



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL
TERRITORY**

STANDING COMMITTEE ON PUBLIC ACCOUNTS

(Reference: [Annual and financial reports 2014-2015](#))

Members:

**MR B SMYTH (Chair)
MS M PORTER (Deputy Chair)
MS M FITZHARRIS
MS N LAWDER**

TRANSCRIPT OF EVIDENCE

CANBERRA

TUESDAY, 10 NOVEMBER 2015

**Secretary to the committee:
Mr A Snedden (Ph: 620 50199)**

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

Office of the Legislative Assembly	169
Chief Minister, Treasury and Economic Development Directorate	188, 206

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Amended 20 May 2013

The committee met at 9.32 am.

Appearances:

Dunne, Mrs Vicki, MLA, Speaker, Legislative Assembly

Office of the Legislative Assembly

Duncan, Mr Tom, Clerk of the Legislative Assembly

Kiermaier, Mr Max, Deputy Clerk and Sergeant-at-Arms

Duckworth, Mr Ian, Director, Business Support

Skinner, Mr David, Director, Governance and Communications

Szychowska, Ms Val, Acting Director, Hansard, Technology and Library

THE CHAIR: Good morning, ladies and gentlemen. Welcome to the public hearing of the public accounts committee into the annual reports for 2014-15 for the Office of the Legislative Assembly. Welcome to you, Madam Speaker, and your officials. Today we will be looking at the annual report for the 2014-15 year for the Assembly. In front of you on the table there is the privilege statement on the pink card. Could you please indicate that you have read the statement and understand the implications of privilege?

Mrs Dunne: I have not read it recently but I understand the implications of privilege.

THE CHAIR: Please be aware that today's proceedings are being recorded, as well as webstreamed and broadcast. Before we go to questions, Madam Speaker, would you like to make an opening statement?

Mrs Dunne: Thank you, Mr Chairman, I would. I would like to take this opportunity to thank you for being able to speak to you about the Clerk's annual report, which outlines a wide range of activities undertaken by the Office of the Legislative Assembly over the course of the year. It is clear that the organisation has been fully occupied on a number of fronts.

Of course, with the increase in the number of members which will occur following next year's territory election, there has been considerable work undertaken to ensure that accommodation arrangements for MLAs and staff are finalised well before the commencement of the Ninth Assembly. The accommodation project is proceeding according to schedule and on current settings staff from OLA will start relocating shortly after 7 December into the North Building.

Preliminary work at the Assembly building is likely to commence in mid-December, with full-scale work starting in mid-January 2016. Works are scheduled to be completed by mid-May 2016, although the time frame will be extended to August, in the event that we reach agreement between me and the Treasurer, to proceed with works to fix parts of the Assembly's heating, ventilation and cooling system. The project is within budget and anticipated savings would more than cover the additional works on the HVAC system if these works are to proceed.

The project control group is continuing to meet regularly and will meet this Thursday.

Members might also be interested to know that the office and I have been working to ensure that the Assembly's art collection is appropriately protected during the expansion works. To this end in the first part of December artworks from the building, including members' offices, will be taken down, packed and placed in secure storage for the duration of the works.

During this year the Assembly had an open day. It was the most successful open day in the history of the Assembly, with 382 members of the ACT community participating. Feedback from the day was overwhelmingly positive. It was heartening to hear that so many Canberrans are engaged with and take pride in their Assembly. During the financial year 1,900 people visited the Assembly. You can see a breakdown of that on page 98 of the annual report. I would like to thank all members and staff who took part in the open day and all those members who participate in the Assembly's education program more generally.

At my appearance before the 2015-16 estimates committee I raised concerns about the budget proposal to fund a security position not being included in the office's appropriation. I note that in the office's annual report an assessment is provided of the office's level of compliance with the territory's protective security policy framework. The report notes that achieving full compliance with the framework and addressing the recommendations of a recent physical security assessment would largely depend on the resourcing of a senior security manager position.

I would like to reiterate my previous stated concerns about having that supported through a budget allocation and the fact that it was not accepted by budget cabinet. I think there needs to be some recognition that this is a relatively modest funding proposal and one that would represent a particularly good investment in terms of the risks that could be mitigated.

During the year I received a report from Mr Bill Burmester of the University of Canberra, who led the review team conducting an assessment of the Latimer House principles in governance of the ACT. This is required under the standing orders. I have tabled the report, and the Standing Committee on Administration and Procedure has inquired into and further reported on the review, and made several recommendations.

At my appearance before the Select Committee on Estimates this year I made mention of some of my concerns about the processes that the Auditor-General Act, which was amended in 2014, established for the Speaker to engage a strategic reviewer to review the performance of the Auditor-General. I think this is a matter of particular interest to the public accounts committee.

My concerns essentially related to whether it was appropriate for the office of Speaker to undertake a procurement role in relation to the engagement of the strategic reviewer. Mr Chairman, as you know, I am currently exploring with the committee a proposal which I hope will alleviate some of the concerns I had, and I will look forward to working with you and your fellow members to bring a higher degree of rigour, transparency and integrity into the arrangements that would apply.

This last comment is something which has concerned me a lot, for all the time I have

been a member of the Legislative Assembly. As the officer responsible for receiving all out-of-session annual reports from government agencies, I get to see exactly how much paper is used in the production of these reports. It is a lot. This committee may wish to consider making recommendations to government reflecting on whether, in this day and age, it might be appropriate for agencies to move towards a largely electronic publishing model for annual reports, perhaps with the requirement of only a very small number of printed copies that are produced, and with agencies using websites for distribution and wider access.

I, along with the Clerk and staff of the office of the Assembly, am happy to answer any of your questions.

THE CHAIR: Thank you, Madam Speaker. Madam Speaker, if you could go to the index, I have a question.

Mrs Dunne: There is no index.

THE CHAIR: There is no index, Madam Speaker.

Mrs Dunne: Do you want an index?

THE CHAIR: You just mentioned the protective security framework. How would I be able to find that?

Mrs Dunne: It would be in assessments in appendix 2, is it, where you have to report against government activities? There is a contents page.

Mr Skinner: There is a pretty big contents page.

THE CHAIR: Somebody listening via webstreaming or to the broadcast and who happen to have their copy of the annual report pulled up on their iPad, or had a paper copy—

Mrs Dunne: If it was pulled up on their iPad, Mr Smyth, they could search and this is—

THE CHAIR: Is it a surreptitious move towards electronic by—

Mrs Dunne: This report was actually put together so that it could be fully searchable and fully accessible electronically. But you do make the point—

THE CHAIR: Unless you have a paper copy.

Mrs Dunne: Unless you have a paper copy. Where can we find the bit on protective security?

Mr Duckworth: On page 24 there is reference to the compliance with the protective security policy framework.

Mrs Dunne: They told me there were no grenades in this report and I believed them!

THE CHAIR: As one who loves paper, as one who loves indexes and as one who loves to compare reports year on year, how important do you see the issue of the security officer, and how much was the budget bid?

Mrs Dunne: The budget bid was for what is called a SOG C officer, so it was about \$100,000. I think that it is very important. As I said before, in many places there is a hole in our structure. Mr Duckworth is responsible for security, and the next person in the structure down is the senior attendant, in an ASO 4 position. So you have someone like Mr Duckworth who is responsible for security, building maintenance, accounts, and all sorts of things like that. So it is not a full-time job for him, and the next person is someone who is responsible for the day-to-day management of security in the building. There is no-one in the middle to look at the policy implications.

It was highlighted to us before October last year, but after the live shooter incident in the Canadian parliament it behoves us to be much more concerned about our security. I think it is an issue for the safety of all members and all staff who work in this building and all visitors who come to this building. I consider getting that position funded on an ongoing basis to be my highest priority in terms of the budget.

THE CHAIR: The framework has 23 measures. The report states:

Two of the measures were not applicable to the Office and one, which the Office expects to comply with, was not due to be adopted until July 2016.

Have we adopted that one since?

Mr Duckworth: The measure that is due to be adopted in July 2016 is the whole-of-government reporting against compliance with the framework. So we are ready to comply with that; it is just that it has a July 2016 start date. With respect to the two measures that we identified as not applicable to the Assembly, one relates to, from recollection, where there are intergovernment agreements on security, and we do not get into that space. I could take the other one on notice and inform the committee.

THE CHAIR: Ms Porter.

MS PORTER: I have a question about the heating and cooling, which I always ask you about. I am really pleased to hear that that is under consideration for the refurbished building. This is not my substantive question, but I think we do have issues.

Mrs Dunne: I might hand over to Mr Duckworth who knows more about HVAC than I do. It took me a while to work out what HVAC was. What we are looking to do is substantially refurbish all of the heating and cooling systems on the first and second floors. We believe that we can do it within the envelope of the original appropriation, because there are savings in the building work, and that will set aside about \$1½ million that we can allocate to that. But it will not affect the HVAC on the ground floor because it is built in a very complicated, convoluted way and it would take major restructuring, including bulkheads and things in that corridor.

MS PORTER: In relation to that, before you throw to Mr Duckworth, what are we going to do, or are we able to do anything, about the heat loss through the windows? There are a lot of windows.

Mrs Dunne: There are a lot of windows. There has been a lot of work done in the past with film to stop a lot of the heat loss. Probably about three years ago they put film on the chamber lobbies, which has actually made a significant difference in the winter-time to heat loss. But short of double-glazing all of the building, which would be an extraordinary thing, or replacing the existing glass with high performing glass, I do not think that there is much more that we can do. Is that the case, Ian?

Mr Duckworth: I agree. That is a very good, accurate assessment of the situation. The three-millimetre glass which was part of the original construction in the late 1950s and replicated in the 1960s remains an area which inhibits thermal comfort. But the works that are proposed to replace major components of the heating, ventilation and cooling system are effectively units that are nearing 22 or 23 years of age. They have performed quite well but they are not going to last much longer, and we really identified an opportunity to replace them before they fail.

At the moment every single unit—there are about 30-something units through the building—runs off a single water distribution system. If one fails, the entire system needs to be brought down, and usually that happens either in the middle of winter or the middle of summer.

Part of the strategy is to isolate each of the units, replace the units on the second and first floors as part of the refresh works that are going on, and the aim at the end is that we will have upgraded, better control over heating and cooling distribution. We will have replaced units that will have themselves another 25 years of life in them. As Madam Speaker indicated, the ground floor area, particularly around the corridors and the chamber, is a bit of a design nightmare that we will have to take on board and tackle at some future time.

Mrs Dunne: But that was not your substantive question.

MS PORTER: No, it was not. I always ask a question on that but what you said before was interesting. On page 22 of the report, Madam Speaker, it provides a result of the 2014-15 members survey. I was wondering if you could go to the results of the first question and comment on that. Given the expansion of the Assembly and the workload that we would be expecting with the expansion of the number of members et cetera, is that result of concern to you?

Mrs Dunne: I suspect that that result might be the expression of one or two members who may have had unhappy experiences about something. I have to say that the members survey is not very well subscribed to. I think it says on the previous page that there are 26 respondents; that is, members and staff. People seem to be very reluctant to express their views in the members survey, and I think that we still have to work on trust in that space, because a lot of people who may feel unhappy about something are reluctant to put it on paper. In a sense, the Clerk and I and other staff cannot do anything about it if we do not know. But because they are quite small numbers that is probably the manifestation of one or two people who have had a bad

experience.

We are very alive to the fact that the next Assembly is going to be quite challenging because new Assemblies are always challenging. There is on average about four new people. But we know that this time there are going to be 10 new people before we start, and also an expanded number. It is going to be quite challenging.

We are discussing and have put forward some budget proposals to account for that in the Office of the Legislative Assembly. They are very modest proposals. We are looking at a 47 per cent increase in the number of members and also roughly a 47 per cent increase in the number of members' staff, but we are not looking at anything like that for the increase in the staff of the Office of the Legislative Assembly—something in the order of slightly less than a 10 per cent increase in staff.

There will be real pressure points. I think there will be pressure points in the committee office. Just the sheer processing of accounts and pays and things like that will be a pressure point, and we know about that. But then the level of sophistication of advice to members on procedure and practice and the like is going to be quite a challenge for the Clerk with not a greatly expanded staff.

MS PORTER: What I am hearing from you, Madam Speaker, is that there will not be a huge increase in the number of staff available. I have frequently raised with you my concern about the level of staffing in the committee office and it remains of concern to me. Just in the latter part of the year a staff member in the committee office was handling what I thought was an unreasonable load, a span of responsibility, and that was unavoidable at that time because of people being away. I realise that. It impacts not only on that particular person but on the whole committee office, it impacts on the chairs of those particular committees to which that person works, it impacts on all members of those committees. There is sort of a domino effect. Will there be, with the new arrangements, with your small increase, some attention to that matter that I have raised frequently about the responsibilities of different members in the committee office?

Mrs Dunne: I will pass to Tom in a second but there has been a relook at the structure and there has been some consultation with staff about a changed structure but that is dependent upon appropriation. I am happy to brief members. I can brief members and Tom can brief members on the overall structural approach. But in terms of the budget allocation that goes with that, I cannot go there.

Mr Duncan: We got a consultant to give us some advice about what the pressures would be on a 25-member Assembly and that consultant gave us some really useful advice. One of the areas that we had to put to one side effectively is the chamber support and the committee offices because we do not know what the structure of the committee office will be in the Ninth Assembly and we do not know what the nature of the sittings will be in the Assembly. For instance, are we still going to have the same sitting pattern? Are we going to be sitting extra days? Are we going to be sitting longer hours? They are all unknowns and I really cannot predict how the Ninth Assembly with 25 members is going to operate.

Our strategy has been a two-stage strategy to get the known pressure points dealt with

in this year's budget, but we have flagged with our Treasury submission that we reserve the right to come back in February 2017. If we have an extra set of committees or we have expanded committees or we sit for an extra few sitting weeks we may well have to again go to Treasury and say, "We have now got further pressures based on the sitting pattern and the structure of the committees." It is very much a two-stage process. We are currently at the first stage but if the structure of the Assembly's committees and the way the Assembly meets puts pressure points on we may well seek further funding.

MS PORTER: I am pleased it is still high on your radar.

Mrs Dunne: And we are really in the hands of the next Assembly. I have a paper on my desk at the moment about possible changes to the standing orders and we have to have a discussion about whether it is appropriate for the Eighth Assembly to make standing orders for the Ninth Assembly or to just go so far as to look at it and make recommendations that the Ninth Assembly may take up, which is probably the more appropriate thing to do. But there is a lot of thinking that has to go into making a fairly large transition and making it as seamless as possible.

The thing is that, given the nature of the Assembly, I am doing work now with the Clerk and the Office of the Legislative Assembly but it is highly likely that I am not going to be the Speaker this time next year. That has all got to be handed over to somebody else.

MS PORTER: Thank you very much for that.

THE CHAIR: Ms Fitzharris.

MS FITZHARRIS: I was going to ask some questions around the new organisational structure but I think you have answered them, to the extent that it is hard to know. Can I ask about the e-petitions. I note that there has been a real increase in them—almost twice as many. It is on page 23 of the annual report. Is it your view that it is a positive thing that there are now twice as many?

Mrs Dunne: I think that any increase in petitions is a manifestation of people's interest and engagement in the Assembly, and that is a good thing. I think that e-petitions do make it easy for people to participate. But actually, I am surprised at the small number of petitions that we receive overall. It was 18 in the last year. I think that e-petitions took a long while to take off. Max might like to add something. That is your area of expertise, isn't it, Max?

Mr Kiermaier: Yes. Yes, e-petitions were a work in progress in the previous Assembly. The previous Speaker was a keen advocate of an e-petition system, which we modelled on the Queensland system. We have found it to be slow in terms of people taking it up, but in the last financial year we certainly saw an increase in usage. It has probably plateaued at the moment; we have not seen too many new e-petitions in the last few months. We are back to the paper petition process; that seems to be quite popular amongst members. We have made some changes to the e-petitions to make it a lot easier for people to follow up. For instance, they are able to subscribe to an email alert when a ministerial response is received and that sort of thing. It is

always a work in progress.

MS FITZHARRIS: Yes. Do you think it is the role of both the office and the members to promote it?

Mr Kiermaier: There is always a limit to how much we can promote it. We take all the opportunities we can to advocate it, but it really is up to members to take the lead on.

Mrs Dunne: It is really up to the members of the public. First of all, you need an issue that people want to petition on. I have thought about it myself. Recently I was asked to organise a petition on a particular issue that relates to people in a retirement village. I decided I was not going to go near an e-petition, that a paper petition was probably a better way to go. It is about the audience as well.

MS FITZHARRIS: Is there a way of integrating a paper petition with the e-petition?

Mrs Dunne: It is possible to run both at the same time. Just for members' interest, on pages 68 and 69, there is the appendix which has all the proceedings and which has a list since 1988 of all the petitions, starting with two and going through. The high point is 46 in 1995-96, so they do wax and wane.

MS FITZHARRIS: What was happening in 1995-96?

Mrs Dunne: It is before my time.

THE CHAIR: The Assembly election. The Labor government had several joint ventures that had failed. The economy was in a mess. Where would you like me to go?

MS FITZHARRIS: The email notification sounds good. Are you finding that with most people who sign a petition that is automatically sent out by the office?

Mr Kiermaier: It is part of the program. When somebody subscribes to get that alert, they will get it as soon as the ministerial response is available.

MS FITZHARRIS: Can you collect the data to see how many people have opened that and then subsequently read the link?

Mr Kiermaier: No, we would not have that capability.

MS FITZHARRIS: Because a lot of email systems enable you to capture that information. It would be interesting—

Mrs Dunne: I think that Val is indicating that we can.

MS FITZHARRIS: Okay.

THE CHAIR: Not from the gallery.

MS FITZHARRIS: Do you have any other enhancements in mind for the e-petition system over the next year apart from capturing some data on who opens them?

Mrs Dunne: Not at this stage, no.

Mr Kiermaier: But we are always open to suggestions.

MS FITZHARRIS: Of course. Thank you.

Mrs Dunne: I am but a servant of the Assembly.

THE CHAIR: Madam Speaker, one of my bugbears, and certainly other people have a bugbear, is with the computer system and sometimes the speed of the system and connectivity to Outlook, for instance. The report mentions the use of wi-fi. Will the increase in the size of the Assembly put an additional burden on the computer system, and what have we done to make sure that we have fast and efficient line and wi-fi access?

