 we have gone from 958 inspections to 2,726; we have issued only 109 notices and we have found a much higher rate of compliance. The reason for that is we are getting out to some of the higher risk activities, whether it be building, retail or other activity, more often, which means inspectors are able to build relationships with those businesses or community groups.

MS BURCH: I accept that but why is it static? From what you said then, you are

building relationships, and that would mean you are visiting more. You are having more inspections. So why is it static?

Mr Peffer: Within Access Canberra we have many inspection arms. WorkSafe is one of those arms. Others look at things like motor vehicle compliance, for instance. We have a range of fair trading inspectorate teams. What we are doing for the organisation as a whole is building a risk and harm profile across everything that we inspect, and not just in individual areas. You will see, Ms Burch, activity move between the different areas depending on where we see potential risks emerging.

MS BURCH: I still cannot understand why it is static. If we look at the move from Mr Jones's previous incarnation, from the Gambling and Racing Commission, and the change to Access Canberra, it was clearly a good move to make sure that clubs were not having multiple inspections. That would have accounted for five; now it is accounting for one. Again, why is that static? If it remains static then what is the point of it as an indicator? It is a question about the number of static indicators across the budget papers. What is the value of them if they remain static? Couldn't you just stick it in the annual reports rather than link it to a budgetary process?

Mr Nicol: That is a broader question, and it is one I will take on board. It is sometimes very difficult to get really meaningful indicators. As the discussion on this one has shown, the more meaningful indicator is how compliant we are.

MS BURCH: What are the areas at risk and how has the compliance improved?

Mr Nicol: That is right—how we are improving compliance. Compliance does not necessarily improve just because you do more inspections. The real test is to measure our effectiveness. I think the way we are doing it in this area, as Mr Peffer has said, has been to focus on those areas where all the evidence, we suggest, says there is less compliance, so we put in more effort. That might mean I would much rather do half as many inspections and visits very well than twice as many very poorly.

MS BURCH: I will not labour the point anymore, but your compliance indicator has not changed either. The number of inspections has not changed; your compliance has not changed. I will leave it for you to ponder.

Mr Nicol: We will take that on board and have a look at that.

THE CHAIR: Mr Doszpot, do you have another question?

MR HINDER: I might slip in a question while Mr Doszpot contemplates his. Going back to the question Ms Lawder asked about interactions listed on page 33 of the budget statement and the number of interactions with Access Canberra, when it talks about interactions, does that include online or are they face-to-face interactions? I am trying to work out why, with growing population and demand, it would drop each year, notwithstanding your advice that you have 80-something new products now online, application-type products. I would suggest that would increase your interactions rather than decrease them.

Mr Peffer: That particular indicator captures all interactions we have with the

ACT community. That is through our website, through inspections and through phone calls. By way of an indication, each year we take around 760,000 phone calls. We respond to around 385,000 pieces of correspondence. Over half a million people walk through our doors, and we also have our inspection regime. The website provides by far the greatest volume that we see. Most of that volume involves our citizens looking for information about regulatory requirements or a range of other things going on across government. In time we would expect that might reduce, as we simplify things and as we consolidate websites, so that people are not moving between multiple areas to get the answer that they need. That number may reduce.

MR HINDER: Doing more functions in the one interaction rather than separate interactions for each function?

Mr Peffer: That is right. That has been a key focus with our new one-stop shop service centres or shopfronts that we have. We seek feedback from each of our customers. About 14,000 or 15,000 people have provided feedback about how successful we were in getting whatever it is they wanted to get done that first time so they do not have to come back again.

Mr Nicol: I would emphasise things like having clear communication preventing follow-up calls, and what this means. We are working very hard to make sure our first interaction is good, effective and settles the client's needs.

MR HINDER: If they know the answer the first time they do not need to call back.

Mr Nicol: That is right. Even if it takes an extra five minutes the first time, it saves a lot of time down the track. This goes to Ms Burch's question about how we get some good performance indicators that show we are achieving effective outcomes. Some of these, I agree, are workload indicators as much as performance indicators, but designing that performance information is challenging. We will take that on board.

MR DOSZPOT: I apologise for not being here for part of the period. One of the things I would like to know from you is whether there is anything that has not been asked that you feel it is important for us to know about. Is there any issue or any area of activity that you are pursuing that you would like us—

Mr Barr: I will happily take that. It is an outstanding agency doing a fantastic job, Steve. Thank you for the question.

THE CHAIR: I think it was more of a confessional type of approach that he was taking. Is there anything you would like to confess?

MR DOSZPOT: Good try, Mr Barr. The fact is I did not want to ask something that may have been asked before. I am simply asking: is there anything that has been left out of all these well-thought-out questions that have been asked of you?

Mr Barr: I think we have had a pretty extensive coverage of issues, but given you have other—

MS BURCH: It is almost: do you have anything else to add, minister?

Mr Barr: Yes. You have the Ombudsman coming up. We could have a short afternoon tea break if we are now at the point where there are no further questions.

THE CHAIR: No, I have not finished.

Mr Barr: Fire away, Mr Smyth.

THE CHAIR: We still have another 25 minutes.

Mr Barr: We do not have to fill all the available time. If we are at the point of running out of questions—

THE CHAIR: No; I have not even started yet. I have been very quiet, Chief Minister.

Mr Barr: Fire away.

THE CHAIR: Mr Peffer, what are the areas covered by Access Canberra? You have WorkSafe and EPA. What else is now in there? ORS. What other areas are there?

Mr Peffer: The Gambling and Racing Commission; the RTA, road user services; the old Canberra Connect. There is construction; utilities regulation.

THE CHAIR: The staffers that you have missed are going to be very upset.

Mr Peffer: Environment and planning; they are very important.

THE CHAIR: Each of those is very important in their own way, yet if you read the description on page 18 of BSB there is no detail for anybody looking at the budget, for instance. On page 19, under “economic management” it lists all the different functions they do. When you go to page 33, there are no accountability indicators for, say, WorkSafe, and how many visits WorkSafe has made to various sites. Is this a deliberate strategy to limit the information about the functions of Access Canberra or is there some other intention for such a brief description and then brief separate accountability indicators on such an important area?

