



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

(Reference: [Annual and financial reports 2013-2014](#))

Members:

MR B SMYTH (Chair)
MS M PORTER (Deputy Chair)
MS N LAWDER
MS Y BERRY

TRANSCRIPT OF EVIDENCE

CANBERRA

WEDNESDAY, 12 NOVEMBER 2014

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.

APPEARANCES

Chief Minister, Treasury and Economic Development Directorate	206
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Amended 20 May 2013

The committee met at 9.01 am.

Appearances:

Barr, Mr Andrew, Deputy Chief Minister, Treasurer, Minister for Economic Development, Minister for Housing and Minister for Tourism and Events

Chief Minister, Treasury and Economic Development Directorate

Nicol, Mr David, Under Treasurer

Thompson, Ms Kirsten, Director, Corporate and Governance

Divorty, Ms Jill, Executive Director, Shared Services

Sidhu, Ms Sarbjit, Executive Director, Shared Services ICT, Shared Services

Robinson, Mr Calvin, Acting Executive Director, Finance and Human Resource Services, Shared Services

Tomlins, Mr George, Executive Director, Shared Services Procurement, Shared Services

McLean, Mr Allan, Acting Director, Strategic HR, Shared Services

Major, Mr Peter, Senior Manager, ICT Security, Shared Services

Wickman, Ms Dani, Director of Territory Records, Territory Records Office, Shared Services

Salisbury, Mr Kim, Director (ACT Commissioner), Revenue Management Division

Fletcher, Mr John, General Manager, ACT Insurance Authority

Overton-Clarke, Ms Bronwen, Chair, Government Procurement Board

Clarke, Ms Liz, General Manager, Public Authorities and Territory Owned Corporations

Dawes, Mr David, Director-General, Economic Development, and Chief Executive Officer, Land Development Agency

Stewart, Mr Dan, Deputy Director-General, Land Development and Corporate Division

Gilding, Ms Louise, Executive Director, Policy, Projects and Legislation, Policy Projects and Legislation, Land Development and Corporate Division

Rake, Mr Gary, Deputy Director-General, Arts, Business, Events, Sport and Tourism Division

Hill, Mr Ian, Director, Visit Canberra, Arts, Business, Events, Sport and Tourism Division

Cox, Mr Ian, Executive Director, Innovation, Trade and Investment, Arts, Business, Events, Sport and Tourism Division

Horsburgh, Mr Chris, Senior Manager, Invest Canberra, Innovation, Trade and Investment Branch, Arts, Business, Events, Sport and Tourism Division

Hartley, Ms Laura, Senior Manager, Small Business and Skills, Innovation, Trade and Investment Branch, Arts, Business, Events, Sport and Tourism Division

THE CHAIR: Good morning, everyone. Welcome, minister. I now declare open this public hearing on the Standing Committee on Public Accounts inquiry into the 2013-14 annual reports. The proceedings this morning will commence with an examination of the 2013-14 annual report of the Commerce and Works Directorate. Specifically, this will cover matters such as CWD's corporate management and governance, Shared Services ICT, revenue management and government business enterprises. We will

then move to the examination of the annexed reports of the ACT Government Procurement Board and Director of Territory Records. At that stage, we might do procurement as it pertains to the Commerce and Works Directorate, minister, just to stop the up and down from the gallery. We will then go to the ACT Insurance Authority, including the office of the Nominal Defendant.

After a morning tea break we will resume with the tourism and events portfolio, specifically the relevant parts of the Economic Development Directorate annual report relating to tourism, policy and programs, and the economic and development portfolio, specifically Exhibition Park and the relevant parts of the Economic Development Directorate annual report relating to EDD corporate management and governance, economic development, business support programs and the government property strategy.

I remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the privilege statement before you on the table. Could you please confirm that you understand the privilege implications of the statement.

Mr Nicol: Yes.

THE CHAIR: So confirmed; thank you very much. I also remind witnesses that proceedings are being recorded by Hansard for transcription as well as being webstreamed and broadcast.

Minister, before we proceed to questions, would you like to make an opening statement?

Mr Barr: No; fire away, chair.

THE CHAIR: I want to go to page 23 of volume 1 of the report, which is the risk management framework and assessment? What potential risks have the directorate identified, which agencies are these specific to, and what has been done to address the risks?

Mr Nicol: I might ask Jill Divorty to come to the table.

Ms Divorty: CWD and Shared Services specifically have a very comprehensive risk management framework which also incorporates business continuity planning and disaster recovery for our business systems. We have whole-of-government responsibilities, so quite a lot of our risk management is about maintaining and supporting those whole-of-government business systems. The top 10 risks are quite often related to IT systems—maintaining and keeping those robust.

THE CHAIR: Is it possible to get a list of the top 10 risks?

Ms Divorty: Yes, that is fine. It is the top 10 or top 12—whatever we feel are high risks, yes.

THE CHAIR: Once a risk has been identified, what does CWD do in regard to

ameliorating that and informing the other directorates?

Ms Divorty: Our overall risk management plan goes to our governance committee, the Shared Services governing committee. It goes to that committee at least once a year, but generally speaking an update is required around every six months. The top risk in the Shared Services risk plan is about disaster recovery of IT systems, specifically data centres. That risk is being discussed very extensively throughout government, with all directorates and, especially, CIOs.

Mr Nicol: I could add, Mr Smyth, that when key risks have emerged since I have taken over responsibility, we have brought them to the attention of the strategic board. We will have a discussion with the strategic board about the risks, mitigation strategies and consequences if the risks eventuate, and how we address them.

THE CHAIR: When they are identified, how often are they reported on, and who do you report to? Is it just to the committee you just mentioned or does it go up to the minister? Does the minister take it to cabinet?

Ms Divorty: Our governance structure says the Shared Services governing committee, which has almost the make-up of the strategic board but includes the CEO of CIT as well, so it is a slightly different mix than the strategic board. That is the governing committee that, in our charter, directs and controls those activities. We also report to the Under Treasurer and the Head of Service, and to ministers when required, but in routine matters it is the Shared Services governing committee.

THE CHAIR: How many risk treatment action plans do you have at the moment?

Ms Divorty: Our risk treatment plans cascade throughout the organisation. I will have to take that on notice, Mr Smyth, but it would be more than 20, I think.

THE CHAIR: What are the criteria for reviewing risks so that they are included in the directorate's strategic risk register?

Ms Divorty: We have a very comprehensive risk management plan. This was brought out by the Auditor-General in a report a couple of years ago. We have revised and made more robust all of our risk planning measures as a result of that audit report. We have a continuous review of risks by all cost centre managers who are responsible for dealing with and mitigating risks. In a formal sense, it is three months, six months and 12 months; that includes business continuity planning and disaster recovery treatment in terms of planning for disasters.

THE CHAIR: Thank you. Ms Porter.

MS PORTER: On page 6, Treasurer, it mentions a major upgrade to the ACT government's financial management system, to the Oracle e-business suite. It says it was completed during the period. Obviously this has had some benefits that have flowed from that, and perhaps even some opportunities. Could you talk to us about that.

Mr Nicol: I might ask Mr Robinson to come to the table.

THE CHAIR: You are not going to get Peter Major up?

Mr Barr: In the fullness of time, I am sure.

THE CHAIR: In the fullness of time?

Mr Barr: At the appropriate juncture.

Mr Robinson: Sorry, could I have the question again, please?

MS PORTER: Yes. I was just interested in the major upgrade of the financial management system to Oracle e-business and what improvements—opportunities, even—it might have brought.

Mr Robinson: In doing the upgrade with the Oracle to version R12, we do a like for like upgrade. It was deemed expedient to do that. We have come back since completing that and reviewed what opportunities there are. In particular there are governance aspects with R12 that we think would be advantageous for us; we are looking at those at the moment.

MS PORTER: Overall has that been a good experience with the upgrade across the areas where it is utilised?

Mr Robinson: Generally, yes. It was a very significant project. It went for 18 months; it took us a bit longer to do than we had anticipated. We used our own staff in the upgrade, being conscious of the fact that we needed to retain the knowledge in the organisation. I think that was a successful strategy for us.

MS PORTER: I am hopeless with IT; I just put that on the record. Were people able to cope with the changes and adapt to the changes or were they really major for people who were using it on a day-to-day basis?

Mr Robinson: The change was significant. There were good, robust processes put in in terms of managing the project. There was extensive training delivered to people using the product. There were different levels of training provided; some was more technical than just your day-to-day uses. We did that and it went extremely well.

MS PORTER: On page 5, it talks about a network switch refresh program. Is that in any way related to this or is this a different matter?

Ms Divorty: It is quite different. The network switch replacement program is keeping the underlying infrastructure and networks robust and reliable. It is, if you like, the underlying infrastructure for the IT environment. The upgrade that Calvin is referring to is actually a business system responsible for the financial processing of accounts. So they are quite separate.

MS PORTER: Is this done at the same time?

Ms Divorty: The network refresh program is an ongoing program; it is a life cycle

management program, so it continues year on year.

Mr Barr: It is very firmly in the category of dull but worthy, Ms Porter, very importantly.

THE CHAIR: Are you offended by that, Mr Nicol?

Mr Nicol: I think all these things are exciting.

MS LAWDER: R12 has been around for a couple of years. Do you already have plans to move to the next release?

Mr Robinson: No immediate plans. There have been two releases post what we did. They are not significant upgrades. We will move to those. We are actually working our way through that, so there are plans to move to those, but they are not significant.

MS LAWDER: Did you have any issues, such as with data migration, in your upgrade?

Mr Robinson: No, not really. I thought it was a pretty smooth project, even though—

MS LAWDER: You did say it took longer than you expected.

Mr Robinson: Yes, it did, and I think that was a worthwhile investment, to make sure that when we brought the system up it met everyone's needs. There was significant testing, both in a system sense and in a user sense, to make sure that this product worked and met everybody's needs.

THE CHAIR: Ms Lawder, a new question.

MS LAWDER: I have a question about fraud prevention, page 25 of the annual report. Would you explain what area the recommendation for a process improvement was and what has been done about the process improvement.

Mr McLean: Could you just ask the question again?

MS LAWDER: There was a recommendation to consider a process improvement in relation to one of the allegations of fraud. I just wondered what area it related to and what process improvements you have made as a result.

Mr McLean: That area was around that procurement process, and it was strictly in terms of administration. The recommendation came back that, looking at the matter, there was nothing in the order of fraud; however, we could always improve the processes. One of those is around how that activity was done through the procurement process. It was more the admin and the paperwork that were the records. That recommendation was taken on board, and the processes will be maintained that way.

MS LAWDER: I am not quite sure of the correct terminology, but is that a change to the chief executive's instructions or something?

Mr McLean: Nothing of that nature. It was right down in the weeds—about how, when you go through a procurement process, you tick all the boxes and you just follow those processes. It is very much about the detail in the admin.

MS LAWDER: What is the process for reporting or finding out about these kinds of fraud allegations? There were three which were found not proven. What processes do people go through to identify these instances? Or are they identified by someone else? Does someone make a complaint or—

Mr Nicol: I think there are various mechanisms where fraud is detected. Obviously we have an internal audit function within the directorate. They have a work plan and they undertake various investigations and performance-like audits internally for us. Obviously the Auditor-General looks at our performance, does a financial statements audit each year in every directorate and every function and also does performance audits. The Auditor-General does that based on a range of sources of priority. If there are allegations in the press or complaints have been made to her she will often choose to investigate those matters.

We also monitor as managers how processes work within the directorate. We look at any questions of impropriety and investigate it very thoroughly I can assure you. For every major project, and even minor ones, we have probity processes and formal probity advice to all participants in those processes. We have processes like signing declaration forms of conflict of interest. Certainly with every matter I am involved with probity is the number one issue for me, and I enforce that with all my staff. I ensure processes are in place to the best of our ability to ensure that processes are properly undertaken and discharged.

Ms Divorty: I confirm all Mr Nicol's comments, of course. Also, with the fraud allegations that have been made within Shared Services, they have been reported by individuals who are peers, colleagues or people who have witnessed events that have been perhaps questionable in their minds. That is why we have a SERBIR so that they can make those reports in a safe environment.

MS LAWDER: The one you mentioned, Mr McLean, was about procurement. I would have thought that, for example, in your Oracle system there was quite a firm process that would have had to be followed in relation to procurement and that the training you provide as a result of the upgrade more generally and using the system would reinforce the correct ways to undertake procurement. Is that the case, and have you made changes, for example, to the training as a result of this particular issue?

Mr McLean: In terms of Oracle, I will not move into that space. In terms of procurement, all we found was that it was more a matter of keeping the records of what went on in a systematic way. It was simply that. It was not that there was any problem with how they did the procurement; it was simply about record keeping and maintaining those records in an efficient way. It was fairly straightforward.

MS LAWDER: That is a manual process outside of Oracle?

Mr McLean: Absolutely.

MR DOSZPOT: A supplementary, Mr Doszpot.

MR DOSZPOT: My question is to the minister; perhaps you can direct it to the right area. What part did Shared Services play in the Canberra Hospital fraud, where I think 16,000 records were altered?

Ms Divorty: Shared Services maintains infrastructure and business systems for all directorates of the ACT government. Of course we are responsible for maintaining the business system that was involved, but we do not do business functions. All business functions were done by the Health Directorate.

MR DOSZPOT: A substantial number of fraudulent transactions took place. Would they not come under the probity and other issues that you have been discussing looking enterprise wide for the ACT government?

Ms Divorty: Not generally, Mr Doszpot. We would normally be responsible for making sure the database, the underlying system, itself is secure and that system development access and system administration access is appropriate, But business user access is the responsibility of the directorate. Data logging, data recording, audit logging and monitoring data analytics are the responsibility of the Health Directorate, not of Shared Services.

MR DOSZPOT: So there is nothing that Shared Services can learn out of looking into what happened there that could be useful?

Ms Divorty: There are many lessons to be learned and many improvements that are being discussed not only with the Health Directorate but all directorates more broadly. Mr Major could give you more details if you would like those.

Mr Doszpot: Yes, I would.

Mr Major: On that Health issue, are you talking about the emergency department information system?

MR DOSZPOT: Correct.

Mr Major: That system was a very old system. It lacked a lot of the finesse that was in place. Security performed a detailed forensic investigation on that, providing all the evidence to the external parties—PricewaterhouseCoopers and the AFP. From that point on we only provided a watching brief extracting evidence and information as required by the police or investigating parties. We supported the Auditor-General when she was undertaking her audit. We provided the information to her.

Mr Doszpot: You say it was an old system. Did the issues occur because it was an old system?

Mr Major: The issue occurred more from a morale point of view, in my opinion. However, the system did lack some—

MR DOSZPOT: I mean the access to the system.

Mr Major: The access to the system was by a legitimate person using legitimate means. It was “a trusted insider”, who you have very little defence against. The system, however, had generic accounts, which was identified in report No 6 of 2012, and the audit had trouble identifying who the actual person was. The person in question admitted to making the modifications to the records. Change is coming into EDIS I believe in the next update.

MR DOSZPOT: Because it is an old system and because of the problems that occurred, were recommendations made by Shared Services as to what should take place there?

Mr Major: I am not aware of any from the infrastructure or software side. I have made a lot of recommendations around the security side, auditing, logging and monitoring, reducing the number of generic accounts and controlling it. In the interim Health has put in place multiple levels of approval factors. On the EDIS side, access to generic accounts is limited to within the actual emergency department. Outside that area they are all named accounts. The number of access points to EDIS has been restricted dramatically. Health have taken a lot of stuff on board to ramp up security around it, but when the system was designed it was designed to move people in and out of emergency rapidly and not to use for financial reporting, which is an additional factor on top of it.

MR DOSZPOT: The reports you referred to, are they publicly available?

Mr Major: No 6 of 2012 was the Auditor-General’s report, and I believe the PricewaterhouseCoopers one came out as well. I am not certain.

THE CHAIR: Ms Berry, a question.

MS BERRY: Minister, on page 7 under the Justice and Community Safety Directorate a couple of items are referred to about some new systems that were put in place. The first one is:

Strengthened ESA 000 capability with a fully redundant and highly available telephony system and refresh of the ComCen Business Continuity site.

Can you explain what that is?

Ms Sidhu: During the last financial year significant projects were delivered in conjunction with ESA. One of the very important ones was the 000 capability with a fully redundant and highly available telephony system and refresh of the ComCen business continuity site. The 000 capability is provided from the old site, and the equipment, the hardware, the operating systems and the infrastructure of both sites were refreshed and thorough and comprehensive testing was undertaken to ensure that the business continuity requirements were met. If there is an outage anywhere the other site, the other data centre, can pick up and continue providing in a seamless way exactly the same services.

