



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

(Reference: [Annual and financial reports 2011-2012](#))

Members:

MR Z SESELJA (Chair)
MS M PORTER (Deputy Chair)
MR B SMYTH
DR C BOURKE

TRANSCRIPT OF EVIDENCE

CANBERRA

THURSDAY, 7 MARCH 2013

Secretary to the committee:
Dr A Cullen (Ph: 620 50142)

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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Privilege statement

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Amended 9 August 2011

The committee met at 9.33 am.

Appearances:

Burch, Ms Joy, Minister for Education and Training, Minister for Disability, Children and Young People, Minister for the Arts, Minister for Women, Minister for Multicultural Affairs and Minister for Racing and Gaming

Economic Development Directorate

Dawes, Mr David, Director-General

Gilding, Ms Louise, Executive Director, Ministerial, Cabinet and Policy, Economic Development, Policy and Governance Division

Jones, Mr Greg, Chief Executive, ACT Gambling and Racing Commission

THE CHAIR: Good morning and welcome. I now declare open this public hearing of the Standing Committee on Public Accounts inquiry into the 2011-12 annual reports. On behalf of the committee I would like to thank the minister, and also Mr Jones, Mr Dawes and other officials, for being here with us today. The proceedings will commence with an examination of the 2011-12 annual report of the ACT Gambling and Racing Commission and parts of the Economic Development Directorate annual report that are relevant to racing and gaming policy. This examination will conclude at 10.30.

The committee will recommence its hearings at midday with an examination of those parts of the Economic Development Directorate's annual report that relate to tourism policy and programs, including Australian Capital Tourism, the annual report of Exhibition Park Corporation and those parts of the Economic Development Directorate's annual report relating to economic development. Today's hearing will conclude at approximately 2 pm.

Can I remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the blue-coloured privilege statement before you on the table. Could you confirm for the record that you understand the privilege implications of the statement?

Ms Burch: Yes, thank you.

THE CHAIR: Can I also remind witnesses that the proceedings are being recorded by Hansard for transcription purposes and are being webstreamed and broadcast live. Before we proceed to questions from the committee, minister, would you like to make an opening statement?

Ms Burch: I will make a very brief statement. I want to thank, before we start, Greg Jones and his staff at the commission and the relevant staff in EDD for the work they have done to support me over the last 12 months and the efforts they have put in across the industry in the gaming and racing areas of Canberra. I will leave it at that.

THE CHAIR: I refer to page 40 of the financial statements for the Gambling and Racing Commission. The notes for rent and related expenses in the annual report noted that the increase in rent and related expenses in 2011-12 related to additional

operating costs for the commission's leased accommodation that in previous years were not passed on to the commission. Firstly, why were the costs not passed on in prior years?

Mr Jones: My understanding is that there is a small number of common areas which were controlled or billed by areas of other directorates and, because of our small area of occupation in Nara Centre, that was not passed on. A change of billing policy deemed that all costs would be passed on—things like foyer areas, lift maintenance and whatever.

THE CHAIR: So we are not talking about a significant amount?

Mr Jones: No.

THE CHAIR: Is there an estimate of what that amount was?

Mr Jones: I can get that for you. It is about \$40,000 a year.

THE CHAIR: Is this just a changed standard or is it just that it was not properly being complied with prior to this?

Mr Jones: It was probably an efficiency thing. Because we occupy less than half of one floor of Nara Centre, it probably was not worth while breaking the billing amounts down to that level, and they do now.

THE CHAIR: In the annual report it says \$650,000 was spent on problem gambling support services. Are you able to tell us a little bit about that? How can we have confidence that that money is being well spent and that we are seeing a real impact on the number of problem gamblers in the territory?

Mr Jones: The \$650,000 is the payment to Mission Australia as part of the contract that they have to provide support services. That service is counselling services, both from a gambling counselling point of view and from a financial counselling point of view. The two go hand in hand. They also provide links with the industry and other stakeholders. For example, they have developed extensive networks with other support services, including drug and alcohol rehabilitation, housing crisis areas, marital and other things. So they have developed links to assist people that have issues greater than just perhaps gambling or financial.

In terms of measuring the effectiveness of this, we monitor the contract fairly closely. It is a relatively large contract. With respect to some of the outcomes that we have noticed already, in their first year of operation they saw 150 new clients. They had well over 500 face-to-face counselling sessions. They had telephone counselling appointments with over 50 clients, and they received well over 200 calls to their gambling helpline. So they are some of the stats and some of the activity that is going on.

In terms of measuring the actual impact on problem gamblers, that is very difficult to measure and quite expensive. We conduct a prevalence survey about every five years of what the level of problem gambling is in the territory. The next one is due to be

conducted in 2014. We are just starting to do the design work for that. That will give us the best snapshot of the level of problem gambling compared to the 2009 prevalence study, when it was last conducted.

THE CHAIR: Do Mission Australia give feedback in terms of what they are seeing on the ground? Are they seeing that there are more people requiring their services, fewer people or around the same?

Mr Jones: Anecdotally, there is probably a slow increase in demand for their services, and that is probably more related to the awareness of Mission Australia being out there. So rather than an increase in the number, I think it is more a reflection of the profile of Mission, which is slowly improving or increasing, as it were. So it is probably more a reflection of awareness, I would say.

Ms Burch: I think with some of these programs, Mission has had the contract for 18 months, two years or thereabouts. When a new program such as this comes into place, you do see an increase. It does not necessarily reflect an increase in problem gambling. It is just around awareness and referral into the system. There are two major planks of Mission Australia's work—the education plank, which is going out and working with groups and the clubs around what are the best strategies for harm minimisation, and also direct counselling and support to individuals.

THE CHAIR: Minister, is the government supportive of the proposed mandatory pre-commitment trial?

Ms Burch: We have always said that we will support it in principle and that the clubs need to be on board with that. We are also mindful of not having a negative impact on territory revenue sources, should they be impacted upon. Recently Clubs ACT have made a decision that they will look to hold off on that trial until after September. Given that it sits within our principle of making sure the clubs are on board, we support their decision.

THE CHAIR: So if it does not go ahead at a national level because there is a change of government, will the ACT government push ahead with it regardless, given that you support it?

Ms Burch: I think there is a conversation that needs to be had with Clubs ACT about the broad sweep of harm minimisation that we do here and that is afoot nationally. I do not think anyone, regardless of what state you sit in, would say that clubs, governments, social services and social programs should not be working and doing all that we can on harm minimisation. There was a clear legislative framework on the table. Part of that was a trial here in the ACT. Should that change then we will continue to make sure that we do all we can to support problem gambling, but always keeping in mind not negatively impacting on an industry that does other stuff here besides operating gaming machines.

All of us are probably members of clubs here in the ACT. I think we have the highest membership of community-based clubs of anywhere in Australia. You can look at the fact that they support children's sport and women's sport. The Tradies recently picked up some sponsorship for the Meteors, the women's cricket team, so the clubs are part

and parcel of our community here.

MS PORTER: I have a supplementary on that. On pages 2 and 3 of the report, it talks about the vision, values and objectives of the commission. One of those, the second-last one, is to ensure members of the community are provided with information to enable them to make informed decisions about their gambling. Is that part of what Mission Australia deliver or are there broader programs than that that carry out that part of your mission?

Mr Jones: It is both. The commission has had an extensive program of providing information to the community about gambling. Some of those relate to the potential harms, where they can get assistance or further information on that, how to contact a counselling service, how to stay in control of your gambling. We have a nice program of self-help brochures, so that if people are concerned about seeing a counsellor or do not want to do that but would like to try and sort out their own issues, we have a number of brochures to help there.

To assist with that program and to emphasise some of our goals, especially with the self-help, Mission Australia liaise extensively with the club industry. In fact, about six months ago, they put on a consultation officer who liaises with the industry and other bodies, including OzHelp and other areas, and they have their own brochures. They hand out our brochures as well. So it is really a team effort between Mission and us and, in fact, other areas such as Community Services.

MS PORTER: On page 5 of the report it mentions the Centre for Gambling Research. Minister, can you give us an update on the Gambling and Racing Commission's current research program?

Ms Burch: I might get Greg to go to the detail, but he did touch on it. We regularly work through the Australian National University on a prevalence study. That gives us a sense, as as much as you can in research, of the demographic or the targeted community groups that we need to look at for intervention and education programs. I think that goes on a yearly or second-yearly basis, but I might ask Greg Jones to talk on that.

Mr Jones: In 2011-12 we had two significant reports published, both in October 2011. The first one was called *Profiling problem gambling*, which looked very specifically at the symptoms of problem gambling and what the typical profile of a problem gambler was. Clearly, that is important in terms of targeting our self-help programs and our early intervention programs, which is one of our main goals.

This study pulled apart in detail a lot of information we got out of the prevalence study in 2009. What it found was that young males that are single or divorced with lower level qualifications—that set of factors was easily the best indicator for predicting problem gambling symptoms. That gives us a very defined target group of the most vulnerable, if you like—the people most likely to take risks, especially in the gambling area. So that, in itself, is extremely useful.

We also found that 30 per cent of people that gamble twice a week—that might be at a club on a Friday night, at the races on a Saturday—had some problem gambling

symptoms, which is a reasonably high percentage. We also found, as an indicator of problem gambling areas, that, if someone lost, spent, \$100 or more a week in gambling—50 per cent of those people had some problem gambling symptoms. That is an enormous amount. So with \$100 a week—if that is what you spend, irrespective of your income, 50 per cent of those people were showing some signs of problem gambling.

That study was really revealing in terms of our target groups and where we can concentrate our assistance or our early intervention. Based on that research, we are just doing some work with OzHelp now in terms of their tune-up program. They target, obviously, apprentices and things like that, in the building industry particularly. We are doing some really useful work about getting some problem gambling messages into their tune-up program, which we are very excited about—and so are OzHelp, because they were not aware of the extent of some of these numbers. That program has assisted really well there.

The second study, which was released in October 2011, dealt with help-seeking and the uptake of assistance services—for example, Mission’s counselling service. We found that only eight per cent of people with problem gambling symptoms actually go and seek external help, and that is a surprisingly low percentage: fewer than one in 10 people with problem gambling symptoms are actually seeking help. That is a major concern for us, because one of our aims is to get some sort of early intervention. We want to get to people and give them some advice and some assistance before they actually fall off the cliff and it turns into some sort of crisis, whether it is financial, marital, work related or whatever. That in itself clearly indicates that we have got a lot of work to do with trying to target our early intervention.

Based on that, we have developed a couple of other research studies which will help inform how we get a higher interaction with help-seeking activities. We thought that perhaps there are some attitudes or some beliefs that problem gamblers may have which are preventing them from getting this assistance, so we did a study on the beliefs and knowledge that a problem gambler would hold about their gambling activity: maybe they have got not quite a reality view of what is happening. To some degree, those research findings reinforced the fact that a problem gambler typically does not see their activity as the problem; but if they do, they have the view that they do not need external help, that they can help themselves. So the self-help attitude—“I can fix it myself; I do not need anyone else’s help”—is very strong with problem gamblers, perhaps more so than with other areas such as alcohol or drugs. That is concerning to us as well, because that makes our job even more difficult in trying to get this early intervention.

We have two studies which are ongoing at the moment. One is to do with social engagement, to see whether there are activities to do with the way people socialise or do not—whether, for example, people go and gamble in isolation or whether they do it in groups. So it is about whether there is a sort of peer support. That is important, because we need to know whether we can target some of their friends, colleagues, family or whatever in terms of getting the message across. Or do they tend to go in isolation? Do they go down to a club, the races or something by themselves and gamble in isolation so that no-one knows? That will be important in informing that.

The other study, probably the most significant study which is underway, is to do with stigma. Our prediction is that the biggest problem with people seeking help or not seeking help, as the case may be, is the stigma associated with being labelled as a problem gambler. Our studies have shown so far that people are a lot more likely to go and seek counselling for alcohol, drugs—illicit drugs even—or marital or financial problems.

About last on the list is problem gambling. We are not really sure why that is the case, but we think it is something to do with the stigma of problem gambling. This study will inform us about why gambling has the highest level of stigma of all the so-called vices or difficulties. We are really excited in anticipation of what that might tell us. And then, based on that, we will be able to really target in terms of our campaigns with the community, because then we feel we will be fully informed about who to approach and how to approach them in terms of breaking down the stigma and getting people to have some sort of early intervention rather than waiting till it is too late.

THE CHAIR: How much of the existing studies or the studies that you will be commissioning has looked at other forms of gambling? Have they been limited to poker machines or have they been about all forms of gambling, including sports betting and internet betting? Has that been a big part of it? If so, what are you seeing in terms of the trends? Anecdotally, it seems that that is becoming far more prevalent when it comes to gambling in Australia.

Mr Jones: Sure. We are very aware that the issues are not just with gaming machines. Even though, of those that actually go to counselling, over 80 per cent have their issue with gaming machines, our prevalence study also showed that a problem gambler is involved with at least four different types of gambling. Typically, they are gaming machines, races and online, where you can do it at home anonymously. So no; we concentrate on the whole gambit of gambling types. We certainly do not just concentrate on gaming machines. You are absolutely right: there is a definite emerging trend that online gambling is becoming problematic, and that is probably one of the most difficult to control.

THE CHAIR: Indeed. I think there are many in the community who are becoming more and more concerned about how much we are bombarded with it, which is something we are not bombarded with when it comes to, say, poker machines. They do not come into your lounge room in the way that sports betting does.