Mr Barr: Probably for most people their first source of information and the first place they would look for information on an agency is not where they sit in budget paper 3 or budget statement B. Access Canberra has an excellent online presence. I am looking at that now; it outlines a comprehensive range of services—business, city services, community and family services, education and learning, environment and heritage—

THE CHAIR: None of that is mentioned in the—

Mr Barr: event planning, health and housing. We could have a very big stack of budget papers—

THE CHAIR: Let us not be silly.

Mr Barr: Most people access information online now. There is a fantastic resource available online and it outlines things in great detail.

THE CHAIR: Why don't you apply the same rationale to output class 4.1 and limit it to just that first paragraph and remove the things that economic management will do?

Mr Barr: We will take that on board.

THE CHAIR: I know. We seem to get less and less information.

Mr Barr: In my budget next year I will look forward to providing more information under that output class for you.

THE CHAIR: In terms of WorkSafe, how many inspections, for instance, did WorkSafe undertake?

Mr Peffer: In a given year, it started at around 2½ thousand. We expect that may close to double this year.

THE CHAIR: For instance, if that specific question is not asked, Chief Minister, in terms of accountability indicators—

Mr Barr: There is an annual report as well.

THE CHAIR: There is, too, and this is the budget. We will get to the annual reports at the end of the year. With the 95,000, can you give us a breakdown against the various areas that you have just listed in terms of inspection? The health inspectors are in this area as well, aren't they?

Mr Peffer: That is right.

THE CHAIR: How many component elements are there that you are now responsible for?

Mr Peffer: In terms of individual teams?

THE CHAIR: Yes.

Mr Peffer: Within the organisation there are 52 separate teams. They came from, I believe, five directorates.

THE CHAIR: And each of the teams undertakes inspections of some kind?

Mr Peffer: Not all of them. Some of the teams are purely licence-based teams. We have a contact centre. For instance, there are shopfront teams. So not all teams undertake inspections.

THE CHAIR: Of the 52 teams, how many teams are charged with undertaking inspections of any kind?

Mr Peffer: I would have to take that on notice.

THE CHAIR: With the 95,000 inspections, you can break that down into the teams that undertake inspections?

Mr Peffer: We can do that, yes.

MS BURCH: Can I just ask you to add the compliance, if it is possible without too much work: what goes to that, what you inspect out of that, how many are compliant, how many are not compliant—in those categories if it is doable.

Mr Peffer: We can have a look at that.

THE CHAIR: On page 33, the accountability indicators, in terms of effective service delivery, the number of interactions is 14 million. Is it possible to break that down into those seeking information as opposed to those making complaints?

Mr Peffer: We would have to see if we can do that. The reason I say that is that with someone's customer journey, they might perform multiple things on that journey and not just hit the complaints page and hit a complaint. But I am happy to take that on notice and have a look at that.

THE CHAIR: I will leave that to your judgement. But do you see what I am saying?

MR HINDER: Which was the answer to my question.

THE CHAIR: Yes. It circles back to where you were earlier in that we have got 14 million interactions, but what does that mean? You make the point yourself at the second dash where you talk about the average cost for inspection, and you have spoken about the nature of taking a simple phone call, giving a phone number and passing on a contact or a web address being entirely different to, say, the health inspection of a kitchen in a restaurant. In some ways the accountability indicators do not give us a lot of detail about the day-to-day operation of what your area does and how it delivers it.

Mr Peffer: I think if we were to break it down into individual teams we would end up with pages and pages of output.

THE CHAIR: Sure, and I appreciate the role of the annual reports in that—before the Chief Minister jumps in there and reminds me, as he does so often. But in terms of what we are spending the money on, is it possible to get a breakdown against the 52 teams of the explanation of the budget—who gets what share of the 90 million?

Mr Peffer: What we could do is break it into divisions. We have the construction, environment and workplace protection division; the community, business and transport regulation division; customer coordination; and then our project and governance division. Would that be useful?

THE CHAIR: Yes, that is fine. There are 52 teams, but how many divisions?

Mr Peffer: Four.

THE CHAIR: Four. So you can break it down by division?

Mr Peffer: Yes.

THE CHAIR: Accountability indicator c says “Doing business in the ACT is easier”. Easier than what, I guess, is the question. I appreciate that previously you had to go to several locations, perhaps, for an event, but how do you define “Doing business in the ACT is easier”?

Mr Peffer: With this particular indicator we take our data from an independent survey that is undertaken annually in March each year. We use an independent firm. They call around 600 households and around 300 businesses and have a discussion with them about their engagement with Access Canberra. That particular indicator has moved quite significantly this financial year, from 81 per cent previously to 95 per cent this year. That is an independent survey that provides that particular output.

THE CHAIR: Is it possible to get a copy of the latest survey?

Mr Peffer: Yes, no problem; we can do that

THE CHAIR: Which of your divisions are in “Healthier and safe community”? Is that multiple? How many teams are in “Healthier and safe community”?

Mr Peffer: All of our teams contribute to that particular indicator.

THE CHAIR: All right.

MS BURCH: So that would be across health, food, clubs, websites—the whole lot?

Mr Peffer: That is right; parking inspectors through to health inspectors and everything in between.

THE CHAIR: Where would one get data, for instance, on the number of health inspections?

Mr Peffer: We can provide—

THE CHAIR: If you did not have Senate estimates and could ask?

Mr Barr: Budget estimates.

THE CHAIR: Budget estimates, yes. Sorry. I do apologise.

MS BURCH: You are getting ahead of yourself there, Mr Smyth.

THE CHAIR: Who would want to be a senator?

Mr Barr: Who has got aspirations now?

MR HINDER: Well, there we go.

Mr Barr: There is the revelation.

THE CHAIR: Once you have been to the Reps, you would never go to the Senate, I can assure you.

MS BURCH: Mr Doszpot, why didn't you ask that question earlier?

THE CHAIR: As the only person here who has been in the Reps.