MS BERRY: Have you had feedback on how that has been operating since it has

been installed?

Ms Sidhu: We conduct testing with ESA on a regular basis. That testing is an essential component of our business continuity testing in conjunction with the ESA. Of course it is working and we monitor it. If there is any blip we are on to that straight away to investigate and resolve any issues of IT.

MS BERRY: The communication console mentioned in the next point that has been replaced, is that part of the same system?

Ms Sidhu: Yes it is. The two dots points on page 7 are connected. To provide emergency services, both of those need to be operating 24/7 regardless of any hiccup.

MS BERRY: And the third point, the ICT infrastructure at the new west Belconnen ambulance and fire rescue station at Charnwood, is there anything different or unique about that system or is it just a new system?

Ms Sidhu: That is a standard model for any of those ambulance and Fire & Rescue stations. We provide the facility where it is connected to a dual path with our data centres and the whole infrastructure. We make sure all those facilities are provided in any new sites or where upgrades occur.

THE CHAIR: Mr Doszpot, a new question.

MR DOSZPOT: Minister, Shared Services' achievements, volume 1, page 5, over 60 per cent of government and business critical systems have been transitioned to the new leased data centre. Is there consideration for further systems to be moved over?

Ms Sidhu: I will give a little bit of background on the data centre before I answer that question. We went to a tender process for leasing a data centre facility and we leased Hume data centre. During the last financial year and some of this year we have been transitioning our applications and infrastructure from our old Callum data centre to the new centre, as well as the business and critical systems from the other data centres to that as well. That has given us many, many benefits because the facility provides enhanced business continuity, better security, efficiency, environmental sustainability and a very high availability of business systems hosted there. Availability is in the order of 99.98 per cent, which is significantly higher than what we have in our current data centre. Some 60 per cent have been migrated.

What happens with the critical business systems is that a number of those are highly available, which means they are hosted in two data centres. If one data centre is down, smoothly the other data centre takes over. When we talk about 60 per cent, that means the other side of those 60 per cent have to remain in another data centre because they cannot be hosted in the same. For example, the Health system, one part is in the new data centre and the other part is in the Canberra Hospital data centre. The 60 per cent is what we have now, but the next steps are to consider our plans for the Macarthur data centre, plans for the Canberra data centre and also plans for cloud computing. Taking those into consideration, we will be developing our second data centre strategy in terms of the size, shape, the place or the need. We are looking at our plans for taking into consideration the other data centre and what we should be doing with the

rest of the applications.

MR DOSZPOT: Is there a time frame for that?

Ms Sidhu: We are currently working on it. We have not got a fixed time frame, but we are working on that.

Ms Divorty: The sale of office buildings may give us a time frame that we need to adhere to.

MR DOSZPOT: Sure. I am just trying to understand the rationale. You are running dual systems at the moment; is that what you were saying?

Ms Sidhu: Yes. With our critical systems we have got to have two facilities. That means that our workload ought to be 50-60 in one and 50-60 in the other. We have got one new leased facility and we are planning for our second facility. That will determine where we house the rest of the critical systems.

MR DOSZPOT: Moving on to the Jabber suite that is being piloted, how many areas are they piloting it in currently?

Ms Sidhu: Could I just go back to the data centre? Our plan was to maximise the hosting of critical systems into the new data centre. That is the approach we have taken. So 60 per cent was done as at that time. It is not 60 per cent; it is more, actually. We are looking at the two facilities and how we can use the two facilities in a way that will provide higher availability but maximise what we have now. So it was 60 per cent at that time, but now it is higher. As far as Unified communication is concerned, we piloted most components of that during the last financial year. I am sorry, the question was?

Ms Divorty: The Jabber suite.

Ms Sidhu: There is a part of the Unified communication that the strategic board has been using for its regular meetings. There is a part of the suite that some directorates have been using and piloting. We select and ask the directorates about piloting. There is a part that is pretty widely used—not widely like 50 per cent or something; I would say that 200 people, 300 people, 500 people are using it.

MR DOSZPOT: My question is basically how long will the pilot go for?

Ms Sidhu: Those tools are all ready now for production rollout. We are commencing the production rollout of those.

MR DOSZPOT: That production rollout is to all ACT government agencies now?

Ms Sidhu: Yes.

MR DOSZPOT: What is the predicted total cost of this rollout?

Ms Sidhu: The good news is that we are building that on our voice platform that we

upgraded earlier, so it is not a significant capital investment in any way. We have the Unified tools and direct access service. Together, that bundle of tools is well suited to support teleworking, mobility for staff and improved collaboration across all areas internally, as well as externally.

For example, the WebEx tool that we got as part of Unified can be used in collaborating with external partners, as well as internally. Very successfully it has been piloted by an area of the Health Directorate in terms of health service delivery in the TCH. When a patient leaves and goes to a nursing home, through WebEx they can compare notes and share the information—and not only the information; they can actually take pictures and show the condition of the patient.

MR DOSZPOT: Thank you. My final question is addressing what you have just spoken about. How are potential security issues being managed? I am talking about WebEx. How are potential security issues being managed as a result of this file sharing that you mention, both within work spaces and with external parties?

Ms Sidhu: With the Unified communication, security and access, it is the same policy as far as security is concerned, only the information is through video and the other mechanisms. The same policy applies as far as management and sharing or access to that information is concerned.

MR DOSZPOT: Thank you very much.

THE CHAIR: Just for the record, I showed my eight-year-old that you have Jabber in the annual report and he thought it was a cartoon on the ABC at about 10 past eight every morning. Jabber to one is not Jabber to another. Members, remember we have got to get through Shared Services, revenue management and government business enterprises before about 10 o'clock, when we will go then to procurement. Treasurer, where are we at with the implementation to the changes to payroll tax, particularly concerning the loss of the provisions on employer—

Mr Barr: The revenue commissioner will talk about that. It starts on 1 January.

THE CHAIR: Have we answered every correspondence that has been sent to the office or to you, minister?

Mr Barr: I believe so, yes. I understand the revenue commissioner has met on a number of occasions with individuals who sought further information and information circulars have been sent out.

THE CHAIR: So there will be no delay. It will start on 1 January. That is the intention?

Mr Barr: Yes.

THE CHAIR: I see on page 12 there is \$15 million worth of compliance activity. What is driving that and what area was the compliance mainly carried out in?

Mr Salisbury: Just in terms of our compliance activity I am happy to run through that.

The compliance activity of around \$15 million comprised 55 payroll tax assessments, netting some \$8.8 million; 555 land tax assessments, netting some \$5.3 million; 13 FHOG assessments—

Mr Barr: First home owner grant.

Mr Salisbury: Yes, the first home owner grant—netting \$334,000; 19 homebuyer concession assessments, netting \$295,000; three conveyance duty assessments at \$75,000; and four motor vehicle reassessments at \$1,587.

THE CHAIR: The office has started issuing block and section numbers on blocks that have not paid land tax. How successful has that been in getting those who had not paid to pay?

Mr Salisbury: I will just find the briefing on that and provide some detail. As you mentioned, we commenced a forced sale process at the beginning of this year. We have targeted 123 investment properties where there was an outstanding rates and land tax liability of a total of \$1.3 million. We have recovered directly \$734,000 of that through that process, but the process still has a long way to go until we finally move to the courts to see if they will endorse a forced sale process.

THE CHAIR: How long will that take, or when do you think a forced sale might occur?

Mr Salisbury: From the time that the instrument goes out there is 12 months before we can bring that process before the courts. Then it is up to the courts, I guess, to schedule that hearing. It is really for the courts to determine the timing from that point.

THE CHAIR: With regard to the court case on degrouping powers, are they still appealing the decision?

Mr Salisbury: This is the case that we speak about every time I appear.

THE CHAIR: Are there others?

Mr Salisbury: No. I just wanted to know exactly what we were talking about. It is still the intention of the Revenue Office to come to some type of commercial agreement, a commercial outcome. I understand there is a hearing before ACAT on 19 November. It is my expectation that the case will be settled before that date.

THE CHAIR: Before 19 November. Could you please take on notice in advance that if it is settled you will inform the committee so we might be able to include something in the report?

I see on page 13 that compliance inspectors exceeded their target of \$360,000. Do we really set a target for compliance activity per inspector? How many inspectors do we have, why the target and how is the target set?

Mr Salisbury: We have around 19 compliance inspectors at the moment. It tries to encourage officers to meet a certain target. It is just something that we benchmark.

We do not necessarily use that to inform our strategies at all. It is really just something that we can report on, and we can compare it across jurisdictions as well. That is probably the major benefit of it. If another jurisdiction is providing it at a higher figure then we would have a discussion with them about what sorts of strategies they are implementing that are providing them a higher figure.

THE CHAIR: Where do we sit in compliance targets in the spectrum?

Mr Salisbury: I think we are about the same as everybody else at the moment. It is slightly different for us compared to other revenue offices because we have the rates function.

THE CHAIR: You targeted payroll tax and land tax. Was that because you felt the collections there were deficient or there were just rich pickings to be made?

Mr Salisbury: The government provided us some money in the budget before last to do some compliance work. We work all the revenue lines, but the greatest yields are from payroll tax and land tax.

Mr Barr: We want people to meet their taxation obligations and it is fair to every other taxpayer that they do. It means taxes can be lower across the board.

THE CHAIR: Are the inspectors on an incentive system? Do they get a cut?

Mr Barr: No.

Mr Nicol: Another important aspect of measuring this is to ensure we are putting our rather limited resources into where they are going to get the most effort. We want to chase those that are the biggest rather than the smallest. In that sense, if we highlight this to our compliance officers it is a means of communicating to them that we want to put our efforts into where it pays off the most.

THE CHAIR: That is perfectly reasonable. On page 14, future directions and priorities, the concession payments have come across from Community Services. How is that transition going?

Mr Salisbury: That transition is going quite well. Those staff and the systems joined us just before the end of the last financial year. We have embedded them in the Revenue Office and I think it is going quite well. We are taking the opportunity to look at the processes that we have inherited and, I guess, reformed and streamlined them as best we can, consistent with the practices of the Revenue Office. As we move forward into a new system that we are looking to implement we will be incorporating those processes into that new system as well.

THE CHAIR: Will the Revenue Office be more compassionate or less compassionate with the Community Services Directorate in their application?

Mr Barr: Equally compassionate.

THE CHAIR: Equally compassionate? Not more compassionate, minister?

Mr Barr: Equally compassionate.

THE CHAIR: Ms Porter has a supplementary and I have got a few questions to finish off.

MS PORTER: It is about those concessions in relation to the amount on page 12. \$11.5 million was provided to home buyers and pension duty concessions and \$14.7 million in first home owner grants. Could you perhaps explain these amounts? Is that a usual amount that would be provided? Given this discussion about being more compassionate or less compassionate, would this be a usual amount?

Mr Barr: We have shifted our approach more towards providing stamp duty concessions. In relation to the first home owners grant, which I think is widely understood to be inflationary on house prices and perhaps somewhat counterproductive, if more money is put into the market chasing the same number of properties that leads to house price inflation and defeats the purpose of the particular grant scheme, although I acknowledge its popularity amongst first home buyers. All it does, though, is increase the price of housing.

We retargeted the scheme so that the first home owners grants would only apply to new housing. Increasing the supply of new housing would offset the inflationary impact of putting more money in the pockets of certain purchasers. I think we have seen a change in the nature of the utilisation of the first home owners grant now for the purposes of new housing construction that adds to the supply of housing in the city.

On the concession side, we have made some changes to enhance concessions for people seeking to downsize. That frees up properties of a particular type. We have also targeted the stamp duty concessions, again towards newly constructed properties. The basis of what is a \$20 million or a combined \$26 million or \$27 million program now is particularly focused on encouraging the supply of new housing. It is important to get an economic stimulus for the housing industry. It also serves to improve housing affordability in the city, which is another priority for the government.

MS PORTER: The amendments that were brought in in September 2013, is that what you are talking about in relation to this?

Mr Barr: That is correct, yes.

THE CHAIR: I go back to page 14, the upgrade of the IT system. How is that going?

Mr Salisbury: That is going well. We expect that we will go out to tender for the new system or be ready to go out to tender by the end of this financial year. We have done all the work in the tender space.

THE CHAIR: And potentially operating when?

Mr Salisbury: At this stage we hope to have the first module rolled out by 1 July 2016.

THE CHAIR: On the second last dot point in the future directions, improving systems to capture and match data for compliance purposes, what is to be undertaken there?

Mr Salisbury: That will be part of the new system. Part of the new system, we hope, will have a data warehouse component that will allow us to take all the data that we collect through the Revenue Office, store it and then access it from time to time for the types of reports that would help us do compliance work. We do not have that capability at the moment to the extent that we would like to have it in the future. Part of our future vision is to have this.

THE CHAIR: Ms Porter, a new question.

MS PORTER: Can you take on notice a question I was going to ask the IT people when they were here? I will not ask them to come back. I wanted to know what the reason was for introducing the NXTBUS system. If you could take that on notice? I want to understand how they assisted TAMS to do that and whether there is an ongoing role in that area.

Back to the revenue, page 15 refers to an online survey for the ACT Revenue Office on customer satisfaction. Could you let us know what the findings are of the customer satisfaction survey and what lessons have been learnt from the results, if any?

Mr Salisbury: The last survey that is mentioned here is much improved on the previous survey that we did. I may have mentioned to the committee before that this is not a particularly statistically robust survey. It is by self-selection and it does not have a large sample base. It is the survey that is produced by all revenue offices and we compare that data and the results of that.

Probably the better outcome this year reflects the fact that, particularly in our advice in assessments area, we moved away from, I guess, a call centre approach where we were logging the telephone inquiries and we were advising people that we would get back to them at a later stage. That caused a fair bit of angst in the transition amongst, I guess, the people whom we regularly deal with. They would be the people who would regularly come to our front counter or who regularly rang us who had an expectation of a level of service that we were not delivering.

We reviewed that as an organisation and we thought we probably had to go back to the practice that we were adopting before, and that was to answer phone calls as they came in and try to respond there and then, at the moment, rather than delay and get back within the next day or so. Often conveyance transactions are very time critical. There was lots of angst about us not getting back to these calls quickly. I think that is one of the things that have been reflected in the survey, that we changed our approach back.

Going forward and as we move into a new system, I think we will have to revisit our total customer interface and our online capability as well. During our implementation of the new system we will probably run a more robust stakeholder engagement than we did and we will look to analyse how we are going during the implementation phase.

MS PORTER: Why did you make the change in the first place, which was for people to have to wait till someone got back to them?

Mr Salisbury: It was a staffing issue. We just did not have the resources, for a range of reasons. People were off sick. We had to backfill other positions. We took that decision and it happened to coincide with the time of that previous survey. It has not proved successful; so we are bringing it back to what it was.

MS PORTER: Obviously going forward and having a look at the new systems that you are talking about, you would take on board that reaction of the customers so that you do not repeat the same mistake?

Mr Salisbury: That is right. And if we do change our processes we will go through an education phase that we did not do this time around. We would explain to people what we are doing, what we are changing, how we are going about it. We would go through a fuller education phase. There is a lesson for us in changing implementation, that if you are going to change something you need to tell everybody, you need to have everybody on board and you need to build it up, do it gradually and then assess it at the end.

Mr Nicol: Can I also add that one of the major aims of the new revenue system is actually to improve customer service. That is probably the number one aim. The secondary aim is to improve our processes at the back office and make life easier for us but the most important aim is to make life easier for our clients.

MS PORTER: I would imagine if you make life easier for the clients it makes life easier for you anyway.

Mr Nicol: Exactly, online, more up-front information rather than back end, all of those sorts of things, and what technology can give us and allow us to do.

MS PORTER: The thought occurs to me that in the training—you probably do this anyway—you role play; people act as customers and ring up and find out how it feels for them to be on the other side of the fence so that you know how they feel.

THE CHAIR: Ms Lawder, a new question.

MS LAWDER: I have a question about the rollout of Schoolsnet. Was there any increase in service requests as a result of the rollout of Schoolsnet?

THE CHAIR: While the officials get to their places, remember we have still got to do corporate services, Shared Services. We can start with procurement now. Hopefully at about 10.20 we will get to the Procurement Board, Government Business Enterprise as well as Revenue Office.

MS LAWDER: Could you update on Schoolsnet and how successful it was? Were there any ongoing issues?