Ms Burch: Yes. You cannot go through a grand final of footy or other disciplines nowadays without being asked to bet on something. I agree with you, chair. We have done a lot of work in gaming, but not at the expense of looking at what we need to do across those others. But at legislative level that online activity not only comes into your TV, to your lounge room, on a smart phone and a computer, but at 2 o'clock in the morning you can find yourself on a gambling site from any international site. So it is more difficult.

Part of your question was, "How often do you do this?" I indicated that it was every couple of years. One of the recommendations of the Auditor-General's report was looking at this, and we committed to the next prevalence study in 2014 and then every five years as a standard beyond that. But then there are also pieces of work that come

in in between.

MS PORTER: Thank you very much.

THE CHAIR: We should move on to some other questions.

DR BOURKE: I have a supplementary on that point. With regard to the stigma about problem gambling, is that because you are gambling or is that because you are losing?

Mr Jones: We do not really know. From the early discussions we have had with our academics from ANU, the stigma itself is a very complex thing. It is an internal stigma—the stigma you put on it yourself—but there is the perception from outside. This study will investigate both sides.

I do not think it is that you are just losing or are a loser, as the case may be. It is the fact that you cannot control the level of activity or the amount of time or money that you spend on it, which then results in all these other problems in terms of theft, marital problems, financial problems, losing your house and that sort of thing, potentially your job. Ultimately with gambling, especially on gaming machines or those sorts of activities where you cannot influence the result, you are going to lose. If you bet enough, you are going to lose. That is guaranteed. A little sticker on the machine tells you that you will. I do not know about the skills with horses. Perhaps some people make money out of it, but—

DR BOURKE: Some people think they do.

Mr Jones: Some people do; some do not. I think it is a lot more complex than whether you lose or not. Clearly, they have some wins, and that reinforces the attitude of “I should continue to do this”—chasing the losses and all that sort of thing. It is more to do with the amount of time and the amount of money that are put into this activity which they do not seem to have full control over. I think that is the difficulty.

DR BOURKE: Okay. My substantive question is this, minister. The Auditor-General’s report into the commission’s harm minimisation policies and programs was quite positive but also made recommendations for improvements. Can you outline what steps have been made to implement those recommendations?

Ms Burch: We agreed with all but one of the recommendations, and progress has been made across those. The only recommendation we did not agree to was an arbitrary time line around a reduction. We are committed to a reduction in the number of machines, so we will certainly work to that end. For example, one of the bits I was keenly interested in was the electronic exclusion process. If you are looking at harm minimisation, one of the stronger parts is when someone self-excludes—when people identify themselves that they have got a problem and seek to exclude themselves from activity. The electronic exclusion process was to make that easier and follows what is happening in other states—I think in New South Wales. I think we have got that process tendered out and done. Is that right, Greg?

Mr Jones: Yes. And just to go further on what the minister said, at the moment it is a paper-based system if someone wants to exclude from a club, and it is extremely

labour intensive for a club if someone approaches them and says, “I want to exclude from all clubs in the ACT.” The administrative burden of that club copying that document 68 times or whatever it is and sending it out to every venue, we acknowledge, is a difficulty and a bit of a deterrent to that sort of thing. This electronic database will allow a very rapid and very easy ACT-wide exclusion network. If someone comes into a venue and says they want to exclude from 10 clubs or all clubs, it is a matter of filling in some detail, clicking the appropriate box and pressing go. Then an email will be sent to all of those venues where they will be excluded, and it is done. It is done in a matter of minutes compared to the fairly tedious process at the moment.

As the minister indicated, just before Christmas last year we let a contract for an IT company to develop that database, which is ongoing. We have a meeting tomorrow to have a look at the progress on that. We have got a draft of the database. We are hoping that that will be tested, debugged and all existing exclusions laboriously loaded into the whole thing so that it is a complete system and ready to run by the middle of the year, including full training, both as a group and individually with each licensee. Our target is midyear for that, and we are right on target at the moment.

Ms Burch: The other piece of work that came out of one of the recommendations was the review of the code of practice and the better practice guide—the work that you have done over the year.

Mr Jones: Yes. With the code of practice, we are about two-thirds of the way through that review. We had actually started that at about the same time as the Auditor-General came in. They recommended that as a reinforcement of what we are already doing, which is great. We have had one period of public consultation already. We put a discussion paper out in October last year. We got nine submissions back on that, which we have now analysed. We are just finalising a policy paper with recommendations, which we will put out for a second round of public consultation at about the end of March. That will have recommendations for a number of changes to the code of practice. When we get submissions from that, we will analyse that, put a final policy paper together, and provide that to the minister by midyear with recommendations for some changes to the code of practice. That is on target, and going quite well.

DR BOURKE: You mentioned that electronic exclusion is being used in other jurisdictions. What was the feedback that you have got from those jurisdictions on how well it has worked and the problems that they have had?

Mr Jones: We looked at Tasmania. We first discovered this a couple of years ago at a conference in Tasmania. They had a database which they had just developed down there. I thought it was a great idea. They were very pleased with its operation; it certainly improved the efficiency of getting people to exclude.

We originally had an arrangement with Tasmania that they would provide us with a copy of their software so that we could just slightly modify that and implement it here. But when we got a copy sent up to us, our IT people said that it did not meet current standards of security in terms of allowing the public access—“public” meaning the licensees—coming in behind the ACT government firewall and there

would need to be extensive changes done to that. The cost of modifying that compared to starting again and designing our own was about borderline, so in the end we decided we would go and design our own.

Ours is a gold-plated model compared to the Tasmanian one. One of our requirements, for example, under the code of practice is that there is an incidents register where problem gambling incidents or incidents with particular patrons are recorded so that there is a history of particular people so that the licensee can make informed decisions about that person. We were able to include that as part of this database, so that is all electronic as well. It is a bells and whistles model.

The feedback we have from interstate is that it works really well. Most of the licensees find it quite easy to use. We will be doing training, and we will have a helpline operational five days a week, especially in the early days. So yes, the feedback is good; it does work well.

DR BOURKE: Are there any privacy concerns, and how are they managed?

Mr Jones: Obviously that is one of our major concerns, so it does operate like that. With access to the database, we have very stringent controls within the venues on who has access and who signs off as having appropriate authority. There are extensive behind-the-scenes administrative controls which we have to ensure that access is maintained, which we, in the commission, will monitor regularly. And the fact that the whole database is being stored behind the ACT government firewall will give us a lot of confidence in terms of where it sits and in terms of preventing unlawful access to that. We are confident that we have covered all the privacy issues as best we can.

THE CHAIR: Mr Smyth.

MR SMYTH: Just following up on that, how does an electronic database actually work? Is there face recognition software attached to it or is it just up to the staff to be across what is happening and pick somebody as they walk in?

Mr Jones: We do not go down the face recognition path at this stage because our understanding is that the software is still unreliable and is still being developed. Whereas that is a potential in the future, at this stage, no. What we are doing is having photos scanned into the system. The protocols which we are developing at the moment will be that each venue can scroll through the exclusions for that venue, and each venue can only see the exclusions for that venue, not the ones next door, for example. They can either see it on screen—for example, a receptionist, if they are comfortable with that, can scan through—or, if they like, print them out, put them in a folder and have them at the desk. It is a matter for each licensee how they control their own access and privacy within the strict guidelines that we provide with it. We will be checking on all of those procedures at every venue. Sorry; it is either on screen or it is a printout, depending on what is convenient.

MR SMYTH: What is the liability to the venue if somebody who has excluded themselves actually gets in and gambles and loses a week's wage?

Mr Jones: If the venue allows an excluded person to enter the premises, that is a

breach of the code. That has happened, both at gaming venues and at the casino. If that is the case and it is brought to our attention, or we detect it either through audit or through complaint, we will investigate the circumstances. Importantly, we will look at the procedures about what they do to prevent people from coming in. Clearly, if they have adequate procedures and someone has disguised themselves—shaved their hair off, grown a beard, put on a dress or whatever, made considerable effort to disguise themselves—to come into the premises, that is reasonable grounds where you would not necessarily detect them and we would not take any action. Clearly, that would be unreasonable. The main thing is to make sure that they have adequate procedures about appropriate staff checking regularly the list of excluded persons so that they are informed and can make that decision. If there are a lot of excluded persons, such as at the casino, for a range of reasons, it is a difficult task, which we recognise.

MR SMYTH: What is the penalty for breaching the code?

Mr Jones: It is only 10 penalty units. I hasten to add that we have never applied a penalty to a venue for letting an excluded person in. We have given warnings and required procedures to be updated, but we have never applied a penalty to a venue for that.

Ms Burch: The industry itself is very keen to get the electronic system in place just to help it manage these exclusions across the sector.

MR SMYTH: I am not sure whether we ask you this, but under the ACT gaming and racing commission in the Economic Development Directorate report on page 175 it talks about the final report of the ICRC's investigation into the ACT racing industry and the discount rate that you are going to use. The ICRC recommended one per cent and you have gone at half a per cent. What is the additional revenue for the industry there as a consequence of that?

Ms Burch: What page was that?

MR SMYTH: Page 175 in EDD.

Ms Gilding: This is probably more linked to a Treasury question in terms of our finance area. But in terms of those recommendations, you are right: the ICRC recommended the CPI minus one per cent from 2013-14, and the government agreed, with modifications, that the rate would be CPI minus 0.5 per cent from 2014-15. That is approximately—

MR SMYTH: So I ask the Treasurer?

Ms Burch: I am happy to take on notice what our budget line is across the disciplines. There was certainly an agreement to move and confirm them into budget line funding—the built-in efficiency, for want of a better word, into here. We certainly have gone through that, and it is something that I talk of when I meet them regularly. It is in the budget line, but we will get it to you. They have made internal decisions, and I think it was part of the ICRC, too, around the split of the funding as well.

Ms Gilding: The 75 and the 12.5 and the 12.5.

Ms Burch: Yes.

Ms Gilding: On page 92, I think we actually have the receipt figure there, if that is what you are looking for in terms of 7.586. But I will confirm that that is the answer to your question.

Ms Burch: Yes; we can put that through.

MR SMYTH: Over the page, on 176, there was another ICRC investigation into the racing industry. It talks about the structure and level of product fees. The government said that it will urgently assess the need for amendments. Are they the amendments that we have just passed?

Ms Burch: Yes.

MR SMYTH: Or are there others coming?

Ms Burch: No. This was in the main the ones that we just put through. They have already taken effect, from 1 March, to get the industry ready for the racing season. This came through. We needed to do it. What we found was that in our previous arrangements there was a particular date, a cut-off date, to make any of these changes. We looked across other jurisdictions at where most of these determinations sat within the industry. It was a change that the industry, which approached me, was very keen to have put in place. Hence those amendments, which we signed off on just in the last sitting.

MR SMYTH: In the second part of that, it says that the government will, in partnership with the racing industry, undertake a detailed investigation of the costs and benefits of a single administrative body and the potential of co-locating.

Ms Burch: Yes.

MR SMYTH: On the single administrative body, has that investigation started, and when will it report?

Ms Burch: We are very much in the early conversation stage with the industry. Again, they saw this in the ICRC. There probably has been a regular discussion across the three industries since then. It is something that we will look to do. I think the coming together in a single administration has clearly some administrative benefits; the co-location in many ways is a longer term discussion. I am very heartened that all the industries now recognise the benefit of that co-location, but all of them will say, "What happens if the dog track is in the middle of the thoroughbred track?" It is about being smart about how you build this up to make sure that all three industries have a place that does not disadvantage them at all. There were some budget lines, I think, Mr Dawes.

Mr Dawes: Part and parcel of one of the commitments that the government made prior to the last election was \$250,000 to work with the three codes, and that is one of the EDD's budget bids for this current budget cycle.

MR SMYTH: Is that kosher, Mr Dawes—to reveal budget bids like that?

Ms Burch: We are amongst friends, Mr Smyth!

MR SMYTH: I am shocked. I think that is the first time I have heard such a thing!

Mr Dawes: Right, there you go. I will actually be open and transparent, Mr Smyth.

MR SMYTH: Would you now reveal all the other budget bids from EDD, in this spirit of transparency that has just broken out?

Mr Dawes: One of the key things—

MR SMYTH: You will take that on notice?

Mr Dawes: With respect to one of the other key things that we are looking at doing, we have already had some collaborative discussions with the three codes and we are just working through that. In anticipation we have started looking at any potential sites and also how we may be able to configure it on the existing facility as well. We will be going through a cost-benefit analysis to work through that and ensure that there is a win-win for all concerned.

MR SMYTH: If you do not get the \$250,000 how will that be done?

Mr Dawes: It is something that we might have to absorb, Mr Smyth, because there has been a commitment there. There is an expectation there. So we would have to conduct that inquiry as per what the commitment was.

MR SMYTH: On page 5 of the annual report it states:

Formal governance arrangements are currently being established with the Exhibition Park Corporation and the ACT Gambling and Racing Commission. The Directorate has a MoU in place with the ACT Gambling and Racing Commission to provide strategic and human resource services and support.

What is the nature of the MOU or the arrangements with Exhibition Park, and how is that coming along?

Mr Dawes: We have got Exhibition Park a little later in the day. That is another part of the portfolio.

MR SMYTH: Perhaps it is for Mr Jones or the gaming and racing minister.

Ms Burch: With respect to the harness race, as you know, we were out there about a month ago, Mr Smyth, at their big race day. There are arrangements around lease and hire of the track and of the room. Mr Jones or Mr Dawes may have some detail on that.