Mrs Dunne: I will turn to Val for that in a moment, but I hear your pain and I understand it completely. I have been known to complain about the speed myself. We keep being told that it is perfectly fine, but I am not convinced about that. There will be some things that need to be done to expand our capacity in a building with 25 members. Val, would you like to add some more to that?

Ms Szychowska: The wi-fi network at the moment, as you may be aware, services all the common areas of the Assembly. We will lose wi-fi connection up in the library when they move across to the new building, because that is where the service will be provided. In terms of existing capacity for the common areas, I believe it has been designed to cater for a swelling of occupancy on sitting days and on committee days. So it should be able to handle the load. In any case, if we find there are compromises in functionality, we will talk with Shared Services to increase that as required. It is a simple process of increasing that. But we have plenty of devices at the moment to handle that load.

THE CHAIR: Will it eventually go wi-fi throughout the whole building?

Ms Szychowska: Can I defer to the Clerk on that one?

Mr Duncan: We would ideally like to do that, but that will depend on some resources. There was a proposal we considered a while ago, but until we get some funding for it— we will definitely look at that and it will definitely be part of a future—

THE CHAIR: How much is required?

Mr Duncan: Funding for the whole building?

Ms Szychowska: Extended to the whole building, about \$30,000.

Mr Duncan: It is about another \$30,000. If we find a spare \$30,000, we will definitely look at it again, but at the point in time that we were asked, things were

running a bit tight.

THE CHAIR: It does seem to be a regular question that is asked at estimates and annual reports, about connectivity and speeds.

Mrs Dunne: I think it is a Shared Services issue as well.

Ms Szychowska: Can I also add to that that some of the connectivity issues around the hardwired PCs are over the age of the PCs, and we are very conscious of that. At the moment we are focusing on the OLA relocation, but in the new year we plan to replace all MLA PCs, and the new devices we have in mind are much faster. So getting access to information, opening documents and opening Outlook should see some improvement.

THE CHAIR: I have a brand-new PC laptop that arrived not so long ago. This morning, for instance, it took five minutes to log on, and then it would not log on to Outlook so I had to turn it off and start again. That is a regular feature. I do not know whether it is my office, whether I am the furthest point from the server or whatever it is, but it does seem to be a perennial problem.

Mrs Dunne: The protocols for turning on a computer here are that you turn on your computer and you go and make a cup of coffee, you drink your cup of coffee and you come back and see if your computer is open, which is part of the function of being on a big network. That is a Shared Services thing. But also, from time to time you probably should be calling in the people from Shared Services to look at it. Mine was particularly slow at one stage, and it had a whole lot of things on that it kept opening that it did not need to open. It was cleaned up and it worked a lot better for a while. So there are those sorts of things. You should not put up with it, and if you are having long periods like that we need to know. There is no point in just muttering about it in your own office and the system not become—

THE CHAIR: I ring regularly.

Mrs Dunne: And it not getting into the system, because then it is hard to quantify the extent of the problem.

THE CHAIR: All right. With that as an entree to the increase in the size of the Assembly, can you just, for the record, run through what will actually happen—where we are at currently and what the time line is.

Mrs Dunne: For the refurb?

THE CHAIR: For the refurb, particularly what will happen in the chamber.

Mrs Dunne: The selected contractors have built and put up their site office under the awnings out there a little while ago. They are currently in the North Building doing the refurbishment there. The head of CMAG, the Cultural Facilities Corporation, complimented me the other day, saying that they were actually quite quiet and it was not impacting too much on the other occupants of the building, which is good.

I am going for a site visit some time later this week, because I have not been over there yet. The plan is that they will be finished in about two weeks time over there, on 7 December, with people moving out of this building over to the North Building before Christmas. Hansard, the library, corporate services, and governance and communication—all of those people will be moving out.

We will be essentially left with the attendants, chamber support, the committee office and Rick in the building. There is no point having the building manager somewhere else. That will make space for the first and second floors overlooking Civic Square to become a building site, essentially, in the second week of January. The plan is to finish that by May if we do not do the HVAC; however, if we do the HVAC that will extend it out to August.

Towards the end of that period there will be a recarpeting of the first and second floors—all of the first and second floors, not just the new bit. And there will be a repainting throughout, so that we will have a uniform colour palette and everything will be fresh and new.

Ideally, I would like to see some work done on the kitchenettes and bathrooms, but we do not have money and the savings for that. And quite frankly, the quote for the kitchenettes was so laughably high that I am not prepared to go with those quotes. But we are looking at some options in that space as well.

THE CHAIR: IKEA opens next week.

Mrs Dunne: Yes. I did suggest that, actually. I compared the quotes for the kitchenettes to the kitchen that we installed at home, and I did suggest that they might go to IKEA.

With the chamber, administration and procedure, in your absence, Mr Smyth, the other day, agreed on a design for the chamber. That will be put in place after the Assembly rises in August so that there will be no disruption. It will be a concept which is put together by a joinery works offsite and will be assembled onsite. The general concept—I will be happy to share the designs with members—is that the central table will be made larger. The Leader of the Opposition, the deputy leader, the Chief Minister and the Deputy Chief Minister would have seats at that table; that will provide the extra four seats that we need in the chamber without upsetting the flow. It will be a bit removed from the Clerk's desk. There will be circulation space in front of that. The mace will be moved to in front of the Clerk's desk. It will be in the same timbers and in keeping with the timbers that are currently there. And there is a proposal to reuse at least part of the central table as side tables in various places, to store Hansards and the like.

THE CHAIR: I assume the table will be two swords in width?

Mrs Dunne: Yes. Apparently it is roughly the same width as the one in the House of Representatives. It will have a little sort of visual barrier. There will be a central pedestal which will have all the wiring and stuff in it so that you can plug in your devices. And it will be topped with the *Hansard* of the First Assembly, just as a decorative thing. Also, it means that the Leader of the Opposition cannot say, "What

has the Chief Minister got on his paper over there?" It is a bit of privacy.

THE CHAIR: Will there be dispatch boxes?

Mrs Dunne: No. There are no dispatch boxes. We do not have a tradition—

THE CHAIR: So we are not following the tradition entirely?

Mrs Dunne: No. It was open for a fair amount of discussion about whether that was appropriate, but you can look at a parliament like the commonwealth parliament and they just have a bench where people go to the dispatch boxes to speak. It will be slightly odd, because the Chief Minister will be sitting there and maybe somebody is going to be answering a question behind him or her at some stage. That will be slightly uncomfortable. But a lot of parliaments already have that arrangement. The Victorian parliament has that arrangement.

THE CHAIR: The Senate.

Mrs Dunne: The Senate? Yes, they have—

THE CHAIR: They speak from their seats.

Mrs Dunne: Yes.

THE CHAIR: Thank you.

Mr Duckworth: Mr Chair, might I just clarify one comment that Madam Speaker made. The carpet and painting refresh works will extend to the ground floor as well.

Mrs Dunne: Yes; sorry.

Mr Duckworth: Level 2 and level 1, but the ground floor will be included in that.

THE CHAIR: Thank you for that. Ms Porter, a new question.

MS PORTER: It is around the refurbishment. You talked about the air con, the heating and cooling being done, because there are some savings from the building. I understand also, and I am not entirely clear so maybe you can verify this, that the furniture that is in members' existing offices—and I can only speak about the backbench offices because that is where I have experience—is not going to be replaced with the same furniture as other members are getting. It is particularly tired and I do not think it is very ergonomically sound. I think that it should be replaced. I do not think there should be two classes of members with one having nice new furniture which is much more suitable when a member has visitors. When constituents or other delegations come to the office, I do not think it is of the standard that one should have and it will be quite difficult for the members that stay here who have that kind of office compared to the ones that will be refurbished. I just wanted to put that out there. I understand you have budgetary constraints but—

Mrs Dunne: You and I might make a joint submission to the Treasurer on that subject.

MS PORTER: I think that would be a good idea.

Mrs Dunne: There was money in the budget before last for new furniture for members. We held off on buying that. Members will get new desks and they will match the ones in the other area. When we were looking at what we would do with the savings we made a submission, which included the HVAC, the toilets and bathrooms and upgrading the furniture. Treasury immediately said, “In your dreams,” in relation to the upgrading of furniture. You make a very important point that there will be quite marked differences between the older offices and the new offices. We were trying to minimise that through the refurbishment. It will be minimised through the paint treatment and the carpeting, but you are right. There was new furniture for MLA staff in about 2008. Things like sofas and the like were refurbished in about 2003. That is my recollection as a member.

MS PORTER: They are particularly unfriendly.

Mrs Dunne: They are particularly unfriendly. I know that from time to time Rick comes round and shampoos them and tries to bring them up to speed. So if they are looking daggy, please tell Rick and he will come and shampoo them for you. They are not very friendly for people who might be a bit arthritic or whatnot getting in and out of them as well.

MS PORTER: I have constituents that actually bring air cushions and things with them. I offer to go to their homes. The other question around the refurbishment is that I have been advised that it is going to be particularly noisy down the end. As you have already described, the building work will start down my end of the building. I have been advised that it will be really important, particularly just after Christmas when it gets started, for one to vacate the building and work elsewhere. It would be advisable for me to relocate. That is fine. I have asked for additional Citrix access for my other two staff so that they can stay online fully and can continue to work in that way. I have been told that because of the contract that is currently held it will cost me the full year’s allocation, per person, even though I only need it for a short period of time. So I have to purchase a full year for each of them.

Mrs Dunne: I think we had better have a conversation about that offline.

MS PORTER: I think it would be a good idea if we had a relook at that contract, given the circumstances that some of us are being put into at this time.

Mrs Dunne: We will leave that one with Val to explore.

MS PORTER: I am just raising it.

Mrs Dunne: But I am not satisfied with “The computer says ‘No’” as an answer.

MS PORTER: I just think if there was a more flexible arrangement—

Mrs Dunne: Yes.

MS PORTER: I realise the contract is fairly rigid at the moment, so I am just putting it out there.

THE CHAIR: Is there a comment there?

Ms Szychowska: Ms Porter, with Citrix or any remote access service we acquire through Shared Services, it can be offered monthly; it is not fixed for a full term. The advice you have been given might be in relation to your internet access. If they require internet connection to be set up in this alternative location then they would need to subscribe to an internet plan and that is where the cost is. But in terms of accessing remote access services, we can set that up for a month or two or three—whatever time period you need.

MS PORTER: I have the emails and they definitely talk about Citrix. Obviously there has been a miscommunication or a misunderstanding in what has been requested.

Mrs Dunne: Yes. Both you and Mr Smyth will be the most impacted by the building project because you are at the end. There will be two free offices—one in the Labor corridor and one in the Liberal corridor—so you do have the opportunity of moving to an office further away if you wish.

MS PORTER: That is an option—

Mrs Dunne: That is an option as well.

MS PORTER: that we may take, because obviously we need to be here in February.

Mrs Dunne: Yes.

MS PORTER: It is absolutely essential that we are back here in February.

Mrs Dunne: Yes.

THE CHAIR: Just to follow up on the renovation question before we go to Ms Fitzharris, is there asbestos in the building and, if so, what precautions will be taken to protect the builders, let alone the staff and MLAs?

Mr Duckworth: Our previous surveys have identified that there are certainly known areas of asbestos on the external walls—so if you think of those vertical columns and then a grey board that positions between them underneath the windows. None of those areas are being affected by the renovations so none of the works will be exposed to asbestos. It is asbestos sheeting; it is not loose-fill asbestos. The contractors have it in their safe work methods procedures that if they discover any asbestos in any other parts of their demolition there would be a process in place. It is not our understanding that there is any, other than in those external sheeted walls.

Mrs Dunne: Remembering that this building was renovated 25 years ago and they would not have used asbestos materials then.

MS PORTER: That is good. That is comforting.

THE CHAIR: Ms Fitzharris, a new question.

MS FITZHARRIS: I did want to note my thanks to all the staff of OLA for settling me in over this reporting period as well, which has been terrific. It is always good to be reminded of what you do not know about a job that you thought you knew a bit about. It has been very helpful. In particular, so far this year I have had two work experience students in my office—one that came through the program of the Assembly and one that I had arranged separately. With both of those, but particularly the one through the actual OLA program of work experience, it was hard to know—partly because of probably my newness but also what it might be that the school might want to achieve, what the Assembly might want to achieve and what I might want to achieve—how we could structure that in a way that you can roll with. The second work experience opportunity was with a young woman in year 12 who had a disability, so that was a slightly different experience. There was a lot of help for me and my office in setting her up to be here over a period of time.

Just in terms of the structure of the work experience program, I think it is great. Do you get a good take-up? I notice often there are a few reminders which might suggest that maybe take-up is not terrific. Is there a way that it can be rolled out more simply so that it is easier for members to slot someone in when the opportunity comes up?

Mrs Dunne: There is reasonable take-up, but I think, Ms Fitzharris, you make a good point about perhaps having a better amount of communication if you get someone from year 10 or someone from year 12. You might get someone from the migrant English program. The needs and expectations are quite different. This is something for Neal's area, but perhaps we need to have slightly better communication with the school about what they are looking for.

MS FITZHARRIS: Yes.

Mrs Dunne: I am about to get some work experience students. I think I had some last year, the year 10s. I am sometimes quite reluctant to take someone because I have to be confident that they are going to get a varied experience—

MS FITZHARRIS: Something of value, yes.

Mrs Dunne: and that they are not just going to sit around and twiddle their thumbs. I actually had this conversation only yesterday. The staff were happy to take them and I said, "Well, if you're happy, but you have to guarantee me that you know what you are going to do with them and they are not just going to be doing the same thing all day every day for a week." My staff are quite used to that. I think you make a very good point that we often do not ask the schools what it is that they are looking for. Are there particular outcomes that they are looking for or are they just looking to place someone anywhere? If there are particular outcomes, are we addressing those or are we even aware of them in the first place?

MS FITZHARRIS: Great. I think there is a return to work from CIT as well?

Mrs Dunne: Yes.

MS FITZHARRIS: Women returning to work as well?

Mrs Dunne: There is the return to work one and there are some out of the migrant English program as well.

MS FITZHARRIS: Do you have a figure on how many might have been here on work experience?

Mr Skinner: There were seven during the reporting period.

MS FITZHARRIS: Thanks.

THE CHAIR: You mentioned in your opening remarks the increased visitation to the Assembly. What has driven that and what are the plans for further community engagement?

Mrs Dunne: It has not actually necessarily increased. It is about static. It is about 1,900.

Mr Skinner: 1,900 this year and 1,900—

Mrs Dunne: 1,900 exactly?

Mr Skinner: And 1,924 last.

Mrs Dunne: It has been in that area. Sometimes there is fluctuation. The big fluctuations come from schools, and schools are harder to engage than they were previously. I think the curriculum is quite crowded. We are seeing very high demand for the school debates. The other program, which has been the Speaker's community outreach program, has been quite well attended. There is one this week and one next week, which will conclude the program for this year. I am scratching my head a bit about how we might manage it while building work is going on. Part of it is the education program and we have offered them a tour of the Assembly's art which will, unfortunately—

THE CHAIR: Be packed away.

Mrs Dunne: One of the things that really bug me about this building project is that a whole lot of areas which are only marginally affected are going to have blank walls simply because we just cannot responsibly leave the art up. It is worth \$600,000 and I am not prepared to take the risk of it being damaged. We will have to have a little rethink about how the Speaker's community outreach program will work in the course of the building work next year. We will also have to try and compress that a little bit. We normally have one about every six weeks, but we will have to compress it a bit because after August people are not going to get to see members.

THE CHAIR: Ms Porter.

MS PORTER: My question was around visitations as well. It is about the new

citizens evening that you have continued since you became Speaker, which I think is fantastic. The numbers seem to be fairly stable—they are up and down—but they do not seem to increase dramatically. Do you find that they are popular or do you have difficulty actually attracting people to them?

Mrs Dunne: They are very popular—you get about a quarter of the people that you invite—and they are very well received. A lady at the last one that we had, at the very end, as we were concluding—we were standing in the chamber—spontaneously said, “I just want to thank you for this opportunity because where I come from”—and she came from India—“you see a politician in a motorcade at election time and to be in a situation where you can come and meet a member of parliament and stand in the debating chamber and discuss democracy is something that I value.” It makes me feel a little gooey just thinking about it. The fact is that people really value it.

I think there was one occasion where we had over 100 people turn up, which was unmanageable; it was too big. We are dependent on the rate at which the department of immigration and the department of community services give us the names. We do not get everybody. We really get only people who go through the ACT program rather than other people as well. From time to time we get people who go through the department of immigration programs but we are not getting all the new citizens; we are only getting a portion of them. I am trying to explore with immigration to give us a full list of people so that we can contact them.

MS PORTER: You are correct. It is very difficult sometimes to get access to a parliament in another country. I am sure, Madam Speaker, when you are travelling you make a point to try and visit the parliament in the place that you are at and have some kind of experience of the democracy in that particular country. I am not quite sure but I think it was in Italy we were told, “You can only come in once a month, on a Sunday, and you can only come into this particular part.” It is very restricted. I am sure you were quite amazed. There is better access here because we are a small parliament. I think it is a great experience.

Mrs Dunne: I think it is a great experience to actually have people give you that sort of feedback. You do, first of all, recognise what a lucky country we live in but also what an opportunity we are affording to people in that program, which I think Mr Berry started. I think it has been extraordinarily successful.

THE CHAIR: A final question from Ms Fitzharris.

MS FITZHARRIS: It seems like a small question—in light of this discussion, and in light of elections in Burma, for example, about not allowing people to have access to parliament and to democracy—but I go back to paper use. I have found in committees, with the reproduction of a number of significant reports, submissions to a number of committees—and particularly I am thinking of the planning and the public accounts committees—how much paper we use and how significantly that could be minimised by having it all available online and having access to a directory where it was all accessible online. It is just the nature of the committee work.

I have tried to turn my mind to other ways to make constructive suggestions about how else you could manage it but it is difficult. I think it will probably be easier in the

next Assembly. There might be multiple pieces of paper that come in at any given time or correspondence to a committee which the committee may not even see for six weeks after it has come in. I think that is driven by the paper-based nature of the committees. If there was an online directory that we could all access and real-time information, that would be, I think, a real step forward. Are there any plans for that?