Ms Sidhu: Schoolsnet implementation was completed last year. There have been

recent surveys of school leaders, staff and external providers, and in the education department we talk about that more. They show really positive results and satisfaction levels are increasing in terms of the way people view the reliability of the facility and the way things work there. It is really positive in terms of the ICT and the feedback from schools. It has provided good opportunity for consolidating and rationalising software that is being used across all schools. Previously every school had their set of software. During this process they have been rationalised. That means that schools are now taking advantage of the economies of scale in terms of software and in terms of solutions. It is looking very positive.

MS LAWDER: I noticed in one of your tables in volume 2 there was only a small increase, I think a one per cent increase, in service calls, from 90 to 91 per cent, I think it was. It is only a small increase but what was the reason for that increase?

Ms Sidhu: That is the service desk KPI. During the last year there was significant work going on in rolling out Schoolsnet. It is very complex, it is very large. There are a significant number of users, 40,000 users, 18,000 devices, 89 schools. During the rollout we had a lot of service calls and that affected our KPI on the service desk. Now that this rollout is all completed things are far better on that front. The number of calls, the number of requests, has increased and our response to those has significantly improved. As I said, rationalisation and consolidation across the board and the reliability of submissions have also helped in that.

MS LAWDER: And in that same table there was an increase in the amount of time to answer a call from 20 to 24 seconds.

Ms Sidhu: Yes, that is right. That is where the Schoolsnet reference comes in, the 20 seconds to 24 seconds, because the volume of calls and the service requests during this very complex and large rollout could not be accurately estimated.

MS LAWDER: Do you get additional resources during these times of additional demand or—

Ms Sidhu: We did organise ourselves so that we deal with the peaks and troughs during that implementation. As I said, because it was quite large and complex and unpredictable for particularly the large colleges and schools at times of peaks, we could not accurately estimate the peaks.

MS LAWDER: Perhaps I did not look far enough through the report but is there a satisfaction rating as well? Do you survey?

Ms Sidhu: The education department does in terms of the satisfaction rating, and they can talk about that in their part. They share that with us. It is quite positive. The trend is good.

MR DOSZPOT: As a supplementary, there is mention of 87 public schools on page 6 of the annual report. How many staff have you got dedicated to looking after the 87 public schools?

Ms Sidhu: I will take that on notice.

MR DOSZPOT: A couple of supplementaries going on from there. Congratulations for the implementation of Schoolsnet, that is great. I have visited every school in Canberra and there was a lot of satisfaction in certain areas, dissatisfaction in others. Why have you got a 23-second answer to service calls? What is the time frame for actually fixing the problem?

Ms Sidhu: It is already fixed. At this point in time the call waiting time is less than 20 seconds.

Mr Barr: I think the question was how quickly can we then respond after we have answered the call? Is that right?

MR DOSZPOT: Yes, thank you.

Ms Sidhu: There is a very positive trend. I provide information to my business colleagues on a regular monthly basis, and there is a very positive trend in terms of how quickly we are resolving all the service requests.

MR DOSZPOT: You cannot tell me whether it is within a day, within six hours or—

Mr Sidhu: I can provide the statistics we have. They are quite good and are meeting the expectations of the parameters set by my business colleagues.

MR DOSZPOT: The computers children use in schools are quite old, as I understand, in certain areas. What impact does that have on your ability to keep the educational network up and running?

Ms Sidhu: That is a very good question. We work with the education department in terms of analysing the age of the computers and the priorities of replacing them within the budget and what they have. At times people have kept very old computers, so that is also considered as part of that analysis and discussion with the education directorate.

MR DOSZPOT: What is your recommendation for the average lifecycle of a computer in student usage?

Ms Sidhu: As part of our sustainability, we revised the useful life of our assets and currently the useful life for monitors has been increased to 10 years.

MR DOSZPOT: Ten years?

Ms Sidhu: For the monitors, but for the PCs it is five years and for laptops, four years. If there is a need to provide really advanced technology, if the education directorate make a decision they want to pilot these ones and they want advanced ones, the computers that are taken off from there are used in terms of recycling through the redress cycle.

MR DOSZPOT: You said you would take on notice the number of staff you have dedicated from Shared Services. Can you also give the committee a breakdown on the number of staff at call centres and the number of staff who actually visit the schools to

fix the problems?

Ms Sidhu: Yes.

THE CHAIR: Ms Berry, a new question.

MS BERRY: On page 17, ecologically sustainable development, point 3, the Commerce and Works Directorate has more recycling bins, more organic landfills and fewer landfill bins. I am interested in the organic worm bins. When I asked the question of whether the Legislative Assembly could have a worm farm, the response was that they were concerned about contamination. How have you addressed that issue?

Mr Barr: That is a good question.

Ms Thompson: We have put in different solutions depending on the area that we have. In some areas we have only been able to put organics in the kitchens. Some areas have small kitchens and larger kitchens so that you can use little desktop ones or the larger bin buckets. In some areas we have been able to trial having the organics on the floor of work spaces, but that was under conditions that they were clean and they did not smell. In some areas they have been successful; in other areas we would not do that. It has really been by trial and error for the organics. Overall it has been quite successful in Commerce and Works.

MS BERRY: Have you had any contamination with this?

Ms Thompson: You would always get throughout the year an occasional complaint that there has been a smell. We just ring them up and ask them to do an early pick-up or just advise staff of when the next pick-up would be. Because we have had really good engagement of staff with organics we have been able to, from the last financial year to this annual report's findings, increase the collections. Where some bins may have been in an area for one week, now we have a twice-a-week pick-up because of the engagement of staff. It does not have the opportunity to become an issue.

MS BERRY: Who does the bin collection for Commerce and Works? There have been some issues with the Legislative Assembly's organic supplier.

Ms Thompson: We use a private supplier. Wamboin Worms, I think.

MS BERRY: So they use it for their worm farms?

Ms Thompson: Yes.

MS BERRY: Do they provide the bins or do—

Ms Thompson: They provide everything, yes.

MS BERRY: I will get on to that, then.

MR DOSZPOT: Key achievements, page 6, regarding the Health Directorate, the

public internet was trialled at TCH campus and health centres at Gungahlin, Belconnen and Tuggeranong. What are the month-to-month internet usage figures at these sites?

Ms Sidhu: We are monitoring the usage, but I do not have the information here. We do not have any congestion or any significant performance issues.

MR DOSZPOT: If you could take that on board and give us some figures that will be good. Can you also tell us the download and data limits at TCH?

Ms Sidhu: I will take that on notice.

MR DOSZPOT: My final question is related to the Assembly. Currently we have wi-fi access in the chamber but we do not seem to have it anywhere else.

Mr Barr: In this room—I am using it right now.

MR DOSZPOT: I cannot use it in my office.

Mr Barr: That is a matter you need to raise with the Speaker, I think.

MR DOSZPOT: Wi-fi, as I understand, is only available in the chamber.

MS BERRY: No, I am using it right now.

MR DOSZPOT: We are right next door to the chamber.

Mr Barr: Anyway, to answer your question, you would need to raise that with the Speaker because the Speaker controls this precinct. I regularly raise it because on the second floor we are even further away from it.

MR DOSZPOT: Mr Barr, I take your point. My understanding was that this was only provided for the chamber. If that is not the case, my question is answered. Is your understanding that it is available everywhere?

Mr Barr: The responsibility for wi-fi in this building sits with the Speaker, not with Shared Services.

MR DOSZPOT: But Shared Services does implementation.

Mr Barr: But the decision on where it sits with the Speaker.

MR DOSZPOT: I will speak to the Speaker.

Mr Barr: Raise it in admin and procedure, yes.

Ms Sidhu: But it is providing many benefits, particularly with the download tools.

THE CHAIR: Minister, a question on procurement: what role is Shared Services Procurement having with the capital metro project?

Mr Tomlins: We are providing assistance in terms of their procurement processes. Capital metro has the direct responsibility but we are providing assistance. We also provide commentary on their processes. We have some people outposted to capital metro.

THE CHAIR: What is the form of the assistance you are providing?

Mr Tomlins: It is procurement-related assistance—essentially we help them with their documentation, provide assistance in uploading information on contracts to the web. They provide the strategic approach and we are involved in the implementation issues.

THE CHAIR: So it is more nuts and bolts?

Mr Tomlins: Yes, very much so.

THE CHAIR: You do not do any risk assessment on the project?

Mr Tomlins: I have been involved in a risk assessment workshop, but we do not run that; they run that. For example, the risk assessment workshop had people from a range of directorates.

THE CHAIR: This will cross over slightly with the procurement board: the breakdown of risk on page 75 categorises the risk as low, medium and high. How is that conducted? Is it on projects brought to the attention of the board or does the board look at all projects? It is on page 75 of the annexed report. What is the basis for breakdown by risk?

Ms Overton-Clarke: I make the point that the capital metro project did not come to the board in a tender process during 2013-14. So it is not part of this annual report.

THE CHAIR: I understand that. I will get to that in a minute. How do you determine what is high and low?

Ms Overton-Clarke: How do we determine what is risk?

THE CHAIR: Yes.

Ms Overton-Clarke: Of course, it is a mixture of things in terms of the identification of the need, the likely consequence. It can be a number of things around timing of the procurement process, the funding source, the amount of funding, the likelihood and the consequence. Directorates use the ACTIA risk matrix. One of the procurement board's roles is to absolutely ensure that all directorates adhere to a thorough risk assessment.

THE CHAIR: There are 12 noted as high risk. What were those projects?

Ms Overton-Clarke: I do not have the full list with me; I can get you that on notice. A couple of examples are the clinical waste collection and disposal at the Canberra

Hospital and the increased scope of the avatar ICT record system for vocational education. For example, in the clinical waste example, it is around safety of collection and disposal. The avatar one, as I understand it, has been quite a long-term project that has varied its scope over a number of iterations. That is what led to the high risk.

The most recent one that falls into this financial year was the demolition for Mr Fluffy asbestos homes. A new process is being trialled and, of course, that falls into the high risk category as well. I will take on notice the list of 12 high risks and get that to you.

THE CHAIR: That leads me to two questions: first, let us go to capital metro. Will capital metro come before the procurement board?

Ms Overton-Clarke: Capital metro has come before the procurement board three times: once in last financial year, on 18 February, where they did an initial presentation and twice in 2014-15, on 8 July and then on 16 September, where they discussed the proposed approach to the EOI that is currently out in the market.

THE CHAIR: And the board was happy with that approach or had commentary to make?

Ms Overton-Clarke: Yes, both. We discussed the proposed approach. Yes, we were very comfortable with the broad scope that they had identified.

THE CHAIR: But the board will have an ongoing role?

Ms Overton-Clarke: The board will have an ongoing role to review and give advice on the procurement proposal but, of course, the board receives its proposals after the directors-general sign off or by referral from the minister. It reviews and gives advice on procurement proposals.

THE CHAIR: And what will be the role of the board in regard to Mr Fluffy?

Ms Overton-Clarke: Around any procurement decisions or proposals that are taken.

THE CHAIR: Again, there will be sign-off in the relevant directorate and then they may choose to bring it to the Procurement Board?

Ms Overton-Clarke: No. Anything over \$5 million for a directorate comes to the board and anything over \$1 million for the Land Development Agency comes to the board. Depending on where it sits, the different thresholds apply. Obviously if LDA brings a proposal, then if it is over the \$1 million threshold that will come to the board.

THE CHAIR: Ms Porter, you had a question for procurement.

MS PORTER: Yes, if I am in the right area. It is on page 9. It talks about work continuing with the directorates to identify and develop opportunities for social procurement including discussions on how best to engage community sector organisations in developing social enterprises. If you could explain that please?

Mr Tomlins: Yes, certainly. The aim of social procurement is working, within the

concept of value for money, to look at some of the social benefits to the community. Within that we deal with Social Ventures Australia and we work with the directorates to try to find a range of projects that can use social procurement. For example, a pilot project to include social procurement to provide basic maintenance at the National Arboretum is in development. Several of the government schools are engaging social enterprises to do landscape maintenance. Landscape contractors to Housing and TAMS are also doing some of the landscaping.

Social enterprise is operating the Civic merry-go-round. TAMS graffiti removalists use social procurement. The latest bay replanting and landscape establishment project is going to be delivered by LEAD, a disability employment service, a social enterprise. Housing ACT is also using social procurement to address minimisation of crime and promotion of community safety in some of the high density housing sites.

MS PORTER: Could you tell us a little more about that last one or could you provide information on notice about that last one that you just talked about?

Mr Tomlins: Yes, certainly. I cannot give you too much more about it, other than that it is also looking at trying to help some of the residents with mental health issues and those sorts of things. But I will take that on notice and provide additional information.

THE CHAIR: Ms Lawder.

MS LAWDER: I have a couple of questions I want to ask relating to the table on government contracting which starts on page 60. The one with Gartner, is the \$327,000 an annual subscription?

Mr Tomlins: Sorry, where are we?

MS LAWDER: Page 60, Gartner Australasia.

Mr Tomlins: That is a question about IT. It is in the report, yes.

Ms Divorty: The Gartner subscription is actually a two-year contract with Gartner but it is an annual amount. The subscription covers not only support at our IT department but it actually covers support of our IT procurements. The benefits of having Gartner's worldwide experts reviewing contracts such as Microsoft contracts and Oracle contracts far outweigh the cost of the subscription.

MS LAWDER: I think you have got a couple of others in the same table about advice on contracts as well. You have Hayes Specialist Recruitment, \$554,000. Again, is that for this year only?

Ms Divorty: The Hayes recruitment would include the actual cost of the labour hire. The payment to Hayes themselves would be a small component of that and the cost of the actual employment arrangement would be the substantive part of it.

MS LAWDER: And on page 62 there is another one, Staffing and Office Solutions, for specialist recruitment services. Does the same apply to that one?

Ms Divorty: Yes, it does.

MS LAWDER: And on page 63, for ValueSourcing, it has “Chairperson of the Enterprise Architecture Steering Committee”. What does that mean? Is that payment to a person to be chairperson of the committee?

Ms Divorty: It is. It is the payment to a chairperson who has, if you like, advised the ACT government in a very practical way, by being the chair of the Enterprise Architecture Steering Committee, on how to implement enterprise architecture in the ACT government. We are using the combined resources of ValueSourcing and Gartner. We have had Gartner come from New Zealand, for instance, to run workshops and we have had ValueSourcing actually provide the ongoing chair of that.

Enterprise architecture is a very critical part of our overall IT environment. From what I can tell, we are leading most public sector agencies in our implementation of enterprise architecture and we are looking forward to very comprehensive and very good results out of enterprise architecture once it is actually done across all directorates of the ACT government.

MS LAWDER: And on page 59, for Cabcharge Australia, there is \$67,000. I note on page 18 of the annual report that you have reduced the number of vehicles in the department. What was your expenditure on cab charges in the previous year and has it gone up because of the reduced number of vehicles or—

Ms Divorty: I would have to take that on notice.

MS LAWDER: Your total kilometres travelled has increased even though the number of vehicles—

Mr Barr: Vehicles have gone down by three, from 49 to 46,

Ms Divorty: Shared Services has specifically taken a strong interest in fleet management across the ACT government. We are hoping that it will become a holistic service that we can provide for all directorates. The first stage of that has been the introduction of electronic log books into vehicles. We have electronic log books going into about 300 passenger vehicles in the ACT government fleet. What that provides us is centralised reporting on utilisation and optimisation, and we started that process in Shared Services in the city south precinct, the office buildings that are located in this part of town.

By sharing those vehicles and by actually understanding what they are used for, what the length of the trip is, how long they are actually sitting waiting during the day, we have been able to, if you like, re-jig the use of our vehicles so that we can use, obviously, ACTION buses. Cabcharge is less. We are talking about a bicycle fleet as well. We want to ensure that we are actually using the right vehicle for the right purpose, if you like.

MS LAWDER: But on page 18, when you talk about emissions from transport, that does not include the emissions from cabs?

Ms Divorcy: No.

THE CHAIR: Ms Berry, a new question.

MS BERRY: On page 8, the small to medium enterprises policy that was introduced on 1 July last year, would you tell us a bit more about that policy and give us an update, if you have one, on how that has been going?

Mr Barr: Whilst George comes to the table to give the update, the intent of the policy was to provide a positive weighting in favour of small and medium-sized enterprises from the capital region as defined by the South East Regional Organisation of Councils—not just within the ACT but in the area immediately surrounding it. It also applies for larger contracts where national or multinational companies or interstate companies would then have a local subcontracting component.

Mr Tomlins: We have done quite a bit of work in terms of putting in a process: training people, communicating with stakeholder groups so that they are aware of it. I suppose, by way of progress, we have also been looking at what other states and territories have been doing in terms of local industry work. We are currently developing a proposal for the government on that.