MS BURCH: So now we have to inform Mr Seselja that Mr Smyth is on his case.

Mr Barr: That is right; he is coming—Senator Smyth.

THE CHAIR: I was actually thinking of Robert Ray and Senator Faulkner, and their technique in the Senate. I was discussing it with the secretary earlier. If you did not have the opportunity to sit here, how would you find that information if you were interested?

Mr Barr: The annual report.

THE CHAIR: Just in the annual report?

Mr Peffer: I might just have to check that. I have a feeling that we publish the number of inspections on our website—sorry; on the open government website, not our own.

THE CHAIR: So it is on the open government website?

Mr Peffer: [That is correct.](#)

MS BURCH: Could you provide a ready reckoner about where various data sets are published, whether it is on an open government website or in your annual reports? Could you just point us to where this data may exist?

Mr Nicol: We will have a look.

Mr Peffer: Sure.

MS BURCH: Just existing, where it already is.

Mr Nicol: Yes.

THE CHAIR: If you could take that on notice and provide as much as you can, that would be appreciated. Mr. Hinder?

MR HINDER: Thank you. I am interested in the ride-share program, Mr Peffer. I

think it started in October last year. You were responsible for the registration of people for the ride-share. Has it been successful? How many ride-share registrations have you had at this point in time?

Mr Peffer: From our perspective, and I will ask Mr Simmons to contribute as well, it has been quite successful. We worked very closely with our policy colleagues in the regulatory reform team to introduce this reform quite quickly. From our side, it required building of capability within our registration system to bring these drivers in and ensure that they could operate. In terms of the specifics, I will go to Mr Simmons?

Mr Simmons: 1,155 is the current number of vehicles authorised to ride-share. That is across three different providers. Uber is the largest. There is Limo and—

MR HINDER: GoGet?

Mr Simmons: GoGet, yes. That is the current status. We have had good responses from people in the community; there has been a positive response to it. We have been working with our policy colleagues and also with the industry, so there has been a general acceptance that Uber was coming or the ride-share market was here. There has been the obvious sort of tension you would expect between the traditional players but this jurisdiction seems to have had the smoothest coexistence between the various players in terms of where we are at. I was at a meeting last week where people from Uber and ACT taxis were in the same room together and they did not throw anything at each other, raise voices or anything, so—

Mr Barr: That is better than the estimates committee.

Mr Simmons: Mark that down as a success.

THE CHAIR: It is probably not as much fun as the estimates committee.

Mr Barr: There we go.

THE CHAIR: Back to you, Mr Simmons. Sorry for the interjection from the chair.

Mr Simmons: That is okay. Is there anything else you would like to know about?

MR HINDER: I was saying that Jones Lang LaSalle across the road told me that their entire office is now signed up for the GoGets, which are—

Mr Simmons: Oh, yes; the GoGets as well. Yes, that is very interesting. That is an addition; that is another type of market we are seeing here. If anybody has been out to the festival of Sweden, which is Ikea, you will see that there are two trucks out there that are GoGet trucks for people who do not have large vehicles. The idea is that you can drive out there, rent one of the vans, take your flat pack home, consider at great length how you might put it together, go back and get your own car, and then go to the frustration it may be for some—obviously not people involved in the construction industry—to put things together.

MR HINDER: With an allen key.

Mr Barr: With an allen key.

Mr Simmons: Yes. It is amazing; you can flat-pack a house.

MR HINDER: All right.

THE CHAIR: Mr Doszpot?

MR DOSZPOT: I defer to Mr Hanson.

MS BURCH: Can I ask a supplementary on that? Given that it is a new industry, can you share with us anything you have on inspections around compliance and the community's acceptance or satisfaction with those new modes?

Mr Simmons: At the moment, the feedback we have had from the community has been very positive about the impact that ride share has had. There is a very low level of complaints. In fact, we have not had any complaints about the ride share operators. Here, as in other jurisdictions, it has certainly put pressure on some of the incumbent providers to pick up the game. You will have seen some of the advertising about the taxi industry pushing back into the market, looking at what service it provides and trying to build a better product that is actually competitive.

People compete on a whole range of markets. Uber in other jurisdictions similarly has multiple offerings. It has everything from traditional taxi style. They are competing on quality, not just price. So there is a whole range. What was pretty much a staid and incumbent sort of provider or service has been disrupted quite well, which is the term that is used. But you are seeing a push back from the incumbent players to try to up their level of service and standard to actually compete with the new providers. Overall, it has been quite a positive experience that we have had from people. We certainly have not heard any negativity.

MS BURCH: Are they obligated to give you any data about what their client base is? Is it just businesses that choose to have GoGet cars or is it people getting home at 2 o'clock in the morning?

Mr Simmons: They do not have to. What they register with us at the moment is the vehicles and the drivers. When the second phase of the legislation comes, we will get registrations of the drivers. Then there are minimum standards that our policy colleagues are working through for those drivers as well. It is about balancing the playing field between the inherent costs that the taxi industry has. The government has been very active in reducing those costs of the taxi industry so that the playing field is level as much as possible, noting that taxis are allowed to do things that ride share are not.

THE CHAIR: Mr Doszpot has deferred to Mr Hanson.

MR HANSON: I would like to go to the issue of WorkSafe inspectors. It was an issue that arose out of the trade union royal commission. A WorkSafe inspector made

allegations that he had been intimidated in the course of his duties. My understanding is that that matter was referred to the Chief Minister's directorate and to Access Canberra. The advice from the DPP was that that matter would not be pursued, would not be prosecuted, because it was outside the statute of limitations. But obviously if there is a situation where WorkSafe inspectors are making allegations about concerns of being intimidated on work sites, that is a very serious issue. Can you advise what action you might be taking to make sure that WorkSafe inspectors are safe on Canberra work sites?

Mr Pepper: Certainly, Mr Hanson. Following the right of entry related incident in 2013, there has been a range of initiatives that we have undertaken within WorkSafe really looking out for the welfare of all of our employees and making sure that the scheme operates as intended. What we do now is we provide operational awareness training for all our WorkSafe inspectors, including how to handle volatile situations and respond to aggressive customers and/or complainants. Where operational priorities allow it, we provide two WorkSafe inspectors to attend sites where we do have these right of entry disputes.