Mr Dawes: If that is what you are referring to, EPIC does have an arrangement

with—

MR SMYTH: No, on page 5 of the annual report—

Mr Dawes: You are talking about the MOU for services that EDD provide?

MR SMYTH: No, the MOU is for services, but the first line in that paragraph says:

Formal governance arrangements are currently being established with the Exhibition Park Corporation and the ACT Gambling and Racing Commission.

What are the governance arrangements that are being established and where are you at?

Mr Dawes: There is an MOU between ourselves and Gambling and Racing. What EDD provides—

MR SMYTH: I think that is different, though. EDD has an MOU in place with Gambling and Racing to provide strategic and human resource services and support. I am asking: what are the arrangements that are currently being established between EPIC and the commission?

Ms Burch: It is my understanding that it is around just the leasing arrangements at those venues and tracks to allow the harness to function.

MR SMYTH: Mr Jones obviously does not know that these negotiations have been conducted.

Mr Dawes: It might be about some wording there, Mr Smyth. I will take that on notice and clarify that point. We do have an MOU as well being established between ourselves and Exhibition Park, if that is where you are heading. That is around, again, providing HR governance—

MR SMYTH: No, this is between EPIC and the commission.

Ms Gilding: Perhaps I could provide some clarification. I think there is a misreading of the sentence there. There is the MOU with Exhibition Park, and EDD also has an MOU with the Gambling and Racing Commission. As for an MOU between the two entities, that is not what that sentence is actually referring to. But I can understand how you could read it that way.

THE CHAIR: What is the sentence referring to?

Ms Gilding: It is referring to the governance arrangements between EDD and the commission and EDD and EPIC.

MR SMYTH: To provide the strategic and human resources?

Ms Gilding: Correct.

MR SMYTH: It is all a matter of subject and predicate really, isn't it?

Ms Gilding: If you would like further detail, between 12 and 2 we will have the correct officials here.

MR SMYTH: No, if it is between EDD and each of those organisations—

Ms Gilding: Correct; that is right.

MR SMYTH: that is fine.

Ms Gilding: So it is not actually between the two entities.

Mr Jones: Mr Smyth, if I can clarify, I do not have an arrangement with EPIC.

MR SMYTH: You did look somewhat confused there, Mr Jones. You were about to find out something you were not aware of! On page 96 of your report—

Ms Burch: The commission's report?

MR SMYTH: The commission's report, greenhouse gas emissions seem to have gone up by a startling amount from 2010-11 to 2011-12—239 per cent, in fact.

THE CHAIR: What is going on there?

MR SMYTH: What is happening?

THE CHAIR: Have you turned the heaters up?

MS PORTER: No, it is all those horses—horses eating too much grass!

Mr Jones: We are a very small part of a relatively large building and these figures are pro rata-ed to us from our—

MR SMYTH: So it is somebody else's fault?

Mr Jones: No. We have a very limited amount of influence over what happens within the building that we occupy. If I could draw your attention to some of the other matters of energy efficiency where we do have control, there are improvements in all of those, in terms of cars and things like that. But in terms of the actual use of fuels and whatever for the building, we do not have much or any influence over that.

THE CHAIR: Which building is that?

Mr Jones: Nara Centre.

THE CHAIR: Are there other ACT government tenants in that as well?

Mr Jones: Yes.

Mr Dawes: Chief Minister's and the Treasury Directorate are also in there.

THE CHAIR: So it is the Chief Minister's department's fault?

DR BOURKE: Minister, isn't this greenhouse emissions figure related to a change in your energy supply or the type of energy supply that you have been using—the move from green power to something else?

Ms Burch: We will have to have a look. If we can provide any detail, we will bring it back to the committee.

THE CHAIR: The zero net emissions could be in trouble.

MR SMYTH: With resource efficiency and waste, the amount of waste has gone up, the amount of recycling has gone down, and the number of reams of paper per FTE has gone up 42 per cent. Is that apportioned to you from the whole of the Nara Centre?

Mr Jones: The paper is us. The energy use of the buildings is the whole of Nara Centre.

MR SMYTH: Why has there been a dramatic increase in the use of paper?

Mr Jones: We are busier, Mr Smyth. Seriously, our activities have significantly increased in terms of producing reports, reviews and things like that which continue to be paper based. That has increased our outputs in terms of use of paper.

THE CHAIR: Just on those economic indicators, the number of staff employed has stayed the same; employee expenditure has gone up 5.7 per cent. Has the FTE changed over the course of the year?

Mr Jones: A little, yes.

THE CHAIR: So that accounts for that increase plus the wage rise of three or so per cent?

Mr Jones: Yes.

THE CHAIR: The other one that probably stands out a little bit is the own-source revenue, which has gone up quite a bit.

Mr Jones: Yes.

THE CHAIR: It is probably somewhere else in the report but what accounts for that?

Mr Jones: That is the problem gambling assistance fund which we manage on behalf of the government, which brings in about \$1.1 million a year. Because we are accountable for that, that is rolled into the whole lot. So that accounts for the bulk of that.

THE CHAIR: There being no other questions, we will suspend in a moment. Before we do, there are a couple of administrative matters. Answers to questions taken on notice at this hearing are due with the committee secretariat within two weeks of the proof transcript becoming available. Written supplementary questions from members covering the Racing and Gaming portfolio should be provided to the secretariat within two working days of the proof transcript becoming available. Answers to supplementary questions should be provided to the committee secretariat no later than two weeks from the date of receipt.

On behalf of the committee, I would like to thank the minister and all the officials for being here. When available, the proof transcript will be forwarded to witnesses to provide an opportunity to check the transcript and suggest any corrections. We will now adjourn until 12 noon.

Meeting suspended from 10.24 am to 12 noon.

Appearances:

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

Economic Development Directorate

Dawes, Mr David, Director-General

Hudson, Ms Cathy, Deputy Director-General, Economic Development, Policy and Governance Division

Cox, Mr Ian, Executive Director, Business Development, Economic Development, Policy and Governance Division

Hargreaves, Ms Anita, Acting Director, Workforce and Governance, Economic Development, Policy and Governance Division

Horsburgh, Mr Chris, Senior Manager, InvestACT, Economic Development, Policy and Governance Division

Walsh, Mr Dermot, Director, Strategic Finance, Land Development, Strategy and Finance

Exhibition Park Corporation

Clarke, Ms Liz, General Manager

THE CHAIR: Good afternoon and welcome. We now recommence the public hearing of the Standing Committee on Public Accounts inquiring into the 2011-12 annual reports. On behalf of the committee, welcome, minister. Thank you for being here, and thank you to agency officials also.

The committee will now move to an examination of those parts of the Economic Development Directorate's annual report that relate to tourism policies and programs, including Australian Capital Tourism, the annual report of the Exhibition Park Corporation and those parts of the Economic Development Directorate's annual report relating to economic development. Today's hearing will conclude at approximately 2 pm.

Can I remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the blue-coloured privilege statement before you on the table. Would you all confirm that you have read and understood that statement? Thank you. I remind witnesses that proceedings are being recorded by Hansard and are being webstreamed and broadcast live.

Before we proceed to questions, minister, do you have an opening statement?

Mr Barr: No, thank you, chair.

THE CHAIR: Thank you, minister. Looking at Floriade, the half-yearly performance report, I understand, cites a \$7.6 million or 38 per cent increase in the direct spending for the staging of Floriade. Are you able to provide some details as to what this additional funding was used for?

Mr Barr: You are in the wrong portfolio area, as Floriade is, in fact, run by events,

not tourism.

THE CHAIR: My apologies. Ms Porter.

MS PORTER: No questions at the moment.

THE CHAIR: Dr Bourke.

DR BOURKE: Thank you, chair. On page 131, minister, there is a reference to the ACT Chief Minister's export awards. Who were the 2012 winners?

Mr Barr: That is actually in the business area. We will come to that. We are on tourism now, are we not?

THE CHAIR: We are indeed.

DR BOURKE: I think we will regroup and start again.

THE CHAIR: Mr Smyth.

Mr Barr: You will ask me a tourism question, Brendan, won't you?

MR SMYTH: I will ask a tourism question. What are the tourism numbers doing, minister, and have they recovered back to the 2003 levels?

Mr Barr: The current data is reasonably positive for the year ended 2012. It is about 160,000 international visitors and around two million domestic visitors, impacted, from time to time, by major events. *Masterpieces from Paris*, I think, set a record for a quarterly NGA attendance that was up towards the 700,000. That, extrapolated across a year, would get you to 2.8 million if you were to have an event of that magnitude running throughout the year. So I think we can fairly consistently say we are drawing over two million visitors and that we can build on that with major events.

When you look at where there have been peaks over that two million mark, they have been associated with major events, be that all the way back to the Sydney Olympics and then a series of major exhibitions or events that have certainly led to increased visitation, the highlight being *Masterpieces from Paris*. That, I think, set an Australian record for attendance at a cultural event. Subsequent gallery blockbusters have been, by any measure, successful but have not achieved quite the peak that was achieved by *Masterpieces* back in 2010.

MR SMYTH: Where are the current levels in regard to, say, the numbers from 2003?

Mr Barr: As I say, they have been pretty consistently around the two million mark.

MR SMYTH: Yes, but are they back at 2003? Are they better than 2003?

Mr Barr: I would need to go back and have a look at 2003. Why have you chosen 2003? Anything significant about that year as opposed to—

MR SMYTH: 2000-01?

Mr Barr: As I said, the Olympic year was a peak. *Masterpieces from Paris* year was a peak. So we have had two very big years about a decade apart and pretty consistently around the two million mark. And then international visits are around 160,000. It can get upwards of 170,000 if there are big events on. If there is nothing on, it drops down to around 150,000. The absence of any direct international flights into the city makes it more difficult to grow the international market, hence the focus in partnership with the airlines and tourism industry stakeholders on that international capacity as part of the \$450 million airport infrastructure upgrade.

I have already been over to New Zealand and met with Air New Zealand. My next trade mission to Indonesia will include a stopover in Singapore, as you have to go through there anyway, and I will be taking the opportunity to meet with airlines there as well.

MR SMYTH: Just on the flights, how many times has the task force met?

Mr Barr: The task force has met regularly. I do not have the exact number off the top of my head. But there has been the broad task force and then work associated with subcommittees of the task force. Economic Development staff have been meeting regularly with various stakeholders, with the airlines. We have the opportunity next week, when Mr Borghetti is in town to open the new Virgin terminal at Canberra Airport, to pursue some further discussions with Virgin. But we are just not focusing on one airline; we have met with Air New Zealand, Qantas and Virgin. We will take the opportunity to meet with Singapore Airlines and their various subsidiaries in that context.

MR SMYTH: Could you take on notice, if you have not got the number, how many times the broad task force has met?

Mr Barr: Yes.

MR SMYTH: And how many times each of the subgroups has met?

Mr Barr: Yes.

MR SMYTH: Thank you.

THE CHAIR: Ms Porter, do you have a question?

MS PORTER: No, not at the moment.

THE CHAIR: Dr Bourke.

DR BOURKE: Thank you. I think I have grasped the topic now. Page 139 outlines Australian Capital Tourism priorities. Can you take us through what some of these promotion programs have been?

Mr Barr: Mr Hill.

Mr Hill: Looking through what we have been working on and right back from 2011-12 through to now, there are a range of tactical campaigns that we have been putting into the marketplace to stimulate visitation and a range of program areas that we have been using to target specific areas. I draw reference to the special events fund as being one area that we have invested in, generally in amounts of about \$500,000, with the National Gallery of Australia to bring some major blockbuster exhibitions to the ACT. Those exhibitions drive significant economic outcomes for the wider ACT economy and the accommodation sector, in particular.

The NGA have certainly run that through programs like the *Renaissance*. There is Toulouse-Lautrec, which is on at the moment, and *Turner from the Tate*, which will be occurring in the winter period. So it will be great to have a winter blockbuster this year, at a time which is probably going to be quite challenging for the tourism sector. Probably importantly too, through Australian Capital Tourism, we have been able to build much stronger relationships between our accommodation guys and the attractions to really leverage the opportunity that these blockbusters provide.

The National Library of Australia has been another beneficiary of the special events funding. Some other key highlights that we have been working on include: just recently we have been running a lot more in the advocacy space through a project called the human brochure, which I hope you are aware of. If not, essentially it has been an advocacy piece for Canberra and the destination as a whole. We ran an advert which does not have pictures of Canberra; it actually encouraged 500 social media savvy Australians to participate in a short-break weekend in the ACT.

We had 31,406 Australians from every state and territory apply to be part of the very first ever human brochure. We ran that event in October and another one in February where groups were encouraged to advise us of their areas of interests. We had food groups, we had arts and culture groups, we had nature-based groups and we had family-friendly groups. And the feedback from those visits from the people who are very connected on social media has been fantastic for us. The sentiment has been running at about 93 per cent. We had a reach of about 4.2 million Australians who were exposed to the message back in the October visit, and a similar figure of about 4.3 million Australians in the February visit.

Just to give you a very quick snapshot of how this works, we had one lady, in particular, in the arts and culture group who has 200,000 followers on Instagram. She has—

MS PORTER: Sorry, could you say that again?