Mrs Dunne: I think that we have made some inroads. Mr Skinner did point out to me yesterday that our paper consumption was down. This was when I was having—

MS FITZHARRIS: Down?

Mrs Dunne: Yes, our paper consumption is down. I was having a little rant about the size of the annual report and how we could get that down. This is about what the Assembly does and the rest of it is obligatory reporting. There was a show of hands of the people who had read the report and I think that the people in that room yesterday were the sum total of people who were ever going to read that report, which is why I raised the question.

We have done some things in the chamber. There was a stage when every member used to get a copy of the minutes of proceedings on their desk every day. We stopped that and the world did not come to an end. I use my minutes of proceedings—I used it only yesterday—online and it works very effectively and the indexing works really well. As a result we have cut back on a whole lot of paper. The electronic tabling of documents so that there is a common drive for documents tabled in the Assembly has worked quite well. The world has not come to an end. I would be very happy to have conversations about how to streamline the storage of documents.

There are issues about security and when they become published and the like but it is not beyond the wit of people to do that. When I was a committee chair we had a secure website where you could edit reports and things like that.

Ms Szychowska: Can I add to that?

MS FITZHARRIS: Does that still exist?

Ms Szychowska: That exists but it is at the discretion of the committee secretary and the committee chair. There are established, secure L-drive folders, they are called, that each committee can get access to. It has got security parameters around it according to the role you play in the committee. You can explore that one.

Mrs Dunne: That stopped us having to print multiple copies of reports, as you were saying.

MS FITZHARRIS: I am thinking of the clubs inquiry that is now completed.

Mrs Dunne: But it is also up to a member's personal choice whether all people have access to the secure L-drive. When I was the chair of the JACS committee—that is going back to the previous Assembly—there was a draft report which the secretary and I had access to. I think we then could extend it to other people. And then if somebody chooses to print one off, that is up to the individual member rather than the

committee secretary having to circulate multiple copies of it multiple times as well.

THE CHAIR: Following on from that, Speaker, are you aware that there are now surveys that show that reading in the printed form leads to greater comprehension?

Mrs Dunne: I would not doubt it.

THE CHAIR: It is an important issue. It leads to greater comprehension and greater retention of information. There are actually issues with reading on screen constantly. Will the Assembly be funding eye tests and glasses when you go to a paperless office?

Mrs Dunne: I am still—

THE CHAIR: It is the other side of the coin.

Mrs Dunne: I am still a bit of a trog and I do, from time to time, have to print something off because I find that I just cannot comprehend it in the same way when I am reading it on screen.

THE CHAIR: It is a problem with the old script but it is a serious question. Will the Assembly fund regular eye tests and glasses for those that work in a paperless office as a consequence of working there?

Mrs Dunne: We would have to look into it.

MS FITZHARRIS: But I was not suggesting one way. I was suggesting choice in this.

Mrs Dunne: I think that there has to be choice because you have to accommodate how people work. People work differently.

MS FITZHARRIS: The right mode for the right time.

THE CHAIR: With that, Madam Speaker, we draw this to a close. Thank you for your appearance today and for the answers given. Some questions were taken on notice. If the committee could have a response by 24 November that would be appreciated. Members, the *Hansard* will be available shortly and will be forwarded to witnesses as well. If there are any suggestions you would like to make we would receive and consider those. Members, once the *Hansard* is received there are normally three working days in which to lodge additional questions through the secretary which, of course, will be forwarded to the Clerk. With that, Madam Speaker, thank you for your attendance today and we draw the public inquiry to a close at this time.

Mrs Dunne: Thanks.

Sitting suspended from 10.33 am to 1.03 pm.

Appearances:

Burch, Ms Joy, Minister for Education and Training, Minister for Police and Emergency Services, Minister for Disability, Minister for Racing and Gaming and Minister for the Arts

Chief Minister, Treasury and Economic Development Directorate
Dawes, Mr David, Director-General, Economic Development
Snowden, Mr David, Chief Executive Officer, ACT Gambling and Racing Commission, and Chief Operating Officer, Access Canberra
Engle, Mr Sam, Acting Executive Director, Policy, Projects and Legislation, Economic Development
Kalleske, Mr Mark, Deputy Director, Legislation, Racing and Gaming
Jones, Mr Greg, Director, Regulatory Compliance, Construction, Environment and Workplace Protection

THE CHAIR: Good afternoon, and welcome to this public inquiry by the public accounts committee into annual reports for 2014-15. For the next hour we will look at racing and gaming, and the Gambling and Racing Commission. For the purposes of the hearing could all those at the table acknowledge that they have read the pink privilege card that is in front of them, and that they understand the implications and obligations of privilege? So acknowledged; thank you very much. Please be aware that the proceedings are being recorded as well as webstreamed and broadcast. Minister, would you like to make an opening statement?

Ms Burch: I will make a very brief opening statement. In regard to gaming and racing, the medium to longer term policy objectives that we share with the racing industries have been identified in the memorandum of understanding that was signed in December 2013 and it continues to provide a framework to work through those shared commitments. With our community clubs, again, a memorandum of understanding puts those commitments into play. That included the gaming machine reform package, which I will get to in just a moment. Clearly, the government will respond to the PAC inquiry into community clubs as well.

I have mentioned here a number of times my keen interest in doing all that we can as a community around online gaming and gambling. In September this year the federal Minister for Social Services announced a review of the Interactive Gambling Act. I responded by reaffirming support for a national approach to regulating interactive gambling and the enforcement of harm minimisation and consumer protection measures relating to this type of gambling.

The gaming machine reform package passed in June. The scheme commenced in August this year. There has already been a reduction in the number of machine authorisations across the territory, with forfeitures of 20 machines as a result of 80 authorised trades across a number of clubs. We have seen 118 machines put into quarantine, with a further 29 put into general storage. That, of course, is complemented by the red tape reduction amendment act of this year, which is around minimising unnecessary administrative and regulatory burdens on licensed gaming machine operators.

Before we go to questions, chair, I thank those in the commission and across the broader economic development directorate for their support in this area. I also note this is the first hearing since the Access Canberra changes. David Snowden is the commissioner for gaming and racing, and he is here as well. We are happy to take questions.

THE CHAIR: Thank you, minister. Members, we will start at the far end of the table, to give everybody fairness and equity. Over to you, Ms Fitzharris.

MS FITZHARRIS: Good afternoon and welcome. Thank you for coming along today. I want to start on that note, minister, about the new commissioner, and welcome him. Could you talk us through that decision around Access Canberra, so that we can understand something of the new structure within the commission, as it sits within Access Canberra? Could you give us some insight into the background to that?

Ms Burch: The thrust behind it was really a simple approach to various regulations and visits to community clubs by the commission, Health and a number of other arms of government. That was one of the key reasons behind Access Canberra. Mr Snowden can explain how it is panning out.

Mr Snowden: As you are aware, Access Canberra was formed on 14 December last year, basically to streamline a whole range of activities for government, for business and for the community in terms of having a single point of entry. As part of the administrative arrangement changes, the gaming and racing commission was brought in to Access Canberra.

As you are aware, the commission regulates a range of venues that provide gaming services. If you look at the clubs, for example, these venues have not only gaming machines but also liquor licences. They also have food licences for the bistros or restaurants. Many have security licences or employ licensed security guards. Some are registered as incorporated associations and all are subject to work health and safety laws. Each of those areas of regulation was previously the responsibility of separate teams in separate directorates. Access Canberra has brought all of those particular areas together to streamline the approvals process when doing something new and ensure a coordinated approach to helping individuals and businesses comply with their obligations.

MS FITZHARRIS: What does that look like in practice now for the clubs? We have heard from the Chief Minister about how Access Canberra is working for other parts of the business sector and community sector. Can you tell us what it looks like now for clubs? Do they have one contact point in Access Canberra that they deal with and is that through the commission?

Mr Snowden: It depends on what it is. In terms of licensing it would be one access point through Access Canberra. If it is in terms—

MS FITZHARRIS: That is for food, liquor?

Mr Snowden: Indeed. In terms of the compliance aspects there is one access point. In terms of the specific gaming arrangement, we have reached out to ClubsACT and we have explained to them what the new arrangements are. We have already established those relationships with the key executives and senior managers across Access Canberra.

Ms Burch: What I have heard back from a number of clubs is that it is a much simpler approach. One compliance visit covers a broader aspect than when we had one team going in to look at gaming; the next day it was about licensing. That certainly has been a benefit.

Mr Snowden: That process has already been established and has taken place. There have been many compliance visits through the joined-up activities of the different work units, and the comments received back from the proponents have been quite favourable.

MS FITZHARRIS: It sounds like it might be favourable regarding the PAC inquiry into clubs recommendations. So it is already underway. With the restructure within the commission, were any staff affected in any particular way?

Mr Snowden: There has been an alignment of function. The commission had a licensing area, a compliance area and an administrative and governance area that supported the commission in terms of providing secretariat functions. We have aligned those particular work streams with similar work streams across Access Canberra. For instance, where there is liquor licensing, the licensing aspects of gaming and racing are now also integrated into the liquor licensing area.

It is likewise the case with compliance. With the former office of regulatory services, there was a compliance unit there, and they had a range of responsibilities across the spectrum of the law that they administered. We have now started to integrate the compliance aspects of the gaming and racing commission into that work program.

MS FITZHARRIS: In terms of the interaction with clubs and ClubsACT, is that mostly with Access Canberra staff visiting the clubs, or do the clubs need to use, for example, the Access Canberra shopfront?

Mr Snowden: No, most of the—

MS FITZHARRIS: Or is it online?

Mr Snowden: Yes, online. Most of the activity between Access Canberra and the clubs at this point in time is as a result of our proactive engagement with them. We have a number of audit processes that are undertaken, whether that is through checking relevant security licences or checking whether they have the right occupancy loading in terms of their liquor licence. There is also the gaming machine activity. We have a program of work whereby we go out and actually engage with clubs. From time to time they will need to get in contact with us. Certainly they have all the relevant contact details for the right access points within Access Canberra, whether it has to do with a compliance issue or a licensing issue.

THE CHAIR: Ms Lawder, a new question.

MS LAWDER: I want to ask a couple of questions relating to the casino. There is a whole lot about the casino starting on page 22, and in other parts of the report. What discussions has the government had with the casino with regard to their interest in having poker machines? Can you give us a general update of the discussions?

Mr Dawes: As you would be aware, obviously there has been a bit of media around the casino and what they wish to be able to do on the site to enhance their facility. Through the business process they have put in an unsolicited bids proposal. We have established a couple of teams to look at that particular process so that we can then put forward something for government to consider. At this point in time we are working through some of those issues around planning and infrastructure. That is one committee that is looking at it. The other one is around taxes and some of the regulatory requirements. The commission will have an active role in that, as will Treasury.

At this point we have not advanced to stage 2, so it is just under consideration. Probably you know as much as everyone else does through some of the media regarding some of their future plans.

MS LAWDER: Have these discussions involved other directorates as well?

Mr Dawes: Yes. There are a couple of things to deal with in their proposal. Some of it is around planning and infrastructure, because they were looking at how you had access in and out of where the current casino is. There are also some issues around some of the planning that they want to do in establishing their water feature and a low-rise building for some activities. They want to establish a new casino close to the footprint of the convention centre, and then refurbish and build a new five-star hotel on the existing casino footprint.

That is being dealt with by one committee, and another committee which is across-directorate has been set up. In the planning one, there is EPD, from a planning perspective. Because it is looking at some of the heights there and at RL 617, which is the building height set by the national capital plan, we have the NCA involved in that. Of course TAMS is involved, because it is very much about some of the roads and the infrastructure there.

On the other side, because it reaches into some tax changes, and the fact that they want to have poker machines—they refer to it as slot machines in their media—we have Treasury and the Gambling and Racing Commission looking at those principles. The other part of Economic Development, which is the policy area, is involved as well. We will take forward our findings and government can then have a discussion.

THE CHAIR: I have a supplementary to that. Has the land sale gone through? Is the casino selling land to the convention centre, or is the convention centre selling land to the casino?

Mr Dawes: Are you referring to the land immediately behind the convention centre? That is something that was on the table some years ago with the previous casino

owner—that they might sell that land back to the territory, to be incorporated into the convention centre. No, they have not. They plan to build their extension and their new casino, and they have those luxury units that they are wanting to put up. So they envisage building on that site.

One of the proposals is to link it into the convention centre. The other one is a stand-alone. They are some of the issues that we are working through. But with that land immediately behind the convention centre, as you know, it was an odd-shaped block because their front entry is off Coranderrk Street, which is near the footbridge. That is part of their lease.

THE CHAIR: Was there not a report recently that a purchase had been made?

Mr Dawes: We were looking at purchasing that but it never proceeded. The Austrian owners of it were considering that.

THE CHAIR: A new question, Ms Porter.

MS PORTER: Thank you. On page 13 it mentions the commission liaising with licensees on an ongoing basis in relation to the online exclusion database. Could you talk to us a bit more about the exclusion database. Only nominated venues, I believe, can have access to this information; it cannot be seen by other people or accessed by the person's community, obviously. How about when somebody wants their name removed from that database? Is there some process by which a person has their name removed? Those are the kinds of things I would like the committee to be informed of.

Mr Snowden: My understanding is that yes, the individual can have their name removed from the database. It is a mechanism whereby people will voluntarily access the database and, for their own particular interest, want to be not involved in an environment where they want to participate in any form of gambling. I might ask Mr Jones if he could assist with some of the technical aspects of the question.

Ms Burch: This is why, after nearly a decade in the commission, Mr Jones is called on for the transition annual reports hearing. Welcome, Mr Jones.

Mr Jones: Thank you. I am the former Chief Executive Officer of the Gambling and Racing Commission. To answer your question, Ms Porter, the online exclusion database allows people to self-exclude from the individual venue that they nominate, a geographical region around that particular venue, or the whole of the ACT if they so choose.

If it is a voluntary exclusion, they can withdraw their exclusion notice, as it were, from those venues at any time they wish—because it is a voluntary scheme, after all. But if they do so, it is up to the individual venues whether they consider that that person may still be at risk of problem gambling or a problem gambling incident, as it were, and therefore they can do what we call a licensee-initiated exclusion and perhaps continue that exclusion if they consider that that person or that person's family may be at risk if they continue to gamble.

In terms of the privacy, the first part of your question, it is a really important issue,

and it is something that, when we developed the database, we looked at very carefully. The database itself is housed or hosted within the ACT government network, so it is behind the ACT government firewall, which means it is protected by all the normal ACT government protection mechanisms. Access is obviously very limited, given the sort of data that is included in that database. Within each venue, there are only a very limited number of people that can access the exclusions, for that venue only. If it was for the Raiders club, for example, there are only a very small number of people nominated and approved by the commission from that venue that can access that, and they can only access information relevant to that particular club, not for every other club. They could not, for example, look at the exclusions at some other club which is not relevant to them. So it is very much an individual venue relationship in terms of external access.

The whole database itself is managed by the commission, and the commission is very proactive in making sure that it is kept up to date and all the individual approved people that have access to the database understand the terms and conditions of their access. We go through with it. We have ongoing training. There is a business hours helpline that they can ring up. I think privacy is well protected within that database in terms of access.

MS PORTER: In terms of only a limited number of people being allowed access at any given time, how does that work when someone walks in the door and approaches a machine? How does a red flag go up saying, “You should not actually be here”?

Mr Jones: That is a very good question. What we encourage and have passed on in training to the licensees is how they display within their venue to either reception or security staff that are looking at restricting people that come in. As you know, clubs are for members or signed in guests only, so there is, by definition, a front-of-house control of access. We have included training on that for those persons that are excluded. On the databases relevant to each venue, there is a list of photographs, and names and other details, of those excluded persons. We encourage them to either have an online scrolling system which those particular people—receptionists and security people—can have access to or, if needs be, do a print-out, in a folder, for example, and have it under the counter, which again, obviously, has limited access to those names. We encourage their procedures to address how those staff that are looking for excluded persons actually familiarise themselves with those photographs and descriptions for those people. Even though some clubs may have quite a number of excluded persons, they are pretty good at recognising people, even with changes to hairstyles and things like that. They are generally pretty good at that.

MS PORTER: My next question was about access to other venues. For instance, with a TAB-type venue, down the road at a shopfront or at the racecourse itself, are people able to exclude from those areas as well?

Mr Jones: Yes, absolutely, and that is a critical part—having that flexibility in terms of having the self-exclusion scheme broadly based. TABcorp, old ACTTAB, is part of that scheme, as is the casino, and they provide a contribution, through the problem gambling assistance fund, which is where the bulk of the funding for the online database came from. They are part of that scheme, they are part of the training and they are part of those approvals.

MS PORTER: Thank you very much.

THE CHAIR: Minister, on page 47 of volume 1 of CMTEDD's annual report, at the first dot point, the second dash, it says that the gaming machine reform amendment bill was passed on 4 June and is currently awaiting commencement. Has it commenced since the publication of the annual report? If not, when will it commence?

Ms Burch: Sorry, I missed half of that question and I do not have the report in front of me. Are you talking about the red tape reduction or the gaming machine reform?

THE CHAIR: The second dash.

Ms Burch: The second. Yes. That started, I think I said in my opening statement, in August this year. It has 118 machines quarantined and 29 machines in general storage. We have had 80 authorisations traded and 20 authorisations forfeited to date.

THE CHAIR: If it commenced in August, why does the annual report, which was not delivered until the end of September, say that it has not commenced?

Ms Burch: Sorry? If the annual report—

THE CHAIR: If the scheme started in August and the annual report was tabled in September, why does the document say it is currently awaiting commencement if it commenced before—

Ms Burch: The commencement date was 31 August, so it is probably just a printing and timing aspect, I would imagine. Certainly it was passed in the Assembly, and the commitment was to get it up and running in August. I have a commencement date of 31 August.

THE CHAIR: But the transmission letter is dated 22 September. Are you saying that between the end of August and 22 September nobody thought to update this?

Ms Burch: The annual report is, I think, up to 30 June. Perhaps we could have made mention in the transmission letter to you, Mr Smyth, but you have the information now that it started on 30 August.

Mr Dawes: Mark, did you want to elaborate any further?

Mr Kalleske: I believe that is correct, from what the minister has said. It would have been just a timing issue in terms of when that information was put in for the draft as opposed to when it was actually cleared and put through.

THE CHAIR: Can we find out when the draft was cleared and put through, please?