MS BERRY: This policy was developed through—

Mr Barr: Part of the business development strategy 2012.

MS BERRY: Do you have numbers on how many people within the region have been able to participate in this?

Ms Tomlins: We do not have very good numbers because the agencies do their own procurement for projects below \$200,000 and they tend to be the ones where local industry has more strength. But there has been a lot of interest from local industry. Participation even in the bigger projects by local industry has increased but we do not have that sort of data.

MS BERRY: But the idea is to provide opportunities for some of those smaller enterprises within the region, not just within the ACT?

Mr Barr: That is correct, yes.

Mr Tomlins: Yes. And we are working to get more information out so that the bigger contractors are required to provide more information to local industry as to what they can compete for in terms of subcontracting and we have upgraded our core tender schedule so that local industry has much more information about what is coming up so that they can do things like organise to tender for larger projects or go and, if you like, tap on the shoulder of bigger contractors or bigger providers and gain some of the project. They might not be winning the project but they are providing, I suppose, a local front door for any out of towners and doing some of the work in that regard.

MS BERRY: Are businesses in the ACT who fall into that category given priority in any way or are there a lot more things taken into account when those tender processes

are met?

Mr Tomlins: No, they are not. They are given the same weighting as people in the region but there are a number of benefits that local industry in the ACT has. For example, they do not have to pay accommodation costs. Their transport costs are lower et cetera. They should have a natural pricing advantage.

MS BERRY: And that is taken into consideration when the procurement process is—

Mr Tomlins: Only to the effect that their tender should be—

MS BERRY: Should be less?

Mr Tomlins: Yes, lower.

THE CHAIR: It is 10.30. We will move to Territory Records and then we will move to the Insurance Authority before about 10 to 11. In your annual report, on page 67, the one ACT public service digital record capability, where is that at and is it ready for delivery in 2014-15?

Ms Wickman: The current project is a feasibility study, and that is part way through now. We have some consultants in—they are actually here today—doing some analysis and consultation across government on what the most sensible approach to a single record-keeping capability might be. They are moving towards a recommendation on what the approach might be, but the analysis is not finished yet. Their product will be a business case on achieving the solution. We do not know yet what they are going to recommend.

THE CHAIR: When would it actually become operational?

Ms Wickman: We do not know that yet either. Part of the brief is to deliver an implementation plan to tell us how we would go about bringing a system into use. It could require funding, and we will be putting that into the budget process for consideration.

THE CHAIR: Thank you. Ms Porter.

MS PORTER: On page 67 it says that one of the most significant tasks during the reporting period was the preparation and commencement of the online digital records capability feasibility study. I was wondering how that is progressing, if that is part of what you are doing, and what the focus is.

THE CHAIR: I think I just asked that.

Mr Barr: He just asked that question.

MS PORTER: Is that the same question you just asked?

THE CHAIR: Great minds think alike, Ms Porter.

MS PORTER: I was asleep, obviously; sorry about that. And thank you for the wonderful answer, which I obviously did not listen to; I will look it up in the *Hansard* and acquaint myself with it. I will get around it.

During the reporting period the decision was made—I hope you did not ask this one—to deter further agency reporting, pending a review on the purpose and scope of the activity. Could you explain why this decision was made, and what are the reactions from agencies regarding this decision? You did not ask that, did you?

THE CHAIR: No; you are on the ball now.

MS PORTER: You were about to get to that?

THE CHAIR: I thought you might get there.

Ms Wickman: Sorry, can you just clarify which activity we are talking about?

MS PORTER: Page 10.

Ms Divorty: I am sorry, Ms Porter; can you provide just a bit more clarity about where on page 10?

THE CHAIR: It is the last dot point under “Achievements”: “Developed a draft digital recordkeeping policy”.

Ms Wickman: We have been working on the policy for a little while now. We have had a draft, which we have shared with a number of stakeholder and peer groups and which has stood up very well in all of those discussions. There has been very little suggested change to the draft. It has been endorsed by the ICT business systems subcommittee of the strategic board, and we are hoping that the strategic board will also endorse that policy. I can give you a bit of detail about what is in it if you are interested.

MS PORTER: Thank you very much.

THE CHAIR: Ms Lawder.

MS LAWDER: I want to be a bit difficult and go back to my previous question where I was asking about Gartner and Cabcharge.

MS PORTER: We are on a different subject now.

THE CHAIR: We have moved on. You might have to put that on notice.

MS LAWDER: All right. In the annual report it refers to the draft strategy, and we talked about that a little. Was it last year that the draft strategy was written? How long is the strategy for, and how will it be reviewed?

Ms Wickman: Are you referring to the digital record-keeping policy?

MS LAWDER: Yes.

Ms Wickman: Yes. It has taken us a little longer to finalise than we planned, but we think it will be in place in the coming months.

MS LAWDER: So it is not yet finalised?

Ms Wickman: It is still a draft.

MS LAWDER: How long is it intended to be in place for?

Ms Wickman: As a general rule, we review our standards and policies on a five-year cycle. We would obviously look at it sooner if circumstances changed, but it is a high-level policy and it is intended to guide us well into the future rather than be short term and more reactive.

THE CHAIR: Ms Berry, do you have a question for the record keepers?

MS BERRY: Relating to record storage and disposal, page 67, I wondered whether it is just paper records that you are responsible for or is this area responsible for the archiving of other things in Canberra—the storage and safekeeping of items that are important for our history?

Ms Wickman: The Territory Records Act applies to records regardless of what format they are in. They could be paper, digital or audiovisual formats or whatever format you might choose. The focus is on records—so evidence of government business. That would exclude things like museum objects and library materials; we do not have any responsibility for those. But the disposal responsibilities particularly apply to records, regardless of what format they are in.

MS BERRY: Is this area responsible for the storage of all the items that were left after schools were closed, or is the education department responsible for the storage of those items?

Ms Wickman: The way the act is configured, directorates retain responsibility for their records, regardless of their age. The direct responsibility for storing that material is with education. We act as the regulator; we set standards for the types of environments that that storage should provide for records, and we regulate the disposal of records, but we do not actually provide the service ourselves.

Ms Divorty: Whereas Shared Services more broadly has the records service as well. We have a facility in Mitchell that stores paper records on behalf of directorates.

THE CHAIR: Thank you for that. We may move on to ACTIA now, if that is okay with the minister.

Mr Nicol: Chair, have you finished with the procurement board?

THE CHAIR: Yes. All other questions will go on notice. I am sure there will be plenty.

Mr Fletcher, welcome. On page 6 of your annual report, you have a section called “Risk management support”. During our chat with the procurement board, they talked about your risk assessment matrix. Given that the territory has not conducted any PPPs before, what work are you doing with them on, for instance, the courts project, capital metro and the University of Canberra public hospital?

Mr Fletcher: The principles of the risk management model that the authority has developed apply universally across a whole range of operational activities and projects. Our involvement with those large projects has been to assist them in making contact with risk management providers in the private sector who can assist them in putting together a risk management approach to their projects.

The risk management team within the authority has only been small; there are only really, I suppose, 2½ people involved in the risk management activity. So we do not have resources available to get heavily involved with either agencies or individual projects. We do our best, and I and my staff have had conversations with people in capital metro about how we can help them get their head around a risk management approach for the project.

Similarly, when we are approached by others doing similar type projects, we do the same thing. We give them the tools that we make freely available to agencies; they often take those guidelines and tools and adapt them to their project environment in discussion about the activity in the procurement board. Often with smaller scale projects, that is the approach they apply; the plan that comes out of that type of review ends up either in a forum in a business case or in a business case that ends up in an environment like the procurement board.

THE CHAIR: How much effort or time has been devoted to, say, capital metro at this stage?

Mr Fletcher: My staff have had a number of meetings with people in capital metro. I have met with some senior staff in capital metro, I think twice in the lead-up to them getting their organisation rolling along. I am aware that there is a meeting tomorrow afternoon with one such risk management service provider, with a team who I think are going to get more involved with the nitty-gritty of the project. I am not sure what scope they propose in terms of that activity, but it is again about introducing people who can assist rather than our staff being involved in that activity.

THE CHAIR: And the courts project—what has the involvement been there?

Mr Fletcher: Less—less involvement with that project.

THE CHAIR: Why less, given that it is the first big project?

Mr Fletcher: It is quite simply about the people who approach us. If we are approached by people running particular projects, we offer our assistance.

Mr Barr: It is a much less risky project, obviously; it is a building.

THE CHAIR: Are you saying that capital metro, therefore, is far more risky than the courts project?

Mr Barr: Than a building, yes. That is why we started with the courts project as our first PPP.

THE CHAIR: Thank you. Ms Porter.

MS PORTER: On page 8 it reports that it took an average of six days to reimburse agencies for insurance settlements, which was 14 days less than the target of 20 days. Obviously that is an improvement.

Mr Fletcher: It is. I suppose it reflects our approach to try, when agencies suffer a loss, to reimburse their funds as quickly as we can. It is a good outcome. Part of that outcome is about a bit of a trial that we have got going at the moment to try and reduce some of the red tape associated with the administration and payment, or reimbursement, of funds to agencies.

In the past, we would manage a claim on behalf of an agency. The claim would settle. The agency would make a whole host of payments. Then they would seek reimbursement from the authority. So there is a transaction process that goes on there that was a bit onerous.

We piloted with a couple of different agencies—it sounds simple, but it was not—whereby they basically pay us the excess on the claim and we make all the other payments. That means that there is only one payment process, and a simple single payment to them. That means that basically there is no burden or time lag on payment by them and reimbursement by us. It leaves the funds available for the agency to use, rather than waiting for that transaction process to happen.

MS PORTER: You said it is a pilot and that you were dealing with a couple of agencies. Has it now been introduced fully?

Mr Fletcher: I think it is about to morph from a bit of a pilot to being an approach that we take across the board. It is particularly useful for agencies that we make big payments for. Medical negligence type claims can be in the millions of dollars. It is just a more efficient process to manage it in that way.

THE CHAIR: Ms Lawder.

MS LAWDER: I have a quick question relating to your operating surplus of \$47.1 million. It looks as though it is driven largely by net incurred claims 79.8 per cent lower than the budgeted amount due to lower than expected inflation, reduction in number and settlement of medical malpractice et cetera. Do you have a feel for why there is such an enormous discrepancy this year?

Mr Fletcher: I can explain the discrepancy. The claims expense associated with our operating statement is very much driven by evaluation of our claims liabilities. Over probably the past three years, the authority has been able to improve its practices in terms of estimating liabilities. I say that in the context of the authority not being an

agency that is very old in insurance terms; so we do not have a lot of experience to rely on in the insurance world. But in the past five years, we have settled off a fairly substantial number of claims, particularly medical negligence claims and personal injuries claims that are liability claims.

Informed by that experience, our actuaries are in a position to be able to change their assumptions about what our claim profile looks like looking backwards and also what it looks like looking forward. So progressively, because of those adjustments, as you will see on the balance sheet, we have been able to return \$50 million to the budget as part of that process in assets. We do not want to hold surplus funds that we do not need; we return those. So that—

Mr Barr: Gratefully received.

Mr Fletcher: That reduction in liabilities is us narrowing in on what we think the liability profile looks like. When you reduce those liabilities, it has an effect on how the claims are expensed. You can see the total operating surplus of 47; it has not always been that good in the past. Over the history of the authority, there have been a number of small surpluses we have made, and we have made some substantial losses in the past 15 years. But I think we are now getting to a point with our experience profile where we are way better informed about how to establish those liabilities and what they might look like moving forward.

For the next cycle of our insurance cycle, which is for premium setting for 2015-16, we have had an initial conversation with the actuary about what that premium profile might look like. Again, we have got to reduce our revenue to match off the liability; we do not want to build surplus assets that we do not need. My expectation is that there would be a reduction in the premiums for 2015-16, as there was for 2014-15.

Mr Barr: Good news.

MS LAWDER: Where does the Insurance Agency get its \$13.7 million investment distributions from?

Mr Fletcher: Our funds are invested with the Treasury-managed fund, the central fund.

MS LAWDER: That follows a similar profile?

Mr Fletcher: Yes, the same profile. The fund is generally managed by them; we do not have our own particular targeted investment strategy.

MS LAWDER: Thank you.

THE CHAIR: Ms Berry, a new question.

MS BERRY: Yes. This might not fall with you, but I will have a crack anyway. In Canberra we have lots of community open spaces. I have been talking to a lot of people in my community about how they could take responsibility for some of those areas, but they are not covered by insurance, and there are some problems around that,

apparently. Is there any way that you could change, work around or do something so that people in the community could take responsibility for little parks in their area?

Mr Fletcher: The authority provides agencies with a volunteer policy. If those persons were volunteers, they would be insured by the authority under that policy.

MS BERRY: But they need to sign something to say that they are volunteering and they understand the risks involved and things like that?

Mr Fletcher: There needs to be some administration around how they volunteer in an agency. Agencies like ACT Health have a lot of people who volunteer at the hospital. My understanding is—some of my staff have been to some of the briefing activities that go on with those volunteers; they run an induction with the volunteers, and they register them—that as long as they are noted into that system they are covered by that policy, the volunteers policy.

MS BERRY: Does it have to be a recognised group, like the Ginninderra catchment groups?

Mr Fletcher: It can be an individual.

MS BERRY: Okay. The Ginninderra catchment groups have volunteering for Clean Up Australia Day and those sorts of activities; you sign a—

Mr Fletcher: They need to be volunteers to the territory.

MS BERRY: Okay. If a person had a park next door to their home that they wanted to take responsibility for—keep it clean, mow it, weed it, whatever—

Mr Fletcher: Yes.

MS BERRY: They would need to volunteer to the ACT? Is that how it works?

Mr Fletcher: I suppose you are asking me the question about the insurance side of it.

MS BERRY: Yes.

Mr Fletcher: There is opportunity for them to be provided with some insurance protection, particularly for personal injury, associated with if they were to be a volunteer into that environment. I am sure there are a whole host of other issues that parks and city services might try to assist you with in that regard, but that is one of the policies that we have in place to protect individual volunteers.

Mr Nicol: Perhaps I can suggest that we organise a meeting. I think TAMS would have to be involved as well. There would have to be a relationship between TAMS and the community as well as between TAMS and ACTIA. And each circumstance might be slightly different.

MS BERRY: Yes. It is just that I knew there were some complications around it, and I wondered if there was any way to find a way around it. Anyway, I would appreciate

a meeting.

Mr Fletcher: You probably could, but it would need to involve people in TAMS.

MS BERRY: Yes.

Mr Nicol: Yes, because for insurance there has to be a premium payer, which in this case would be TAMS, and then there would have to be a relationship between TAMS and the community, I would imagine.

MS BERRY: Okay.

Mr Nicol: We do not generally provide public liability cover for members of the public doing things which are not related to government. They might have to have their own insurance arrangements, for example. That is where it gets very complicated.

MS BERRY: Yes.

Mr Nicol: We could have that discussion and bring TAMS into the story as well.

MS BERRY: Thank you.

THE CHAIR: We might suspend there. Thank you, minister and officials. We will come back to tourism and events, EPIC and the economic development portfolio.

Sitting suspended from 10.52 to 11.08 am.

THE CHAIR: We will recommence the hearings. Because we have changed the crew we will just run through the housekeeping. Please be aware that the proceedings are being recorded, as well as being webstreamed and broadcast. Again, just because there are some additional staff, there is a privilege card on the table in front of you. If you could all please confirm that you have read the privilege statement and understand the implications of privilege.

Mr Barr: Same as it ever was.

THE CHAIR: Same as ever, fantastic; all done. We will now move to tourism and events, which we will endeavour to do between now and 11.45. We will then look at EPIC and then move to economic development. Minister, just to lighten the morning, I have just met a friend in the foyer who is off to Sydney tonight for the Rolling Stones concert. Are you going to Sydney for the Rolling Stones concert?

Mr Barr: Yes, I am.

THE CHAIR: You are? Fantastic.

MS PORTER: Has his throat recovered though?

Mr Barr: It has, yes. Thank you for your concern for my tourism experience.

THE CHAIR: I would hate for you to miss out. Why is that you have to travel to Sydney to see the Rolling Stones? Where else have you travelled to? Are you only going to Sydney?

Mr Barr: Melbourne.

THE CHAIR: Melbourne. Two?

Mr Barr: I would have been at three but for the cancellation of *Hanging Rock*, yes.

THE CHAIR: One got cancelled. Well, there is dedication. Why has Canberra not got a Rolling Stones concert?