Mr Hill: She has 200,000 followers on Instagram, which is basically a social media site for uploading images. She took a range of images while she has here in Canberra, from putting a poppy into the wall at the Australian War Memorial to the sculpture garden at the National Gallery. Within three hours of her uploading those photos, there were 12,000 likes from people across the globe about that sort of imagery. So it is a very innovative way of creating some advocacy for Canberra and the many and varied experiences we have here compared to a traditional advertising model.

MS PORTER: Could I ask a supplementary, please?

THE CHAIR: Yes.

MS PORTER: With regard to that social media thing, is this going to be an ongoing program? Are you going to have another tranche of human brochures being rolled out?

Mr Hill: We have done two, and there are a whole range of legacy projects that are coming up for us out of the human brochure. There have been over 5,000 images that we have collected that we will use for our own promotional purposes. We have the image rights to those particular images of people undertaking activities in Canberra. We are looking at our holiday planner, for example, next year being an iPad application that allows you to be far more interactive with the content of Canberra. Rather than a printed version, you will be able to click on a story. For example, Michael Milton does Bigfoot adventure tours and bike tours around Canberra. You will be able to click on that article and hear a 20 or 30-second vignette from Michael about his tours and what he does in Canberra

We are unlikely to do another visit of the humans, but the human brochure project will be something that keeps on giving. There are a number of blogs that are appearing even now from the October visit. So we expect to see quite a few from the February visit.

DR BOURKE: And within that iPad app, are you going to encourage interaction from users, in other words, the opportunity to do a review such as TripAdvisor?

Mr Hill: Absolutely. It is an area we are doing more and more in. The digital space is really not about publishing to a digital space, it is about interacting with the consumer. We are calling them humans at the moment, because it works well. But essentially, yes, it is a chance to have a dialogue and a conversation with people who are interacting with the content. And that is a really powerful way of creating some advocacy for Canberra, the destination. So the simple answer is yes.

MS PORTER: Before that, you were talking about the big blockbusters and how successful they had been. You mentioned some of them. You did not mention some of the ones that were in the library but you did talk about the funding. *Handwritten*, I think, was one.

Mr Hill: That is right.

MS PORTER: That was successful as well?

Mr Hill: *Handwritten* received \$200,000 of funding from the special events fund. They generated about \$18.6 million direct contribution back into the ACT economy from running it. They had about 70,000-odd people attend, about 49 per cent from interstate. So it was very successful for them. I think the treasures gallery is a fantastic asset for Canberra. And it is great to see the National Library really engaged in the tourism side of their business as well as the collection side of their business.

MS PORTER: I know this is a very big year, with lots of things happening, so much so that we can hardly cope, I think. Have we got a sort of an idea of other kinds of blockbusters and things that we might be able to attract in the future?

Mr Barr: To date, the National Gallery and the National Library have been the two institutions who have taken advantage of the blockbuster fund. It is not just for those institutions, though. We have been in discussions with the National Museum, the National Portrait Gallery and other national institutions to perhaps encourage them to look at their forward program for exhibitions and events. We do not just limit it to the national institutions, though. There are opportunities for other organisations and event organisers who may wish to bring blockbuster events to the city.

In terms of the forward program, there is a very strong sports focus and centenary of Anzac focus coming post the centenary year. In 2015, at the very beginning, we are hosting a pool of the Asian Cup football and a quarter final. We are currently in the process of working with the Cricket World Cup committee to ensure that Manuka Oval is a venue for the 2015 Cricket World Cup, and we are working with the War Memorial in relation to the centenary of Anzac. So they are just some of the projects and major events that are on the horizon beyond the centenary year.

This year we have already announced a further NGA blockbuster, the Turner exhibition, over the winter months. The NGA have indicated that they would wish to continue to do summer and early autumn blockbusters annually, so we will look forward to a conversation with them. We have also, as I said, opened up dialogue with other institutions around bringing events to the city, with a particular focus on summer and winter.

We have a very strong spring program through Floriade and a very strong autumn program now with Enlighten, the National Folk Festival and Anzac Day, amongst other events. Tourism have a changed role now within Economic Development in that they are not actually running events themselves now; there is a marketing and product development focus within Tourism Australia and EDD. I think that has certainly enabled a longer term view of destination marketing.

One of the announcements I made at the tourism awards last year was the development of the next phase of the territory's strategic planning in relation to tourism. The 2020 strategic plan, the current five-year strategic plan, runs until the end of 2013. We will then seek to launch a new strategic plan for the remainder of this decade.

MS PORTER: With our negotiations with the airlines, obviously that will have an effect on the numbers?

Mr Barr: Undoubtedly, increased capacity into Canberra Airport from international routes and from increased domestic routes certainly aids our tourism economy.

DR BOURKE: Coming back to the social media, what are the risks associated with using social media as a marketing tool, and how have you mitigated that?

Mr Barr: I suppose you are always exposed to an extent to negative comment in an

interactive sense. We did see, given the success of the human brochure, that it was trending on Twitter in various parts of the country and it did become the target of a spamming exercise. That said, that only happens if your hash tag is trending. In fact it is almost a badge of honour around the success of a particular social media campaign that others would then try and hijack that. We were obviously able to filter out the spamming exercise in relation to the human brochure website. I think it was pretty clear for people that were following the experiences of the humans what were their postings under the hash tag and what were the ones being spammed elsewhere.

Mr Hill: I have a couple of things to add to that. The mitigation strategies that we went through were quite significant. We ran some risk management plans around the human brochure as a concept. It is an open platform. People were invited to participate in these experiences and they were able to write exactly what they wanted to write, so it was not filtered.

With respect to things that we did, the human brochure website was an aggregated website, so only the humans could post to that website and third parties could not post to it. We provided a playbook to the humans before they came to give them a sense of what they were going to experience, so that they did not get too many unexpected surprises. We ran some workshops with our industry colleagues. We had 70-odd industry participants prior to the first visit and about 60 prior to the second visit, where we briefed our industry in upskilling them around the use of social media. They are then able to respond and engage with the humans. For example, if one of the humans arrives at the Diamant Hotel and check-in is not how it could be, that goes live straightaway, but the manager of the Diamant is able to be there and respond on the spot. So we spent a fair bit of time in capacity building with our industry.

It is probably one of the legacies, regarding your earlier point around the human brochure, that our industry is now far more engaged in the social media space and advocating about key experiences in Canberra. So we put a range of processes and strategies in place. It was not just a matter of saying, "Let's do a social media campaign." It was far more about advocacy, planning, engaging with industry. So there was a lot of behind-the-scenes work involved in the project.

DR BOURKE: Do you actually see that engagement with negative comments as being valuable in not only providing credibility for your engagement but also in giving people an idea that what they say is acknowledged and dealt with?

Mr Hill: Very much so. As I said, it was an open platform. We took the view that we were backing ourselves as a destination to the wider Australian and international public around Canberra as a holiday destination, which is a fairly brave move, to be honest, on behalf of our industry. But the support that they provided has been fantastic, both in kind and in the effort they have put in to getting behind the project.

For us, the social media space is not going away. I say this a lot of times at work: there are more smart phones in Australia than Australians, so the tablet and smart phones are really driving how people are interacting with content. Tourism has a really big opportunity in that space because it is a very visual medium for showing what experiences we have. I think it is a great way of breaking down some of the perceptions that are sometimes perceived of Canberra as a place.

With respect to showing mountain biking on Mt Stromlo, another example was the couple doing mountain biking. The husband actually had a big stack on his mountain bike, the wife loaded up the imagery and it made play of the day on a sports website—all about Stromlo forest park. I know I am taking it down a pathway, but it goes to show the content of Mt Stromlo appearing in different spaces.

THE CHAIR: Was the husband happy?

MS PORTER: Is he okay now?

Mr Hill: Funnily enough, he took it as a badge of honour and it was all quite humorous.

MS PORTER: He is okay now?

Mr Hill: He is fine, yes.

MS PORTER: What about the bike? I hope the bike is okay.

MR SMYTH: Minister, you mentioned the new strategic plan and you also mentioned at the same dinner that there will be a process put in place to evaluate the effectiveness of the centenary year and how we capitalise on that. When will we see the new plan and what are the criteria for the review of this year to determine how successful it has been?

Mr Barr: The time frame for the new plan is to seamlessly take over from the conclusion of the current five-year strategic plan, so one would anticipate an announcement in late 2013 or early 2014.

Evaluation of centenary events and the centenary year will be multifaceted. There will be assessments in relation to attendance at various events, where we are in the marketplace seeking data in relation to interstate and international visitation as opposed to local participation. Obviously, the centenary year has objectives broader than just tourism, but there are a number of events and activities occurring in this year that to date have been once-in-a-hundred-year experiences for the city. There will be an assessment in relation to the raw data around overall tourism numbers for the year. There is a bit of a time lag, obviously, in when that data becomes available as the quarterly survey process will be in arrears, as it is currently.

We will also look at particular sectors that have received particular funding allocations or boosts for the centenary year. Robyn Archer certainly talked at length about a desire to create capacity and to develop skill sets within the existing community rather than just have the year be one big party. There will be evaluation across a number of different portfolio areas in relation to the success of particular programs and the capacity that has been built in particular sectors—for example, in the arts sector, in sport and recreation.

We will also see significant infrastructure legacy from the year. So we will be able to assess increased levels of participation in particular areas of the community as a result

of that new infrastructure. There are a number of areas that you will see across the city where centenary-related infrastructure has been developed and will be open in the centenary year. The arboretum is a good example of a piece of infrastructure that has already attracted hundreds of thousands of visitors and will continue, I am sure, through its development, to be a popular venue.

The lights at Manuka Oval are another example of a centenary project that will have ongoing benefits. There are literally hundreds of smaller projects that have been supported through this centenary-year process and also numerous events that have been given additional support, additional governance support, in order to further their development using the centenary year as a launching pad. So there are plenty of examples of that.

MR SMYTH: Are there documents to back up how this will be measured and all brought together?

Mr Barr: There is a process of regular reporting associated with a number of key indicators that we report on through the budget and annual reports and various other reporting mechanisms. We are not going to layer on a whole new level of red tape around evaluation just for the sake of it. We are not going to expend millions of dollars measuring every widget through the centenary year. That would be a waste of time and resource. But we do have a quite robust series of indicators across the community and across our existing reporting mechanisms.

There will be post-event evaluation through the centenary team. Obviously questions around those processes are best directed to that team and they will evaluate the program. But to the extent that other areas of government are delivering elements of the centenary program, we will be evaluating those, as we do regularly for those events. The expectation would be, given extra resources that have gone into a number of areas, that we would want to see a demonstrated benefit from those extra resources.

Suffice to say, though, that the centenary year has involved some risk taking, some innovation, and that not everything that is tried this year will be successful. To date the feedback has been very positive on some of the new things, the innovations, that have occurred. But we are not even a quarter of the way through the year yet. For me, one key measure will be level of participation. From a community sense, you see that in the excitement around particular events that the city has never had before, and you will see that in terms of attendance at some of the longstanding events that have had a particular boost in the centenary year.

MR SMYTH: You also mentioned at the tourism dinner capitalising in the future on what is achieved during this year. How will you determine that we have been able to capitalise on it? What is the plan to do so?

Mr Barr: We will certainly look at areas where we have innovated this year, where we have tried new things, and seek to evaluate whether that has built audience and depth of participation. So where we are able to measure through the indicators and measuring tools we have in place, we will be able to get a sense of what has worked there.

I think the capacity that is built within organisations outside government who are running events and activities, the longevity of those activities and, in fact, whether they step up to another level, will be another measure over time of the centenary year legacy. We will undertake market research, as we do, in terms of perceptions of the city. That work is undertaken for us on a fairly regular basis and reported. We would hope to see, through the various campaigns, some of which Ian has touched on, an increase in terms of those key indicators around awareness of Canberra as a destination in a tourism context. Clearly, number of visitors, length of stay and their spend in our economy will all be important measures over time.

Clearly, there are countless opportunities in other areas of government, but in the context of tourism today the expectations for this year would be that it would achieve a higher level of visitation than the average over the last two decades. It remains to be seen whether it achieves the same levels that we saw in the Olympic year or around the *Masterpieces from Paris* exhibition year. I take those as really the two outriders of visitation to the city in the last 20 years. You would like to think you could be above your long-run average for a year like this, given the quality of the program.

MR SMYTH: The question was: how do we capitalise in the outyears? I appreciate the measurement of what will happen this year and the delay, but what is your plan to capitalise? There was a lot of comment that after the Sydney Olympics it was just a one-year blip and they did not necessarily get a long-term run out of that as an event.

Mr Barr: I think the key issue is capacity building within our city and within our economy. If you do not do that and if we do not achieve that—in large part, that is about investment in human capital, it is about people. There are examples of infrastructure, obviously, that become longer term legacies. In the end it will be a question of what comes from the opportunities that present themselves for individuals and organisations this year to do something they have never done before and whether that capacity is maintained within the city.

There are clearly risks that changed economic circumstances in the ACT and jobs disappearing would see people who have been involved in the centenary year forced out of the city because someone has taken their job away. There is always that risk, and we know that. But one would hope that that will not be as severe as is being bandied about.

MR SMYTH: In “future directions”, talking of infrastructure, it talks about continuing to support and partner with the Canberra Convention Bureau. The bureau, of course, is a big advocate for a new convention centre. Where is the progress on the new convention centre?

Mr Barr: The work of the city to the lake project has been focusing on that in particular. As I have indicated before, the ACT government’s role will be to provide land and to work on investment facilitation. We will not be budget funding a convention centre; we will not have that capacity in the foreseeable future. It will be necessary to develop a proposal that would receive private investment. There is still some hope that the federal government may be interested in making an investment; time will tell on that.