Mr Kalleske: Yes.

THE CHAIR: Thank you. The first dot point on page 47 talks about delivering the

government's gaming machine reform package and lists only the two bills. What else has been done?

Ms Burch: Do you want to talk to that, Sam?

Mr Engele: Sure. In addition to the red tape reduction and the Gaming Machine (Reform) Amendment Act, which was passed, as you mentioned, on 4 June, there have been a number of discussions in terms of looking for opportunities to reduce red tape. So from a policy perspective—

Ms Burch: The lotteries amendment.

Mr Engele: Yes, sorry; the Lotteries (Amendment) Bill is also one that was recently passed in the Assembly. There are a number of ongoing discussions that happen on a very regular basis between the commission and the policy team to identify further opportunities for red tape reduction. The key current piece of work is responding to the PAC report; most of the policy work has been in developing the government's submission for that and also developing the response to that, which is forthcoming.

THE CHAIR: But given that it refers to delivering the government's gaming machine reform package and it lists two bills, you have said there was some other discussion into a policy—sorry, what was the title of the organisation?

Mr Engele: Chief Minister, Treasury and Economic Development and the commission.

THE CHAIR: So there is some discussion. What else is there? Is there nothing else in the gaming machine reform package?

Ms Burch: The gaming machine reform package is significant, even in those three. There is the red tape reduction. The lottery is the most recent amendment, but there is the gaming machine reform, which included the ability for the introduction of the training scheme, which is probably a very significant piece of legislation. It was very complex in delivery. It took us a lot of time to talk with the sector about how this was best delivered and implemented. You have made your views on that well known in the Assembly—

THE CHAIR: That is not the question.

Ms Burch: where you were quite negative—

THE CHAIR: Minister, come to order, please.

Ms Burch: and not particularly positive on the work—

THE CHAIR: Minister, please. That is not the question.

Ms Burch: I am answering the question.

THE CHAIR: No. I run this hearing. That is not the question. The question is: what

are the other things that you are doing? It is not a commentary on what happened in the Assembly.

Ms Burch: I am just saying that those three reforms were very complex, particularly around the trading scheme, which took a lot of engagement with the sector. It is significant reform. We needed to get the parameters of that right. The red tape reduction came about because of those direct conversations with the sector, such as the unnecessary requirements. We removed the requirements of the gaming machine access register and the approval of the poker machine attendance. This was something that was coming up from the sector a number of times, so we put that package together. Similarly, with the lotteries amendment, that came about because it just makes sense. Following a bit of narrative in one of our low risks—I think it was housie or bingo—in one of our entertainment areas, it made absolute sense to look at this.

The memorandum of understanding with the clubs still remains the plank in the framework of change and innovation, and clearly, now that we have the PAC review, we will look at that.

One thing in this report that we have not progressed because of the PAC review was a governance framework. That was a deliberate decision, in agreement with the sector, to say that we will let the PAC review conclude and then consider that with the other recommendations that were coming through.

THE CHAIR: Why would you leave some things until PAC had delivered its review and yet do other things? It is kind of contemptuous of PAC—

Ms Burch: The main thing was the trading scheme and the tax reform, and the tax reform was budget contingent with the gaming. The trading scheme was because, in my view, we had worked long and hard on that and the sector desired it. So I gave it to them.

Mr Kalleske: Mr Smyth, can I just add to the minister's comments. In terms of the specific red tape reduction measures in the reform package, we abolished the gaming machine access registers, which I think the minister already referred to. We have increased licence terms for technicians to three years. We clarified legislative provisions in relation to changing club constitutions without reference to members. We also looked at making it easier for licensees to move machines within already approved gaming machine areas. We also looked to allow the smaller clubs, which I recall had something around \$100 in obligation for the problem gambling assistance fund, to pay their contribution on an annual basis in arrears as opposed to monthly. They are the specific red tape reduction measures in the reform package.

In terms of your later question about why we would go to those now and leave other things to the PAC, we have been consulting with the industry for quite a few years on red tape reduction, in collaboration with our commission colleagues. They were the kind of priority items that they were looking for as part of the reform package, which the minister agreed to progress. There are certainly more. Certainly from the PAC inquiry we see recommendations about specific red tape reduction measures which we will continue to look at.

THE CHAIR: Is it the government's intention to table a response to PAC this year?

Ms Burch: Yes.

THE CHAIR: Has the government started drafting any legislation or regulations in regard to a response to PAC?

Ms Burch: The government has not got an agreed response yet, but we have started drafting a response with the intent of bringing it into the Assembly in November. That is what I would like to do.

THE CHAIR: Has the government started drafting legislation in response to the casino's request for poker machines?

Ms Burch: I have not seen anything, Mr Smyth.

THE CHAIR: Ms Fitzharris, a new question.

MS FITZHARRIS: Minister, I want to ask about the trading scheme. I think it is quite reasonable for something that has happened between the end of the financial year—the reporting period—and these hearings or the publication of the report to not necessarily be included in the annual report. It does cover a specific period. I note that this legislation was passed and has come into effect in the current financial year. Can you tell us a little about how the trading scheme has gone? You have given us the figures for the licences that have changed. Was that your expectation of the numbers, or is it a bit—

Ms Burch: It was always a bit of an unknown, other than it has been a consistent message to me from the clubs to allow them to have the ability to trade. The discussion that did go over a number of months, close on 12 months, was about what a trading scheme looks like. Some of the matters that we considered as a government were: do we set a price? Does the market set a price? What is the forfeiture arrangement, given that we are supportive of this mechanism across the clubs for their own business structures? The end game was also a desire to reduce the number of machines across the city. So a forfeiture model was agreed on and that is why we have now 20 machines permanently off.

Two clubs have taken advantage of putting 118 machines into quarantine, and that is quite different from general storage where there are 29 machines, because that takes it off the floor for a minimum of 12 months. They cannot be used. They can be traded but they go into the forfeiture arrangement. The receiving club has them off the floor for that quarantine period. Mr Snowden or Mr Kalleske may talk a little more about how that is functioning on the ground.

Mr Kalleske: We are quite happy about the numbers to date. That only started from 31 August. As the minister said, we were not totally sure about how much industry would use this scheme. They did ask for it but, as we progressed down the development of it, it was lukewarm here and there. There are already 20 forfeited from the numbers for the ACT.

The other number that we have not really talked about much is the actual machine numbers. With the storage requirements we have now seen 5,022 machines, actual machines, down to 4,855. Whilst it is true that some of those machines can come straight back on the floor if the club wishes to do so, because they are not part of that minimum 12-month requirement, that is an actual reduction now in the number of machines that can be accessed by people in the ACT. To me, that is a really good news story, given that we have only been in it eight weeks.

MS FITZHARRIS: And do you have any sense of what you expect to see over the next six to 12 months?

Ms Burch: I would have thought that the smaller clubs would enter into arrangements, those that have 10 machines or thereabouts. They are not in it. The gaming machines are not part of their business or their scope of what they do for their club members and for people who visit their club. So I would not be surprised if we see them, now that the larger clubs have tested the waters. I have also heard that the process is straightforward and easy.

MS FITZHARRIS: And you probably will not have any indication of the price that they have been traded for?

Ms Burch: No.

THE CHAIR: A new question, Ms Lawder.

MS LAWDER: Minister, you talked in the past in annual report and estimates hearings about regulating online betting. Has the government made any moves towards that or had any discussions?

Ms Burch: To me, it is something that the broader community needs to be aware of. As I said in my opening statements back in September, the federal Minister for Social Services announced a review, and I responded in October just saying that, yes, we want to be part of this. I am hoping that it is broader than what was proposed 12 or 18 months earlier where states were not included. It was very small, tight. Perhaps Mr Kalleske can talk to what it was or what we hoped it would be.

People on their smartphone can do a lot of damage sitting on a bus, being taken home. It is something that I think we have to pay attention to. Of course, as you go through the end of the footy season you cannot get now a game of any code of football or, indeed, the Melbourne Cup of a week or so ago where you are not encouraged to bet and to bet online. So we would be foolish not to start to look at how we can apply some harm minimisation to that. I am not quite sure if there is any follow-up from the Minister for Social Services since the October letter.

Mr Kalleske: Just to add to your comments, through the minister, the ACT government has been particularly proactive with the commonwealth. As you probably know, Ms Lawder, the commonwealth has jurisdiction in this area. The ACT actually has legislation. We were very forthright in terms of seeing that interactive gambling was a problem back in, I think it was, 1998 and introduced some legislation. But as

the commonwealth has jurisdiction it took precedence over ours. The minister has written on no fewer than four occasions to commonwealth ministers about interactive gambling and her aspiration to see it more regulated on a commonwealth level.

In terms of the specific question about whether the terms of reference have been broadened since your last communication, minister, I do not believe it has at this point. The terms of reference really are around the financial elements of offshore gambling and, I guess, what goes out from this country to other countries is not taxed. That is really what it comes down to. That is what the terms of reference relate to.

It is very different to the commonwealth's review in 2013 of its interactive gambling tax which actually looked at a more broad range of recommendations. There were 32 in all. But at this point I believe it is more about the financial impact.

Ms Burch: I may ask Sam to comment. There is a ministerial meeting coming up on a Friday. Unfortunately it is at the same time as a disability ministers meeting. I have made the call to attend the disability ministers meeting. Mr Engele is attending the gaming and racing meeting and I believe it is on the agenda.

Mr Engele: I will have to confirm but I think it is, yes.

MS LAWDER: What about meeting Tim Costello and the national churches gambling task force? Have you had any of those meetings?

Mr Kalleske: Sorry?

MS LAWDER: Has the directorate engaged with any of those kinds of stakeholders in discussions about online gambling?

Mr Kalleske: Certainly in my team I do not believe we have, no.

Ms Burch: But they are the sort of group that would apply pressure, I think, across the community to make sure that governments are held to look at online gambling.

MS LAWDER: Apart from the meeting on a Friday have you also had discussions with other jurisdictions about their views and whether they share the ACT's views on the regulation of online gambling?

Ms Burch: Certainly in an informal sense, and I have written formally to other state ministers as well. But as I talk, the shared view is that we do not quite know what needs to be done but I think we would be negligent not to put an eye to it and to work with groups such as Tim Costello and federal and state counterparts to see what can be done.

Mr Kalleske: Certainly in May 2013 as part of the Interactive Gambling Act review under the former commonwealth government there was a meeting of senior officials. Of the 32 recommendations that were in that report there was a general consensus that there would be support for a national harm mechanism.

THE CHAIR: Ms Porter, a new question.

MS PORTER: Minister, on page 47 of the commission's annual report it talks about some bodies of research work that have been undertaken and some currently underway. The first one is in relation to the client cohort longitudinal study. It says that a pilot was completed in October 2014. Below that in the blue shaded area it makes mention of a Youth Coalition ACT project involving that organisation raising awareness of risky behaviour in relation to gambling amongst young people. We heard during the PAC inquiry about the possibility that young people are engaging in the type of gambling that you were talking about, minister. This project was initiated and approved by the commission on 10 February. The report said that the pilot project was expected to commence in the first quarter of 2015-16. I was wondering where the one involving young people is at.

Mr Snowden: Thank you for the question. My understanding is that a contract has just been signed with the Youth Coalition to progress that particular pilot. It is early days and a program plan is being scoped. You are quite right in saying that it is a pilot. This is an initiative which is designed around, I think, some of the public health type philosophy in terms of the preventive approach. The idea is to get some youth champions to champion the idea about looking after their peers when they are placed in particular environments where they have choices about gambling.

The funding for the pilot is available and ready to go but we really do not know what the outcome is going to be. It is a bit of testing of waters in terms of this research to see how successful it is at this point in time.

MS PORTER: Has this approach been tried in other states and territories, this type of approach with the champions?

Mr Snowden: I am not aware of whether it has been in relation to gambling, but certainly in relation to liquor it has been applied.

MS PORTER: The pilot study of the research that was mentioned was completed in October 2014. I am not sure how you complete a longitudinal study by doing a pilot but never mind. It is a bit confusing to me. That is going to continue in future years obviously to capture those kinds of people. This will not deal with young people. It will only deal with adults. Is that correct?

Mr Snowden: My understanding is that that is right. The Youth Coalition project is specific in relation to the cohort.

Ms Burch: And the one above it, that longitudinal study that we are doing in partnership with New South Wales, the pilot, was almost like just testing the methodology. That is my understanding. But that has, I think, a very much longer term—2019, quite long term—and is probably one of the first of its kind. I am very pleased to work with New South Wales. There is a financial contribution from New South Wales and the ACT on that.

THE CHAIR: On page 46 the second point dot talks about finalising stage 1 of the co-location of codes for the racing industry. Will there be a stage 2?

Ms Burch: It is my understanding that the final decision out of the co-location was that thoroughbreds and greyhounds remain where they are and we continue to work with the development of EPIC in that area about harness. There will not necessarily be a stage 2 because it has been resolved that two out of the three will remain in their own premises. Harness are recognised as an important body; they are strong. We remain committed to them. We just have to make sure that they have got accommodation and a track into the future.

THE CHAIR: Where is that likely to be?

Mr Dawes: As the minister said, we are continuing to work with harness and looking at them staying in that EPIC area.

Mr Engle: Just to add: I understand the next edition of work is actually a larger, broader master planning process for the area, taking into account the options that were identified in the co-location study.

THE CHAIR: When you say “the area”, what is that?

Mr Engle: I think that is the broader EPIC area and surrounding areas. I will have to take on notice the exact specifications of that, but that is a much longer term project.

THE CHAIR: Has that work commenced?

Mr Engle: I understand that it is in its very early stages. I do not think there have been any major activities that have been undertaken at this point.

THE CHAIR: Is that being done in house or is that being put out as a consultancy?

Mr Engle: I would have to take that on notice. It is being managed in house. In terms of any additional work, I will have to confirm that.

THE CHAIR: Since the sale of ACTTAB, minister, have you met with Thoroughbred Park to discuss the future of the industry?

Ms Burch: I meet regularly across all the codes. We have continued to commit to them, and that is evident through budget funding and the memorandum of understanding about how we continue to support them, give them certainty and recognise their place in our community.

THE CHAIR: Specifically, have you met with Thoroughbred Park and the thoroughbred racing industry since the sale of ACTTAB?

Ms Burch: I know that I meet regularly with them. I would have to go back and check my calendar about the date of sale of ACTTAB and when I last met with the thoroughbreds. They know that I remain committed to them, and that is what the MOU is about and that is what budget funding is about.

THE CHAIR: All right. So you will take that on notice and tell us how many times and when you have met with the thoroughbred racing industry?

Ms Burch: I do not know if you need to know how many times I meet with people, Mr Smyth.

THE CHAIR: Are you taking it on notice or not?

Ms Burch: I will consider it, Mr Smyth.

THE CHAIR: So how many times have you met with greyhound racing industry representatives since the sale of ACTTAB?

Ms Burch: At least once, possibly twice.

THE CHAIR: Could you take that on notice and confirm it?

Ms Burch: I will consider that, Mr Smyth.

THE CHAIR: And the harness club—how many times have you met with them?

Ms Burch: I will get my dance card out and let you know what I can, Mr Smyth.

THE CHAIR: There is no need to be so dismissive, minister.

Ms Burch: Well, Mr Smyth, sometimes it is just warranted.

THE CHAIR: Is it? So wanting to know how often the government has met with the three arms of the racing industry is unwarranted?

Ms Burch: It depends whether you want to know how many times the government has met or how many times I have met or my representatives have met.

THE CHAIR: We will have all three.

Ms Burch: They are all quite different, Mr Smyth.

THE CHAIR: I will have all three then, thank you, minister. Will you take that on notice? Sorry, I could not hear you through the glass, minister.

Ms Burch: I appreciate that, Mr Smyth.

THE CHAIR: Sorry?

Ms Burch: I will get back to you with what I can, Mr Smyth.

THE CHAIR: So what is the government's vision for the racing industry in the ACT and what support can they expect from the government?

Ms Burch: My vision is for it to grow and prosper.

THE CHAIR: And how do you intend for it to grow and prosper?

Ms Burch: By providing ongoing support. Now that they know that the re-location and all of that have been resolved they can invest in their own precinct. I wish them well in that. They will continue to be budget funded. There is built-in growth on their budget funding.

THE CHAIR: Have any commitments been made to the future of particularly Thoroughbred Park?

Ms Burch: Excuse me?

THE CHAIR: Have any commitments been made by the government to the future of thoroughbred racing at Thoroughbred Park?

Ms Burch: I am not quite sure what you mean by that, Mr Smyth.

THE CHAIR: You talked about the future growing. How do you see it growing? What commitments have you made to ensure that it grows?

Ms Burch: Supporting them in their business plan. I know that they have ongoing discussions about what they would like to see and develop on their site, and I would consider that favourably.

THE CHAIR: So there is no defined growth path for the industry as far as the government is concerned?

Ms Burch: Growth in CPI budget funding, I think, is a clear commitment to grow thoroughbreds, harness and the greyhounds because we apply growth—I think it is CPI or 1.5 per cent—across all the racing codes.

THE CHAIR: So where is funding of race pools in the ACT in comparison to funding in New South Wales?

Ms Burch: The percentage of race pools? I know that we put in some legislative change about two-plus years ago. We moved it from being set from the commission and put it into the racing code so they could set their field pool. Do you want to talk to that, Mr Kalleske?

Mr Kalleske: In addition to the minister's comments, not only does the government support it through direct budget funding, which she has already talked about, but also we made some changes to the race field information charge a few years ago. That has seen quite an appreciable interest in terms of that charge going particularly to the thoroughbreds and the greyhounds, not so much the harness. We are also looking at what we hear are two key themes from the industry. One is that they need further commitment in terms of longer term funding, so basically they can look to invest in their infrastructure, and the second is about prize money. They need to be competitive with New South Wales in particular.

Certainly, as the minister says, the government is already providing that funding. As part of the MOU that was signed in December 2013 we are also looking at ways that

we can potentially look at options for increased funding terms. That is still going on, but it is happening with the industry and is currently in conversation.

THE CHAIR: So are we competitive in terms of attracting horses to the ACT given the size of the prize pools in New South Wales?

Mr Kalleske: It is a difficult question to answer because the—

THE CHAIR: At least you are trying to answer it.