The Work Safety Commissioner is also immediately advised when these things occur rather than after the fact, which used to be the case. We have also held a number of information sessions through the commissioner for WorkSafe inspectors, the MBA and its members, and also the HIA and its members, as well as those that have right of entry cards under the act. This has occurred in the years following those incidents.

We have also had meetings with ACT Policing officers on the right of entry provisions in the Work Health and Safety Act and agreed that if ACT Policing were called to attend an incident, they would immediately inform us of that occurring as well. The Work Safety Commissioner also sent out a letter to key stakeholders, including employee and employer representatives, outlining how the provisions should work.

MR HANSON: And since the incident in question, have police been called to any incident?

Mr Pepper: My understanding is they have.

Mr Phillips: Mr Hanson, there have been about seven right of entry incidents—

MR HANSON: Sorry, how many?

Mr Phillips: About seven right of entry incidents in the past three years. Police have been called to a handful of those. They are predominantly called by the employer. Those right of entry disputes have happened over the past six or eight months. No, the police have not been called. They have been resolved.

MR HANSON: They have been resolved?

Mr Phillips: Yes.

MR HANSON: And it is the practice that inspectors will go in pairs, essentially for their safety?

Mr Phillips: That is right, or the senior inspectors will go predominantly.

MR HANSON: Right.

Mr Phillips: In pairs.

MR HANSON: What are the sorts of issues that the inspectors are confronted by on work sites that lead to the police being called or to complaints being made?

Mr Phillips: The issues are normally issues where someone will report particular safety issues or perceived safety issues on a work site. WorkSafe will be called to that work site. There may or may not be a union presence on the work site. There will be an employer presence, of course, on the work site. Normally there will be discussions between the union officials who have right of entry permits under the work safety legislation and the employer. The work safety inspectors will mediate an outcome in relation to attendance on site.

MR HANSON: Have we had any further complaints or allegations of the serious nature that arose before in terms of intimidation?

Mr Phillips: No. I think that, from my understanding, and from having a look through the particular disputes that occur, the matter brought before the royal commission was a particular incident that occurred in a particular time. So we have tightened up our game in relation to who we send—

MR HANSON: Yes.

Mr Phillips: and we have worked with the employer and the unions to achieve a better result in relation to those entries.

MR HANSON: Good.

THE CHAIR: Thank you. Chief Minister, your time with us is now at an end. Thank you for your attendance here today. We will see you in the morning when we come back for Economic Development and other areas. A transcript will be provided when it is available for correction or any additional information. If any questions taken on notice could be answered within five working days that would be appreciated. With that, the committee calls the Ombudsman of the ACT.

Appearances:

Ombudsman of the ACT

Neave, Mr Colin AM, ACT Ombudsman

Gibb, Ms Doris, Senior Assistant Ombudsman

THE CHAIR: Good afternoon. The estimates committee would like to welcome the Ombudsman of the ACT to the Select Committee on Estimates 2016-17 public hearings. Welcome to you and your staff. Please be aware that today's proceedings are being recorded and will be transcribed by Hansard and then published by the committee, and that proceedings are also being broadcast as well as being webstreamed. In front of you on the table is a pink card with a privilege statement. Could you please indicate for the committee that you have read the privilege card and that you understand the implications of privilege?

Mr Neave: Yes, I understand the privilege statement.

THE CHAIR: Thank you, Mr Neave. Would you like to make an opening statement before we begin?

Mr Neave: Yes, please. Chairman, as you are aware, we investigate complaints from members of the public about administrative actions of ACT government agencies. We also consider complaints about ACT Policing. Through the inspection activities of my office we monitor ACT Policing's compliance with covert crime-related legislation and ACT Policing's management of the ACT child sex offenders register.

In addition to our complaints investigations and inspections, my office has dedicated resources to work closely with ACT agencies to promote our role and to support good complaint handling practices and procedures. The funding for the ACT Ombudsman function is established under a services agreement between the ACT government and the Commonwealth Ombudsman.

We are pleased that the ACT government has considered my office for two new functions, firstly with the development of a reportable conduct scheme, and secondly the establishment of a judicial council secretariat.

Firstly, in relation to the reportable conduct scheme, this is an employment-based child protection scheme which is based on the well-regarded model which the New South Wales Ombudsman oversights in that state. The scheme was funded in the budget. We are continuing to work with the ACT government on securing in-kind support in order to have sufficient resourcing to achieve the successful implementation of this important scheme expected to be operational in July 2017.

Secondly, in relation to the new judicial council, my office will provide the secretariat. We will receive and investigate complaints about judicial officers, which the council will consider and determine. We are working with the ACT government to negotiate sufficient resourcing for this function, which is to come into effect from February 2017.

The use of covert powers by ACT Policing has increased since the commencement of the enabling legislation. My office continues to inspect all instances of the application of these powers and we are also preparing for the additional inspections function in relation to entry and search powers under the amended Crimes (Child Sex Offenders) Act 2005. This will increase the work associated with our annual inspection of the register itself.

As with every other agency, the role of my office continues to evolve. As the government's activities and the citizens' expectations of governments change, so must the Ombudsman. Therefore, my office has refined our corporate plan for 2016-17 in order to enable the office to successfully deliver its purpose. The outcome we seek to deliver is fair and accountable administrative action by government entities and prescribed organisations.

Our strategic vision over the next five years is to provide assurance that the government entities and prescribed private sector organisations that my office oversees will act with integrity and treat people fairly. We also seek to influence enduring systemic improvement in public administration in Australia and, in particular in this role, in the ACT.

In closing, the focus for my office insofar as the ACT Ombudsman function goes for the 2016-17 year will be on: firstly, the establishment and delivery of the new functions; secondly, continuing to use complaints to encourage agencies to improve their administration and provide ACT residents with assurance about government actions; to continue to work constructively with agencies, including providing feedback on complaint policy or service delivery and continuing the appropriate and timely completion of our statutory inspections activities.