Mr Barr: Because we lacked a venue of a suitable size. There was a view from the promoter that there were only a certain number of dates available. Given the age of the touring artists, they are performing twice a week, on Wednesdays and Saturdays. They are really only doing two shows a week, which means that an available window was somewhat limited. There are a number of areas of Australia that did not receive a concert. Equally, the entire south island of New Zealand misses out as well. You can't always get what you want, Mr Smyth.

THE CHAIR: You were the one that wanted them, minister.

Mr Barr: There was no harm in asking.

THE CHAIR: When you say that we lack a venue of suitable size, what is a venue of suitable size for these sorts of concerts?

Mr Barr: For the Rolling Stones, the promoter suggested 20,000. That is what he was looking for in an outdoor venue. Some of the arenas that they are playing at—Rod Laver and the one tonight in Sydney—have, in a concert configuration, 12,000 and 14,000 seat capacities. Our largest indoor venue at AIS Arena would probably not even get to 3,000 with a stage the size of that that Mr Jagger dances around in his two and a bit hours. We are lacking an indoor arena with a greater capacity. For a city of our size, probably 7,500 to 10,000 would be the sort of sized arena you would be looking at.

In terms of outdoor venues, Canberra stadium has hosted Elton John. From memory, the crowd there was about 12,000. It fell a little short of the Stones who, of course, attracted a larger crowd than Elton John. These are decisions that ultimately promoters make. I think the opportunity, at least, to have engaged with Frontier Touring was to highlight some potential new venues in the city that they had not considered previously for other touring artists.

The arboretum site offers some potential for a day on the green-type concerts. There is also interest in the truly iconic federation lawns of Parliament House, but obviously there are significant infrastructure costs associated with bringing in a concert there. But it does happen for Australia Day, so I think there is opportunity. Exhibition Park has also hosted major rock concerts but is subject to various noise limitations.

THE CHAIR: The arboretum would seat how many?

Mr Barr: Maybe about 5,000 to 6,000.

THE CHAIR: In the amphitheatre?

Mr Barr: In the amphitheatre.

THE CHAIR: Mr Rake may know. The mall will seat how many?

Mr Rake: We have had 20,000 on Federation Mall.

THE CHAIR: The question was raised about part of the mall over State Circle, whether it should be closed in. Is anybody considering that, because you have got that gap halfway down?

Mr Rake: We are not aware of any project there, and I was not aware of any in my previous role.

THE CHAIR: Minister, what will the government do to see that such venues occur so that you will not have to expend all those greenhouse gases on getting to Sydney?

Mr Barr: I think there will always be a reality that a city of our size will not attract every single international touring artist who visits Australia. That is a reality, as disappointing as that is for devotees of particular performers. But we will certainly be taking the opportunity to promote the arboretum as a venue for those sorts of events that would attract an audience of around the 5,000 mark. Commonwealth Park, stage 88, has a capacity of 8,000 or thereabouts. There are a number of options.

What has also captured the imagination of tour promoters is the winery concert. Hope Estate in the Hunter Valley is a venue for this particular tour and has hosted a number of other performers. Those venues are largely in New South Wales, but some of the investor interest that Invest Canberra has been facilitating has included investment opportunities in tourism and investment opportunities within the broader region, and that has included the Canberra district wineries. I think we will see over time some investments there. I know in times past some of the vineyards have hosted smaller events. When you are talking about something of the scale of 10,000 or beyond, it is obviously a different endeavour than some of the smaller acts.

THE CHAIR: Apart from a suitable venue, was assistance with bringing a group like the Stones here sought, or how much would be required?

Mr Barr: The only observation I can make on that is that I understand there was a fee paid by the South Australian government to secure the Stones for the opening of Adelaide Oval. That, I think, was publicly reported at about \$200,000 to \$250,000. There was not any discussion of funding. Our expression of interest did not proceed to the stage of a negotiation over an appearance fee. That said, a number of artists do request that and where we might be the procurer of the act—for example, for an ACT government-sponsored event like Canberra Day or New Year's Eve and the like—we have paid appearance fees, which we do not recoup generally because we are not

charging people to attend the concerts. But those appearance fees are significantly smaller than Jagger, Richards, Watts and Wood would command.

THE CHAIR: Thanks for that. Ms Porter.

MS PORTER: While we are on this subject—

Mr Barr: A list of the top 10 favourite Stones songs or—

MS PORTER: No, I am not—

THE CHAIR: Let us not dissemble now; settle down.

MS PORTER: No, large events. On page 44 it talks about the special event fund and the importance of the fund. I note the large number of what you would call blockbuster events. Could you talk about the importance of these to the ACT and why we made the decision? A fair amount of money would go into these particular events. Why spend so much money in this area? I note, though, that we did have the *Elvis* exhibition here for considerably less money than it would have cost to have him here live.

Mr Barr: Yes. If anyone has seen Elvis lately tell him his group house with Jimmy Hendrix and Janice Joplin in Kambah is on the market. In all seriousness, the major event fund has allowed the city to attract, in partnership with national institutions principally—and the National Gallery is perhaps the most high profile of the major events supported through the fund—a larger and more diverse influx of tourists associated with particular exhibitions.

The government's outlay in terms of support for major events through this fund has been in the order of \$1 million annually and the return on investment has been significant. In our outlays over a number of years, with the National Gallery exhibitions we have a total of about \$2 to \$2½ million, and the economic impact of those exhibitions has been in the hundreds. The return on investment is very high for the territory government. We certainly concluded that, with the spend in the events area, those sorts of partnerships with national institutions have delivered very good returns on investment.

Principally in the cultural tourism area, we seek obviously, across an annual events calendar, to have a diverse range of experiences and opportunities within, really, the four key pillars of our tourism and events strategy. I am also very conscious of the ability of this fund to bring major events, exhibitions and the like to the city that Canberrans would otherwise not have the opportunity to experience. There is a significant tourism benefit, and that is acknowledged, but there is also a very direct benefit for Canberrans.

I guess one of the questions that people often ask about our spend in tourism and events is: what benefit do we, the ratepayers of Canberra, get as individuals? It is obviously the opportunity to attend the range of events and activities that it would not otherwise have. They have, obviously, a strong tourism focus and attract people here, but the value of the spend for Canberrans is that those events take place in their city.

All of the research we have across the range of different events that we have brought to Canberra, sporting or cultural, is showing very strong feedback from Canberrans that they value having those events in the city, that they add to the social and cultural life of Canberra. To an extent it is an intangible, that sense of pride in the city, and it enhances the livability of the city which helps us attract and retain people. No-one wants to live in a boring place where nothing ever happens.

MS PORTER: You are glad that we are no longer boring?

Mr Barr: There is no doubt that Canberra 2014 is a much more interesting place than Canberra 1964, Canberra 1984 or Canberra 1994. The city has significantly changed for the better. To the extent that this area of government plays a role in broadening and deepening that social and cultural experience, it is a really positive role for the city as a whole.

MS PORTER: In relation to that, do we keep figures on international, national and regional people, as opposed to people who live here?

Ms Barr: Yes. We have data on specific events and then cumulative data that are taken quarterly in terms of the national and international visitor surveys, and then we do research on individual events. I might throw to Mr Rake or Mr Hill to give some examples—if you have got handy some examples of successful events, where the visitors have come from and what their experience has been?

Mr Hill: I think on average we look at the special events funded activities, money from the exhibition sector. *Masterpieces from Paris* was one that really kicked it off. 460,000-odd people came to see the *Masterpieces from Paris* in 2009. Seventy-five per cent were from interstate, predominantly from New South Wales and Victoria. That average is pretty consistent across the board with exhibitions like *Renaissance*, *Handwritten* at the National Library and *Elvis* at the National Portrait Gallery. It is roughly about a 75 per cent breakdown of interstate and internationals vis-a-vis the local community. But, as the minister says, I think the local community gets a big benefit from the vibrancy of Canberra. The precincts come alive. The hotels are full, the restaurants are full. It is really a demand-driven activity that stimulates the economy on many levels.

MS PORTER: Did you have anything you wanted to add, Mr Rake?

Mr Rake: No.

MS PORTER: On page 16, it reports:

VisitCanberra, in conjunction with the Canberra Airport Group, led a project to attract direct international air services from New Zealand and from Singapore.

In relation to all these events, obviously that would be a plus. How is that progressing?

Mr Barr: We continue our close contact with Singapore Airlines and with the relevant Australian carriers in the context of the Star Alliance group, including Virgin

and Tiger. Over in Qantas, the oneworld alliance includes Jetstar and Air New Zealand in relation to the New Zealand links.

I think in the next series of Australia-New Zealand intergovernmental meetings one of the agenda items is aviation access. An area that has been highlighted is the need for further streamlining and deregulation of trans-Tasman aviation routes. There have been a number of press articles noting that cities like Canberra and Newcastle would benefit greatly from some further intergovernmental work in relation to freeing up the capacity to fly on those trans-Tasman routes. That would open up some opportunities within some of the New Zealand markets as well. There will be further progress between the respective national governments but we are going to take the opportunity in the New Zealand market to continue those conversations both with airlines and with our tourism and airport counterparts.

In the context of Wellington, for example, there is a very strong interest in a capital-to-capital connection. Auckland is a logical point for an aviation connection and it then allows for onward travel, particularly to the west coast of the United States. Singapore, equally, is an important route for us in so much as it then opens up travel to virtually any other point in the world.

Canberra Airport continues their lobbying and advocacy in partnership with the government, and Stephen Byron and I have had regular contact, jointly and separately, with Singapore Airlines. I would like to acknowledge at this point the support of Andrew Robb, the federal minister, who has written to Singapore Airlines on our behalf and provided tremendous public support as well as assistance behind the scenes in working with the ACT government and the airport. That is much appreciated. We will continue to work with Tourism Australia and other relevant stakeholders to push our case here.

Ultimately though, as I have said before, we cannot force the airlines to fly here. It needs to be a commercial proposition. We are ensuring that in our approach on the various routes and to the various airlines we are putting our best case forward in partnership with the airport and with tourism partners.

The final point I will make is that whilst we have an international focus in terms of new route development we are not forgetting the opportunity for low-cost carriers to enter the Canberra market, and we are continuing discussions with Jetstar. Given the recent ownership changes associated with Tiger, we will look to open conversations with that airline group around low-cost carriers coming into the Canberra market. I think that is clearly a gap at the moment and it is having an impact on a certain segment of leisure tourism into Canberra who need to fly in, because it is a somewhat more expensive market. We are a more expensive market to access because we do not have the low-cost carriers.

MS PORTER: Obviously the planes will need to be populated coming and going. I guess part of the question for the airlines is whether people want to come here and to leave here.

Mr Barr: Yes, and obviously outbound tends to come back too, but you certainly need to have a strong product offering. We have been quite busy in ensuring that we

are in the market in these areas, that we are leveraging Tourism Australia and tourism industry connections both in terms of direct to consumer but also through the tourism intermediaries in the wholesale end of the market with agents and the like, particularly in Singapore. Mr Hill might like to provide a little more information on that work in Singapore that has been occurring in recent months.

Mr Hill: A couple of the key things that we have been working on are convincing airline carriers about the size of the catchment in the ACT. They tend to think of Canberra as being 350,000 and, therefore, they do not necessarily consider us quite as high up the rank as we would like them to. Canberra plus two hours drive is a 900,000 catchment. That becomes far more attractive for the route planners in airlines, and that is getting some traction for us.

At a recent trade mission to Singapore we ran a dedicated tourism component in that mission engaging with the trade. It is the intermediaries, as the minister just spoke about. It is pleasing from our point of view that we will have three announcements coming out shortly, one with the Chan Brothers, which are a major distributor in Singapore, one with Dynasty Travel and one with the MISA group. They will start to actively promote Canberra, regardless of direct flights, through their programs.

This is about building awareness of what Canberra has to offer. The research shows internationally that the basic awareness of Canberra and its surrounds is really skinny. They do not understand that we have this beautiful natural environment. They do not understand that we have 30 wineries within 30 minutes. They do not understand our cultural offering and our family friendly offering.

I think once we explain those things there is a lot of interest from the trade over there to start to promote Canberra. That is the space we are in at the moment. We are also engaging with people like Singapore Airlines around the OECD's description of us as the most livable city. It is that sort of global commentary about Canberra that is really helping to lift our profile. Once we have the right plane available from that asset utilisation on this route, from an airline point of view, we will get a really big win.

Mr Barr: Another quick observation to make, in terms of telling that story about the city's growth and the coming of age, if you like, is that decisions by companies like IKEA to locate here are a pretty reasonable signal of the size of an economy and the size of a population catchment. An internationally recognised brand making that decision—Costco is another—gives people at an international level a sense of an economy that is of a certain size. That is a powerful signal of that level of international investment. What we have been seeing from the market interest in a number of developments within the city is that people are paying attention to that in other industry sectors, and that is acknowledged and is assisting us in building that case.

THE CHAIR: Just as a supplementary to that, did you put \$600,000 towards wooing international flights this year?

Mr Barr: Yes, I think that is correct for this fiscal year.

THE CHAIR: How much of that has been spent and could we have a reconciliation?

Mr Hill: Yes. I am happy to take that on notice for the exact figures, but broadly speaking about \$450,000 was invested in some specific campaign activity and the development of the business cases for both New Zealand and Singapore. We engaged an aviation consultant who helped put together the business cases, which was a fairly detailed piece of work, and route planning work. It is quite dry. We wrapped the destination story around that and that was used to present to airline carriers.

Then on the other side, in the lead-up to the visit to Singapore, we ran a dedicated consumer campaign which included advertising in the *Straits Times*, which is the major daily newspaper over there, big double-page spreads about what Canberra has to offer. We ran some advertising in the *SilverKris* magazine, which is Singapore Airlines' in-flight magazine, and in some of the MRT publications—some consumer awareness whilst we were there. I will provide a detailed breakdown of that.

THE CHAIR: And the \$1.1 million fund, the cooperative airlines stimulus fund?

Mr Hill: That is just over the two years. There is \$600,000 in year 1 and \$500,000 in year 2. That is the \$1.1 million.

Mr Barr: That is right, yes.

THE CHAIR: A new question, Ms Lawder.

MS LAWDER: Minister, on page 41 of the annual report one of the results is that ACT hotel occupancy levels are above the national average at 69 per cent, compared to the national average of 65.3 per cent. I note from AHA statistics that 60 per cent of ACT hotels closed outlets or reduced guest services over Easter this year because of penalty rates, 55.6 per cent of hotels reduced services and outlets, including restaurants, because of penalty rates, and 93 per cent of hotels blamed high costs on penalty rates. What discussions have you been having with AHA and similar organisations about the impact of penalty rates?

Mr Barr: They have raised that issue with government. Obviously the industrial relations framework is a national one. In our IR system, we operate under the federal system. This was raised by the peak tourism bodies at the ministerial council on tourism. I think it would be fair to say that there was a robust exchange of views between me and Bruce Baird, the father of the New South Wales Premier.

The context of the debate started off with a discussion about how difficult it is to attract and retain staff in the tourism sector. It then went on to a long rant about how penalty rates make it impossible for some businesses to open. I drew to Mr Baird's attention that one of the challenges around attracting and retaining staff would be paying them appropriately and that, whilst everyone acknowledges that tourism is a 24/7 business, asking people to work antisocial hours on significant public holidays should mean compensation above and beyond the normal hourly rate.

This will obviously be a point of some debate between employers and employees and needs to be resolved at an enterprise level, and there are some awards and agreements that have a public holiday rate that is standardised over all of the public holidays and

perhaps does not draw a distinction between Sundays and Mondays, for example. Others have time and a half on the Saturday and double time on the Sunday and it might be two and a half times on a public holiday. It is, I guess, a part of the industrial relations fabric within this country that we have always taken the view that people who are asked to work night shifts on significant public holidays would be compensated for that. I support that position and put that view very robustly. I think that debate was had in this country in the period 2004 to 2007. We very conclusively decided in favour of maintaining a system of penalty rates.

Those who wish to advocate otherwise can do so. We live in a secular liberal democracy. You can have that view but do not expect any support from me for the abolition of penalty rates. I have put that view very strongly to the AHA.

MS LAWDER: You are perhaps putting words in my mouth. I do not think I advocated that view.

Mr Barr: I go fundamentally to the point that if you wish to attract and retain staff in this industry you have got to pay them appropriately. If you want people to have long-term careers in this industry, then short-term casual jobs are not the way to build a career in an industry. That is a challenge for this sector, one that the government can contribute to by supporting skills development—through our TAFE system, for example, which we do. I think that is a better approach. Let us up-skill people. Let us have a higher quality tourism sector and let us pay people appropriately.