Mr Kalleske: I say that because it is a complicated area—the funding models that other jurisdictions have for their racing industry. New South Wales and Victoria in particular have big racing industries that bring in billions of dollars to their economy, which means that, by scale, they obviously have more funding going to their racing. To be honest, I would probably need to take it on notice if you want some research as to what we look like instead of trying to explain, because it is quite difficult. The models of funding are very complicated.

THE CHAIR: To the best of your knowledge, have New South Wales put more money into their prizes recently?

Mr Kalleske: I believe they have, but that is also because of the nature of their industry. It is a bigger industry so it is relative.

THE CHAIR: If an owner of a horse was looking to where he or she might run that horse, prize pools are obviously one of the things you are after. You want the biggest prize. Are we therefore becoming less competitive because Thoroughbred Park does not have as big a pool of money to put into race prizes as New South Wales has?

Ms Burch: You would have to compare the level of racing as well. I think that is what Mr Kalleske was going to—that it is not apples and apples. Certainly what runs in Randwick or down at Flemington may not run in Goulburn, Queanbeyan or Canberra—if there is indeed a track at Goulburn; I am sure there is.

THE CHAIR: But New South Wales prize money is going up and ours is not?

Mr Kalleske: I would need to look into that and get back to the committee on the research.

MS FITZHARRIS: The annual report on page 35 talks about cross-border betting issues and mentions greyhound particularly, after the *Four Corners* show earlier in the year. The annual report also notes that the commission has done several inspections of the Greyhound Racing Club and to date no evidence of live baiting occurring in the ACT has come to light. Is that still something you are keeping a watching brief on?

Ms Burch: It is. We still have not found any evidence to support any of this practice. The greyhound industry themselves are quite vigilant on this. They do not want to see this practice in any way, shape or form here. That is part of the ongoing discussion with the greyhound industry, with the racing industry, but also with other groups such as the Friends of Greyhounds and RSPCA. It is about the racing industry, but it is

about the care of greyhounds—how do you re-house them and home them more broadly.

MS FITZHARRIS: Are greyhounds bred here in the ACT as well?

Ms Burch: I think there is one breeder. I am not quite sure. I know we have that information, but it is not to hand. It would be easy to get.

MS FITZHARRIS: Thank you.

THE CHAIR: Minister, thank you and your officials for your attendance today. A number of questions have been taken on notice, or potentially on notice. The committee would appreciate answers by 24 November. A transcript will be produced shortly and forwarded to you for proofreading and correction. We would be happy to receive suggestions if there are any. Members, once the transcript is received we have a further three days in which to place additional questions. If additional questions are posed, if we could have answers to those quickly that would be much appreciated.

Sitting suspended from 1.58 to 2.01 pm.

Appearances:

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

Chief Minister, Treasury and Economic Development Directorate

Dawes, Mr David, Director-General, Economic Development

Overton-Clarke, Ms Bronwen, Deputy Director-General, Workforce Capability and Governance, and Acting Commissioner for Public Administration

Gilding, Ms Louise, Deputy Director-General, Arts, Business, Events, Sport and Tourism Division

Hill, Mr Ian, Director, VisitCanberra

Cox, Mr Ian, Executive Director, Innovation, Trade and Investment Branch

Hassett, Mr Glen, Senior Manager, Innovation, Trade and Investment Branch

Hartley, Ms Laura, Senior Manager, Small Business and Skills, Innovation, Trade and Investment Branch

Tomlins, Mr George, Executive Director, Procurement and Capital Works

THE CHAIR: Good afternoon minister; good afternoon ladies and gentlemen. Thank you for your attendance here at the public accounts committee's inquiry into the annual reports hearings for 2014-15. This afternoon, members, we have Economic Development, as in innovation, trade and investment, output class 8.2 on page 49 of volume 1 of the Chief Minister's annual report. We will then go to tourism and events, that is, VisitCanberra, at output class 8.3 on page 52. We will close with the ACT Procurement Board, on page 204.

Thank you, minister and officials, for your attendance. In front of you is the pink privilege statement. Could you please confirm for the record that you have read and understand the implications and protections of privilege?

Mr Barr: Yes.

THE CHAIR: Thank you; so noted. Please be reminded that this afternoon's proceedings are being transcribed by Hansard as well as webstreamed and broadcast.

Minister, let us start on page 41, with innovation, trade and investment. Page 41, in the second column, talks about our relationship with Beijing. Could you update the committee on any work that the government has done in relation to the China-Australia free trade agreement, whether or not you are in favour of it now, and whether it will proceed, as far as it applies to your responsibilities?

Mr Barr: Thank you for the question. I am pleased that the federal government and the federal opposition were able to heed the advice of state and territory governments to reach a compromise and an agreement in relation to ChAFTA. Amending legislation, I understand, has been agreed upon and the trade agreement was able to pass through both the House of Representatives and the Senate with the support of the federal government and the federal opposition. So with respect to all of that pointless grandstanding that was underway under Prime Minister Abbott, and egged along a bit by your good self—

THE CHAIR: Goodness me, Chief Minister!

Mr Barr: Apparently the concerns that were being raised were insignificant, or else I am sure the federal government would not have responded in the way they did respond. They adopted exactly what a number of us had been saying would be the way to secure that particular trade outcome. So there were no changes required to the agreement. They just had to make some other changes to—

THE CHAIR: Isn't that interesting—no changes required.

Mr Barr: That is right. It is exactly what I have been saying all the way through the process. You were the one who was in fact suggesting otherwise, chair.

THE CHAIR: No, not at all.

Mr Barr: Nonetheless the agreement has now been reached, and there is a degree of bipartisanship on this matter, it would appear, which is a good thing given the importance of the opportunities that the free trade agreement presents. We do note, of course, that the work on this has covered both federal Labor and Liberal governments over the extended negotiating period. I would have thought it was now at this point beyond petty point scoring; but I note that you can never resist on that score, chair. It is noted; you have made your point. The agreement has been secured. It was a position I always took, and I am very pleased with the outcome.

THE CHAIR: I am pleased that you are pleased, Chief Minister. Of course, people will be able to read the debates in the Assembly as they see fit. This area crosses over with—

Mr Barr: You can never let it go, can you?

THE CHAIR: Visit Canberra as well, and the recent Tourism Research Australia numbers show that China will be our number one source of—

Mr Barr: It already is.

THE CHAIR: It will continue, and it will grow even more and be our number one source of tourism. In terms of tying it all together for economic development, trade and investment in tourism, what is the government doing to now capitalise on (1) the good base that we have, (2) the sister city relationship, and (3) now ChAFTA?

Mr Barr: We have a number of different opportunities to pursue. Those, as you have identified, include our sister city relationship. Upon becoming Chief Minister, my first visit, in terms of our sister cities, was to Beijing. I have subsequently followed that up with a visit to our other sister city, Nara. We are pursuing new economic development partnerships and sister city relationships with a number of other strategic cities, including Washington, Wellington and Singapore.

We are in preliminary stages of engagement with India and we are looking at options for economic partnerships and sister city relationships there. Foreign minister Bishop

has written to me, inviting the ACT to participate in some Australia Week and Australia Month activities in Brazil next year, and has suggested that Canberra and Brasilia consider forming a stronger relationship. We will also be investigating that.

Whilst I acknowledge the significance of China to our international engagement, and I recently met with the Chinese ambassador in Australia, and in fact with the Australian ambassador in China on my recent visit, I look forward to Canberra's international engagement in a number of different areas, not just solely focused on China.

THE CHAIR: What about India? Is there a preferred city there? Washington, Wellington, Brasilia, Singapore and Beijing are all capitals. Will it be Canberra and Delhi?

Mr Barr: Nothing has been determined at this stage. Minister Burch has just completed a trade mission focused on vocational education, but we will look at opportunities and consider what will be our best approach to engagement with India in this next round of international engagement.

THE CHAIR: Ms Porter.

MS PORTER: Good afternoon, Chief Minister and officials. My question goes to the second-last dot point on page 50, on the left-hand side. It talks about the ACT skilled migration program. Could you tell us how the program is going and what we hope to achieve going forward in this particular area?

Mr Cox: I will make a few preliminary comments, Ms Porter. The program has had a history linked to the skills crisis, if you like. From about 2005 to 2009, there was quite a lot of volume and throughput through the program, through various visa classes that were then defined by the government of the day.

The program works in concert with commonwealth criteria and visa classes, so there are limitations around how the ACT government can actually deliver the program. We are restricted to two major visa areas, which is the employer-sponsored visa route and what is known as the state independent sponsor visa route. Within the very large framework of visas that apply across the country—I think there are over 100, or there used to be 100—there is a rationalisation program to bring that down. But we operate in a fairly narrow band.

The program itself is demand driven, and it is also a self-adjusted program. That means at the start of each year we negotiate a particular quota around those two major areas with the commonwealth, with the Department of Immigration and Border Protection. We then, on a six-monthly or a three-monthly basis, go through an occupation adjustment process. The program can only operate within certain bands of visas and in certain bands of occupations.

At the peak of the skills crisis from 2005 to 2007, we had in the order of 100. With the softening of the labour market over the last couple of years, that band has come down to around 60. So the numbers and the throughput through the program have actually reduced.

MS PORTER: To clarify that, it went from 300 to 60?

Mr Cox: That is right.

Ms Hartley: Sixty-three open occupations that are identified as skills in demand in the ACT.

MS PORTER: So there has been quite a dramatic reduction.

Mr Cox: There has been quite a dramatic reduction, but based around the dynamics of the labour market and demand, and also the outputs of the trading sector as well, which are factored into the way the demand analysis is done. In terms of that figure of 63, around half are in the allied health area. Laura would probably have some more information on specific occupations. The mix has changed quite a lot over the last couple of years. The program is still generating around 300 in the employer-sponsored route.

Ms Hartley: Yes, 347 in the employer-sponsored stream, and 563 skilled workers that come through the independent stream. Of that, 41 per cent were actually Canberra residents, so they were already here working in their nominated skilled occupation for a period of three months before we nominated them for a permanent visa. That is either through the temporary visa route, through the 457 route, or the student or graduate route.

Mr Cox: In terms of program performance, it is performing as designed. It is targeting particular skill sets that are still in high demand within the economic environment that we have here.

MS PORTER: So the future is really dependent on what skills are needed, what visa classes are available and what changes might be introduced in the meantime?

Mr Cox: It is very much demand driven. It is driven by the classification and skill areas that we can participate in, the visa channels we can participate in and also employer demand. Employers can use different channels. They do not need to use the employer-sponsored route that we have. They can use different channels which we do not have. It is a direct commonwealth relationship. They can use a program called skill select, which also involves a direct relationship between the employer and the visa applicant. There are some general visa areas that the ACT government, as a registered certified body under the legislation, can actually participate in.

Ms Hartley: So they do not have to come through us for nomination, but because, as Ian suggested, it is a skill select process, and it is points driven, they need a certain number of points to migrate to Australia. If their age or their English are not giving them the points they need, they can nominate ACT government sponsorship, and that gives them five additional points. So they have that option. They do not have to come through us for nomination but they can.

MS PORTER: In regard to people who actually do not stay and who go back, or who choose to swap to another type of employment once they are here, do we keep any records on that? Do we have an idea of how successful the program is?

Ms Hartley: Part of their eligibility criteria for ACT government nomination is a commitment to Canberra for two years, and they are bound by that two-year commitment. We survey them quarterly, at the three, six, 12, 18 months and two-year mark. After that they are free to go. But we find that if they are working in their nominated occupation then they stay. The flow-on effect, in terms of benefit to the territory, is children in schools et cetera.

THE CHAIR: Ms Lawder, a new question?

MS LAWDER: Thanks. On page 49, it talks about the launch and rollout of Canberra free wi-fi. Whereabouts is that? Is that ACT wide or just in the city? Where?

Mr Barr: It is extending across the city.

MS LAWDER: The CBD?

Mr Barr: No, in the whole city of Canberra, including town centres and group centres.

MS LAWDER: It is now, or it will?

Mr Barr: It is either operational or in the process of being installed in a number of different locations, including in the Tuggeranong town centre; Manuka, associated with the smart parking trial; Dickson; Belconnen; Civic; and Braddon. There are a number of locations.

MS LAWDER: Is Lanyon one of those?

Mr Barr: I am not sure.

Mr Cox: No; Lanyon would not be on the rollout strategy. It is not a ubiquitous wi-fi program; it is designed to address the major areas of population density and where there is—

Mr Barr: And employment density.

MS LAWDER: Erindale? Is Erindale on there?

Mr Hassett: Woden, Weston.

MS LAWDER: I think you said Dickson, which is not a town centre.

Mr Barr: There are group centres that are—

MS LAWDER: Erindale would be one of those then?

Mr Barr: It could well be, yes. I think there are technical issues as well around the NBN rollout and availability; it needs connectivity there to be able to deliver a useful wi-fi service. So to a certain extent, the extent of the rollout over the next four or five years will be linked to NBN rollout as well. One of the reasons why there has been

more on the north side is that we are installing the NBN on the north side first.

MS LAWDER: Are you able to provide a list of where you might be planning to go in the next year?

Mr Barr: There is a website for this; it is called CBRfree. It is part of the digital Canberra website. That outlines where the network is currently operating and where it will be coming, including indicative time frames on what is currently under construction. And yes, we will look at future opportunities beyond the existing footprints, and that is linked strongly to the NBN.

MS LAWDER: And then, in a future sense, on page 51 it talks about partnership with the CBR Innovation Network. Can you just talk me through what exactly that means—“grow entrepreneurial capacity” and “connect our city’s research base”. What are some of the things that you are looking at?

Mr Barr: The Innovation Network is a partnership. It is an ACT government initiative in partnership with the CSIRO; NICTA, now known as Data61; the ANU; the University of New South Wales; and the University of Canberra. They are foundation partners, and there are a number of other businesses and entities that are also supporting partners. The ACT government provides accommodation on level 5 of 1 Moore Street for the Innovation Network; we host them there at either a peppercorn rent or no rent at all—no rent at all, I am told. That is part of our contribution, together with a number of specific funding injections for specific elements of the program they deliver.

The Innovation Network’s chief executive is Dr Sarah Pearson. There is a board comprising leading stakeholders and contributors in this area of innovation and entrepreneurship. The Innovation Network board includes Tony Henshaw and Mick Cardew-Hall from the ANU, Phil Robertson from NICTA, Frances Shannon from UC, Lindsay Adler from CSIRO, and Professor Michael Frater from UNSW. And there are representatives from the innovation community forum, Murray Rankin and Jessica May. They form the board.

The organisation has provided support for numerous entrepreneurs, start-ups and innovators. We have recently seen Canberra’s youngest CEO, who is all of 10 or 11 years of age, launch a particularly innovative product with the support of the Innovation Network.

We are seeing significant interest in what is being created there in terms of the innovation ecosystem, in that I note the area has recently hosted the new federal assistant minister, Wyatt Roy, and also the Leader of the Opposition, Bill Shorten, and the shadow minister for innovation, Ed Husic. There has been a great degree of federal interest in what we are doing at the Innovation Network. And I noticed yesterday that in the *Australian Financial Review* there was a very positive write-up of not only the ACT government’s approach to support innovation through the network, but how the network has been structured and the sorts of opportunities that it is presenting and will continue to present for the innovation sector within the ACT.

It is important to note, though, that innovation is not just about tech start-ups; all

businesses can benefit from innovative approaches and engagement with the Innovation Network. It is not just about tech start-ups, although that is obviously an important part of the work that we are doing. Does anyone want to add more?

Mr Cox: I will just talk a bit about the underlying programs within the network. There is a shared working space called Entry 29 which has about 200 active memberships, which translates to about a third of that on the floor at any one time when you walk in there. There is the Griffin accelerator program. That accelerator program is a three-month intensive, mentored, to take a business from point A to point B over three months with the exchange of some equity from some angel investors. After the Griffin accelerator program, I think there are now two strands. There is the kiln incubator, which was announced about two months ago; the incubator is a much longer, more intensive, one to two-year program of development and acceleration of a company from particular state to investable state over a two-year period. They are the core products within the network.

MS LAWDER: Could I briefly return to the Canberra free wi-fi. You have mentioned some of our federal colleagues. Given that NBN Co, in non-technical terms, is looking to use the old TransACT network but is encountering a few difficulties, is there any way the ACT government can intervene to allow the use of that old TransACT?

Mr Barr: No; we do not own it.

MS LAWDER: So it is not leased; it was sold?

Mr Barr: It was sold.

MS LAWDER: There is nothing at all?

Mr Barr: No. The best thing the commonwealth could do is get on with laying fibre and not stuffing around with a bunch of other slower and more expensive technologies that have been quite a failure since the change in government. This is one area where the tech sector has been very clear: do it once and do it properly. That is the very clear message that is coming through. The experience of Canberrans who have the NBN versus those who do not is also very clear—as to which product and which type of infrastructure is favoured. That comes through loud and clear. The quicker they can get on with rolling out a proper fibre network for this city the better. I have written to the new communications minister outlining our desire for them to get on with it, and I will raise it with the Prime Minister when I meet with him later this month.

THE CHAIR: Ms Porter has a supplementary, and then a new question from Ms Fitzharris.

MS PORTER: My supplementary goes to the terminology you were using, Mr Cox, in relation to accelerators—the other one. What was the other one—the slower version?

Mr Barr: Incubators.

MS PORTER: Incubators; that is right. So something is either growing quickly or growing more slowly, in simple terms.

Mr Cox: In simple terms, accelerated programs are for companies in almost early-stage ideas formation state where it is a validation process for the proof of concept, the technology or the product or service quickly over a three-month period. It is matched with some equity funding from high net worth individuals. Usually I think it is \$25,000. The high net worths around Canberra, through Capital Angels and privately, have clumped together money within the accelerator framework, which they invest in these small companies in return for equity. It runs through a process of three months of development from point A to point B; point B will be where the company has its product, service or proof of concept road-tested but not developed. From that point, it can go through an incubator program, which can be a two-year technology development process, a two-year route to market development process or a two-year growth to investable entity statement, depending on what the company is, what its product is, what its trajectory is and what its shareholders are.

The design of CBRIN is that it has a linear progression of possibilities for entry points. You can come in as a shared working space, spend time at a desk, go through discovery and pivot points, and go here, there and everywhere, and then you can become more formalised and organised either within the accelerator route or through the incubation route.