Thank you, chair, for the opportunity of making an opening statement.

THE CHAIR: Thank you, Mr Ombudsman. Could you detail what sort of in-kind support you would be seeking to make the reportable conduct scheme work effectively in the ACT?

Mr Neave: My colleague Doris Gibb will assist me with this, but we are looking at supplementing, frankly, the number of people that we have involved in this process of getting the scheme up and running. It is really important that the foundations for the new scheme are in place for when it commences in July 2017 and for that we are going to need a range of skills. We will be able to recruit some of the skills, but I think we need to supplement it initially to make sure that we have it in place and it is appropriate for the local community. I might ask Doris to go into a bit more detail.

THE CHAIR: Sure. Before Ms Gibb speaks, just for the record, there are no papers for this area because you have a contract with the ACT government through the JACS Directorate. So could Ms Gibb also include in her response what sort of initial funding might be required to make the reportable conduct scheme work effectively?

Ms Gibb: As senior assistant ombudsman for ACT Ombudsman, I have recently taken that on board as a responsibility. The reportable conduct scheme was approved. If my numbers are right, \$1.3-plus million is to come. In the first year it is

\$473,000 and then 282 in the second year, 288 in the third year and 293 in the fourth year.

That will give us two executive level staff. The way I would like to set the team up is to have a senior investigation officer to lead that team. I would also like to have a child protection expert. We are talking with the New South Wales Ombudsman about what sort of expertise we need in the team. The other thing I would like to do, which we are negotiating with the ACT government on, is to bring in a communications stakeholder expert at executive level at least for the first 18 months, to be reviewed, because I believe that the stakeholder engagement and the communication, particularly, to the community and to the people that we will be dealing with in entities will be really important.

The second in-kind—and we have not gone down this path yet—is to speak to Policing to see whether it would be worthwhile having a seconded permanent officer of some sort in the team as our intelligence person. We have not had any current discussions about that, but that is my thinking at this stage. So it is multidisciplinary. The idea is to set in place some long-term relationships. I see that to be a good way to structure the team.

THE CHAIR: Thank you. My apologies; I think I said “JACS”. The agreement, I believe, is with the Chief Minister’s directorate. Where are you at in the negotiations to get this extra support, or has it just commenced?

Ms Gibb: It has just commenced, chair, but we are well advanced on the discussions. Now it will be about negotiating the schedule to the agreement to see what that looks like.

THE CHAIR: Thank you. Mr Hinder.

MR HINDER: How will the work you do in this area differ from the work that the Ombudsman does now?

Mr Neave: Perhaps I can start. I think what is in the minds of many people when you are talking about ombudsmen is the handling of complaints. Over the past 10 years or so that I have been closely observing the way in which ombudsmen’s offices have developed, I have seen that there are a lot of responsibilities these days with ombudsmen which are in the nature of monitoring and receiving reports. And this is in all sorts of areas. The public interest disclosure scheme is one.

The work that we do in monitoring the use by police forces and other organisations of covert powers is another monitoring role. This function builds on the monitoring roles and the maintenance of records and generally keeping an eye on things. That would be the best way that you could describe it—so not just limiting ourselves to receiving complaints but a much broader role. With that general point, perhaps Ms Gibb wants to add something?

Ms Gibb: No, I think that pretty much covers it; thank you, Colin.

MR HINDER: So there is an audit sort of function in your investigative aspect of

what it is you will be doing?

Ms Gibb: The reportable conduct scheme more broadly is an oversight role. So, yes, we would be the body to which employers would have to report any investigation into an employee that was being investigated. We would have the ability to monitor that investigation. We would also have the ability to investigate ourselves, although that would not be my preference. My preference would be to capacity build within those organisations. We are very good at teaching other people about investigations and inspections, so capacity building. We would also be looking at the reportable conduct scheme within the entities to see that it was commensurate with what we would expect for a scheme. Also, they would provide us with the investigation and we would, I guess you could say, audit, but we would look at the quality of the investigation to determine whether we were satisfied that the investigation was thorough and proper. That is it in a broad sense.

MR HINDER: Do most entities or directorates have their own officer to oversee internally these kinds of things? Do they have access to you for advice and guidance?

Ms Gibb: Under this scheme they would. Like the scheme in New South Wales, they have lots of fact sheets. They do educative programs and forums. We would do things like that to assist them, so we would not be taking it over. As I said, my preference would be to capacity build rather than do that ourselves. But, yes, they would have access to us.

MR HINDER: The funding that comes to you from Chief Minister's—how do you interact with Chief Minister's? Do you give advice back to Chief Minister's about their conduct or things that you think that government could be doing better broadly, or is it completely independent of—

Mr Neave: I think the general point that needs to be made is that—and really building on what Ms Gibb just said—we are very much committed to building capacity within the directorates within the ACT administration for handling their own complaints. We have been working on that, I think, pretty consistently for a number of years now and that has started to bear fruit. Again, in the year to June 2015 the complaints went up by about 26 per cent.

Whilst our annual report is not out yet, the number of complaints will be steady this year until the end of June, which means there has not been a dramatic increase. We think that is because we have been working with the directorates on how to handle their complaints more effectively. That, of course, is in the interests of the community because it can be a lengthy process when a member of the community has to come to an external ombudsman to have a complaint looked at which could have been looked at more effectively within the directorate itself.

Moving on to this new function, we would expect to work very closely with the proprietors of, for example, childcare centres about how, for example, they should be dealing with the sorts of complaints which could amount to reportable conduct themselves and to respond to those complaints effectively and efficiently and to investigate them appropriately. That capacity building is one of the reasons why we are talking to the government at the moment about having some seconded assistance

to work on that sort of process during the first year because, as I said at the outset, it is really important that we get it right. This is a very, very important area for the Australian community, not just the ACT. It is important that everything is set up appropriately to deal with some of the issues which have become public over the past few years when the royal commission has been operating.

MR DOSZPOT: Mr Neave, thank you for mentioning the annual report. I have actually pulled up last year's annual report. I was going to ask you when your next one is. Is that in October?