MR SMYTH: When will city to the lake be released?

Mr Barr: Very soon.

MR SMYTH: How soon is soon? Is this a Ted Quinlan soon or a tomorrow?

Mr Barr: I am presenting at a Property Institute meeting at the end of this month; I will be having something to say at that point.

MR SMYTH: The Canberra Casino's budget consultation submission mentions an offer as follows:

... The Casino is willing to donate land to allow improvements to the existing National Convention Centre ... A short term solution would be to extend the existing convention centre and design the extension to cater for current demands.

Is the government entertaining that concept of extending the existing convention centre, and have they made an offer to the casino for that land?

Mr Barr: We certainly are entertaining that as an option in the short to medium term. We will need to undertake some further work and analyse those proposals a little further. We would want to see exactly how much an expansion could add to the capacity of the existing centre. Ultimately, we will need to make a judgement call as to what is a realistic time frame—even if land is reserved and made available for a larger new convention facility, whether that will actually attract investment in the short term. If that is not the case—and the expectation is that, for example, that might be five to 10 years away—we will need to make a judgement call about whether some further investment in the existing centre will add valuable capacity.

I need to stress here that I do not think it is a long-term solution over more than a decade—that an extension of the existing centre is a solution beyond catering for the rest of this decade. But we will need to be realistic about what prospect there is of attracting investment in a brand-new centre and we will need to make that judgement.

MR SMYTH: By short to medium term, you are saying five to 10 years?

Mr Barr: Thereabouts, yes. If there is a serious prospect of Australia forum, as has been proposed to date, receiving co-investment from the federal government and the private sector, and if people seriously thought that could happen in the next five years, you would not make a further investment in the existing convention facility. If, after consideration when we go through this next phase of the project, the consensus view is that it is on a longer time frame, we will need to seek some advice from the federal government as to their willingness to invest. Logically, that question will be resolved post an election this year, although they may say after that election that it is not something that will be considered in the next term of the federal parliament. That would influence the government's thinking in relation to any proposals around expansion of the existing centre.

To be clear, I do not want us to hold on and hold on to the hope that there is going to be a half billion dollar new facility, and wait for a decade and not make an investment

that would increase our capacity in the short term in the existing centre.

MR SMYTH: The Chief Minister was asked a question at a Property Council luncheon where a question was put quite bluntly to her: if commonwealth funding was not forthcoming, what would happen? She said, “We would have to then consider that.” What are the triggers where you would then consider other mechanisms for this?

Mr Barr: I am not particularly optimistic about commonwealth funding. The work and the questions that I have been asking through this process have been largely around what parcel of development rights would be necessary in order to, as part of an overall project, require a developer to deliver a public asset—namely, a convention centre. If you look at the scale of such an investment, you would need fairly significant development rights. But the city to the lake project opens up a significant amount of development opportunity in a unique location.

That is the work of this particular group. It has a wide variety of property industry professionals who are providing advice to government on the economics of such a proposal. Clearly, there are other projects within the city to the lake study area that need relevant consideration as well, such as a CBD stadium and a new swimming pool. There are significant development opportunities along Constitution Avenue, in west basin and in and around the Parkes Way Commonwealth park precinct. All of those issues are being considered, and we will obviously have further discussions with industry in the months ahead.

MR SMYTH: You mentioned the stadium. Are there competing priorities here? Which is the government’s number one objective—a new stadium or a new convention centre?

Mr Barr: I do not necessarily think you have to rank them against each other. In fact, I think that, as part of a combined development, there may well be advantages in proceeding with both as part of an integrated development. A little will depend on the particular design elements and the perceived use of the respective facilities, in that new stadia that have been built around the world now have utilisation for more than just major sporting events. Some of the presentations to government to date have involved discussions of facilities with movable walls and the like that can also be music venues, that can host major conferences and events in and of themselves, that have corporate tenants and hotels built in that have suites that convert to corporate suites for major event days. There are examples around the world of these sorts of integrated developments. Again, if we are innovative in our approach here, we may well be able to parcel up a series of commercial development rights that would be of such value that they would generate the private investment not only in those commercial rights but also in the public infrastructure that is a stadium.

MR SMYTH: So the stadium would be funded how?

Mr Barr: Through private investment.

MR SMYTH: So it will not be budget funded?

Mr Barr: No. We do not have the capacity to budget fund wholly a \$300 million new stadium, a \$500 million convention centre and a new swimming complex. The most likely of those three to have a larger share of budget funding would be the swimming complex, as that would be at a scale well below what you would anticipate attracting private sector interest and investment. The government's budget funding role will be largely around public realm and the public works associated with freeing up parcels of land for development.

MR SMYTH: Thank you.

THE CHAIR: In future directions—this may be for Mr Hill—it talks about maximising tourism opportunities associated with some of our national sporting teams. Is that something that has a budgeted amount or is that something that is more a coordination role with those teams? And further to that, given the success of Cavalry, will they be included in those lists of national sporting teams from now on?

Mr Hill: It is probably more a function of effort rather than money, to be honest. It is about how, from our point of view, we can coordinate marketing outcomes with the Raiders, the Brumbies, GWS and Cavalry. The centenary has been a great year to bring some of that together. A good example would be the centenary sporting round. This weekend the Brumbies are playing in a centenary jumper, which is an initiative where our colleagues at sport and rec and tourism have come together with the centenary team and are putting a small amount of money into this program. We are looking for more ways where we can get great value and, from our point of view, visitation but also get some brand messaging out through some of our sporting activities.

The ODI cricket would be another example where we were able to provide high-definition footage and talking points to the media there. Michael Slater talked at length about the great opportunity Canberra has with the lights of Canberra. So we were able to influence the broadcast that went out. My understanding is that the afternoon session of the ODI was viewed by 1.5 million Australians. I think it was about 1.2 million in the morning. That sort of content provision is really important from our point of view—which is effort more than money.

THE CHAIR: With the Lions tour coming to Canberra, are we expecting a significant influx of overseas tourists for that game?

Mr Hill: We are. The advice that we have had from Tourism Australia is that about 30,000 British Lions supporters follow them around the globe.

THE CHAIR: They are not all going to Canberra, though, are they? They cannot all fit in the stadium.

Mr Hill: They have got a following that is almost second to none. It is a bit like the Barmy Army with cricket. They are a passionate group of supporters. They are high-spending supporters. I think the two test matches have already been sold out interstate, which provides a great opportunity for us here around coming to watch them play the Brumbies. And it is at a time in July where I think we will be looking for that. We are working with Tourism Australia on that front, but also with the Brumbies themselves,

trying to leverage that opportunity as best we possibly can. I think it is a good one.

THE CHAIR: So we are not getting any early indications in terms of either ticket sales or demand?

Mr Hill: I could not tell you off the top of my head what the ticket sales are, but we would certainly be anticipating a very good crowd, if it is not sold out, for that type of game.

THE CHAIR: Great.

MS PORTER: And we are expecting them all to come back and visit the following year because they will be so impressed. We just need a few kangaroos to go hopping across.

Mr Barr: Royal Canberra delivered that for us.

MS PORTER: That is right. We need a few more of those.

THE CHAIR: We are coming to the end of the time for tourism. Are there any last questions before we move to Exhibition Park?

DR BOURKE: Page 15 talks about the winter campaign. Could you expand on what you are going to be doing there—the rationale, who the market is, what the objectives are and how you are going to evaluate it?

Mr Hill: Winter is a particularly challenging time in driving visitation to Canberra, and I do not think this year will be any different to the last 20 or 30. We ran a “Wrapt in winter” campaign last year and the year before. This year we are going to do some dedicated activity, but it is going to be more aligned with the centenary. We are conscious of getting consistent messages out around centenary program activity.

Earlier I touched on the fact that there is a \$500,000 investment going in through the special events fund for the *Turner from the Tate* exhibition, which is being run over the winter period, which will be great for visitation and great for the local community. Things like the British Lions game will be on, which is a one-off; we will try and leverage around that.

There is a centenary tactical campaign that Australian Capital Tourism have been running in very close consultation with Robyn Archer and the team over at the centenary. That started with a burst of activity last September, and there was another burst of activity in the media, in regional and Sydney media in particular, in January-February. We are going to be doing a third burst around that winter period. We want to make sure there is some consistent messaging, so it will not be called a “Wrapt in winter” campaign; there will be dedicated marketing activity in market, particularly in regional New South Wales and Sydney, around the key highlights of centenary programming, including *Turner from the Tate*.

THE CHAIR: I think we will leave tourism there. We have allocated about 10 minutes for Exhibition Park. So we need officials from Exhibition Park to come

forward. Thank you, Mr Hill. Welcome, Ms Clarke. Before we get into it, was there anything in particular you wanted to highlight in relation to Exhibition Park before we have some questions?

Mr Barr: No, we are right.

Ms Clarke: No, thank you.

THE CHAIR: I will throw it open to members for questions, whoever is keenest. We have got 10 minutes. Mr Smyth.

MR SMYTH: The strategic management plan and the land use master plan—where are they and when will we see more detailed documents?

Ms Clarke: In relation to the strategic master plan that we have been working on, the board, as you would be aware, had engaged a consultant to help us work on this. We are at the stage of having a final draft. It has been a bit longer than what we had anticipated, but obviously there have been some additional plans that we need to look at. So we are at the stage where we have started some consultation with some of our key stakeholders, including Dogs ACT, to look at possible relocation from their location at the moment. But we are not at the stage of finalising the whole-of-site plan at this stage.

MR SMYTH: Why has it taken longer than expected?

Ms Clarke: It is quite a diverse area of land. We have got over 70 hectares so we certainly need to be aware of what is occurring around our boundary. We have got a very ageing facility. We need to ascertain what areas we need to look at more than just upgrading, putting in new buildings. So we are just ensuring that we have a comprehensive plan so that we can move forward. However, we have not been sitting on just doing that; we have been looking at alternate revenue streams such as the subleasing of our backblock areas for the medium term, up to five years. That has been ongoing. And it has been quite helpful for us with the revenues.

MR SMYTH: Page 2 of the statement of intent talks about the identification and implementation of investment and commercial opportunities. What work has been done on that and what results can we see?

Ms Clarke: I am sorry, Mr Smyth, could you repeat that?

MR SMYTH: Page 2 of your statement of intent for 2012-13 talks about identification and implementation of investment and commercial opportunities at EPIC. What commercial investment opportunities have we discovered in the year?

Ms Clarke: If we went ahead with relocating the dog rings, obviously that area would attract a high commercial interest. We are aware that, with the service station and our fast food outlet, McDonald's, it is certainly a prime location. There has been a great turnover for the service station as well as the fast food. So extending that commercial zone, as we identified in the rejuvenation program, is a strong possibility for us. But we are also looking at areas such as the subleasing of the backblocks really.

MR SMYTH: Beyond extending the commercial zone, we have not come up with anything more concrete?

Ms Clarke: I think that is fairly comprehensive, though, on where we are going and the areas that we are looking at. We have got key stakeholders that we need to be consulting with before we can do any major works, and certainly the finalisation of the plan will assist us in doing that. But as well, we have been looking at the different types of events that we can be bringing to Canberra and to the venue. We have also been working to try to bring in an event over July. As Mr Hill previously said, it is a time when we need to try to attract more interest for Canberra, and Exhibition Park is working towards that.

MR SMYTH: You talk of events or new events. One of your biggest events every year is the National Folk Festival, which I understand is basically at capacity. They had serious concerns at last year's event about the cost of new government legislation. What has been done to assist the folk festival to maintain and grow their event and take some of the burden of red tape off them?

Ms Clarke: The corporation have provided a lot of assistance, working with WorkSafe and the folk festival to streamline a lot of those processes. Some of those issues that the folk festival had last year were just introducing new processes to meet legislation, for example, dangerous substances. We have to ensure that any additional dangerous substance quantities that are brought onto the venue are all notifiable and we need to inform WorkSafe of the placard quantities that the venue will have in case there is an emergency. So we have worked very closely with the folk festival on helping them get the information to their vendors to ensure that they do have the appropriate information there.

This is not just for the folk festival but across Summernats as well as the Canberra show. All our major events bring in a lot of dangerous substances. So we need to ensure that patrons coming to the venue are safe—as well as, obviously, the event organisers. We recently met with WorkSafe and they are very pleased with the processes that we have put in place.

DR BOURKE: What sorts of dangerous substances are going into the National Folk Festival?

MS PORTER: Our minds are boggling.

DR BOURKE: I am very curious about that.

Ms Clarke: Dangerous substances such as LPG. Most of the food vendors bring that in. You would think that just one bottle is not a lot, but once you are looking at about 100 vendors, it gets to a higher quantity and takes us to that placard quantity.

THE CHAIR: Just briefly on the camping and caravan site broadly, what is the occupancy like at the moment, and how many sites are there?

Ms Clarke: We have got over 100 powered sites and about 50 unpowered sites in the

main camping area. It is at capacity as of today. We have now opened our second area and we have got about half capacity of caravans there at the moment. Our caravan/camping area is very popular, because it is very low budget. And it is the only pet-friendly camping ground in the ACT. As you would be aware, there are a lot of grey nomads that bring their little puppies. They like coming to us. They like it because it is safe.

MS PORTER: And big dogs too, not just little dogs.