MS PORTER: In terms of feedback from some innovations that have gone through this process, have we got projects that have gone right through incubation and now are functioning well in the city?

Mr Cox: Yes.

MS PORTER: Or elsewhere. I am sure that some of them have international markets as well.

Mr Cox: Probably the best example, and Mr Hassett can fill me in if I miss some of the detail, is a company called Enabled Employment, which originally came through a small business advisory channel. Enabled Employment provides a disability human service matching solution for corporates. Enabled Employment has gone through very early stage work with an entrepreneur, Jess May, who I think had a day job in the public sector, but had an idea. She went through a very early stage business advisory process. I think she then went through the accelerator program.

Mr Hassett: Yes, that is right. It is a really good example of how the programs have been designed to help companies along the progression of commercialisation. Enabled Employment was an innovation connect grant recipient initially, which then fed into Entry 29 with the emergence of the CBR Innovation Network. She went through the first round of the accelerator program with six other companies, and is now a candidate for the kiln incubator. She has got a lot of profile and media. She went through the *Shark Tank* television program on Channel Nine and won the social enterprise stream of that, and I think a \$12,000 investment there; the company is now progressing to further investments through VC. It is a great example of how the program environment has been designed to support companies through that trajectory.

MS PORTER: Are all companies that come through this process tracked?

Mr Cox: The program is almost small enough, in terms of the contact points with the program and the mentors, and even the public servants, for us to do almost constant monitoring of them. We do not necessarily capture, in all instances, right across the program, the linear line-up of programs. We are not capturing necessarily capitalisation, employment or whatever from there to there. We could. Some do not always succeed. There is an element of fast failure in all of this. Sometimes the best thing that can happen is that the entrepreneur or the idea goes through a validation process, gets spun out the other way and comes back to return and pivot in another business iteration at some other time.

Then we have other companies like a company called Instaclustr, which has also come through the more street sort of environment. Instaclustr is growing so rapidly that I think it now has about a two-thirds minimum of its employment offshore in the US. It is targeting a very particular cloud-based memory solution around the sort of memory needs of organisations like Amazon and Netflix. It is a device and technology that takes that whole managing of high amounts of memory data to another level. It has very strong experience in front of it in terms of what it can actually do in the States. Being able to capture those companies and what they are actually doing—we have not tried to do that, but it has been moving so fast.

Mr Hassett: Instaclustr is a great example of a technology company that has gone through those programs. Their revenue has increased fantastically in just 12 months; they have gone from a revenue of \$50,000 coming in per month four months ago to \$200,000 a month now and employing 22 people in 12 months. They have been open for just 12 months and they are selling their technology internationally—a born global.

THE CHAIR: Ms Fitzharris, a new question.

MS FITZHARRIS: Could I ask two quick follow-ups from the previous question about where that started. Are all the people involved in the network Canberra residents or are we making that service available across the region as well?

Mr Cox: We are not drawing hard boundaries around the service because there are reasonable businesses that want to engage with the network and you often are not necessarily offering or pushing a paid service out. What these companies actually bring is quite often another dimension to the relationship. We have got a very open-door view of what the region is and who can participate.

One of the other important elements of this is that Canberra cannot do this by itself. Its capital markets are too small. For example, Enabled Employment has significant investors from the Sydney Angels group, the angels network, which is probably the biggest, oldest and most sophisticated angels investment network in Australia. It is participating and we are sharing the innovation love with Sydney, if you like, as well. We are not trying to artificially constrain who is in and who is out. But in terms of funders and the majority of effort, work and participation, it is principally Canberra organisations and companies.

MS FITZHARRIS: I am assuming that some of the value of it also comes from the businesses interacting with one another and with people across the ecosystem. It is not simply government; it is government enabling and people learning from each other?

Mr Cox: That is right. That whole model of shared working space is just that. Entrepreneurs or individuals come in often with an idea which they progress through the shared working space and at points in time they may well connect up or pivot or go in a completely different direction. The network also provides ready access to mentors and capital financing. There are people walking the floors of the network that are linked to equity investment funds, for example. It is a place where innovation coalesces and comes together. There is a lovely saying that innovation is a body contact sport. You need to create these sorts of environments where entities, individuals and organisations can actually come together.

Mr Barr: I guess it illustrates a fundamental point about the next wave of Canberra's economic development, that it has to be externally focused, nationally and internationally engaged. If you want to look at a good model for this form of economic development, look at New Zealand—a small, open economy, open to and welcoming of global economic trends. We as a city have to be very wary of calls to be insular, to not engage with the rest of Australia and the rest of the world. You hear these calls quite a bit when certain things change or new investors enter into our market in whatever form. But our economic future prosperity, growth, jobs and opportunity come from national and international engagement because our economy is just too small. There is not sufficient capital.

We cannot be insular. We cannot adopt the North Korean approach to economic development. We must be open and we must engage nationally and internationally. In everything that is occurring in the work of this area of government the real focus for me as Chief Minister is to open up our economy and to engage nationally and internationally. That means welcoming new players and new investors into this market and, as Mr Cox has indicated, ensuring that the connections are made across the region, across the nation and then more broadly internationally.

MS FITZHARRIS: That leads me to my substantive question around the tertiary sector and the work that is going on there. The annual report says that future directions in 2015-16 will be around increasing the number of international and interstate students choosing Canberra as an education destination. I was wondering if you could talk us through that a little. Specifically do you measure students who come to our tertiary institutions and stay here for work? If you do, is that increasing in terms of those who come here to study but now stay here to work and live beyond their study?

Mr Cox: The answer to the last part of the question is that the ACT government does not measure that. I think the institutions have an idea of the degree that it is happening. The institutions lament two things: one, that more ACT school leaving students do not enrol in their institutions and two—

MS FITZHARRIS: Because they enrol in other cities or they just—

Mr Cox: They enrol in other cities. That has been a constant issue for the institutions

for as long as I have been in this space, trying to maximise or turn back the minds of students actually into their institutions. It makes good business model sense for institutions to have those students because they are coming through the ACT schooling system. What I hear constantly is they are more settled, they are prepared for university and they have networks and connections that allow them to settle down quickly. The universities have actually been quite active in this space for some time.

The study Canberra initiative, which the government introduced I think in 2013 or 2014, has an element of local student retention in some of its new program approaches as well. It participated very actively in the student career day this year, the universities and institutions open day this year. It is also participating actively in the career expos as well to try and activate a second response for students in the market here to actually connect to the institutions here. They are great institutions.

Ms Hartley: To add to that, we can monitor the international students that we sponsor through the visa process. For example, last financial year we had 159 students come through our skilled migration program that were studying in institutions in Canberra.

MS FITZHARRIS: A number of the universities have gone with you on trade missions. What is their pitch to—

Mr Barr: In short, this sector cannot grow fast enough for us. We have got to go full tilt and we are. We are putting everything we can into partnerships and support of Canberra's higher education sector right across the board to grow this as fast as we possibly can because it is critical to the territory's economy. It is a critical point of difference for us over other Australian cities and indeed over other cities in this region. The partnerships that are there are very strong.

We are going to go through a change cycle next year as both vice-chancellors of the two largest universities are leaving. We know Professor Schmidt will take over at the ANU but we do not know yet who the vice-chancellor will be who will succeed Professor Parker.

What we do know is that there is a pipeline now and about \$1.5 billion of new investment flowing into both the University of Canberra and the ANU over the balance of this decade in particular. UC, I guess, starts from a lower capital base in terms of its campus assets but has now been enabled and empowered to really go out and secure new investment partners and new opportunities. That is really significant for the city.

ANU have a budget about one-fifth of the total budget for the territory. They are a significant economic player within our city and they have an investment pipeline that is in the hundreds and hundreds of millions of dollars that they are seeking to pursue. They are obviously a world ranked university. We have been supporting the ANU wherever and whenever we can internationally.

We started this section of questioning talking about Beijing. On that visit, my first as Chief Minister to our sister city, the two major partners there were the ANU and the University of Canberra. It was ANU Day at Peking University, and the University of Canberra signed a further agreement with Renmin University in Beijing as well. On

the one day we were able to secure two very significant outcomes for our two largest universities with two of the finest in China and certainly the more significant universities in the city of Beijing.

It is a real focus for us and a new phase of development and opportunity on the campuses and with new leadership expected in 2016 for ANU and UC.

Mr Dawes: Could I add as well—obviously the Chief Minister said that we are going as quickly as possible—that the important thing is for that every 50 international students that we have here in the ACT that generates about \$1 million worth of economic activity within the territory. It is fluctuating between 10,000 and 12,000. It is significant and has a lot of potential to grow even further.

THE CHAIR: Minister, I refer you to the bottom of page 50 and the top of page 51. Unlike every other output class, the innovation, trade and investment class is actually reported against its accountability indicators. Why have innovation, trade and investment been so daring as to actually report on outcomes instead of just listing a series of facts?

MS PORTER: I think he is trying to praise you rather than—

THE CHAIR: I am not sure I am. He is deficient in all the other categories, but in this one he has actually done well.

Mr Cox: Sorry, I missed the first part of the question.

THE CHAIR: On the bottom of page 50 it starts with, “Eight of the 14 accountability indicators for this were met or exceeded.” And then it goes over to the top of the next page and the next three paragraphs. Why has that been included and why is it included only for innovation, trade and investment?

Mr Cox: Sorry, the reference is negative?

THE CHAIR: No. It is more a question for you, minister, than for Mr Cox. Why has this area reported against accountability indicators when most of the others have not, if not all of the others have not?

Mr Barr: I guess it would depend on what the annual report directions were. I do not know. I do not have a—

Ms Gilding: I am happy to answer.

Mr Barr: Are you able to answer?

Ms Gilding: Yes, I can. It is probably the phrasing that you are looking at there in terms of their having actually been quite explicit in referring to eight of the 14 accountability indicators. But if you were to do a quick comparison to, say, output 8.1, if you were to go through each of the dot points there you would also marry them up to the output classes. I guess my quick explanation would be—

THE CHAIR: I do not mean to interrupt, but for the average reader that is not apparent. The annual report is to report on the outcomes of the area.

Ms Gilding: I would say that they do but there is certainly some explicit language that has been used in this particular outclass.

Mr Barr: We are very fond of explicit language in committee worlds. Certainly the chair is. I look forward to a recommendation around explicit language.

THE CHAIR: You may be pleased.

Mr Barr: Indeed.

THE CHAIR: But if we go to the—

Mr Barr: Which I will duly note and will respond to in next year's annual report.

THE CHAIR: And we will ignore it because it has been ignored in years before.

Mr Barr: Of all the big issues that we debate in this place, whether the words “output indicators” are referred to explicitly or implicitly is another weighty matter to debate this afternoon.

THE CHAIR: The cynicism is duly noted. It does not change the issue. They are in the budget. They are accountability indicators. Obviously the Chief Minister did not insist on this. Congratulations, Mr Cox. Can we go to the last one, the screen investment fund? You had targeted five applications, got three and two were funded. Where is the money that is not spent? It is \$1.8 million.

Mr Cox: The good news is that it has all been invested in the applicants that received funding. The program itself, the \$1.8 million which was the appropriation for the investment fund—Mr Hassett may have to correct me—was largely expended at the end of this appropriation year. There was a rollover.

THE CHAIR: From the previous year?

Mr Cox: From the previous year, around \$400,000, and that rollover money was used to fund three projects in the year that is subject to this report. Those projects were *Joe Cinque's Consolation*, *Secret City* and *The Code* season 2.

THE CHAIR: And how does the territory measure the return on the investment?

Mr Cox: A small number of small cheques are rolling in.

THE CHAIR: But how small and how small?

Mr Cox: There have been a couple at around \$10,000 or \$20,000.

THE CHAIR: But it is the larger economic impact and the promotional value?

Mr Cox: And all state agencies that participate in this equity funding process do not do it to actually make money. It is the most rational way to invest in films that have multiple investors. That is one of the reasons why we have done an equity funding model. Typically in a film like *Joe Cinque's Consolation* you will have 10 different investors of which one will be Screen Australia and one will be the producer's offset. There is a mechanism that is established through the equity arrangements to actually tip state funding in, in the most convenient way, instead of a grant mechanism. It is principally around administrative ease to do that.

Mr Hassett: Part of the application process for the investment fund, the production fund, is an economic contribution for the project, and that is made up from the actual dollar spend within the territory and then employment and associated other beneficial outcomes that might come from the project.

Mr Barr: But mostly it is for the love of art.

THE CHAIR: As it should be.

Mr Dawes: I just add as well—Ian mentioned *Secret City* and *The Code* season 2; they were shooting at a similar time and we were talking to some of the people that were making those particular screen shows as well—that Canberra is becoming really well noticed because of its accessibility, the ease of getting around and the cost. They were able to do a number of shoots in a day whereas if you were in Sydney or Melbourne you would be restricted because of traffic, trucks and cars. Canberra is really coming on everyone's radar and I think it is something that we should be able to grow.

Mr Barr: If you watch *The Code*, you would even believe you can drive right to the front of Parliament House and just park your car there.

THE CHAIR: And you can still get a hamburger under Commonwealth Avenue Bridge.

Mr Cox: It has got some unique urban geography that other locations do not have, and Screen ACT, to their credit, are doing a very good job facilitating contacts and facilitating access to location sets.

THE CHAIR: As there are no further questions we might have a changing of the guard, Chief Minister, and move to output class 8.3, VisitCanberra, and discuss tourism and events. Under "VisitCanberra" the report talks about providing support for Floriade. Given the interest in Floriade in the daily newspaper, where are we at with Floriade?

Mr Barr: There is nothing new to report since this question was asked a few days ago. We continue our negotiations with the NCA. I guess we are encouraged by their more recent public comments. We look forward to reaching a mutually satisfactory outcome that will ensure that the event can remain in Commonwealth Park in a viable form into the future.

THE CHAIR: So that is the government's objective—to keep it in Commonwealth

Park, even though you did a report that said take it to the arboretum?

Mr Barr: No, not to the arboretum. Back in 2008-09 there was work done on a number of possible alternative long-term locations, and that report recommended staying in Commonwealth Park. In response to the more recent set of discussions with the NCA, where initially there was a very strong sense that our possibility of utilising Commonwealth Park was much less likely, we undertook some further work on alternative options and that focused, amongst other areas, on Glebe Park. But it would now appear that there is a more positive outlook for Floriade remaining in Commonwealth Park, and we will pursue that.

THE CHAIR: Going back some years the original concept was to have, as part of Floriade, a very exclusive release of new edition bulbs as is done perhaps in the Netherlands. There have always been discussions about having other venues, other locations and other events like NightFest. Are there any moves to go back to that more exclusive sort of second release of bulbs that a lot in the gardening community seem to have enjoyed?

Mr Barr: Not that I am aware of, but I will seek advice from the events area. VisitCanberra does not run Floriade anymore; events do. It is a different set of officials. I will seek an answer to that specific question from those officials. Events was part of an earlier committee hearing. Output class 8.3 is about the marketing and promotion of the city of Canberra.

MS PORTER: On page 54 it mentions the development of a partnership guide as a means of providing an opportunity for industry and VisitCanberra to work more closely. Could you talk to us about that partnership guide?

Mr Barr: Mr Hill would be delighted to.

Mr Hill: Our partnership guide has been running for at least four or five years now. It is really a platform through which both public and private sector businesses involved in the visitor economy can partner with VisitCanberra specifically around promotional activities. There are funding programs that connect into the partnership program. Recently we got a tourism marketing partnership program, which is a dollar-for-dollar matching arrangement specifically for interstate marketing. There has been quite a strong take-up of that of late. There is a lot of new hotel stock and people like IKEA coming into the market who are looking for partnership opportunities. That program provides a specific platform to partner dollar for dollar on marketing. We run things like the Canberra and Region Visitors Centre. So there are free opportunities there to supply—

MS PORTER: Sorry, could you say that more slowly?

Mr Hill: We run the Canberra and Region Visitors Centre on Northbourne Avenue. That has opportunities for advertising, displays, brochure distribution and content. There are a range of opportunities that are either paid for or free that the industry can get involved with. We run visitcanberra.com, which attracts about 1.4 million visits a year from global visitors. There is a program through the Australian Tourism Data Warehouse where industry operators can upload their content—if it is accommodation,

their rack rates, room styles, images and a story about their property—and convert bookings through our website. A lot of those things are free, and there are also paid opportunities to partner with us. That partnership guide really encompasses all of those opportunities.

MS PORTER: Is the visitors centre moving?

Mr Hill: Simply put, yes.

MS PORTER: Where to, and how is that all going?

Mr Hill: We are currently at 330 Northbourne Avenue. We are in negotiations at the moment with the National Capital Authority around a move to Regatta Point. We have certainly looked at some options. Regatta Point provides an amazing opportunity to provide that first impression and understanding of Canberra, so we are in some discussions around how that is all going to work.

MS PORTER: Will there be some signage early on in the entry to Canberra so that people know how to find it?

Mr Hill: Absolutely. Part of the analysis that we have done has looked at the gateway signage, the entry signage, with the big “I”, which is the nationally recognised accreditation. That signage would need to be updated depending on where we move to.

MS PORTER: How will the shared space work between NCA and—

Mr Hill: One of the advantages of the model that we are looking at is the commonality around the exhibition centre at the NCA. Certainly in discussions with Malcolm Snow we have looked at how we can share back-of-house office functionality and how we can share volunteer programs. We run about 60 volunteers through our visitor centre. Malcolm is looking to lift his volunteer footprint as well, so I think there are some opportunities around those things that will make some sense for both of us.

MS PORTER: Will there be sufficient parking at that venue?

Mr Hill: There is more parking there than there is at our current location. There is probably better parking for the types of cars, caravans and Winnebagos that come through the visitor centre. I think there is also an opportunity to park there and actually explore Canberra because the current location is a bit isolated. It brings in potential for boat operators, bike operators and so on. You can really base yourself, park in that car park and do gallery hopping or whatever you like. I think there is a great opportunity for other businesses to get involved in tourism through that relocation.

MS PORTER: Thank you.

THE CHAIR: Ms Lawder?

MS LAWDER: Just quickly, a supplementary on that: what sort of stakeholder

analysis or focus groups—anything—have you done about moving it? How do other organisations feel about the move?