MS LAWDER: And you are having those discussions with the AHA?

Mr Barr: Amongst others, yes, and at a ministerial council level, where what I have just said was the view I put. It was backed up by the South Australian minister, and not many of the other ministers said too much else.

MS LAWDER: Has the ACT government considered a nationally consistent number of public holidays?

Mr Barr: This strays into the territory of Minister Gentleman. I have been a minister in this area and have been responsible for at least one of the additional public holidays, and that was Family and Community Day. That was created to replace a day that had previously existed prior to WorkChoices for private sector workers who had a union picnic day entitlement. Public servants had commissioner day, which traditionally falls between the Christmas and new year period. That union picnic day was stripped away from private sector workers by the WorkChoices legislation. The only avenue that the ACT government had to maintain that entitlement for private sector workers was the establishment of a new public holiday, which we have done.

Comparisons are often made between jurisdictions that exclude, for example, local show days or racing days. In Victoria, for example, there are a number of regional show days and racing days that are not included in the tally of public holidays that some industry associations put forward for the number of public holidays in Victoria—similarly in the Northern Territory, Tasmania and otherwise. So when you do an actual like-for-like comparison, the ACT is not significantly different from other parts of Australia.

From a tourism perspective and from a hospitality industry perspective, there is pretty strong evidence that when we have public holidays our community gets out and participates in activities and tends to go to cafes, restaurants and the like and spend money. They tend to be actually quite productive days in terms of spend in this sector of the economy.

MS BERRY: Thank you. A supplementary, chair? There have been conversations about penalty rates so I am happy that it has been brought up here today. There is also a conversation that if you remove penalty rates from some of those low paid workers, they cannot contribute to the tourism industry because their incomes are so much lower. Tourism and retail are affected by lower incomes, and the push gets further on down the track. You addressed a bit of that in your comments on Ms Lawder's question. Did you have any other comments that you wanted to make about it?

Mr Barr: There is certainly evidence that, if you strip back that element of someone's wage or salary that would otherwise go to that discretionary spend, the opportunity that a family might have for a night out, then what is sacrificed is that element that is discretionary, because people will always need to pay their rent, utility bills and the like. It has a big impact on the cost of living of low income households and their capacity to be able to participate fully in a society.

There is very powerful evidence that the overall increase in aggregate demand that you get from having an appropriately paid workforce flows through the rest of the economy in terms of the spend. The marginal dollar, that extra that is the penalty rate, is often the dollar that is consumed on a more discretionary item—or, in economist speak, luxury item—rather than a necessary one. So, again, the industry that will suffer the most if that money is withdrawn is the tourism and hospitality area of the economy.

That is why I think it is so counterproductive to have this debate. The best way to attract more people to work in an industry is to cut back their wages and conditions? That is crazy. The best way to encourage more spend in our economy is to cut back the amount of consumable income in this particular area? It is counterproductive. There is a lot of research in terms of the cumulative impact across an economy of that and either enhancement of aggregate demand or detraction from it if penalty rates are cut.

MS BERRY: In fact, one economist, Dr Kim Houghton, said that if penalty rates were cut from these low paid workers, they would be pushed into homelessness, which then creates a whole lot of other—

Mr Barr: You can certainly see some circumstances where a particular household is relying on a single income earner and where the penalty rates, for the antisocial hours that they are working, are the difference between meeting a rent payment each week or not.

Yes, the flow-on effects into the community services and social services area of a government budget or the totality of an economy would be significant. Again it just serves to reinforce the point that the reason for penalty rates is as compensation for

working hours that are considered, in the mainstream context of working hours, to be antisocial, and that there should be some compensation for asking people to work on Christmas Day, Easter Sunday, very late at night or very early in the morning. The rest of the service provision in an economy does not fit itself around those sorts of antisocial working hours, and there should be some compensation.

Obviously, at an enterprise level there will be negotiation around what those penalty rates should be, and your IR systems should allow for that, but the idea that has been advocated by some, of either abolition of public holidays or abolition of penalty rates, is the wrong policy approach.

MS BERRY: And just to be sure, it is not compulsory to open on public holidays, for businesses or hotels?

Mr Barr: No. We have a deregulated environment, so it is a decision that those businesses take. The interesting thing is that the ones that do stay open obviously have a much less contested market, so there is less choice and they tend to be very full on those days. The evidence appears to be that they do quite well out of that decision to open. But no-one is forced to open.

THE CHAIR: We will have to move on. Have you a new question in the area?

MS BERRY: Yes, I do. Just regarding the CBR campaign, I understand that SEROC are wanting to use CBR for the region as well. Can you talk to us a bit more about that—the benefits of that in the ACT and how that could flow on to the region.

Mr Barr: As you said, it was very pleasing to see, following the presentation of the new city branding and then the approach that we are taking to collaboration across the region, that there was such a strong interest in expanding the CBR branding into the capital region. I have seen some of the initial creative for the different areas around Canberra that are going to highlight the unique attractions and experiences that are in our broader region; as Canberra is the gateway to access all of those areas, it is in our interest to continue that collaborative approach. In terms of next steps, I might go to Mr Rake.

Mr Rake: We will be working with the local government areas to formally roll that campaign out over the next couple of months. The rationale, as the minister says, is that we are trying to grow aggregate economic strength in the region. A stronger region will be good for Canberra.

In talking to the local councils, one of the themes that came through very quickly was that descriptions such as “capital region” were not necessarily meaningful or helpful for some of our visitors and economic interests; they were very happy to be referred to as the Canberra region. They noted that when people visiting Australia from overseas look at a map, they cannot find “capital” on a map; they can find Canberra. So they know that Queanbeyan is right alongside—or the Snowy Mountains or the south coast. So it is quite helpful.

The campaign that we have developed for the city branding is so strong and well developed that it is only a very small increase to make it available to the surrounding

regions at little to no cost, and it will be good for all of us. That will come to life over the next few months.

MS BERRY: I have noticed its use a lot with hash-tagging on Twitter alongside the human brochure campaign. How has that been going with the 101 humans?

Mr Rake: Great.

THE CHAIR: All right; thank you for that.

MS BERRY: Mr Hill, tell us more.

Mr Hill: Yes.

THE CHAIR: Quickly.

Mr Hill: 101 humans is really a legacy from the centenary project. We ran the 500 humans campaign using interstate people to come and visit Canberra. 101 is about creating the very best advocates we can from Canberra to engage with the Canberra tourism experiences. You do not often know your own backyard that well; we have been pretty surprised. We targeted it through an application process; about 1,200 local humans applied to be part of the 101 humans; 101 lucky people got involved with it, in four categories, of food and wine, arts and culture, nature-based and outdoor adventure.

We ran a four-phase program. Essentially we were really skilling them up on social media. They already had a propensity to use social media, which is how they were selected, through a Klout score, which really shows your influence in social media. We were still able to teach them some new things through some special guests that we got down around Instawalks and how to write blogs in a more effective way. For us, this all culminated essentially the weekend before last, with some visits of interstate guests and relatives that they invited to Canberra; they got to showcase various experiences in the categories that they had asked to be involved with.

Some people got to go bike riding with Michael Milton, for example, which was fantastic; go through the new Acton precinct and see the arts and culture experiences in that area; and then finish up at the Portrait Gallery, where Michael Milton's portrait happens to be hanging. So they are getting to see a connection. Michael Milton has got the Big Foot Adventures bike tourism business here in this town. Other people got out to meet the Raiders and some of their players, which was fantastic. We had people out to Mount Stromlo, which was great. For the food and wine experience, they got to go to the farmers markets, select produce, and then take it out to Lark Hill Winery and actually make a dish, which was great—and get involved and share through social media, #humanbrochure and also #cbr.

It has been a great way of building advocacy by local humans who are influential in their own spheres, raising the profile of what there is to see and do in Canberra. It is certainly not finished from our point of view, but in terms of the activation, the weekend before last was highly successful. The weather gods were kind, which is always good with events like that.

But the social media pool has been fantastic. We are still getting more and more content being provided. Our Instagram and Twitter feeds have over 6,000 people following. We have got 36,000 people following our Facebook page now. With the posts on some of these things through Tourism Australia, there are 45,000 likes on some of the imagery from the zoo. It is a very cost-effective way of getting content about Canberra out to the marketplace.

MS BERRY: On numbers, how do you explain the one million plus additional visitors to the target of 900,000 for the visit Canberra page?

Mr Hill: Yes. We underestimated what we thought we were going to achieve there. I think the reality is that over the last 18 months we have put a lot more effort into the digital side of our business. The 500 humans, the 101 humans and even our above-the-line advertising have been very skewed towards digital, because that is really where the eyeballs are around choosing holiday destinations. I think it has been successful. I will probably need to revise that target upwards for next year.

MS BERRY: Thank you.

THE CHAIR: Just to finish on this area, the pop-up village is covered by this?

Mr Barr: No; LDA. But I can give you an update. It is popping up.

THE CHAIR: When will it be in operation, and is it still intended for it to run for two years?

Mr Barr: Yes. The advice we have from the organisation Stomping Grounds Collective, who are the operators, is that they intend to open this year, and I anticipate that being next month. It will operate for at least two years. Subject to its success and other decisions in relation to the time frame of development on the site where it currently sits, it may stay a little longer, but we will obviously determine that in conjunction with the collective in the years ahead.

THE CHAIR: How were they chosen to deliver it? Did they come to the government with an unsolicited proposal, was there a tender process or—

Mr Barr: It was an approach to government.

THE CHAIR: How was it assessed that they should be dealt with on a sole basis?

Mr Barr: Through the framework, the surrounding framework.

Mr Hill: Do you want to walk them through that, Dan?

Mr Stewart: It was an unsolicited approach. It was viewed, in terms of the framework, as an opportunity for early activation of West Basin in the context of the broader city to the lake project. Particularly from the LDA side, it was an opportunity for early marketing, very much along the lines of an individual standing on the third storey of that particular structure having a very good impression of what the third

floor of a new apartment block might be in that area. It is an excellent opportunity to give people an idea and a sense of what living in that precinct will be moving forward. But also there were a lot of additional activities that were proposed as part of the idea that was brought forward that made it quite unique to that particular group.

THE CHAIR: Thanks for that. We might now move to EPIC. I guess the opening question has to be this, minister: why bring it back into the government? What advantages do you seek to achieve, and where is EPIC currently deficient to lead to you treating it this poorly?

Mr Barr: I almost want to refer you to my first reading speech and the debate of five years ago.

THE CHAIR: Which was unconvincing then and is unconvincing now, minister.

Mr Barr: It is a tiny operation that has many similarities with the other venues and events that we operate within another area of government that it is proposed to be located with under the repeal bill structure. We believe there are better opportunities for staff development—to be able to work across a number of different sites and to build up the skills and capability that we have within the Venues and Events group.

There is no particular value in the current arrangements that sees a need to retain that structure when there are efficiencies—and what are now some somewhat more modest savings than were originally envisaged, because I managed to achieve a number of them in advance of this change. There will still be some positions that are no longer required, namely board members, that we will no longer have to pay for. So it will generate a saving to the taxpayer; allow for the streamlining of the operation of Venues and Events; provide staff development opportunities, as I mentioned; and be, I think, a more appropriate way for government to manage the concessional access to the facility.

In a corporate structure, asking an organisation to have a mission to maximise profit but then also requiring them to provide many hundreds of thousands of dollars worth of concessional access and benefits created an unnecessary tension in terms of the operation of the organisation. And it is a level of bureaucracy that is just unnecessary for a venue of that size, given that we are also maintaining a number of other venues within the Venues and Events group. We see benefit in rolling all of these areas together rather than maintaining small units, small boards, a plethora of little piles of red tape everywhere and an act that is nearly 40 years old and is redundant. So get rid of it, streamline it, and move on.

THE CHAIR: Ms Porter.

MS PORTER: On page 9 of the EPIC report, and it is also mentioned on page 67 of the Economic Development report, it talks about the co-location study. I wonder if I could find out where that is up to.

Mr Barr: It principally sits with Minister Burch in the racing and gaming area.

MS PORTER: Does it?

Mr Barr: I think it is probably best to talk about it there.

MS PORTER: We did talk about it there. I just wondered if there was any update on that, given that Exhibition Park mention it in their report.

Mr Barr: Minister Burch has carriage of the issue broadly in the context of any potential relocation. The matter will, I guess, be considered more formally by government through a cabinet process in due course, but I think it would be fair to observe that I do not think some of the more dramatic suggestions for change will eventuate, so it would appear that the views of the particular stakeholder groups are a preference to retain the status quo or have a minor change rather than a dramatic change.

MS PORTER: Could we talk about the low cost accommodation?

Mr Barr: Yes. Liz, would you like to speak about that.

Ms Clarke: There is some slightly disappointing news, I would say, from the last time when we made comment about the development. The development application is still being processed, due to a number of additional tasks that need to be undertaken from the tenderer, FreeSpirit. One in particular is the fire trail that needs to be included along the boundary of the development; FreeSpirit is working through this at the moment. So there is a delay in when that DA will be approved.

MS PORTER: This was new information? Is that what you are saying?

Ms Clarke: Yes.

Mr Dawes: Obviously, when FreeSpirit lodged their application in there, because FreeSpirit only take half of that block, 799 has to be divided into two and then subdivided. Obviously, when it goes on circulation amongst the directorates, from a fire perspective, and obviously with the nature of the facility, ESA would like a fire buffer zone between the vacant block of 799 and the development. FreeSpirit are just looking at whether we can actually manage the fire abatement zone within the adjoining block or whether they need to move the development some 10 metres away from that particular boundary. They are just going through that exercise and are in the final throes of the planning of that.

MS PORTER: Thank you.

MS BERRY: A supplementary?

THE CHAIR: A supplementary, Ms Berry.

MS BERRY: Just on that low cost accommodation, I understand that this new information has put a bit of a spanner in the works at the moment, but in providing accommodation in the future, will it have any effect on space that is being used by any of the other people out there at the moment?

Ms Clarke: No, it will not. The block that has been allocated to that development is a stand-alone—although obviously it will be providing support for accommodation for patrons visiting the events at Exhibition Park as well as other tourists and visiting school groups—things like that. But no. There are horses agisted on the other side of the block; when block 751 was split into 799 and 800, that is when the horses stayed on one side, and the development will be on the other.

THE CHAIR: Ms Lawder, a new question.

MS LAWDER: I want to ask a question from pages 18 and 19 about the ecologically sustainable development report and “stationery energy use”—which I presume is stationary usage?

Ms Clarke: Yes.

MS LAWDER: You have had a decrease in electricity, but you have a decreasing amount of renewable energy use. Why would that be, and could you explain what the double asterisk next to “Electricity use” relates to?

Ms Clarke: The double asterisk is to do with fact that the measure of the electricity is for the office building only. The overall electricity is for the overall venue. The reason that the renewable energy is—

Mr Barr: It is exactly the same decrease proportional to the decrease in total electricity use. So nothing has changed in reality.

Ms Clarke: It is the same, yes. It is really just business as usual with that.

MS LAWDER: And it appears that your total emissions have increased overall, by 13.58 per cent. Before I get to that, I want to go to “Reams of paper purchased”. Many of the other departments and agencies we have spoken to have been reducing the amount of paper purchased rather than increasing it. I note that you have gone to recycled paper, but what has happened to increase—significant increase—in the amount of paper purchased?

Ms Clarke: A lot of that increase is to do with our camping business. We do not go out to a consultant, or graphic designers or printers, to get that resource done; we do it in-house. Because of the increasing business in camping, there has been an increase in promoting our camping business through brochures and things like that.

MS LAWDER: So you think that is the best way to promote it?

Ms Clarke: It is a good question. For us, because we are so small, it probably is. But if the camping business grew much more, I think it would be probably more financially viable to outsource that.

MS BERRY: So it may change under the new arrangements with the department anyway?

Ms Clarke: Yes, absolutely.

Mr Barr: It is a tremendous success with the grey nomad market; they prefer paper rather than—

THE CHAIR: Ms Porter has a quick supplementary, and then Ms Berry.

MS PORTER: I have a very quick supplementary in relation to page 19. It talks about the increase of waste to landfill, and it says that for two reasons; one is the number of events, which is quite obviously logical, but the other one says it is “a change in the method of waste measurement by the contractor”. What does that mean?

Ms Clarke: The contractor who collects our waste was initially only doing approximate measurements. The way it records how much waste goes to landfill has been changed, so they are much more accurate now.

MS PORTER: So it is a better measure?

Ms Clarke: Absolutely, yes.