Ms Clarke: Yes, that is true. It is safe and the facilities are clean. But we do not compete with any of the bigger areas because we are very basic. With a lot of grey nomads, that is what they want. As to facilities, they have got everything in their caravans.

MS PORTER: Yes, there is a big market for bringing people to Canberra and letting them know where they can bring their dogs. A lot of people own dogs and want to bring them with them. It is true.

Ms Clarke: That is right. It is true. We even had camels just before Christmas.

MS PORTER: No, I had not thought about that.

MR SMYTH: And the low-cost accommodation, low-cost sort of budget accommodation—how is that progressing?

Ms Clarke: It is going well. Mr Dawes, can I—

Mr Dawes: I think I reported to a previous committee about some of the issues and frustrations that we have with the commonwealth EPBC act. We have actually been working through that with them. We are very close to having that resolution finalised—just things that come out at you at the last minute and the last hurdle. We are looking at offsetting that ratio of three to one. We have identified some land, but the commonwealth have come back and said, “No, we want it offset by a four to one ratio.” We are just going through and negotiating that at the present time.

We have actually got all of the land in place in an appropriate spot, which is virtually like for like. That is part of the negotiations that I am having with the commonwealth at the moment. If we have to find some additional space, then we have to find that. But that is where we are at at the present time. So we are just about there but they are caught up in these processes.

MR SMYTH: And the expected opening date?

Mr Dawes: Obviously, that has actually delayed it as well. I get very nervous now, I will be quite honest with you, Mr Smyth, about giving some time frames when I am dealing with the commonwealth. I have done that before and in some cases I am still waiting. So as soon as we get that sort of clearance, and we hope to be able to tidy that up over the course of the next three months, we would be able to come back to you as well, because there is a time frame then that we need to get in. And a number of those sorts of processes can happen in tandem whereby the infrastructure and the sites can

be all done as an integrated sort of approach. But I would be able to come back to you more clearly once I know we have got the tick from the commonwealth.

THE CHAIR: We might leave that there. Thank you, Ms Clarke. We will now move on to other aspects of the Economic Development portfolio. I do not know whether you need a chance for other officials to come forward.

Mr Barr: We are right.

THE CHAIR: We might move straight to questions then. On page 194 of the annual report it highlights one instance of potential fraud which was identified in the financial year. It says that the investigation was ongoing at the end of the reporting year. Could we have an update? Has that investigation been completed?

Mr Dawes: I might have to ask Anita Hargreaves to provide that update.

Ms Hargreaves: Yes, it has been finalised.

THE CHAIR: When was that finalised?

Ms Hargreaves: That was finalised just before Christmas, and the individual concerned has been counselled.

THE CHAIR: And what was the nature of the alleged fraud?

Ms Hargreaves: It was leave fraud.

MS PORTER: Sorry?

Ms Hargreaves: Leave fraud. What happens is that every now and again we actually do some random checks on whether or not people are submitting their time sheets correctly or whether or not they are submitting their annual leave forms correctly, and it had been identified that this particular individual had not submitted the correct forms. As a result of discussions with this individual and with their supervisor and the branch head, we have now rectified that, and all paperwork has been submitted.

THE CHAIR: Ms Porter.

MS PORTER: Minister, on page 10 the report highlights the launch of “growth, diversification and jobs: a business development strategy for the ACT”. Can you take us through the key initiatives for this area, please?

Mr Barr: There are three strategic imperatives out of the business development strategy: creating the right business environment, supporting business investment, and accelerating business innovation. Against those three key strategic goals are 26 initiatives. I will not go through all 26, but to give you—

MS PORTER: No, I do not think we have time to do that, minister. Perhaps a little overview.

Mr Barr: To give you a sense, the right business environment initiatives included payroll tax threshold increases, red tape reduction, small business procurement changes, social media campaigns, the Canberra BusinessPoint program, the Lighthouse innovation and commercialisation centre and a number of business development support portals being redesigned.

The business investment stream has been around investment facilitation and the Canberra branding project. With business innovation, there has been support through the innovation connect program suite, which includes amongst its subprograms clean technology grants. We have the my digital city innovation prize, business incubation work, the collabIT program, the global connect initiatives, part of which I launched this morning with the ACT Exporters Network, the centre for exporting government solutions project. We also in these areas support organisations like ScreenACT, the ACT screen investment fund, the Canberra business development fund, the ANU Connect Ventures discovery translation fund and, of course, NICTA. So that is the broad suite of programs and projects that are supported through the business development strategy. Undoubtedly, in the next hour or so, we will explore those in a little more detail.

MS PORTER: With regard to NICTA, there has been a considerable contribution for NICTA. Has the government committed any new funding for this program? It is mentioned on page 124.

Mr Barr: Yes, we did through the last budget round. It was a key initiative of the business development strategy. Mr Cox might talk a little about that partnership with NICTA and what we are getting for our investment.

Mr Cox: Would you like me to talk through the funding elements of the—

MS PORTER: Just what we are going to be committing with the new funding.

Mr Cox: The ACT government's history with NICTA is now a 10-year commitment. The organisation commenced in 2003. We have been through two five-year funding phases with NICTA. We have just entered into another, which is a \$12 million commitment over the next five years. Prior to that the government has contributed, in cash and kind and other forms of support, \$26 million. What that has leveraged in direct commonwealth expenditure through the program is around \$90 million direct expenditure. On top of that there are significant multipliers that result from NICTA's activities through the community.

NICTA, of course, is a nationally focused organisation, a research excellence organisation. It has significant laboratory nodes in Sydney, Melbourne and Canberra. Some work that was done by Deloitte to measure the long-term value of NICTA came up with a figure of around \$3 billion worth of productivity benefit, project benefit per annum, that is now coming out of the NICTA project suite across that broad federated laboratory structure.

In terms of the ACT government, we have changed the nature of our funding relationship with NICTA over the forward funding arrangement, so it is much more locally project linked. In the past the nature of the funding was around payroll tax

waiver support, effectively untied grants. We then managed that relationship; we trusted NICTA, as a national association focused on research, to actually pursue its own objectives.

What has changed and what the other states and territories or other funding members have done also is try to skew some of that activity more locally with their funding deeds. So over the next term, for example, there are three major thematics around our support for NICTA going forward. One is NICTA's support for the e-health living lab, which is a physical facility being set up in the Bruce innovation precinct around the University of Canberra and the hospital precinct.

There is significant work being done around transport logistics reform with an environmental carbon emission saving angle. One of the most significant activities of NICTA locally is the establishment of the e-government cluster, which has now been running for a couple of years. Part of our funding arrangement with NICTA going forward is to give, if you like, more energy and life to the work of the e-government cluster.

The cluster is a group of multinationals, SMEs locally in ICT, that interact through NICTA and commonwealth agencies to identify forward problems and solutions in ICT and government. The objective is to try and bring together research smarts, SME smarts and multinational smarts to apply to those issues going forward.

DR BOURKE: Perhaps I could return to my question about the Chief Minister's export awards now.

Mr Barr: Yes, you certainly can.

DR BOURKE: On page 131 there is a reference to these awards. Who are the 2012 winners, please, minister?

Mr Barr: There were 10 categories. In no particular order: Bearcage, the arts and entertainment award; the Inland Trading Company the agribusiness award; Locata Corporation, the emerging exporter award; XP Solutions, the ICT award; Seeing Machines, the small to medium services award; small to medium manufacturing was Datapod; large services, Aspen Medical; minerals and energy, Digitalcore Pty Ltd; small business, Recruitment Systems; and the micro business award went to Dougs Word Clocks.

DR BOURKE: Thank you, minister. Moving to page 125 and the key achievements against performance measures, talking about the high resolution plant phenomics centre, could you tell us a little more about this, please?

Mr Barr: Mr Cox will.

Mr Cox: The phenomics centre came out of about a 2005—

DR BOURKE: Perhaps you could start by telling us what plant phenomics are?

Mr Cox: Plant phenomics is using technology ICT to model the behaviour of plants;

in particular, to focus on the phenome and the genome to try and understand how, for example, they react to different environments—with an arid environment, changes in water; changes in propagation technique.

The value of a phenomics approach like this is that, instead of doing long field-based trials or glasshouse-based trials which may take a year or two years to generate results, a lot of this can be modelled in very quick time through ICT. It allows a much deeper understanding of genetics around plants and how to improve plant breeding. But it allows much greater productivity in how that work is actually done.

With the phenomics centre, the ACT government contributed around \$1.1 million to that centre. That was done in about 2008, I believe. It followed on from what was a federal government process called the national collaborative research infrastructure project, which was a process to spend the next great swathe of research funding. The total funds at play were about \$5 billion. A process was put in place to systematically look at how that research funding would be applied at a national level, including looking at where capability nodes were best placed. Out of that process came a set of decisions to build phenomics research capability in Canberra and Adelaide. The logic of Canberra is CSIRO and ANU have a plant industry technology cluster. Phenomics is an addition to that.

What the \$1 million was associated with then was either—I could be wrong—a \$20 million or \$40 million contribution from the commonwealth. So the \$1 million locally, I think, was matched with a \$19 million contribution from the commonwealth government to establish the plant phenomics centre in Canberra. It has a matching node in Adelaide.

With respect to how we have actually used our leverage, we have leveraged our activities around the million dollars for outreach programs, for visiting professorial programs, for a university hotel program. So it is very much an engagement process around building recognition of the phenomics capability in the ACT.

DR BOURKE: Could you talk a little more about what the return on our investment is? In other words, what is in it for us?

Mr Cox: What is in it for us is, first of all, the direct \$19 million that the commonwealth has actually applied. It is building a unique set of local capabilities that is attracting researchers and PhDs. It is generating its own set of direct economic spends. It is building reputation for the ACT in this particular research field. A lot of the theory around innovation policy is around regions establishing particular clusters of expertise. This particular cluster of expertise matches very neatly with what CSIRO and ANU are doing around the plant industry and plant capability.

MR SMYTH: On page 192 and 193 there is a section on internal audit and the internal audit committee. I notice that only two of the members are full time and the rest have only served for part-year or are observers for part-year. Is there a reason for that?

Ms Hargreaves: Just by going through the table, I can identify that a couple of people had left—not left the organisation but had either joined the organisation or had left the

organisation. So that would mean you have got part-year observers. If you have a look down the table, you have got some observers there and a lot of them have since left the organisation, like Rowena Barrell and Tony Charge. Louise Gilding joined the organisation, left the organisation and then came back again. And we are very happy about that.

MR SMYTH: But with the members, why have only two been there for the full year and the other four part-year? Is that just the normal turnover?

Ms Hudson: We were creating a committee, so we had some overlap. John Thwaite stayed as the independent chair. Ian Hubbard was a member for the previous year as well as for this year.

MR SMYTH: So it was transition?

Ms Hudson: It was a transition issue.

MR SMYTH: There were two internal audits done during the year on Stromlo forest park and Territory Venues and Events. What were the outcomes of those audits?

Ms Hargreaves: In relation to Territory Venues and Events, we are implementing the suggested recommendations, and it is ongoing. There were, I think, four recommendations, and we have been implementing those recommendations.

MR SMYTH: Can the committee have copies of those recommendations from each of the reports?

Ms Hargreaves: Absolutely. We can give you copies.

MR SMYTH: Minister, on page 110, under the statement of performance, the total cost has gone up 10 per cent year on year, whereas government payments for outputs have gone down three per cent. The total cost is attributed to employee expenses associated with the restructure of the directorate. What were those that saw a 10 per cent blowout? Is that just the movement in and movement out?

Ms Hudson: Essentially what happens when you restructure is that you consult on a new structure, with unions and with staff, and then you set up a new structure. What happens, though, in terms of filling those positions is that you have potentially excess or excess officers. When they are potentially excess—we had a considerable number of people in that category in that financial year—you are still paying their salaries until they are redeployed somewhere else. So I suppose there are additional costs in that period of time.

MR SMYTH: \$900,000?

Ms Hudson: I have got it here.

MR SMYTH: If you go to the chart on page 150, your staff numbers actually went up. The head count went from 217 to 225. How many staff are actually involved in that? And if the total number of staff actually increased, why were people made

redundant or moved on?

Ms Hudson: The staffing structure, in terms of positions, was 260, and we moved down to 220 as part of the restructuring.

MR SMYTH: But that was done in 2010-11.

Ms Hudson: Some of it still carried over. Altogether, 44 staff were identified as potentially excess. Then you go through these processes and they take longer than you expect. In terms of setting up our processes, for example, if the unions or staff ask for a longer time for consulting, we consult for longer before we say, "This is the structure." Then we go through advertising. When you want to go through advertising, and you want to do this well, you usually start with the section head or a leader so that they can do the processes underneath. So you cannot necessarily do it all at once.

If you reflect back on that time, it was not until September, I think, that the head of service agreed to the executive structure. So there is the timing and the effect of going through the organisation. I know you are thinking about the extra part of the financial part, because you asked about the \$900,000 and the number of people. I thought he was calculating how many that would be. Dermot can probably identify that.

MR SMYTH: You divide one by the other. It is very easy.

Mr Walsh: Cathy has touched on some of the transitional costs in terms of the restructure of the directorate. There are some other elements of employee costs in there that are across the directorate—for example, the changes in the loading and discounting in long service leave provisions. Across the directorate, that costs close to half a million extra. Also, with movements of staff we had staff coming in with accrued employee entitlements, which was a \$1 million additional cost across the directorate that we did not have funding to offset. So within that it is not just FTE as part of the restructure; there are other costs within that \$900,000. I do not have the details of that breakdown.