Mr Hill: We have done quite a bit of work with our client base—people like the National Capital Attractions Association, which represents the national attractions, obviously, and the Australian Hotels Association, which represents the hotels and restaurants—and the response that we have had from the industry has been extremely positive. I think they understand the opportunity. One of the other things we are looking to do is create more of a digital experience there—the ability for people to share content, talk about their holiday in Canberra but also for us, with big digital screens, to showcase experiences that people can have.

The role of visitor centres is really about information dissemination and sharing, and we also want to try and commercialise to some degree the footprint of people that come through there so that we can raise some further own-source revenue to reinvest back into programs. I think the industry is really keen on partnering. National attractions—and Malcolm obviously, his being the landlord for many of the national attractions—are keen for cooperation and, certainly, the NCAA, as I said before, are very positive about the move.

MS LAWDER: What is the indicative cost of the relocation?

Mr Hill: That is something we are working through at the moment, and how we negotiate a long-term lease at that site. Those numbers are being thrashed out at the moment. We are certainly looking for a long-term lease arrangement and with that will come some capital investment from our end, not dissimilar to previous activity that has happened at that site.

MS LAWDER: Is it paid parking on the current site?

Mr Hill: On 330 Northbourne? No.

Mr Barr: Time limited?

Mr Hill: Time limited, yes.

MS LAWDER: So, for example, during Floriade, where parking is at a premium up there, would there be any special arrangements for tourists?

Mr Hill: It is a good question, and certainly part of the negotiation we are having with the NCA is around what accessibility we will have to car parking for coaches, in particular, for volunteers and for the public. Those things are part of the negotiation and how we look at our lease arrangement—what car parking would be made available to us as a tenant.

Mr Barr: It would be worth observing that, in the negotiations around the Floriade footprint, in fact the traders village that historically has occupied all of that available car parking may not do so in the future, so that may be available for car parking. That is obviously subject to further negotiations. I think people have fixed in their minds that nothing in the existing Floriade footprint can ever change. I think the NCA have

been pretty clear that quite a bit is going to change in the event hereon.

MS LAWDER: You talked about the obvious synergies with the display that is already there, but are you also looking to expand the sort of service offering at the visitor centre in that new location?

Mr Hill: Yes, we are. An Apple store concept is part of the things that we have been looking at. We have done some desktop benchmarking of visitor centres globally, as well as nationally. We have looked at places like Manchester and New York and at some places here in Australia and where those benchmarks sit. The types of things that we think we can offer that are really focused on the visitor are lounge areas, areas for recharging mobile devices and areas for coffee, food and beverage and merchandising. There is certainly an opportunity to have a more unique Canberra-only style merchandising. We are not trying to compete with other retail areas; we are trying to do something that is uniquely Canberra, so part of our plan is for suppliers that will be able to sell things through our visitors centre and will have a strongly Canberra component.

MS LAWDER: I will move on to a substantive question. Under “Future Direction” on page 54 it talks about focusing on, for example, “securing international and growing domestic airline access”. Chief Minister, you have obviously done quite a bit of that in the past. What else is there? What more will you be doing?

Mr Barr: We continue to actively engage with the aviation industry across, I guess, the spectrum of players, from regional through to national and international players. You will see a recent announcement with QantasLink around securing a longer term commitment around maintenance of the 717 fleet out of Canberra Airport. We see a well-publicised engagement with a number of airlines around international opportunities out of Canberra, given the significant investment that has been made in infrastructure at Canberra Airport. We take the opportunity to meet regularly with Qantas and Virgin and their respective low-cost carriers to look at opportunities to grow the market into and out of Canberra.

I think it is fair to say that our city would benefit, in the tourism context, from a low-cost carrier, or more than one low-cost carrier, operating flights to and from Canberra. So that has been an area that we have given some priority to, and associated engagement in relation to those subsidiaries of the main groups. I have met with John Borghetti and Allan Williams in recent times, and their various senior officials, on those questions. We have also had engagement with a number of airlines within South-East Asia, including China Southern, Cathay Pacific, Singapore Airlines, Air New Zealand, as well as Qantas and Virgin and some of their other alliance partners. So we continue to focus on this area. We provided budget funding around incentive packages. We are working closely with the Canberra Airport Group and a number of tourism and business sector partners. Ultimately, though, these are decisions that are commercial in nature for the airline industry.

But I repeat that these efforts are at least ensuring that in terms of future route development Canberra is being assessed and that we are giving ourselves the best possible opportunity to succeed; if we are not out there spruiking, we will be no closer to achieving the business and tourism benefits and economic opportunities that come

from these transport links.

The commercial decisions that are made by the airlines are not within my personal control. But, certainly, the airlines are now much more familiar with Canberra as a result of our collective efforts.

MS LAWDER: Has it been about Canberra or about the region?

Mr Barr: And the region, indeed, yes. I have met with various New South Wales tourism ministers and New South Wales treasurers and I am meeting with Premier Baird in a couple of days. This will be on the agenda as well because, undoubtedly, the benefits that would flow from direct international flights, for example, would certainly spill over into the broader Canberra region and indeed southern New South Wales. So there is an opportunity for the New South Wales government to work with us. All indications to date are that they are happy to do that. We will always want to extract a little bit more money out of them in terms of funding commitments, and we will continue to pursue that.

MS LAWDER: In the past, we have had a \$600,000 funding package to woo international carriers and, I think, a \$1.1 million cooperative airline stimulus fund. Is what those packages have been spent on broken down in the annual report?

Mr Hill: There is a range of things that we have invested in, and some things we have carried over, because it is about trying to attract and be part of a package. But a lot of robust economic analysis has been put into the marketplace, really testing the notion of our catchment, which is Canberra plus two hours—900,000 people—and that has done some analysis around consumer behaviour and the likelihood of people utilising direct services if they came to Canberra. It is really trying to show the latent demand to route planners in airlines, that this market is bigger than the 380-odd thousand that they tend to look at Canberra for.

We have looked at some consumer choice modelling, to see how sticky people are to certain airline brands, whether that be Qantas, Scoot, Air Asia, Singapore Airlines or Air New Zealand. There has been quite a bit of robust analysis around that. That is fundamental to our business case. If you do not have that analysis, you are talking to route planners who are very dry, economic. Qantas have a \$4 billion fuel bill.

MS LAWDER: Has some of that been included in the annual report?

Mr Hill: It can be. We are happy to provide a breakdown of how we have invested some of that money. Another piece we have done is some consumer awareness work in markets like Singapore. You have to create some awareness of the marketplace for airlines to actually have a look at you.

MS LAWDER: That work is ongoing, and the funding?

Mr Barr: Yes. The funding was over a number of years. That work is ongoing and is updated from time to time in support of either new approaches or when the airlines seek further information in relation to an existing proposition. Most of the work itself obviously is commercial-in-confidence as it relates to specific proposals to airlines.

So we will not be documenting the results of that work in annual reports, but that is pretty important to underpinning our approach.

Clearly, the airport also has a significant amount of data and information that it retains and that it can share with us in the context of approaches to the airlines. But, again, that for obvious reasons is commercial-in-confidence, because the airlines are very sensitive about relative seat loadings and the like. They certainly do not like that information being publicly shared.

MS LAWDER: Thank you.

MS FITZHARRIS: Chief Minister, I think you suggested at one point that Wellington, having been named the “coolest little capital in the world” by Lonely Planet, could be overtaken by Canberra. One of the key differences was international flights. Do you think if we secured international flights it would—

Mr Barr: It would certainly open up our market in a way that is currently not possible. There are obviously very strong similarities and synergies between Canberra and Wellington that we are exploring in terms of economic development and social and cultural partnerships. I took the opportunity at the beginning of the year to attend the Australia New Zealand Leadership Forum that was held in Auckland. More than once I got mistaken for the New Zealand Prime Minister. I am about 15 years younger than him and a foot taller, but somehow people thought I looked like John Key. That was very useful. It got me into a few meetings I would not otherwise have got into. No, I am kidding.

That was an important opportunity. I met with the New Zealand Deputy Prime Minister, who indicated that in his long time in New Zealand politics—so stretching back basically over the entire period of ACT self-government—he had never met anyone from any part of politics who was an elected member of the ACT Assembly—so 25 years and no engagement with one of the more senior figures in New Zealand politics. I think that said something about how we can do better with our international engagement. It was a pretty clear lesson for me on the importance of that active presence. New Zealand is Australia’s No 1 inbound tourism market but only No 5 for Canberra as a result of the lack of connectivity.

As you well know, it is a seven or eight-hour journey to get to a New Zealand city, when it should be three. It should be easier than Perth. If and when this opportunity presents itself—and I should put on the record my thanks to the tourism and transport federation for their strong advocacy work on behalf of both Canberra and Newcastle to grow trans-Tasman aviation access—we will continue to work with them and other players to see this goal come to fruition as well.

MS FITZHARRIS: I wanted to ask about the brand. I often take some of the stickers with me to a mobile office and they go very quickly. I have subsequently seen them on bikes and cars. It seems like it is spreading in lots of different ways across the community through business. It is even on the masthead of the *Canberra Times* now. It says in the annual report that the brand’s strategic advisory board would be announced this year. That was done just a couple of weeks ago. You announced those members.

Mr Barr: That is right.

MS FITZHARRIS: What is their role going to be?

Mr Barr: They will provide, unsurprisingly, strategic advice, given their title. They are a group that represents a range of industry and community groups—people drawn from a diverse background across Canberra—with ties into a number of different areas of our community. The engagement here is also very strong with the Canberra Business Chamber. Through the chamber, together with the resources within government and the advice and support of the strategic advisory board, we are moving into the next phase of the brand project.

Clearly there was an initial development and rollout phase and activation of the brand through various government-owned assets. But increasingly now we are seeing that take-up occur in the private sector and the community sector—small, medium and large—so everything from the *Canberra Times* on their masthead through to small businesses putting the stickers on their business door. I think Canberra Milk produced a Canberra brand coffee cup—100,000 of them—that they distributed around the city. So we are seeing a range of some very practical rollouts of the brand through to, I guess, the more strategic thinking about that next phase of engagement.

If you were to look at it in the context of brand rollouts in other cities, the first phase is largely about the internal Canberra market. It is about Canberrans and ensuring that that message is clear and being projected locally, because if we cannot convince ourselves then our external focuses are necessarily diluted.

We are into a phase now where we will seek to further extend the local engagement, but clearly the brand has been utilised for Invest Canberra in our interstate and international marketing efforts associated with tourism and the sporting economy, for example. You are seeing it used in the arts. It is quite an extensive activation now, but it is not a case of saying, “Done, delivered, rolled out; it’s on a few things.” It has got to move into the next phase. I think it is important in this next phase to be engaging with various community leaders and stakeholders across a range of different industries and sectors. That is what you see in the make-up of the brand advisory council and with the specific partnerships with the Business Chamber.

MS FITZHARRIS: The annual report also notes that brand Canberra will focus on a governance transition that will create a public-private partnership. Is that the relationship with the chamber?

Mr Barr: Yes. We put the contract out and it was developed by the private sector, so to speak, and managed within ACT government in that first phase. We still retain an element of capability and a need to be actively engaged with the project because it has not completed its rollout in terms of the full potential within ACT government yet. I think there is still a lot more that we can do in terms of government-owned assets and the like. In order to grow in the next phase, undoubtedly we need private sector partners. We have got them strongly in a number of sectors, particularly in tourism and events and the like, but we are looking to the partnership with the Business Chamber to further develop there. I am keen to see its extended use amongst

community sector organisations as well. That is part of the next phase.

MS FITZHARRIS: How do you measure success in the brand?

Mr Barr: There are a number of different ways to undertake that assessment. There are some very straightforward ones around visibility and frequency of use. The collateral materials are freely accessible on the CBR website. We are certainly encouraging organisations to download the full range of usable assets that would suit their particular business or community group, or otherwise. We will undertake some further market research testing on community awareness locally to inform our next phase of external promotion of the city.

Visit Canberra are clearly very actively engaged in that work, although it is important to distinguish the brand from our destination marketing. There are linkages. The CBR stuff is not just about a tourism ad. There is more to it than that. That, unfortunately, is a pretty common confusion. Certainly in the first phase some media outlets reported on it as a tourism ad when it is not. It is not a consumer-focused tourism ad, one of the two or three-minute scene setting videos that were part of introducing a brand. That is different from a 15 or 30-second consumer-focused tourism promotion. It is a very different thing.

MS FITZHARRIS: Great. Thank you.

THE CHAIR: Thanks for that. Minister, on page 52 the second dot point talks about delivering the Canberra region tourism awards and providing an opportunity to showcase the best of operators as well as promoting, encouraging and rewarding tourism excellence. At the heart of the tourism experience is the staff. I think Tourism Research Australia employed Deloitte Access Economics to put out the Australian tourism labour force report recently. In a couple of the categories we did quite well. There were a couple of categories where we were worse than the national average.

For instance, in terms of businesses identifying recruitment difficulty, the national average was 51 per cent and the Canberra percentage was 60. In terms of businesses identifying retention difficulties, the national average was 36 per cent and Canberra was 39. In terms of businesses identifying skill deficiencies in employees, the Australian result was 69 per cent and the ACT result was 71 per cent. What are we doing to help develop the staff that will provide the excellence that gets rewarded in the capital region tourism awards?

Mr Barr: In partnership with the federal government we recently announced a package of works that Mr Hill might want to outline in some more detail.

Mr Hill: As part of our tourism 2020 framework, all state and territory jurisdictions are involved in developing tourism employment plans. It is one of the key planks of the tourism 2020 framework. We have just completed our piece of work, so there is now a formal tourism employment plan. There are two components to that. One is a plan around skill shortages and matching those shortages with potential employers and employees. We have just entered into an online partnership with a local supplier—it is a bit like the *Allhomes* of real estate—around job matching online. It is an interesting concept. It is really about trying to match the skill shortages with the

capability. No doubt one of the challenges for this jurisdiction vis-a-vis other jurisdictions is the high paying nature of a lot of the Canberra workplace. If you are a restaurateur or hotelier trying to attract someone from the public sector to your business, it is a challenge, purely on wages and conditions. This online portal is about that.

The other part is the service champions program. We are running a program which is really about trying to lift service standards and also help create some aspiration for young people coming through our sector to stay in the sector. If you are coming through a CIT or UC training course in tourism and hospitality, how do we keep you in the sector rather than have you lost to the sector? Service champions is a training tool to try and keep those skills up to date and refreshed. It is a joint agreement between us, the AHA, the Canberra Business Chamber, ClubsACT and the Canberra Convention Bureau around that program.

THE CHAIR: The tourism employment plan—where would someone find that?

Mr Barr: You can find out on the Austrade website. I am just looking it up right now. You can google it.

THE CHAIR: Where would you find it on the ACT website?

Mr Hill: You will find it on our corporate website.

THE CHAIR: It is on yours?

Mr Hill: Yes—corporate, not consumer.

THE CHAIR: How are you selling that into the businesses in the tourism trade?

Mr Hill: Again, there has been collaboration between the major industry bodies here, so they are all fully aware of it, through the Canberra Business Chamber in particular. The tourism task force, which is chaired by David Marshall, has been an active part of the development of this plan. The AHA, through Michael Capezio and Brad Watts, has been part of the steering group for it. Then there are groups like the National Capital Attractions Association and the like. We are lucky that we are in a jurisdiction that has fewer players to play with but at the same time we can get that message out pretty quickly. There is a pretty strong awareness of the tourism employment plan already. Service champions is the bit that we are really keen to push in the next few months.

THE CHAIR: What targets have we set ourselves in the tourism employment plan?

Mr Hill: I would have to take that on notice specifically. I do not know the exact numbers. I am not sure we went too hard on hard targets. It was more about creating opportunities to match job opportunities with employers and employees. I would have to take that one on notice.

THE CHAIR: Are the Australian tourism labour force predictions taken into account as you plan this?

Mr Hill: They are in the macro sense. Like I said, some of the challenges here are so different to hospitality in other parts of the country. We are trying to work out what would be a good measure.

THE CHAIR: So you will take the measures on notice?

Mr Hill: Absolutely. I will take it on notice.

Mr Barr: You can find the Canberra tourism employment plan and the website is cbrservicechampions.com.au.

THE CHAIR: Well, there you go.

Mr Barr: Utilising the brand.

MS PORTER: Chief Minister, something that is very dear to your heart: I think on page 53 it mentions the use of social media. Am I right or not?

Mr Barr: Yes.

MS PORTER: Halfway down the page on page 53, on the left-hand side of the two columns, it talks about the various ways of utilising social media such as Facebook, Twitter et cetera. Can you talk about the growth of that and if you see other opportunities?

Mr Barr: Yes. The VisitCanberra Facebook page has seen a significant boost in followers from 31,000 to 48,000. It has more followers than I have, I am prepared to concede.

MS PORTER: Is that good or bad?

Mr Barr: That is a very good thing, I imagine. VisitCanberra's Twitter has only 9,000 and I have got nearly 10,000, so there we go—more focus on Twitter for VisitCanberra in the coming 12 months. Their Instagram is extraordinary though. That is a demonstration of the growth of Instagram as a marketing tool for destinations. We have hosted a number of instameets where we bring in Canberra's instagrammers. We have a quite extensive and very passionate group of instagrammers. We have given them some early exclusive access at times to some of our flagship tourism events. They come in, take all the photos and then share like crazy. It drums up an amazing amount of coverage in a very cost-effective way, I must say, given that people are effectively volunteering their time.

When you look at the success of our approach in social media—we have won Australian tourism awards off the back of our innovation here—it demonstrates that with a bit of innovation we can change perceptions of our city as a tourism destination and tap into the new and emerging tourism markets of the future. I would say that the most important thing that this is all contributing to is a significant shift in perceptions of Canberra as a tourism destination, particularly amongst younger Australians and international visitors.

Mr Hill might want to talk a little more about the process, but we have had Australian engagement and the local humans campaign as well where we have got our local social media advocates to really get into this. It has been so enthusiastically embraced that I think it has even exceeded our expectations, which were very high. Do you want to say anything?

Mr Hill: I am not sure there is much more to add. Obviously social media is a really big place for us to play in. So 500 humans and 101 local humans post-centenary are two big campaigns that we have run that are all about social media. We have had 10 per cent growth on VisitCanberra, 55 per cent growth on our Facebook site, 73 per cent growth on Twitter—coming off a lower base—and 290 per cent on Instagram. Instagram really is the place that we play the most in because tourism is such a visual medium and it is a great way of changing perceptions.