THE CHAIR: A new question, Ms Berry. We are going to have to move quickly.

MS BERRY: I will just ask a very quick supplementary regarding the collection and recycling of straw and horse manure. Is that still freely available to community gardens? Can people still go and pick that up?

Ms Clarke: No. We do not have that in a formal arrangement. We usually try to have that taken at the end of a horse event very quickly, and it is distributed through a contractor to disperse.

MS BERRY: I just wanted to ask a question about the farmers markets and how they have expanded so much over the years. How are they going for room? Do they need more room, and is there any more room available?

Ms Clarke: We have had a lot of discussions with the Rotary Club of Hall, who run the farmers market. You are right: it is a huge success. At the moment, they really do not want to expand; they are quite content to have the space that they have. But we have started discussions about whether we could provide more cupboard space for them. Obviously that would be working in the future, in a couple of years, to do that, but that would be quite a successful thing to do. It would be very similar to the Victoria market and things like that. We have tried to encourage them to do more than a Saturday morning, but at this stage they are quite happy just to stay at Saturday morning.

THE CHAIR: Do you have a question, Mr Doszpot?

MR DOSZPOT: I have questions relating to the Ageing portfolio. We were referred to Mr Barr as the minister responsible for all capital assets. This is information that was given to us by Minister Gentleman. I have a number of questions to ask.

Mr Barr: It is probably not in the Exhibition Park area then.

MR DOSZPOT: I thought we were in the economic development portfolio?

Mr Barr: No; we are still in Exhibition Park at the moment. We will come to that.

THE CHAIR: Just to close off on Exhibition Park then, is there any asbestos in the buildings at Exhibition Park and, if so, what is being done to address any issues arising from that presence?

Ms Clarke: Yes, there is asbestos in the buildings. We have an asbestos management plan that has been in place for a number of years. As well as the buildings there is also some asbestos sheeting in the stables. We work with a company called Robson, who are quite reputable obviously, and we have got stickers on all the areas that have got any asbestos—it is mainly in the eaves—and all our contractors that come on site as part of the induction are told the location and obviously told not to do any work.

THE CHAIR: In regard to the refurbishment of the service station and the establishment of the fast food outlet, there was some work done to clean up the old tanks. Who paid for that and how much did it cost?

Ms Clarke: I will have to take that on notice. Exhibition Park Corporation did the remediation—that was part of the arrangement in the contract—but I will need to get back to you on how much that was.

THE CHAIR: Why would EPIC carry that cost?

Ms Clarke: This was a decision made with the former board. I was not there at that time. I am sorry; I will not be able to actually give you an exact answer on that.

THE CHAIR: So you are going to take that on notice?

Ms Clarke: Yes, more than happy to.

THE CHAIR: We might move to economic development. Minister, can you outline how the new structure works and where economic development now fits into the Chief Minister, Treasury and Economic Development portfolio?

Mr Barr: Economic development is a division within CMTEDD, yes. Within the economic development directorate component of the larger directorate are two divisions. Mr Rake has arts, business, events, sport and tourism. Mr Stewart has land development and corporate. Mr Dawes obviously as the director-general—

Mr Dawes: And there have been some additions.

Mr Barr: Yes, with property group coming in.

Mr Dawes: It sits with Mr Stewart's division.

THE CHAIR: Is it possible to give an org chart of the new arrangements?

Mr Barr: The admin orders indicate that but yes, we can provide the committee with one.

THE CHAIR: In moving EDD into Chief Ministers 10, CM10, why do you retain a corporate area inside that? What functions will they have?

Mr Dawes: We have actually centralised it under the new arrangements with CMTEDD. Some of the people that we had within economic development have now morphed into a centralised corporate area. We do have a corporate area within the LDA because it has got its own statutory status. It does have—

THE CHAIR: When you say “corporate” it is strictly for the LDA?

Mr Dawes: Correct, yes. And what we also do is have a minimal role within LDA. We still purchase some of the services from the broader directorates, rather than building up a massive team, and that is what I tended to do in the previous directorate. What we have done, rather than having two corporate and two finance teams, is have an MOU between economic development and the LDA where we purchased services from ED. Actually economic development did not have a finance section. It was done in the LDA. LDA used to provide the financial services to the broader economic development, but those have been centralised within the broader directorate now.

THE CHAIR: And is this leading to greater efficiencies? Was it done to save money?

Mr Barr: I think there is a very small level of saving but it does meet the government’s desire for a strong central agency with a focus on economic development. The Chief Minister, in developing the administrative arrangements with the six ministers, sought to reduce the number of directorates, sought to consolidate functions where there were synergies and provide some new opportunity for collaboration. In a context of the portfolios that I hold, it certainly allows for greater input for me as economic development minister into those whole-of-government discussions.

THE CHAIR: Were there any jobs lost or redundancies as a consequence?

Mr Dawes: I had already gone through a process, you might recall, with economic development where we did have three divisions within economic development. That was all finalised well before the admin orders. That actually was implemented. Prior to Christmas last year we started that process.

THE CHAIR: How many jobs were lost then?

Mr Dawes: The jobs right across the whole of the directorate were in the order of 25, plus some executives.

THE CHAIR: The old ED directorate?

Mr Dawes: And some in the LDA, plus some executive positions. We consolidated some of that.

THE CHAIR: For Mr Dospot's purposes, is ageing in this area or is it somewhere else?

Mr Barr: I think if it is relating to assets, then it will be with the property group discussion I think we are having next week, when I appear next week, yes.

THE CHAIR: Ms Porter.

MS PORTER: On page 21 it talks about two things I would like to have you discuss with us further. One is the portable housing action plan phase III at the top of page 21, the first dot point. And then the last dot point in that section talks about expanding the land acquisition policy framework.

Mr Barr: Just to recap on the affordable housing action plan, phase III was released in the middle of 2012, together with the 2012-13 budget, and had 14 actions focused on improving affordability for low income households. There were four primary objectives from phase III: to increase the supply of rental accommodation, to make better use of existing land sites within the territory, to cut some red tape associated with the delivery of affordable housing and to provide more short-term accommodation options.

Phase III also contained a number of initiatives that were associated with taxation reform in the 2012-13 budget. Perhaps front and centre of that was the progressive abolition of conveyance duties, abolishing stamp duty over a period, with a focus particularly on the affordable end of the market as the first area for the withdrawal of that tax.

We also, as we discussed earlier with the Revenue Office, retargeted the various concession schemes. There was a rebalancing away from the grant, which effectively was a merry-go-round, where we provided people with a first home owners grant and then took it off them as stamp duty.

We are not doing that anymore. We are getting rid of the distortive inefficient tax, and we have focused our efforts particularly on first home buyers and on the more affordable end of the market. You remove that distortion and it leads to an increase in the overall economic welfare for the community, but particularly for the groups that we were seeking to target through the affordable housing strategy.

I guess they are the headline elements of phase III. The other key point, and this has been a focus across the directorate, is that it is all about supply, supply, supply. And the reason that I have been given the housing portfolio in addition to the responsibilities I have within this directorate is to ensure that that approach and philosophy contained within the affordable housing strategy extend across the full plethora of housing provision in this city—public housing, social and community housing, the affordable rental market privately—and then also more specifically into the land release areas associated with affordable purchase and land release more generally.

There has been a very strong policy focus across the directorate, a task force established with the directors-general in housing, economic development and

Treasury. Associated with the public housing renewal you are seeing the omnibus territory plan variations to create two decades worth of supply of sites for public housing renewal and a removal of the concentration of pockets of disadvantage within a city—a number of those ageing, high density public housing areas. The omnibus territory plan variations that have been jointly sponsored between economic development and housing see a range of alternative sites for new housing to be built in the locations within close proximity of where some of the older housing will be renewed.

That process is well underway but the desire here is to create a long-term pipeline. The territory plan variation, which is about 17 different sites, does not mean that there will be 17 immediate, renewal projects underway. The market cannot sustain that level of change in one year. It is about creating a long-term pipeline.

Some of the sites that we identify for new housing and for change will not occur until sometime in the 2020s. But this work now will make it clear to the community where that change is going to occur and ensure that, when the market is ready, when sufficient funds are available from asset recycling, for example, where we seek to renew our public housing stock using the proceeds of the sale of some of the older stock, we have new sites. This is a very practical thing as well. You cannot knock down existing housing and renew it until you have alternative housing built, and that is what we are focusing on.

In the short term, that provides a significant stimulus to the housing sector, which is certainly appreciated by the HIA, the MBA and other industry bodies. They know that there is a long-term government housing program, together with obviously what will occur in terms of the Mr Fluffy situation. Then we have a number of new land releases in Gungahlin, in Molonglo, and then the various infill sites. What I am endeavouring to do in the next 18 months is create two decades worth of land supply in a variety of different housing types and for the community to understand very clearly where the development will occur, how it will be linked to transport and service provision, how we will better utilise the infrastructure that the city has got, how we can afford to manage this transition over that period, because it cannot be done in one year.

I guess the fundamental conclusion I would reach is: if we continue as business as usual it would take 100 years to renew our public housing stock, and that is too slow. It has to be sped up and, with this process and this work as part of the affordable housing strategy that was identified a couple of years ago, the rubber is really hitting the road now in terms of planning for the long term and delivering on the ground.

MS PORTER: The land acquisition policy is what you have been talking about at the same time as the decision about where to purchase to release the land?

Mr Barr: It gives us the capacity, with a policy framework, to make strategic acquisitions where the purchase of a parcel of land would add to those desired outcomes in terms of increasing the supply of housing in the city.

MS LAWDER: As a supplementary, I want to get a bit of an update on the Common Ground development which you have listed under the affordable housing action plan

highlights for the year.

Mr Barr: Principal responsibility there sits in the housing portfolio. We can probably discuss it in more detail there. The construction is progressing, and I understand there will be a milestone reached in the near future. I will park that there for when I appear as housing minister and we will take it up further with the officials who have carriage, yes.

MS LAWDER: Who owns the asset?

Mr Barr: The Common Ground asset? It will be, in sense, a transfer to Argyle Community Housing, ultimately; but again, we will discuss that in more detail in the other portfolio.

THE CHAIR: Mine is probably better off in Housing, but what do you consider to be a large complex? Is it still over 20 units?

Mr Barr: In the housing context, with that tender, they have talked about up to 24, from memory, as being the sort of size community that they are looking to establish. Certainly the era of hundreds is over. The process around the territory plan variations and the work that has been underway since the release of the affordable housing strategy mark 3 has been to identify the range of other sites, some of which do not currently have a zoning that allows for any form of housing and others of which are just quite limited, around aged care or supported accommodation. So the omnibus territory plan variation process has sought to identify alternate sites to expand the range of possible uses on some of those sites.

That has involved an early pre territory plan, draft territory plan, lodgement consultation process that has been underway this year. Before we even lodge any formal documents, we have gone out and had those conversations around the government's strategic agenda in terms of identifying sites for new housing. We have been very clear that the time frame is over an extended period of time. I cannot stress enough that there will not be 17 high-density public housing sites demolished at once. This is going to take an extended period of time. I am sure that whoever is housing minister at some time in the mid-2020s will be completing this program.

THE CHAIR: But isn't it the case that in the last 15 years, apart from Lachlan, Macpherson and Burnie courts, there has not been any activity on this front?

Mr Barr: I think you have missed out Fraser Court in Kingston.

THE CHAIR: All right.

Mr Barr: That has also happened, and there have been some smaller ones.

THE CHAIR: But the problem really is that in the last 13 years in particular, apart from Fraser Court, there has been no redevelopment of these big sites?

Mr Barr: I think that is a little unfair.

THE CHAIR: All right. Could you take on notice and provide for the committee—

Mr Barr: The redevelopments that have occurred? Yes.

THE CHAIR: The redevelopments of any sites over 20 units over the last 13 years?

Mr Barr: Yes.

THE CHAIR: Thank you. A new question.

MS LAWDER: Yes, thanks.

THE CHAIR: And then Ms Berry.

MS LAWDER: On page 21, under “Economic development policy and project initiatives”, the third dot point is “Development of the *ACT investment proposal guidelines for investors*”. It said “development”. Does that mean that it has been completed?

Mr Rake: Yes, those guidelines are complete, they are available, and we are regularly approached by investors who are seeking guidance on how to lodge a bid.

Mr Barr: We did touch on this on Monday in the context of the partnerships framework and the unsolicited proposals.

MS LAWDER: Was that developed as part of business as usual, or was there a specific cost associated with the development of that product?

Mr Rake: It was a specific exercise. I do not have the unique cost available for that, so I would have to take that on notice. But it was a very specific project, and it noted that across jurisdictions around Australia there are various approaches to dealing with unsolicited investment bids and direct investment bids, and that there was a gap in our framework. This is an opportunity to get on the front foot and to demonstrate that this is an economy that does welcome the investment of private capital and that we have a clear pathway to work with investors to understand what their aspirations are and identify opportunities that complement the needs of our city as we grow and develop.

Ms Gilding: In relation to the cost, that was actually done in house, in conjunction with the invest team and the policy team, and also in close consultation with Treasury folk under the partnerships framework.

MS LAWDER: As part of that process did you identify—I know you said you identified a gap that you were trying to address, but have you identified a particular amount or number of approaches or proposals that you are trying to elicit as a result?

Mr Rake: No, we have not set a target. By the nature of targeting unsolicited bids, we do not go out and actively solicit bids per se.

MS LAWDER: No.

Mr Barr: They would not be unsolicited then, would they?

THE CHAIR: An entirely different portfolio.

Mr Rake: But we do need to make sure that investors understand that there is a framework. So every time we are talking about investment opportunities and economic diversification, we are talking about the investment guidelines. In each of the presentations that the Chief Minister or Deputy Chief Minister makes, when we are talking to the business community—domestic, interstate or abroad; local, interstate or abroad—these guidelines come up. They have been well received by industry, and it helps them understand how to come in and invest in Canberra.

MS LAWDER: Thanks.

THE CHAIR: Ms Berry?

MS BERRY: I have a question regarding red tape reduction legislation, page 22. I am particularly interested in the last dot point, relating to the changes in the red tape reduction legislation amendment bill—the streamlining and support for cafes and restaurants in the hospitality sector. Can you talk to us in a bit more detail about what the administrative changes in that bill are?

Ms Gilding: Thank you for the question. In February 2014, we transferred that work to the regulatory reform team in Chief Minister's, the central policy team there, so I have not had line of sight on the final developments of that. The legislation was tabled in the autumn, in this past sitting period, and I think was subsequently passed. It works to streamline that front end but also has a very unique component in that I think we are the first jurisdiction nationally to not have to have a DA lodged for certain elements of those outdoor cafes. If they meet a particular set of criteria, then a DA is not necessary. Because I do not actually have carriage of that project at the moment, I cannot speak to the detail.

Mr Barr: Certainly at the front end of the process, the issues that were identified were multiple approval agencies, depending on where the cafe was located and the outdoor space that was desired—the public outdoor space that was desired for the private use of patrons of the particular cafe, restaurant or establishment.

The issues related to some public land still being gazetted as a road. In Garema Place, for example, that issue arose. Even though it had been pedestrianised, it had never formally been de-gazetted as a road. We had a different range of approval processes for permanent structures, and even temporary structures, and a footpath area. There were overlaps between the development application approval processes for different types of structures depending on how permanent or otherwise they were and whether sites were powered.

The other issues that arose really came to consistency in application of the various disability requirements in terms of distance from a shopfront and how wide walkways and pathways had to be. There was also a requirement within some areas of public space where there would be a bit of a contest, if you like, between the private tenants as to who would have access to public space where it was not immediately apparent

that it was out at the front of one particular tenancy and not another: the issue would be that if a lease changed hands, so one restaurant ended and a new one started, they would have to again go through the whole process of getting approvals for the use of the outdoor space.

We had a particular project in Garema Place identifying and agreeing amongst the tenants who would have access to which bit of outdoor space and effectively assigning that space to that tenancy, with that space continuing to be available even if the tenants changed. And then—

MS BERRY: So it is part of the lease rather than—

Mr Barr: Yes, that is right. There would still be a fee associated with access to the public space, but, depending on the nature of structures that people wanted to put in, there was a big clean-out of the red tape associated with it and what you needed the development approval for, as Louise said. That has made it a lot easier and more straightforward.

In any of these sorts of exercises, it throws up a range of unique circumstances in particular areas of the city. The one that can often be the most difficult for public officials to determine is when you have two private tenants contesting access to the same public space. There would be arguments that when Joe Bloggs ran this particular business, they had all of this space, but in that era there were not four other restaurants on either side who wanted to get access to their share of the public space as they perceived it.