MR SMYTH: Can you provide a reconciliation?

Mr Walsh: Yes, we can.

MR SMYTH: Thanks for that. On page 10, minister, it talks about the NBN and says that EDD has given it a lot of assistance. How have you assisted with the logistics and what advice did it give?

Mr Barr: Principally through the digital hub in Gungahlin; we have played a role there. In terms of the detail of engagement with NBN Co, a number of executive members attended, with the Canberra Business Council, an NBN event in Armidale—is that correct? Yes. I am happy if someone would like to expand on that.

Ms Hudson: I can expand on the Armidale part. I suppose what we are really doing in terms of assistance is very much working in partnership with the commonwealth government and NBN and local groups about how to maximise our potential in this space with the benefits of NBN. In terms of going to Armidale, I suppose we were

looking at the things that they had done over the last year with their universities and also in terms of economic development locally, in terms of the government being more accessible to citizens through NBN-enabled services. So assistance was, I suppose, first of all helping to get 1.3 million into the territory from the commonwealth—that was part of how we have assisted in this space—and then there was a lot of making the connections for people who would be good, lubricating that network of people who really want to engage in this space. Through that engagement, our focus has been a lot on economic opportunities.

MR SMYTH: So you went to Armidale to learn?

Ms Hudson: We did.

MR SMYTH: It must be the advantage of having a local member who is critical to a federal government, I guess. It mentions in this paragraph that work will commence in nearly all remaining suburbs of Canberra within three years. Which suburbs will not get it within three years?

Ms Hudson: Sorry, I did not hear the question.

MR SMYTH: It says that work will commence in nearly all of the remaining suburbs of Canberra within three years. Which suburbs are not on that list?

Mr Barr: You would need to look at the NBN Co rollout plan; we do not have any role in that. My understanding is that—

MR SMYTH: You mention it here in your report.

Mr Barr: Yes, but it is their rollout. They update that regularly. My understanding is that the CBD is the next area after Gungahlin, and then there will be the balance of the ACT over the next three years. We can give you the web link if you want to go and have a look at the rollout.

MR SMYTH: It is just a curious line to have there in your report. It would indicate that you knew which suburbs were not receiving it. If you do not know, I will get on the web. I am happy to keep going unless there are other questions.

THE CHAIR: I will move on to some questions. On page 150, the triple bottom line report, there are obviously some big numbers there—primarily because of transition, I think, if I read that correctly in terms of the footnotes. Obviously the big increase in employee expenditure is because you were talking about a small period of the last financial year versus—

Mr Barr: Six weeks versus 52 weeks, yes.

THE CHAIR: It does not necessarily explain some of the others, which are the ones I want to explore. The total liabilities have gone up 116 per cent. That would not be fully explained, I would think, by the shorter period. Is there a particular reason for the liabilities going up that much?

Mr Dawes: Dermot Walsh, the chief finance officer, will address that.

Mr Walsh: I might have to take that one on notice, please.

THE CHAIR: Thank you. Moving down the page, we have got energy use. This is office energy use per FTE—up 187 per cent. And, particularly, office energy use per square metre is up 62 per cent. It refers us to another page which does not seem to elicit that much additional information, page 294. The only mention of some of these is where it says:

Total stationary energy greenhouse gas emissions are calculated as net emissions
...

I am not sure that that adds a whole lot. I would not mind someone explaining why there is the large increase in energy use per FTE and per square metre; then we will get to the greenhouse emissions as well.

Ms Hargreaves: No problem. We get our energy information from the ACT Property Group. When we were in place in 2010-11, we had fewer sites. In 2011-12 we have got far more sites where we have got that information. That would be the main driver for having an increase in our energy use.

THE CHAIR: But this is per square metre. If there are more sites, presumably the per square metre figure should be roughly the same, all things being equal.

Ms Hargreaves: It should, but it also includes sportsgrounds. With the electricity usage of the sportsgrounds, that would be quite significant. Maybe we should not have included the sportsgrounds, and that would have been a bit more meaningful.

THE CHAIR: So with the 62 per cent increase in office energy use per square metre, office energy use includes sportsgrounds?

Ms Hargreaves: Sorry, are you looking at L3?

THE CHAIR: Sorry, about halfway down the indicator: energy use—office energy use per square metre.

Ms Hargreaves: I am looking at 290, which gives a bit more information on the stationary energy. It goes line by line in terms of how we tackle it.

THE CHAIR: What page are we at there now?

Ms Hargreaves: Page 290. If you go to the middle of the page, there is a section which talks about stationary energy.

THE CHAIR: Yes.

Ms Hargreaves: When we are looking at stationary energy from an office perspective, we are actually looking at tenant lighting and power. We cannot actually calculate heating or cooling. When I say that we cannot calculate it—that is not

actually given to us, because we are tenants. When you are looking at the total, we are looking at not just office but including the sportsgrounds as well.

THE CHAIR: So that is total energy use at L7, which has it going up.

Ms Hargreaves: Yes.

THE CHAIR: When we go back to page 150, it refers to total office energy use or office energy use per FTE per square metre. Is that office energy use including sportsgrounds? If it is not including sportsgrounds, what accounts for the large—

Ms Hargreaves: We have actually got a comprehensive list that I would be happy to provide as to how we came to that calculation, from the ACT Property Group.

THE CHAIR: That would be very useful. Likewise, with the greenhouse emissions, and we might have to flick between a couple of pages here as well, from page 150 they have gone up 296 per cent per FTE. And again total office greenhouse emissions per square metre, which again presumably do not include sportsgrounds, have gone up 140 per cent. Is there an explanation for that?

Ms Hargreaves: I cannot give you that right now. I would be happy to take that on notice.

THE CHAIR: So there is not another part of the annual report which we have missed that might explain that?

Ms Hargreaves: No. When I am looking at the stationary energy, I can explain to you about the renewable energy use and how that is calculated. But to give you a thorough and comprehensive answer, I would like to take that on notice.

THE CHAIR: All right. Obviously, it would be useful because the government has said very clearly that it is going to have, I think, zero net emissions in just a few years time; and if you are going up at 140 per cent, that is pretty unlikely, I would suspect. But we will wait for those answers to questions on notice. Ms Porter, do you have questions?

MS PORTER: Yes. Minister, on page 127 it talks about the ACT government funded business advisory and mentoring service. Could you talk more about that, please?

Mr Barr: Sure. The business point program in the annual report period delivered 65 workshop and master class events attended by 1,107 participants, 852 one-on-one client sessions with business advisers were held, and there were 14 networking events with 620 attendees. It is a program that has had strong engagement with business in the territory. Mr Cox might want to talk a little about what is happening in the current financial year.

Mr Cox: The program is actually increasing quite strongly.

MS PORTER: Increasing?

Mr Cox: The throughput of the program, the one-to-ones and the workshops, in particular, are increasing quite strongly. The history of Canberra business point spans a couple of providers. The first iteration was delivered by Deloitte. There was a review done. There was a second process done after that review. Canberra Business Council and Lighthouse Innovation Centre emerged as the co-deliverers of the program.

What we saw around some of the, I guess, perceived weaknesses in version one of the program were around its placement within the community and outreach. In particular, in terms of service, what we achieved through the review process was a desire to reconnect more of the services to one-to-one offerings. So in the last 18 months or so that both Lighthouse and Canberra Business Council have been delivering the service on behalf of government, there has been a greater emphasis placed on face-to-face mentoring and workshops. We have seen the numbers actually grow quite strongly in terms of one-to-one support.

What the SME community say, what intenders say, what micro businesses say is that not only do they want a good way of accessing information online but they also want a conversation. So what we have tried to do is reorient the program around both first-class provision of content online but also have very strong and direct channels to talk to someone. And that has been, I guess, one of the interesting learnings and one of the deliverables in the last phase of the program.

MS PORTER: When will you be reviewing that new way of doing it?

Mr Cox: The delivery contract, I think, was for three years. So the contract with Canberra Business Council and lighthouse as co-deliverers expires, I think, in June 2014. There will be a review done before that point. But the program also has a monthly advisory committee process. I and members of my staff also work with the two deliverers and we try to develop a process of continuous improvement and bring issues to the advisory group so that we can look for continuous improvement ways of actually delivering the program.

The other interesting dimension to where we are now is that Canberra Business Council were successful in working with the ACT government in securing the digital enterprise centre funding through the department of broadband. So we now have Canberra business point and an alliance service focused on e-business and NBN use sitting within the same environment. Some of these moves are coming together and bits of capability are coalescing around the service, which is actually quite a strong development.

MS PORTER: One of the things that businesses complain about over time—and I know, minister, you have taken this very seriously and you have been doing a lot in this area—is red tape. The panel which you have instituted and which is talked about at page 13, I think, is a way of assisting all businesses in the ACT. Particularly small businesses and micro businesses must appreciate that?

Mr Barr: Yes, indeed. The red tape reduction task force includes representatives from Canberra Business Council, the chamber of commerce and the Council of Small Business Organisations, as well as government representatives from the Office of

Regulatory Services, the Economic Development Directorate and me as chair. The work to date has focused on consultation being run by each of the business organisations with their membership and key industry sectors, as well as consultations run and forums run internally within the Office of Regulatory Services asking their own staff about processes that could be improved in the way ORS does business.

Initially the establishment of the fix my red tape website was an important opportunity for a 24/7 reporting mechanism for unnecessary red tape to be reported to government. We have also focused work on licensing. There are about 20 areas where ORS undertakes licensing. In recent times, the trend has been to move to multiple-year licence periods. For example, in the security industry, you can now get up to three-yearly licences. In some other areas, we are still on an annual program.

So the recommendations out of the panel have been to, where it is at all possible, move away from annual to multi-year licensing and to have a risk-based system so that organisations and businesses that have no regulatory issues and have had no issues with licence renewal over an extended period would, in fact, be able to be the beneficiary of much longer licence-renewal terms. So that will not only reduce paperwork and red tape for business but also streamline government effort in terms of regulation.

We have, through procurement and government contracting and reporting requirements, sought to work with the community sector as well. I have been able to announce the extension of the red tape reduction work into the community sector. We now have a community sector panel that is working with government. One of the first reforms is, for all reports under all ACT government contracts within the Community Services Directorate, that community organisations are required to now only report annually, not every six months. And I have asked for and received the support of my cabinet colleagues for that to be extended beyond the Community Services Directorate into all areas of ACT government reporting.

We are also seeking to align our reporting requirements as much as possible with the new ACNC, the national charities and not-for-profit commission, in order to ensure that as much as possible, recognising there are certain federal government reporting requirements that will not be necessary for the ACT, we have a streamlining, a once-a-year reporting requirement only. We will look at other areas of red tape reduction in other parts of government.

Another example that a decision has been taken on is to abolish motor vehicle registration stickers and no longer require businesses to go through those processes. I am advised about 80 per cent of visits to Canberra Connect shopfronts relate to motor vehicle registration requirements. The more of that that can be streamlined, moved online and go through a more automatic renewal process, the less red tape there will be for business.

So it is a systematic approach. We recognise the need for tangible outcomes in the short term, and we believe we have delivered on a number of those. But it is my expectation that there will be an annual, possibly twice annual, red tape reduction bill that the Assembly will consider in much the way it considers slab legislation in JACS and in planning and that I will bring forward annually or possibly twice a year, in the

autumn and spring sessions, bills that seek to further reduce red tape.

We have a particular desire around government administration as well and through our new banking contract with Westpac to streamline various other areas of ACT government operation to ensure that more can occur in the digital space, be that web or app-based delivery of government service and government payment portals, for example.

MS PORTER: Thank you.

THE CHAIR: Going back to page 290 of the annual report, it makes mention that the Canberra and Region Visitors Centre became an accredited recharge point for electric vehicles under the better place network following the installation of two charge sockets on site. Firstly, how much did it cost for those two charge sockets to be installed?

Mr Dawes: I would have to take that on notice, but my understanding is that was part of the rollout of the organisation that was running better places.

THE CHAIR: And the electricity supply, presumably the CRVC, is all 100 per cent renewable?

Mr Dawes: I would have to take that on notice, but I would assume that would be the case. But let me take that on notice.

THE CHAIR: Otherwise it would undermine the bit that says that it helped visitors contribute positively to environmental sustainability. How much has that been taken up? Obviously there have been problems with better place, but do we have figures on how many cars have been using that recharge facility?

Mr Dawes: Again, I would have to take that on notice, I am sorry, Mr Seselja. I can certainly come back to you on that.

THE CHAIR: Mr Smyth.

MR SMYTH: On pages 108 and 109 of the Auditor-General's financial audits 2011-12, it refers to a number of deficiencies in the way the department has looked out for fraud in financial statements and business plans. For instance, at paragraph 6.1.36, the auditor says:

Each of the Directorate's business units has developed a business plan. However, only one business plan was approved in the 2011-12 reporting period, and several business plans were incomplete.

Have they now all been completed and approved?

Ms Hargreaves: Yes, they have. They have been completed and approved. We are actually now reporting against the activities that are listed within those business plans.

Ms Hudson: And may I just say, Mr Smyth, in terms of what we also did, we refined

it, because in our minds many of them were complete, most of them were complete, but what the Auditor-General wanted and the office wanted was a sign-off at least at the division head. So we implemented a system where they are signed off by the branch head and the division head and the date is put there so that people know that.