Another area where we are moving forward is having a lot more video. Mobile devices, both iPads and iPhones, give you a great opportunity to serve up short bites of video. I think this destination has amazing diversity and proximity of experiences, and video is one of the best ways we can show that. In the next 12 months you will see a lot more action from us in that space.

MS PORTER: If you were to survey a snapshot of young people, you would not get back the old, tired terminology that Canberra is boring?

Mr Barr: Perceptions are changing.

Mr Hill: Perceptions are changing. The flipside of that is that the fastest growing consumer segment on Facebook is actually females 50-plus. Whilst there is a larger number of younger people, there is still a lot of growth in some of those more mature markets.

MS LAWDER: On page 53 it talks about the special event fund, a contestable cooperative fund aimed at major attractions. I think I recall some coverage recently of the National Gallery's *James Turrell* exhibition. It was not perhaps as popular or did not bring in as many numbers as they might have hoped. That is not really my question. How do you decide which ones to fund? You say it is contestable but who judges? What is the process?

Mr Barr: We have assessment criteria against which these major events, major event co-funding proposals, are assessed. We are a cooperative marketing partner. We are not the sole promoter of these events. So the criteria really focus on ability to co-fund promotion opportunities where we would be a contributor but not the sole funder. The guidelines, I am fairly sure, are publicly available.

MS LAWDER: Are you relying on that or other organisations' projections or—

Mr Barr: Certainly there are business cases that are put forward around events. They will necessarily vary depending on the event deliverer or promoter. I think it is a different set of circumstances and criteria in terms of the development of an event for a commonwealth-funded national institution versus a private sector major event

operator who would have a different metric on return on investment and would want to make a profit presumably, whereas a national institution has other benchmarks they need to meet in terms of attendance, diversity, engagement with particular audiences et cetera.

The special event fund has supported predominantly national institution major events—not exclusively but predominantly. The NGA has been a major partner but again not the only one. We have supported National Library, Australian War Memorial and National Museum events. Neatly tying this back to where the conversation began at 2 o'clock, our Beijing visit, our sister city relationship and a partnership between the respective national libraries have secured a major exhibition for the National Library of the *Qing Dynasty* which will kick off early in 2016, from memory, or late 2015—this coming summer. It is supported through our special event fund but then obviously there are other sponsors and supporting partners.

This was obviously a unique opportunity to leverage the sister city relationship and the relationship between the respective national libraries that is unique to Canberra. They applied through the special event fund, met the relevant criteria, and have been supported.

THE CHAIR: Ms Fitzharris, to close.

MS FITZHARRIS: Do you have a sense of trends, changing trends, in who visits Canberra?

Mr Barr: Yes we do.

MS FITZHARRIS: What are they?

Mr Barr: We get fairly regular information, as in quarterly, on both domestic and international visitor trends. So we are able to track the impact of our marketing into certain areas, and then clearly there are different types of visitors. The visitor surveys break them down into leisure tourists, business related, and education. There are submarkets around visiting friends and relatives, those who are holidaying and those not visiting friends and relatives.

We get a breakdown on where in Australia people are coming from. We have about two million domestic overnight visitors. The single largest jurisdiction they are coming from is New South Wales, not surprisingly, but we get data on Victorians, Queenslanders, South Australians, Western Australians, and Tasmanians.

MS FITZHARRIS: Mr Hill mentioned the success of Instagram. Can you tell from that whether we are getting an upsurge in or perhaps a traditional profile on Instagram users?

MS LAWDER: Instagram tragics.

MS FITZHARRIS: Hipsters. Are there more hipsters coming to Canberra?

Mr Hill: I do not know if there are more hipsters coming but we did a perception

study in 2010, and replicated that in 2015, just recently, to measure the effectiveness of our messaging. That is certainly showing quite a strong uptake in Canberra becoming a bit more trendy and some more bragging rights for people who go on holiday and are happy to share their experience. Rather than saying they went to Canberra and do not feel comfortable saying that, they are a lot more comfortable talking about our food and wine scene, hotel products like Hotel Hotel and its Monster bar and those sorts of places—Braddon, Kingston Foreshore. The precincts are certainly getting a mention.

New investment in things like Jamala lodge has been fantastic. It is amazing for our imagery but it is also helping to put Canberra on the map. We recently had *Better Homes and Gardens* film there. On that night the Jamala lodge website went down because of the amount of visitation from people watching the show. I think this new product development is doing as much for us as anything else, and that is an exciting time for the industry.

MS FITZHARRIS: You just mentioned the zoo. Is there any specific marketing of our natural attractions like Mulligans Flat, Jerrabomberra, and Tidbinbilla?

Mr Hill: Yes. We market against four key pillars. One is arts and culture, one is family friendly, one is food and wine, and the other is nature and adventure. Nature and adventure is one of those core ones—Tidbinbilla, Namadgi. It is generally soft adventure—not like a New Zealand white-water rafting experience, but some Indigenous guided tours and those sorts of things. The positioning of Canberra as a city in a park is important for us, particularly internationally.

THE CHAIR: The Bill Bryson view of Canberra?

MS FITZHARRIS: My question is: is the opening of IKEA being viewed as a tourism event or a—

Mr Barr: It is going to attract a certain level of visitation, I think it would be fair to say. I think they do collect postcode data on consumers. I am sure at an appropriate time they will be able to provide some insight into the store's capacity to be an attractor. If the experience elsewhere is anything to go by, then yes, they probably will be able to lay claim to being a tourism destination in their own right.

THE CHAIR: Thank you. We will leave that area of VisitCanberra at that point, and for 20 minutes or so go to the ACT Government Procurement Board on page 204 of volume 1 of the Chief Minister's annual report.

Chief Minister, section 11 of the act stipulates that the board shall consist of nine part-time members. There were three vacancies as at 30 June. Have those vacancies been filled?

Ms Overton-Clarke: The vacancies as at 30 June—is that what you are asking me about?

THE CHAIR: Yes.

Ms Overton-Clarke: Di Fielding had retired before the end of the financial year, and we only had seven members during the financial year. We have taken on an additional two members.

THE CHAIR: Why did you only have seven members if the act stipulates that there shall be nine part-time members?

Ms Overton-Clarke: A maximum of nine.

THE CHAIR: You might like to rephrase your introduction to that section. It says that section 11 of the act stipulates that the board shall consist of nine part-time members. You have operated with seven for all of last year. You are down to six. What is the intention? I notice that the act says that there may be up to four non-public employees, of which there are currently only two.

Ms Overton-Clarke: As of now we have appointed an additional number of members. The external members are Steven Goggs, who used to be an ACT public servant, Richard Bear as an independent member, Roger Broughton as an independent member, and Virginia Shaw. Virginia Shaw was appointed on 1 July, as was Steven Goggs. The internal members are me; Kim Smith, who is currently in Health; Karen Doran, who is in Treasury; and Paul Carmody, who is in Health. Mr Tomlins, to my right here, is an observer.

THE CHAIR: Why did the board operate only with seven for most of last year?

Ms Overton-Clarke: Bob Samarcq had also retired. I am not quite sure of the timing of his retirement. We were in transition in terms of appointing new members.

THE CHAIR: For the whole year?

Ms Overton-Clarke: Not for the whole year.

THE CHAIR: Perhaps you could provide a list of when people quit and people came on board.

Ms Overton-Clarke: Yes.

THE CHAIR: You are up to nine and the intention is to keep it at nine?

Ms Overton-Clarke: Yes.

THE CHAIR: The role of the board is obviously to advise on procurement, and it breaks it up into low, medium and high by risk and by method. Is it possible to get a list of all of the projects that were looked at?

Ms Overton-Clarke: Yes I can table that for you.

THE CHAIR: That is kind of you.

Ms Overton-Clarke: The 67 projects?

THE CHAIR: Yes. I note on page 210 that there was some work done for capital metro. The value of the contract was only \$14 million. What was that work?

Ms Overton-Clarke: The work for capital metro was the variation and single-select for the technical advisory services. That was worth \$9.13 million. There was the EOI to design, build and operate the system and also a \$5 million contract for a specialist advisers panel.

THE CHAIR: Ms Lawder, a supplementary.

MS LAWDER: I just looked up the act, and it does say, in section 11:

The board consists of the following 9 part-time members ...

And it lists them by their role. I thought you said it was a maximum of nine?

Ms Overton-Clarke: At the moment, it is nine. It is currently nine.

MS LAWDER: Okay. I thought you were disputing the wording.

Ms Overton-Clarke: I thought it was up to nine, but I apologise if it says it is nine members.

MS LAWDER: And it does say in the act that there should be four non-public employee members. Why is it that you appear to be having difficulty finding non-public members for the board?

Ms Overton-Clarke: No, we have not had any difficulty finding them.

MS LAWDER: But you have only got two out of the four.

Ms Overton-Clarke: No. The non-public members at the moment—we have got four.

MS LAWDER: But last year, according to this annual report, on page 205—

Ms Overton-Clarke: Yes. I need to get you the details. We did have a retirement of two external members during the year, but I cannot give you the exact timing of both of those members. I can give you one, Diane Fielding, who ceased on 30 April. But with Bob Samarcq, I am not exactly sure of when he retired.

MS LAWDER: The annual report says that six forward positions were occupied as at 30 June.

Ms Overton-Clarke: That is right.

MS LAWDER: Again, it seems a bit different from the nine.

Ms Overton-Clarke: Yes. It was six; that is right.

THE CHAIR: But you will give us a reconciliation and perhaps a reason as to why it took so long to replace people.

Ms Overton-Clarke: Yes.

THE CHAIR: What is the role of the board in regard to PPPs that the government is about to undertake—so UC hospital, the Magistrates Court and capital metro?

Mr Barr: UC hospital is not a PPP.

THE CHAIR: My apologies; you are right. Well, the Magistrates Court and capital metro?

Ms Overton-Clarke: The role of the board in general is to advise directorates and the minister, so there is nothing particularly different about the PPP role. I know that you had a long discussion about PPPs last Monday with Treasury, and certainly a major role of the board is examining the risk plans that agencies put forward as part of their procurement processes, be that PPP; design, construct, maintain; or any of the other types of procurements. PPPs are one of the new and innovative ways that the territory is looking at towards getting good outcomes and value for money, along with design, construct and maintain. I know, as I said, that there was a good discussion about that last week. The board's role—and it has a number of external advisers as well as external representatives and people from across ACT government—is to look at the risk plans that each procurement presents and to make sure that directorates have clearly identified those risks.

THE CHAIR: Are directorates obliged to submit their risk plans to the board?

Ms Overton-Clarke: Yes.

THE CHAIR: Is there an overall risk plan for the delivery of capital metro?

Ms Overton-Clarke: Is there a—

THE CHAIR: An overall risk plan for the delivery of capital metro.

Mr Tomlins: The way in which the risk plans are generally developed is incrementally as the detail increases. There would have been a strategic risk and then a detailed risk plan that would have been developed with the RFT.

THE CHAIR: What were the strategic plan and the long-term plan graded as? Were they low, medium or high risk for capital metro?

Mr Tomlins: Sorry, I missed it.

THE CHAIR: What were the capital metro risk plans rated at—low, medium or high?

Mr Tomlins: I cannot answer that. I would have to go and get the detail for you. I suspect that—

THE CHAIR: They are fairly significant projects.

Mr Tomlins: Large constructions tend to be high, so my guess would be that it would be rated high, but I would have to confirm that.

THE CHAIR: Is the risk plan you have received just for the \$14.1 million or is that for the whole—

Mr Tomlins: Yes.

THE CHAIR: of the project?

Mr Tomlins: Yes.

Ms Overton-Clarke: Each time a procurement goes forward, there is a risk plan associated with it. So those two pieces that came in in that financial year would have had risk plans for both of them.

THE CHAIR: So there is not an overall risk plan for the entire project?

Ms Overton-Clarke: In the financial year, the two risk plans were for those two pieces.

THE CHAIR: I understand that for the two sequences that have gone to tender you have done risk plans, but is there an overall assessment of the risk for the entire capital metro project?

Mr Tomlins: With larger projects and PPPs, the business case looks at a range of issues. Risk is also dealt with at the strategic level in the business case. So to that extent, the risk would have been dealt with there.

THE CHAIR: What was the risk assessment in the business case?

Mr Tomlins: I do not have that, but we could take that—

Mr Barr: You may wish to raise those questions with capital metro when they appear.

THE CHAIR: I am asking it here because it is about procurement.

Mr Barr: You can ask here, and that is fine, but it is one government, Mr Smyth, so we will provide that.

THE CHAIR: That is right. I am talking to one government. I thought I was talking to one government.

Mr Barr: You are.

Mr Tomlins: Our role is different from the capital metro role; it is to make sure that the procurement processes are followed, not to do the evaluation of the business case.

THE CHAIR: That is okay, but if you are there and you grade projects by low, medium and high risk, it is not unreasonable to ask how you evaluated capital metro, whether low, medium or high risk.

Mr Tomlins: No. We can get that information for you.

THE CHAIR: A new question, Ms Porter.

MS PORTER: It is sort of related; I think they are all related. In relation to probity and ethical behaviour, how do you set that out? How do you measure that in each—

Mr Tomlins: We have ethical supplier declarations that we get contractors to sign; we also have an industrial relations and employment process. Essentially, when building and construction contractors apply to be prequalified to tender for ACT government contracts, they submit various pieces of documentation, and that is assessed either by us or essentially by a panel that is authorised by us.

MS PORTER: Thank you.

THE CHAIR: Ms Lawder, a new question?

MS LAWDER: Yes. On page 209, the first table is a breakdown by procurement method and there are a couple of instances of a single select tender. I am wondering how you assess whether it was appropriate to use that process.

Mr Tomlins: The decision for single select tender is made by the director-general of the agency. The director-general is required to take into account whether the decision to go to single select is value for money and there are various criteria. It can be that a decision needs to be taken urgently, so, for example, it is not one of the five. After the Sydney Building fire, we needed to get people working there fast, so time is a reason for going to single select.

It may be also that there is particular expertise that is wholly possessed by a particular organisation or it can be the assessment of the director-general that the process is best as a single select. One example is the extension of the Microsoft agreement, really because we have the ACT government with thousands of computers on a Microsoft base. We really do not have much choice, as is the case with other jurisdictions, so we went and renewed the Microsoft agreement just after WA and in fact, although we started off independently, we started tick-tacking and the outcomes in both jurisdictions, unsurprisingly, were fairly similar.

MS LAWDER: With the breakdown by procurement method and by risk, are you able to provide the committee with an outline by directorate, which procurement methods were used by which directorates?

Mr Tomlins: Yes we do have that here. Procurement methods, high, medium and low. I have—

MS LAWDER: That is the risk, I think—the public tender variation, single select.

Mr Tomlins: I have a range of information but we could provide that if we take that on notice.

THE CHAIR: Thank you. Ms Fitzharris.

MS FITZHARRIS: Thank you. I wanted a question not specifically on the procurement board but on the procurement outcome, output class. In both are we, chair?

THE CHAIR: No. I think this is simply the procurement board, but you could try your hand and see if somebody is across the one government brief and has that information to hand. But, strictly speaking, that is Shared Services.

MS FITZHARRIS: If I could go to the board then and consideration of proposals in the reporting period, of the 67 total proposals 59 were endorsed but three were not. Could you run me through what happens with those that are not endorsed?

Ms Overton-Clarke: As I was explaining earlier, we have a look at all the procurement information, principally the risk management framework but all the proposed procurement. We try and give recommendations that ensure that once those recommendations are taken on board the proposal can proceed to procurement. But in a few cases we just knock back the proposals and say that they have to come and resubmit and present again to the board, because the documentation is either confusing to the market or not clear enough. As you can see from the numbers, it is relatively rare that that happens. Then, depending on how urgent it is and how much work is needed, they will resubmit within a short or a longer period of time.

Mr Tomlins: The other issue that can occur is that agencies can decide to essentially use a two-pass process. So they will come to the board with a fairly basic formulation of a procurement and give a presentation and then come back with a more detailed product later.

Ms Overton-Clarke: We have been trying to encourage, especially with new ways of procuring and interactive procurement, a strategic approach. Often directorates will come and talk through the approach they propose to take, and that can be more or less formal, before the procurement process.

MS FITZHARRIS: You mentioned the interactive procurement process. How has the board itself got on top of those new forms of procurement?

Ms Overton-Clarke: Of course, we work very closely with GSO, because of the greater risk that is associated around probity issues and so forth. As we said to a proponent this morning, there is only so much you can get across in the written documentation. Be it a thorough Q&A session or be it a proper interactive tendering process, the market finds it particularly useful to have that longer period and a more interactive process. So as long as, of course, everyone is checking that all the probity issues are covered off, it is a good way, particularly around IT projects and those that are more complicated. We are moving more and more to off-the-shelf solutions, and directorates are more prepared to change their business processes. We are not actually

as special in the ACT as we may sometimes like to think, but interactive tendering is—

THE CHAIR: That quote will hurt you, Ms Overton-Clarke. It will haunt you.

Ms Overton-Clarke: Interactive tendering is just one of the more progressive ways in which the territory is moving.

MS FITZHARRIS: And does the board itself have a mechanism for measuring the value for money, the outcome of the procurement process itself?

Ms Overton-Clarke: No, that is not our role. We evaluate how directorates have come to that themselves. There are a number of ways that we scrutinise that, including the budget that they have available, the contingency they are putting in place and the future proposals. A lot of the discussion that happens is often around: what happens if tenders come in over price? Have you thought through what it is you are prepared to drop as the optional extras? So there is a lot of assessment around those parameters.

THE CHAIR: I know you are going to find this hard to believe, because I know you enjoy your time with the public accounts committee, but our time is almost at an end. This is the end of the public hearings of the public accounts committee into the 2014-15 annual reports. A number of questions were taken on notice during the day and if we could have answers by 24 November that would be appreciated.

When it is available, a copy of the transcript of the hearing will be provided for correction or addition, as you see fit, that the committee will consider. Members, if you have any additional questions that come to mind once you have the transcript, if we could have them within three working days of the transcript becoming available that would be appreciated. They will be forwarded, Chief Minister, through the secretariat. With that, I would thank you, your officials and all those who have attended the public hearings of the public accounts committee into the annual reports during this year, and we will draw the day to a close.

The committee adjourned at 3.59 pm.