Mr Neave: Yes, I think around about October.

Ms Gibb: That is right.

Mr Neave: We have got nods coming from around the room.

MR DOSZPOT: You indicated that there was a 26 per cent increase in approaches and complaints.

Mr Neave: Last year.

MR DOSZPOT: But, in effect, if you look since 2004, most have been around the 500 mark and there was a drop off in 2012-13 from 625 down to 438 and then to 374. So most of the complaints have been in the 500 to 600 area and for the past two years there has been, I guess, a bit of a drop. I am trying to understand this. The role of the Ombudsman is to give people some comfort, if you like, that they can go to an organisation that can be impartial and take on the bureaucracy so they do not have bureaucratic issues. Are you going to maintain that relationship with people or are you directing more and more people back to the departments about which they are complaining?

Mr Neave: No, first of all let me say that there is no desire on the part of the Ombudsman not to be readily accessible to the general community. But the point I think is that the longer it takes to resolve a problem, sometimes the bigger it becomes in the mind of the person complaining—sometimes—which then leads to some difficulties in negotiating a settlement.

If it is possible to refer complainants back to the right part of the directorate, quite often there are a number of people within a directorate who are responsible for dealing with complaints and sometimes the issue has not been raised with the right section of a directorate early on. When we are referring people back to directorates, we are sending them back to the place that we know would be the best to deal with whatever the complaint might be. But even when we do refer people back, we make it very clear that if they are still not satisfied they can always come back to us and we will always help them if we can if their directorate is not able to deal with whatever the problem might be.

MR DOSZPOT: If a particular complainant does not want to be referred back to the department, do you then take their case on?

Mr Neave: Most certainly, yes. We certainly would not send a reluctant complainant back to a directorate, no.

MR DOSZPOT: How many staff have you at the moment?

Mr Neave: The total staff—if I might say so, I think this is one of the good things as far as the citizens of the ACT are concerned. Whilst we have a small number of dedicated people—up to three or four at any given point in time—those three or four people have always got access to the rest of the office where at the moment I think we have got 165 people on the staff.

They have always got access to specialists within the rest of the office to deal with whatever the problem might be. I think it is probably wrong to describe it as a Rolls-Royce service but it is a pretty good service for a small jurisdiction given the access to a broad range of other staff within our office who can deal with complaints.

MR DOSZPOT: With the new initiatives that you are looking at pursuing, are you looking at increasing the staff?

Mr Neave: Yes, we are, certainly. The general principle which I think all ombudsmen adhere to is that we are really happy to take on new responsibilities but we need resources to do it. We are certainly—I would not say we are overly stretched, but I would like to think that the organisation is managed in such a way that we do not have any excess staff members. So if we are asked to take on additional responsibilities then we will always need new staff for that.

MR DOSZPOT: So what sort of additional budget are you looking at?

Mr Neave: That is listed in the current budget here, which I think Ms Gibb was talking about before.

Ms Gibb: Yes.

Mr Neave: The additional responsibilities come with funding of—

Ms Gibb: I think it is just over 1.36. I have to add these numbers up. I cannot see the whole number. This is for reportable conduct, which was just passed down in the budget. For the judicial council, we were looking at 0.4 of a director at EL2 at this stage for funding.

Mr Neave: But the discussions in relation to the judicial council are ongoing at this point.

MS BURCH: Would it be possible to get a copy of that if it is not already provided to the committee? Could we get a copy of what you are reading from there about what you are seeking, what ideally you would like to have to be able to manage the reportable scheme—or whatever information you can provide? Maybe we can just refer back to *Hansard* if that is more suitable.

Mr Neave: I think we have given as much information as we can in *Hansard* so far.

MS BURCH: Okay, that is fine.

Mr Neave: These discussions are ongoing and there is a figure—

MS BURCH: That is fine. I accept that.

Mr Neave: Okay.

MS BURCH: Before I go to another issue, you recognise the need to get the comms around this first, to get the information out into community, into various institutions. This is really a key plank about getting it right and getting that information out there, because it is a big shift from how things have been done to date. I am just pleased to see that you have recognised that with a very clear focus.

You have made mention that your office is bigger than just receiving complaints and that being how you initiate activity. You also had made mention that you have a strong role of oversight or monitoring government agencies. Can you explain how you do that? How do you monitor different government agencies?

Mr Neave: The office is structured around what we describe as the operations and strategic areas. The monitoring role of police force and other covert activities is in an inspections team, which is the responsibility of one of our senior assistant ombudsmen. The operations area of the office is the responsibility of another senior assistant ombudsman. What we describe as strategic teams are there to work with, in your case, directorates on issues which might be systemic in nature, for example, where we find that we can make some helpful suggestions about how administration might be improved.

Speaking very, very broadly, the office is structured in such a way as to ensure that the complaint side of our business is handled expeditiously—that is, that complaints themselves are handled expeditiously—but we also see a very important role for us in systemic improvement of public administration.

MS BURCH: If you look at policing, for example, they have internal professional standards reviews. I think they report on the number in their annual reports. Would you have an eye to some of those professional standards? I am just using this as an example and wondering whether, while they have internally solved that, perhaps there is some more systemic or larger administrative element that you could bring to their improving a particular aspect of their service?

Mr Neave: Certainly, if we received a complaint in relation to ACT police and we felt that that disclosed an issue which could have broader impact on the organisation, we would certainly bring that to the attention of senior people within ACT Policing. That is something that we do do from time to time, depending upon the issue.

MS BURCH: What is covered in covert activity?

Mr Neave: Covert activity—

MS BURCH: Would that include phone tapping, for example?

Mr Neave: Yes, there are various rules which apply to those covert activities. We attend at the offices of ACT Policing and also police forces throughout Australia to check that whatever is done in that regard is in accordance with the appropriate legislation, because it is usually commonwealth legislation which is being used to justify those sorts of activities.

We have a role to ensure that the relevant laws are complied with. That involves attendance at the offices of police forces, not only in the ACT but all over Australia, where we call for the files which have been created in relation to that particular activity. We cannot say we audit every file; far from it. There are thousands of them. But we certainly audit a selection of files to make sure that what is happening using covert powers is happening in accordance with the law.