MR SMYTH: At para 6.1.33 it says, in regard to the financial statements submitted, that corrections needed to be made to the statements. Why was that, and what action has been taken to ensure it does not happen again?

Mr Walsh: The corrections were around some of the classifications in terms of expenses and capital items. We worked with the Auditor-General's Office to resolve those prior to finalising the statements. In terms of moving forward and improving our processes to ensure it does not occur in future, we have increased some of the resourcing within my branch that project-manages the financial statement process. We are also developing a detailed project plan to ensure we understand accountabilities. There are appropriate QA processes.

The final thing we have done is we have actually implemented a budget and reporting system which provides us greater rigour around the numbers that we are collecting and gives us greater analysis capability so that we can pick up where there are anomalies or issues with the numbers. I think there are a number of strategies we have in place to address some of the concerns raised by the Auditor-General.

MR SMYTH: Para 6.1.39 says:

The Directorate's internal audit arrangements need to be improved.

Has anything been undertaken to improve the internal audit?

Ms Hargreaves: Yes, it has. We have developed a comprehensive internal audit plan, which includes a forward plan. And that has actually been taken to our senior executive committee and has been ticked off by the audit committee as well.

MR SMYTH: Paragraphs 1.40 through to 1.42 talk about independence and impartiality. How has the independence and impartiality of the reporting process been improved?

Ms Hudson: Actually, we have recently spoken to the chair and the director-general about how we do this going forward. But a number of agencies have had this recommendation, and it is particularly for smaller agencies. Sometimes it is problematic. What the Auditor-General and their office want is a direct line of reporting. But what we are going to do is a bit like having a survey officer. Anita is our servicing executive responsible for business integrity and risk. We will do the same, provide a person who essentially is what we think is like a dotted line to the director-general to be able to report on internal audit matters that they consider need to be directly reported to the DG. So that is what we are doing.

MR SMYTH: Para 1.43 talks about control of the use and acquittal of credit cards. In the fraud section on page 194 we had the one case about leave. Has there been, as she refers to, irregular, erroneous or fraudulent credit card use?

Ms Hargreaves: No, there has not.

MR SMYTH: How do we know that?

Ms Hargreaves: We do regular reconciliations of our credit cards. Dermot, would you like to—

Mr Walsh: Sure. There are other controls that we have been responding to in regard to the issues raised by the Auditor-General. We have put in place, through the internal audit program, a quarterly rolling audit where there is a sample of credit cards taken and reviewed, and obviously errors or issues are picked up through that process. We have also strengthened the monitoring in terms of acquittal where we review on a monthly basis and follow it up with credit cardholders. And we strengthened the processes, in terms of when we issue credit cards, so that the cardholders are made aware of their obligations in using a government credit card.

The final thing is that throughout the directorate we have rolled out some governance training which reminds officers who have credit cards what their obligations and their responsibilities are. I think there are a number of strategies there to address the concerns.

Mr Dawes: And the attendance at those particular training sessions have been compulsory. Even the D-G has attended.

Ms Hargreaves: That is correct.

MR SMYTH: Very good, Mr Dawes. Just to go back to the Canberra BusinessPoint where Ms Porter was asking questions, I have not brought it down with me, but if I remember rightly, in the mid-year performance report it talked about a more than 60 per cent decrease in the number of one-to-many advisory services. Is there a reason for that? I think there was another line where it talked about leads that came from AusIndustry that were taking up more time than expected which led to a decrease in another service being provided. Is there an explanation for those things?

Mr Cox: The first comment about the one to many, did you say a decrease?

MR SMYTH: Yes, I thought it had decreased.

Mr Cox: Our experience is that it has actually increased substantially. So I am not sure where that comment has come from.

MR SMYTH: I could be wrong. I am happy to accept that. The follow-up on the leads from AusIndustry were greater than expected and absorbing resources. Is that causing—

Mr Cox: I do not recall the substance of that comment, actually. We have an interagency group that meets on, I think, a quarterly basis. ACT government, Enterprise Connect, AusIndustry and Austrade get together and share intelligence about what is happening in the business community around the program environment.

It is a very collaborative way of working, and I am surprised that there would be a comment of that nature, to be honest.

MR SMYTH: I will put the questions on notice if the report does not magically turn up shortly. If we go to the ACT screen investment fund on page 127, three funding rounds were held in 2011-12 and four projects were approved. In what categories were they approved? Were they in the general screen production or documentaries, and how much did each one receive?

Mr Cox: Are we talking about 2011-12?

Mr Barr: Yes.

MR SMYTH: The third paragraph on page 127.

Mr Cox: I can provide a reconciliation of the projects that have received funding, bearing in mind that an application process may take up to three to six months to actually work through. To date, there have been 22 applications, 12 approvals and \$1.4 million out of the total of \$1.8 million.

In terms of mix, I can mention the projects. *Digger* is documentary, *Canberra Confidential* is a documentary feature, *New Zealand From Above* is a documentary, *Galore* is a feature, *Story of Australia* is a document. With *Our Notebook*, I am not sure what that is. It is a small spend; I assume it is a documentary. And there are another six in application or contract negotiation stage at the moment.

MR SMYTH: What return do we get from this investment?

Mr Cox: Can I preface that by saying state and territory governments do not go into these programs looking for financial returns.

MR SMYTH: I am sure they do not.

Mr Cox: There actually has been a payment from the success of one of the features.

MR SMYTH: Are we allowed to know how much?

Mr Cox: A number less than \$5,000. The revenue stream from these projects can actually go on for quite some period of time. For example, they tend to go through a first-release television stage, they go through a second-tier screening stage, and then they go into a DVD sales stage. The particular one that I referred to with the small payment has actually got a US distribution through Foxtel as well, which I think has a three to five-year set of contract arrangements. So I think the answer to the question of how much that particular film will actually generate in revenue will not be known for about three to five years.

THE CHAIR: Was Mr Quinlan on radio bagging *Canberra Confidential* today? Did I hear that?

Mr Barr: Mr Quinlan?

THE CHAIR: Mr Quinlan, yes.

MS PORTER: He was certainly talking about it. I heard him talking about it.

Mr Barr: No, I cannot listen to the radio all the time. It will drive you mad.

DR BOURKE: Minister, what is happening with support for Indigenous businesses in the ACT?

Mr Barr: There is particular focus now on a microcredit scheme. At the HomeBiz Connect event that I launched this morning, I was able to talk a little about the initial focus on microcredit grants for women. But the focus of the program shifts to an Indigenous focus in the coming fiscal years. There is support through all of the existing business programs as well as some targeted initiatives that are Indigenous-specific.

Ms Hudson: Also EDD has supported an Aboriginal and Torres Strait Islander economic business development roundtable that was held in November. David Dawes and I have met with Morris Walker, and we are keen to work on the outcomes that come out of that workshop. We have another meeting with him in the next week or two. We are working with the elected body and in line with what the business development strategy said that we would do.

DR BOURKE: How will you evaluate the success of that support?

Ms Hudson: The minister mentioned targeted microcredit programs. There is evaluation that would come through that. In terms of looking at what can we do going forward, I think the important thing is to work in partnership and to see what Aboriginal and Torres Strait Islander people want the ACT government to do to assist them. I think it is more important to put our focus on that than on the evaluation afterwards and to make sure that we are open to listening to opportunities and creating the links across all the broad spectrum of programs that are offered.

Mr Dawes: Just as a follow-up, with our last meeting with Mr Walker, there was some discussion around what we might be able to do to assist them in tourism and ecotourism as well. At our meeting next week we will be looking at further discussing how we might be able to work collaboratively around some of those initiatives. That conversation will occur in the next week or so when we meet with them. It was schedule for last week, but I was here at estimates, so we had to move the meeting back a couple of weeks.

Ms Hudson: On that matter, Mr Walker did mention the importance of traditional owners being able to show their country to tourists. We are looking at how we can do that. Ian Hill, Shane O'Leary and Neale Guthrie are coming along to that meeting as well. We are making sure that engagement happens at the senior levels across the directorate.

DR BOURKE: Are any linkages with Indigenous Business Australia proposed?

Ms Hudson: There have been some conversations. We are happy to progress that. But the key part in the strategy is that we will work with the elected body around those opportunities. One of them they are keen for us to work in with, and we are, too—it links in with sport and recommendation—is around Boomanulla oval and how much that can be developed as an economic precinct as well as a sporting precinct.

MR SMYTH: My Economic Development Directorate statement of performance, 1 July to 31 December 2012, has magically appeared. To go back to that question, under (a) on page C there is a reference to “Canberra BusinessPoint one-to-many advisory service”. For the half-year there were meant to be 275. Actuals are 93, minus 66 per cent. It says:

Workshop and master classes have not been fully subscribed. Review of marketing efforts and reinvigorated workshop and master classes will be developed.

Is there a reason why they have been under-subscribed?

Mr Cox: Could you give me the page reference? I missed it.

MR SMYTH: No, it is in your half-year update.

Mr Barr: The one just published.

MR SMYTH: The one just published, yes.

Mr Barr: For 2012-13?

MR SMYTH: Yes.

Mr Barr: So we are not talking about the annual report; we are talking about something else?

MR SMYTH: These programs are listed in the report.

Mr Barr: Sure, but they are all looking through their annual report and trying to find the page number.

MR SMYTH: I said it was not in the annual report. It is in the half-year update.

Mr Barr: Half-yearly update. Okay.

Mr Cox: It is not something I am familiar with. As I said, our experience of the program, one-to-many, is that it has been increasing.

Mr Barr: We will take the question on notice.

MR SMYTH: All right. In (c), under “investment facilitation”, it says that with key company program client connections for the half-year there was a target of 15 but only three occurred. It says that key company program delivery was delayed due to

priority given to addressing Austrade leads. In the next line, with Austrade leads, three were expected and you got six, so a greater than anticipated number of Austrade investment leads. What is the trade-off there between a key company program client connection and Australian foreign investment leads, and are they roughly equatable one to the other?

Mr Dawes: We might bring to the table Chris Horsburgh, who is in charge of InvestACT, to explain some of that.

MR SMYTH: Bring whoever you want, Mr Dawes. I am surprised you do not have this information.

Mr Dawes: InvestACT is actually going quite strongly. There have been a number of meetings that have taken place.

Mr Horsburgh: Both Austrade and the ACT government are implementing new processes around investment facilitation. In relation to the performance around leads and key company programs, Austrade in the past have serviced leads around investment quite directly themselves. Over the course of the last year they have been referring those leads in a much stronger way to states and territories to service. So we have seen a strong increase in the pipeline of leads being referred to the ACT government for servicing. That is the reason that the number of leads has increased and that was not foreseen in previous planning because of that change in the model.

MR SMYTH: But is the work in helping our key company program client connection a quarter of what it takes to service a lead from Austrade?

Mr Horsburgh: Servicing leads is quite a complex activity. It requires a great deal of preparatory work to be done in order to understand the value proposition for the ACT in relation to the business that the investor is seeking to undertake. The other factor in regard to the rollout of the program is that, as a new program, some elements are scheduled to occur early, and certainly the focus has been on servicing leads because they directly result in economic outcomes for the ACT. So the key company program has been delayed while those elements of the program have been worked up as a priority.

MR SMYTH: When will that be now delivered?

Mr Horsburgh: The key company program is being delivered and will increase in terms of its rollout over the remainder of the financial year.

MR SMYTH: So you have been given extra resources?

Mr Horsburgh: I am going to defer to Mr Cox on that.

Mr Cox: The program is an outreach program, so it is a way of actually engaging with the business community. What we have done over the last six or eight months since this was announced is to increase our engagement right across the business development space. The 20-odd people that work in the branch that I head up have all been more active in general outreach. We do not as yet have something nicely

bannered as a key company program, but certainly the intent of the program and the way we are operating is to increase the level of outreach to companies. That is happening across particular sectors around defence technology and ICT. We are also at the same time receiving this pipeline of interest from the Austrade route as well.

Mr Dawes: One of the other key elements of it is the fact that right across the portfolio, having tourism involved in the directorate and the Land Development Agency, we are actually looking at how we might be able to facilitate some potential investment across new hotel sites. That will assist us in reprioritising our land release program. So there is a number of benefits right across the whole of the directorate as well.

MR SMYTH: But if more leads turn up from Austrade, does the key company program get delayed even further?

Mr Cox: In the fullness of time—and the fullness of time is not that far away—we can do both quite effectively. We have been through a formative process. We have been through an internal strategy development process. We have spent a lot of time in agency and interagency to build a network of support for the way this program will work. So I think in the fullness of time, as in by the end of this financial year, we will have a much stronger set of systems to actually deliver on the objectives of the program.

Ms Hudson: We may have been a tad ambitious, but if we look on the positive side, we recruited Chris just before the beginning of the financial year. We are seeking, within this tight financial situation of staffing, to reprioritise staffing resources within InvestACT, within my division and across, as the director-general has mentioned, because there are lots of opportunities.

THE CHAIR: We will have to wrap it up there. Thank you, minister, and officials. Before we close, there are a couple of quick administrative matters. Answers to questions taken on notice at the hearing are due with the committee secretariat within two weeks of the proof transcript becoming available. Written supps from members relating to the coverage of this hearing should be provided to the secretariat within two working days of the proof transcript becoming available. Answers to supplementary questions should be provided to the committee secretariat no later than two weeks from the date of receipt. When available, the proof transcript will be forwarded to witnesses to provide an opportunity to check the transcript and suggest any corrections. I now declare the public hearing closed.

The committee adjourned at 2.02 pm.