The exercise in Garema Place, which is an area where we are seeking to encourage more activity, has been to map out the various sites and make it much easier for operators and prospective new operators to know where their space would be and what the process is to be able to get access to it.

The other issue is multiple areas of ACT government, with multiple forms and not all of them being available online et cetera. We have been working through those processes.

It was a useful and instructive exercise for the different areas of ACT government, to better understand, from the vantage point of an operator of a café or restaurant, what their needs were; but equally, it provided some of the operators in that precinct with an understanding of the difficulties that the public official can be placed in when they have two different businesses laying claim to an outdoor space.

MS BERRY: If I should ask this somewhere else, just let me know, but in smaller shopping centres, where cafes and little places are opening up, or even in centres like Kippax, where there have been restaurants there for a long time but they have not been able to use some of the outdoor space outside—

Mr Barr: That is right. Yes.

MS BERRY: There is a crossover. Part of it is the shopping centre's responsibility and part of it—

Mr Barr: And part of it is public lease.

MS BERRY: Yes.

Mr Barr: That is another complicating factor, where approval to use the space might sit with the privately run shopping centre and with the government; and if one or the other did not approve, your outdoor space would be entirely compromised. It can be challenging for government in that context if the private shopping centre owner has a particular standard they want for their outdoor furniture. The government is not mandating with certain requirements around public health and safety.

At a very high level, the sort of outcome I was seeking was some of the cafe culture that you have in a place like Melbourne, where you can sit outside on milk crates. That is okay—it would be fine in Canberra too—but I cannot force Westfield, for example, to say that that is okay for their privately leased land.

I think you get a bit of gravitation of different sorts of businesses that want perhaps that more bohemian feel into areas where either that is the view of the private leaseholder or, where it is publicly available land, we have a more relaxed approach around what outdoor furniture might look like.

MS BERRY: All right. Thank you.

THE CHAIR: All right. Minister, I want to go to skilled migration. Can you give the committee a run-down on what is happening with skilled migration?

Mr Barr: We can, and I invite Mr Cox to answer.

THE CHAIR: At page 37, it says that 846 skilled workers were nominated. Did all those nominations go through?

Mr Cox: When you say “did they all go through”, that is a successful nomination. It does not necessarily translate to an entry. That is a nomination, then a visa is granted, and then at the end of that visa grant the skilled migrant may or may not take up the visa.

THE CHAIR: Of the 846 nominated, how many took up the honour of living in Canberra?

Ms Hartley: How many took up the honour? I cannot answer that question because it is an unknown. That is how many were nominated in the 2013-14 financial year. We have no control over whether they are approved from immigration, because we work within their policy settings and to their arrival time. On average, more than 50 per cent arrive within six months, but we do have an element of that 50 per cent cohort that does not arrive for up to three to four years.

THE CHAIR: A couple of paragraphs down it then says that a further 364 skilled workers were permanently sponsored. Did they all arrive?

Ms Hartley: Permanently sponsored, did you say?

THE CHAIR: On page 37.

Ms Hartley: 364?

THE CHAIR: Yes.

Ms Hartley: 846 skilled workers nominated. What was the other figure you quoted?

Mr Barr: 340.

Ms Hartley: That is a different stream. The 864 is the general skilled number. The 364 is the employer sponsored number. Yes, they are here. One of their prerequisite requirements is that they are working with an employer for three months before they are formally sponsored. Yes, they are here working in identified skill shortages in Canberra.

THE CHAIR: 364 out of 364 are here?

Mr Barr: 340, is it not? We have got our numbers around. It is 340 who were permanently sponsored, not 364.

Ms Hartley: It is 364.

Mr Barr: Why does the annual report say 340 then?

Ms Hartley: The annual report says 340. I think Richard Hutch is in the room. There was a discrepancy in the CRM. We had a CRM system downtime, and there are 24 that we have scavenged at the last minute after, unfortunately, the annual report printing. We will fix it in the end of year reporting.

Mr Barr: There you go.

Ms Hartley: It is 364. Sorry, minister.

Mr Barr: That is all right.

Mr Cox: I apologise, minister.

THE CHAIR: In both cases you then claim that they generate economic benefit. Against the 846, it is a potential economic benefit. Against the 364 it is generating potential economic benefit. If you then add that up, how do we know what economic benefit is being generated if we do not know if they have arrived or not?

Ms Hartley: Ian, do you want to answer that?

Mr Cox: The answer is: ultimately, we do not.

THE CHAIR: Why would you put in the line that says in total the 1,200 nominated

skilled migrant visas will generate a potential economic benefit of 208—

MS PORTER: It is just potential.

THE CHAIR: But if we are not tracking what they are doing, the potential could be anything.

Ms Hartley: We do track what they do. We survey arrivals at three, six, 12 and 18 months and two years after their arrival.

THE CHAIR: I thought you said you did not know if they arrived, and if you are tracking them at three, six, 12 and 18 months—

Mr Cox: I think Ms Hartley was trying to draw a link between the specific 846 that we approved in that year and how many of those actually turn up. We do not know because some of them still will not be here. If we were looking at the comparable number from four years ago we may have that data.

Ms Hartley: Yes, correct.

Mr Cox: For those who have arrived to this point.

THE CHAIR: Rather than take up the time here, could you give us a snapshot over the last four years of the data that you have had, how many were nominated, how many arrived in the covered period and the economic benefit they generated?

Ms Hartley: I can take that on notice, because it is a huge numbers game. Yes, I can take that on notice.

THE CHAIR: Ms Porter.

MS PORTER: On page 30, it talks about the directorate continuing to work with the Aboriginal and Torres Strait Islander Elected Body to identify opportunities for Indigenous enterprise development. Could you talk about that? On page 35 it talks about the government adopting a new renewable energy local investment framework. Obviously that is to attract industries and create jobs in that area. I would like you to discuss that with the committee as well.

Mr Cox: Could I take the last question first, the—

Mr Barr: Yes, of course you can.

MS PORTER: Yes, of course. Feel free.

Mr Cox: The renewable energy local investment framework was a framework that we developed in consultation with ECD in relation to their major renewable energy projects: the solar auction, the wind auction. It was a frame, if you like, to be able to guide proponents that were going through that process, in particular the wind auction, which was in the process of going through an evaluation. It was used as a way of guiding the proponents, the 18 proposals that came in through that process, on how

the government would see and value an economic return on investment around those projects. That was the principal aim of the framework.

MS PORTER: I understand. And the Indigenous matter?

Mr Cox: Sorry, what was the question again?

MS PORTER: On page 30, under “Indigenous Business Development”, the third block on that page, it says:

The Directorate continued to work with the Aboriginal and Torres Strait Islander Elected Body ... to identify opportunities to support indigenous enterprise development.

Mr Cox: In the briefs that I have run, we have a range of business programs. They are principally loaded towards early stage advisory services. They move through various layers of development into small funding processes, to larger venture capital processes. Around Indigenous business development we have looked at trying to bridge Indigenous business opportunity into the early stage program framework. What that means is that we try to connect an Indigenous enterprise or someone with a particular idea around a business to come in through the Canberra BusinessPoint process or framework and try to do that in an assisted way.

MS PORTER: Do we have some idea of how many enterprises might have emerged from that?

Mr Cox: The numbers are quite small. There have been, for example, I think, through Innovation Connect, a small number of Indigenous businesses that have received grant funding to develop particular ideas, products, streams or services, and Canberra BusinessPoint, I believe, also collect data. But in aggregate, my sense is that the figure is probably something less than a dozen annually.

MS PORTER: The Indigenous population is quite small in the ACT as well. Is it too early to find out whether these enterprises have been successful or not, or do you not measure that in your area?

Mr Cox: We know on an individual basis. I think Darkies Design went through a process through Innovation Connect and was a recipient of the Indigenous business award this year. On an anecdotal, company-by-company basis, we understand what is going on, but I would have to backtrack and get some data for you on that.

Mr Dawes: In addition to that, we used to work quite closely, or we still do work quite closely, with the elected body. Our senior executive from economic development meet bi-monthly with the nominated elected body representative, Maurice Walker, to also look at how we can actually interact more with the Indigenous community and guide them towards things such as Mr Cox has already pointed out. So there is quite regular dialogue with the elected body.

Mr Cox: There is one other program element around that. There is a microcredit program that we have operated through the Lighthouse Innovation Centre as well,

which does provide segues into microcredit program development as well.

THE CHAIR: Ms Berry with a supplementary.

MS BERRY: You mentioned Canberra BusinessPoint. Does the ACT government provide this information when new businesses apply for licences, or people apply for licences, to operate a business? Are they then fed into Canberra BusinessPoint so that they can get some advice and support for running their businesses or is it just a voluntary thing that we hope that businesses can come to?

Mr Cox: The licensing element is quite a specific programmatic activity which goes through the Business Licence and Information Service.

Ms Hartley: ABLIS, the Australian Business Licence and Information Service, yes. It is a commonwealth-funded—

Mr Cox: Canberra BusinessPoint is a free entry point for anything from “I’ve got an idea but I’m still working in the public service” right through to a more developed company that may be considering a different strategy or a different path or may be looking at redeveloping its business model. Principally, though, in the start-up and very early stages, it is up to five employees. It does gravitate into some more interesting and more developed opportunity around businesses as well, but it is principally advisory services and mentoring support.

MS BERRY: Starting up a small business is very challenging at times; it takes a lot of time and a lot of money, and success is often not seen until a few years down the track. Is that support offered to smaller businesses as they are growing and building their business—and, hopefully, succeeding in the business because they have taken on all the fantastic advice provided to them by Canberra BusinessPoint?

Mr Cox: Businesses can come in at any point. They can come in through very early-stage workshops—a 101-type program, just sitting in a room with 20 other people who may have an idea and are looking for very early stage advice—through to connectivity and networking. But again, that business or idea can come in. The advice out of that process may be not to proceed, but those that do proceed may come back in and have many other touch points through the service over time. Or the service may be an effective channeller of that business to other points in the network or the system where advice and mentoring support can be provided.

It is not always government-provided advice and support resources that actually do this work. For example, in connecting someone with a particular challenge around management of IP or wanting to protect IP, the best place that person can gravitate towards is an IP lawyer. Under the service, there are a range of companies that provide early stage pro bono advice around some of those issues. Then that business or that opportunity has to make some decisions about how he or she wants to proceed and how he or she wants to incur the costs and specialist advice from that point.

MS BERRY: Does Canberra BusinessPoint help with people who might have some vulnerabilities or some literacy issues but whose idea is worth while? Does it help them with filling in applications and things like that?

Mr Cox: Not really, no. Most of the ideas or most of the opportunities that come in have a reasonably formed shape. Even up to the point of entering into the service, those people, opportunities and ideas would have been through a “friends, fools and family” sort of developmental phase to get to a point to actually come into the service. It does not provide facilitated, assisted support at that very early stage, no.

THE CHAIR: Minister, in the accountability indicators at the rear of the document, at about page 285, it talks about global connect offshore trade development missions. The target was two, and you went on three, which is great. What is the program for the coming year in terms of trade delegations overseas?

Mr Barr: This current fiscal year the Chief Minister has been in China and I have been in Singapore and Japan. There are New Zealand and India in the forward schedule. I think our next opportunity will probably be at the very end of the financial year, although it depends on the sitting pattern for 2015 as to whether there will be one sometime in April similar to what I undertook last financial year, when I made my estimates appearances early on and then was able to lead a mission in late June, at the very end of the financial year.

I would intend to undertake the bond market, at least in the domestic areas, post budget again; it is likely that will be in June. The Chief Minister, I understand, is likely to be in India in January as part of team Australia. I will be in New Zealand in December. And depending on the timing of the Australia-New Zealand ministerial interaction, there might be an opportunity for another New Zealand mission in the first half of 2015. It will depend on what the national government and the New Zealand government negotiate as to when that will occur and whether it is in New Zealand or Australia, but I understand it is New Zealand’s turn to host.

THE CHAIR: Below that is investment facilitation, which is also on page 31. The outcome is much greater than anticipated, which is fantastic. How much of that has actually now occurred—the 48 leads—and has it turned into actual outcomes?

Mr Barr: I will invite Mr Horsburgh to speak. Whilst Mr Horsburgh takes his spot, I can certainly observe that some of the land sales have attracted international purchasers. Campbell 5 is an example where our approach to the international market has generated interest at a practical level, but that is just land sale related.

THE CHAIR: While Mr Horsburgh sits down, in terms of land sales, there was talk, and I think you mentioned it recently, of potential Chinese investment in the convention centre as a consequence of the visit to China.

Mr Barr: That is correct, yes.

THE CHAIR: Is that progressing?

Mr Barr: Yes. There have been some follow-up information exchanges. We had some Chinese investors we hosted in Canberra; the Chief Minister followed up and had some further discussions on her most recent mission. And there will be opportunities, I understand, for another round of engagement with Chinese investors.

When I was in Singapore and Japan, we also took the opportunity to present those investment opportunities—including the convention centre, as part of city to the lake—to, amongst others, Mitsubishi Estate in Tokyo and a number of the sovereign wealth funds in Singapore, both in June and in October.

Mr Horsburgh: In the period since the business development strategy was announced in April 2012 and during the more proactive approach to investment facilitation since that point, our work has involved facilitating in excess of 100 investment leads. In the previous financial year, that included the 48 leads that were reported. The majority of those leads will inevitably progress to an investment decision by the proponents here in Canberra—or in another location; we do not win all of the investment leads that we respond to.

In the period since, we have been progressing a proactive approach to investment facilitation. There are four specific investments that have progressed to what we define as project completion stage. There are many others who are progressing through the project development stage. If you look at the investment proposal guidelines that were discussed earlier, we have received six proposals in that program for non-public infrastructure related investment projects that have requested some degree of support from the government, or advice from the government, to proceed. One of those projects is now in the detailed phase of development; two are in the preliminary phase of development. As those projects progress to the completion stage, we will continue to monitor them and seek to not only see those projects establish in Canberra but see them continue to grow and reinvest here, which is the long-term aim—to have those businesses growing and viable here.

THE CHAIR: Thank you. Ms Porter, with potentially the last question of the session.

MS PORTER: I want to talk about the digital Canberra challenge. Did the winners of the challenge provide new ideas to the ACT government?

Mr Barr: Yes, they did. We are into now the third round of this challenge. The third round has deviated a little from the path of the other two, which were around seeking very specific solutions to, for example, online booking or mapping exercises or capability around apps. The third round has a more creative element and goes to a particular challenge within the brand Canberra area of the portfolio.

Prior to the establishment of the brand, there was not a huge amount of contemporary high quality—when I say high quality, I mean HD—broadcast and photograph material for use in the promotion of the city. What we are looking to do, both through our own means and by crowd sourcing, effectively, is to build up a very extensive digital library of images—still and videos—that can be utilised in the brand promotion.

I think it would be fair to say that a lot of the footage and images that have been traditionally captured to promote Canberra are full of lovely natural vistas, monuments and the like, but are almost entirely devoid of people. I have set a particular task associated with the brand development; we need to capture more of people, activities and events—images of our city that show people actually living in Canberra and enjoying a diverse range of experiences. You will see a lot more of that

content now coming into the brand promotions and the new television commercial for our summer activities and events associated with Asian Cup football, Cricket World Cup and the like.

The digital challenge for this next round is to take that broader than just government-sponsored and paid-for image and video capturing, although we have been doing a bit of that to build up our own library. We have many thousands of residents who have, within their access, the equipment to be able to produce that sort of high quality imaging. We are looking for a solution to make that available, to give people the appropriate artistic credit for what is produced but for that to be made available publicly and in an accessible way.

That is one of the challenges in the next round, which I think is a really practical and useful way to engage our own citizens and their extensive artistic talents in the promotion of our city and to provide this fantastic bank of images and information. Most people are visual, and their views and impressions of the city will be contained within images. I think it is really valuable that in addition to all of the fantastic monuments, the lovely landscapes and all the rest, we capture people, life and activity in our city. That is part of it. On that very happy note, we can wind up.

THE CHAIR: Thank you for that happy note to finish our time together today. In relation to any answers to questions taken on notice, the committee would appreciate it if they were with us by close of business on 26 November. Members, with any written supplementary questions you have got three days from the arrival of the proof transcript. If we receive any, we will forward them to witnesses and we would appreciate an answer within two weeks of their receipt. Minister, on behalf of the committee, I would like to thank you and your officers for attending today in your various capacities. When the proof transcript is available, it will be forwarded to witnesses for any suggestions or corrections you might like to make. With that I declare these hearings over.

The committee adjourned at 1.03 pm.