MS BURCH: How would people know that they are under a covert operation? I mean, by the very nature they should not know, but—

Mr Neave: That is why we do not get any complaints from those who are affected by covert activities, because they should not actually see it. That is an important role for the Ombudsman, you see.

MS BURCH: As well as justifying a covert action.

Mr Neave: Yes, we certainly rely on the police forces to decide upon that but there are not complaints from those who are subjected to covert activities. That is why the Ombudsman's role is so important. We are there to ensure that whatever is done, as best we can, is in accordance with whatever the legal situation might be. That is really another example where complaints do not drive us at all.

MS BURCH: Okay, thank you.

THE CHAIR: Mr Hanson, another question?

MR HANSON: I have had some correspondence from an individual who has been in communication with your office and I think has made a complaint. This relates to issues of procurement at the Canberra Hospital with regard to a project there that was on again, off again. That individual expressed to me some frustration, I think it would be fair to say, that that matter has been now ongoing for quite some time.

Without going to the details of the case, it seems from the correspondence I have received that that matter has now been with you for 12 months. The individual concerned has not had any update or, as they have put it to me, information about what has been happening. Is that unusual—12 months without a resolution? I do not know how far you can go into giving any specifics about that particular individual case. You are nodding and seem to be aware of it. Obviously, the individual involved would be interested to know what the process is to then follow up and find out what is going on.

Mr Neave: Yes, it is certainly unusual for a case to take that long and not have any

report on where it is up to, whether or not it is up to date. I would be happy to look into that for you if you would like us to.

MR HANSON: Sure. Maybe we will have a chat.

Mr Neave: Yes, naturally—

MR HANSON: Offline.

Mr Neave: Yes, certainly. We see our relationship with members of the Assembly—helping members of the Assembly do their jobs—as really important and entirely appropriate. We are always going to be, as we know, fiercely independent, but we do accept, of course, references from members of the Assembly.

MR HANSON: In this case, this is not a reference. It is just simply a matter of due process taking its course, but there is a point at which when that goes on for an extended period I imagine that those people who have made complaints are wondering what is happening.

Mr Neave: I must say that I am disappointed that they feel as if we have not been keeping them up to date as to where it is, because that would not be in accordance with our usual processes and procedures to make sure that people knew a matter was receiving attention. I would be happy to look into that at an appropriate time.

MR HANSON: Excellent, thanks.

THE CHAIR: How does the whole process of raising a complaint work? For instance, if someone made a public interest disclosure to you, how does that work?

Mr Neave: We would first of all accept the complaint. Most complaints these days are made online in the ACT jurisdiction. Depending upon the complaint, we would refer it on to the relevant directorate. Depending upon what it is and the type of complaint, it might be something that we might telephone the complainant about. It really depends upon the complaint. But the general process is to refer it to the relevant directorate as soon as we can.

THE CHAIR: In the past 12 months how many public interest disclosures have you received?

Mr Neave: One public interest disclosure. The public interest disclosure regime involves the public service commissioner. Our role in the context of what we call PIDs is very limited in relation to the ACT.

THE CHAIR: What is your role in relation to PIDs in the ACT?

Mr Neave: Sorry?

THE CHAIR: What is your role in this?

Mr Neave: We are very much a safety net there in relation to the ACT. The primary

responsibility for dealing with the PIDs is with the public service commissioner. We sometimes have PIDs. We have had one PID referred to us this year from the public service commissioner.

MR DOSZPOT: I have a couple of supplementaries on your questions, Mr Smyth. Just taking it a step back, Mr Smyth asked you what happens once you have got a complaint. When a complaint is made, is that always made online?

Mr Neave: No; we accept complaints by letter as well.

MR DOSZPOT: What about in person?

Mr Neave: In person, if somebody comes to our office and wishes to make a complaint, we can assist them in putting their complaint into writing.

MR DOSZPOT: As Mr Hanson has indicated, we get calls from constituents who, for whatever reason, may not be able to communicate online or may not be able to communicate through written submissions. I have been asked to refer them to the Ombudsman, and I did not know if that was possible. You are saying that you will accept a referral from us if we have spoken to an individual about a case?

Mr Neave: Certainly, yes; it is not unusual for us to get a letter from a member of one of the Australian parliaments or the Assembly making a complaint.

MR DOSZPOT: Thank you, that is good to know.

Mr Neave: We recognise that you people have jobs to do, and we can certainly assist in that process by you acting as a conduit through to us.

MR DOSZPOT: That is good to know. The other part of my question is this. You say that once you receive a complaint the next stage is that you forward it on to the department. Once you receive a complaint, and I am presuming that it is an online complaint, is there any opportunity for that individual to have a personal interview to explain the situation as well or do you just automatically refer it directly to the department?

Mr Neave: I should go back a step. If a person coming to us does not wish the complaint to go direct to the directorate, we will work out another means by which we can draw the problem that has been raised with us to the attention of the directorate. I think it is fair to say that we are flexible. There are many people who are extraordinarily frustrated by their dealings with a directorate or another government department, and the last thing they want to do is handle a complaint in the way in which I have outlined. I am just talking about the general rule, but we would take into account assisting someone from a non-English speaking background; for example, we have provided interpreter services. We do our very best to help, and we take account of the particular needs of a person who might come to us.

MR DOSZPOT: If I complain to you, what is the next step? Can I expect a letter, an email or whatever informing me that you have received my complaint, and is there a time frame for that?

Mr Neave: Yes. We really like to resolve the whole complaint within the very shortest period of time. Yes, obviously there is communication back to the complainant about what she or he can expect as part of the process.

MR DOSZPOT: What sort of time frame is there for that acknowledgement letter, if you like, first up?

Mr Neave: I will just need to check so I do not mislead you at all there.

Ms Gibb: Two days.

Mr Neave: I knew it was a short time.

MR DOSZPOT: Is that by email or by mail?

Mr Neave: If we received a complaint by email, we would certainly respond by email as well.

Ms Gibb: But we could telephone.

MR DOSZPOT: Thank you.

THE CHAIR: Ms Burch, have you got any questions?

MS BURCH: And then one of the processes is that you go through an investigation. With complaints, like a lot of things in life, not everything ends to the satisfaction of everybody, of all parties. We have all experienced that along the way. That still does not mean to say that you do not put attention and care into consideration of the findings and how you feed back. You would know by the end of an investigation whether the complainant would be satisfied or not, so you would make sure that you had that attention to detail as well. Mr Neave, I will go back to one of your earlier comments—that the longer a complaint is managed, if it is not managed properly it just gets a life of its own in many ways. But that does not take away the core fault within an institution.

Mr Neave: I think the fundamental point is that anyone who comes to us needs to know by the end of the process, which can take quite a long time, why we form a view in relation to a particular sort of complaint and why on some occasions we cannot help a complainant and on other occasions we receive a result which is in line with the reasonable expectations of the complainant. The most important aspect of it is to be very clear about why we have helped or why we are not able to help.

MS BURCH: And all of that is a sign that if you see the process, internal quality improvements in the group that you are investigating against a complaint, you can get on and have that conversation with that entity regardless.

Mr Neave: Yes. Another way of perhaps putting what you have just said is that it is also in everybody's interests if we can maintain a reasonable working relationship with directorates even though we might find fault at times. We need to explain not

just to the complainant but also to directorates why we might take a particular view and also why we might think they could improve their performance in certain ways.

MS BURCH: In your annual reports—I should have had a look at Mr Doszpot’s copy over there—do you register the number of complaints and the monitoring activity? Do you publicise that anywhere—that level of activity? And then, if you are investigating 10 complaints, do you tell the community how many complaints were upheld and who they were upheld against? Yes? It is in there?

Mr Neave: Yes. We provide that sort of information on numbers, and also we describe the monitoring activity that we were engaged in.

MS BURCH: I was curious to know if people can track complaints against health or complaints against ACT Policing.

MR DOSZPOT: I have a supplementary. Further to Ms Burch’s question, I have been reading your annual report, and it is quite thorough and outlines the outcomes and the agencies you are dealing with. The question is—maybe it is in here somewhere and I have not found it—whether there are some stats on people that you are dealing with. For instance, are there a great number of seniors or migrants? Is there a categorisation of where issues occur? Is there something I can find on that?

Mr Neave: No, there is not. It is one of those issues that ombudsman offices wrestle with, and one wrestles with it because quite often people who complain to you, when they are asked a whole lot of personal questions, are not terribly happy about that. The way that one can deal with the issue, though, is to have surveys of complainants from time to time, which we have not done in our office at the moment. Then you would be able to get someone quite independent who is doing a survey for you to make contact with a range of your complainants to try to judge what percentage are more on the older side and how many young people come to you. I think with most ombudsman offices that I know about there are very few young people who come to an ombudsman office. Also, it is very hard to track whether people come from a non-English speaking background.

All you can do really is to make contact with the relevant groups who might represent more mature people. Also you can make yourself known at university orientation days, which we do not as an individual ombudsman but through the Australian and New Zealand Ombudsman Association, of which we are members. We make a contribution at university orientation so that younger people, at least university students, know about the existence of ombudspeople. We also have working relationships with organisations like FECCA, organisations who we know have contact back into organisations that represent those from a non-English speaking background so that they know about the Ombudsman as well. Similarly, we deal with organisations that represent Indigenous people.

The secret, in my experience, about getting out the word about an ombudsman is to deal with those who represent particular groups rather than necessarily asking people personal questions about age and so on, which does not seem to go down well, in my experience.

MR DOSZPOT: I fully agree with that assessment, but if I can share an observation with you—is it within our charter to make an observation, Mr Smyth?

Mr Neave: We are always happy to listen to anyone. That is quite all right.

THE CHAIR: Let us see where we get.

MR DOSZPOT: From the point of view of people who have come to me, and I am simply passing it on, generally the issues are around bureaucracy. That is perhaps the lack of understanding by the individuals, as you quite rightly point out. If you talk to people, you can normally set things straight. One of the complaints I have had is that, with the bureaucratic issues they have, they find that they are coming to the Ombudsman thinking that they will be talking to someone, and that is not their first impression. They are told to fill out a form and do that. My observation is that perhaps there could be more personal contact so that observations can be made rather than asking which people now fall into which category. There is some visual observation, obviously, that can be made in an interview, and sometimes that helps in addressing the issues that you are trying to address anyway.

Mr Neave: Yes.

MR DOSZPOT: Anyway, that is what I am saying. I am not trying to tell you how to do your job. You have got a difficult job.

MR HINDER: It sounds like a triage issue.

THE CHAIR: With that, we may call a halt, unless you want to respond.

Mr Neave: I would like to respond. Yes, I think oral communication between people with problems is really important. It cannot always be done in person, but we certainly do as much as we can on the telephone in order to give people an opportunity of expressing themselves. I agree with your observation. I think offices like ours and other ombudsman-type schemes are very keen to get into writing whereas I think talking through issues is actually very important. I agree with your observation.

MR DOSZPOT: Thank you.

THE CHAIR: Members, we might draw it to a close there now. On behalf of the committee, I would like to thank the Chief Minister, the Ombudsman and all the witnesses and officials who have appeared today. If any witnesses have taken questions on notice, could you please get those answers to the committee secretariat within five working days, which commences tomorrow. The secretary will be able to provide you with a copy of the proof transcript of today's hearing when it is available. If there are any suggestions you would like to make, we would be happy to receive those.

Before we close, I will just say that the chair's award for the day goes to Mr Jones, who suffered the indignity of having his name spelt wrongly and will be now forever known as Grey Jones instead of Greg Jones and who gave an excellent dissertation on

the use by the EPA staff of their most scientific and delicate instrument, the human nose, in detecting smells. The committee will resume in the morning with economic development and procurement and in the afternoon with the Auditor-General of the ACT.

The committee adjourned at 5.30 pm.