



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON ECONOMY AND GENDER  
AND ECONOMIC EQUALITY**

(Reference: [Inquiry into annual and financial reports 2020-2021](#))

**Members:**

**MS L CASTLEY (Chair)  
MS S ORR (Deputy Chair)  
MR J DAVIS**

**TRANSCRIPT OF EVIDENCE**

**CANBERRA**

**TUESDAY, 1 MARCH 2022**

**Secretary to the committee:  
Dr L Kerr (Ph: 620 50136)**

**By authority of the Legislative Assembly for the Australian Capital Territory**

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

## **APPEARANCES**

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## **Privilege statement**

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*Amended 20 May 2013*

## **The committee met at 3.46 pm.**

### Appearances:

Steel, Mr Chris, Minister for Skills, Minister for Transport and City Services and Special Minister of State

Chief Minister, Treasury and Economic Development Directorate  
Leigh, Ms Kathy, Head of Service and Director-General  
Croke, Ms Leesa, Coordinator General Whole of Government COVID-19 (Non-health) Response and Deputy Director-General  
Hocking, Mr Stuart, Under Treasurer  
Bain, Mr Glenn, Executive Group Manager; Procurement ACT  
Tanton, Mr Graham, Executive Group Manager; Property and Shared Services  
Konti, Ms Bettina, Chief Digital Officer  
Holmes, Ms Lisa, Acting Motor Accident Injuries Commissioner

**THE CHAIR:** Welcome to the fourth public hearing of the Standing Committee on Economy and Gender and Economic Equality for the annual reports 2020-2021. Before we begin, on behalf of the committee I would like to acknowledge we meet today on the land of the Ngunnawal people. We respect their continuing culture and the contribution they make to the life of this city and this region.

Housekeeping: I am sure by now we are all well aware that these proceedings are being recorded and transcribed by Hansard and will be published. They are also being broadcast and web streamed live. When taking a question on notice, please say clearly, "I will take that question on notice," so that the committee and witnesses can confirm that from the transcript.

In today's hearing we welcome the Special Minister of State and officials from CMTEDD. Can I remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the privilege statement. Before you speak could you please confirm that you understand the implications of the statement?

I will kick off with the first question today. I would like to chat about procurements. The Auditor-General's report *Procurement exemptions and value for money* from June 2021 referenced 14 per cent of all ACT government procurement has exemptions, with a total of \$119 million. What are the equivalent numbers for 2021-2022?

**Mr Steel:** I have read and understood the privilege statement. Because the financial year actually has not finished, I am not sure that we could provide a holistic number for the year.

**THE CHAIR:** I am keen to understand if you have got even just a finger in the wind of the agencies or directorates that have had the highest dollar value of the exemptions to date for this first six-month period.

**Mr Steel:** We can certainly have a look at the six-month period but there is a reason why we look into and inquire into the annual reports from the previous financial year.

That is because we have actually reported on those activities. We have not yet done that for this financial year, but I can see whether we can get a six-month figure, on notice.

**THE CHAIR:** With regard to the 2020-2021 period, are you able to tell me which company received the highest dollar value of exemptions?

**Mr Steel:** We can certainly see whether we can get that information. I might hand over to Procurement ACT just to see whether they have any advice on whether they can provide that information or whether that is something that would come from a directorate.

**MS ORR:** Minister, can I just get a bit more of an understanding why exemptions might be provided for procurements and who would be making those decisions?

**Mr Steel:** Yes. It is up to directorates under our procurement framework and the Government Procurement Act and the Financial Management Act. They make procurement decisions, and exemptions are available there. There are often four areas where a particular supplier is required to deliver a service, and often for very small procurements. I will hand over to Procurement ACT to provide some reasoning about why exemptions are there to provide some level of flexibility in the procurement system, especially for low-value procurements.

**Mr Bain:** I have read and understood the implications of the statement. With regard to the nature of exemptions, flexibility is afforded to directors-general to make an assessment that, on balance, there is better value to the territory in not going to an open tender or the other requirements according to the value of the threshold that they would normally be required to do. The sort of assessment could be informed by things such as only a single supplier being able to provide that service.

Although we tend to frown on it administratively, sometimes the timing is such that you simply have to seek an exemption or make an exemption in order to continue the service or product supply that you are after. I think it is really important to note that it in no way removes the obligation to still seek value for money for the territory. Just because you are exempted from a particular threshold requirement, what you are doing, effectively, in making that decision, a director-general or their delegate, is actually substituting another approach to market mechanism on the basis that it offers better value for money.

**MS ORR:** In a delegate choosing to make an exemption, there is actually a process and a criteria that they have to go to before taking that particular course; is that correct?

**Mr Bain:** That is very much the case. There is guidance available through Procurement ACT. We actually have templates of a brief that might be used which sets out the elements to be considered before making any such decision. Indeed, they are even more stringent once you get into very high-value procured activity constrained by our obligations under certain free trade agreements, which are very strenuous when you can go to exempting from an open-market process.

**THE CHAIR:** I have a supplementary on that. I am just wondering, in 2020-2021 how many of the procurements using exemptions did not have a procurement plan, minute tender evaluation plan or tender evaluation report template?

**Mr Bain:** I would not have that information available, I am sorry. It would require an analysis of the contracts register and then deeper analysis of it. That is where the contractor that has been procured via an exemption is flagged. That is the only time that central Procurement ACT would see that. We would then have to go to directorates to examine their documents. Even the Auditor-General took only a very small sample.

**Mr Steel:** Are you able to take that on notice?

**Mr Bain:** It depends. A rather large piece of work will be required. I could certainly give some indication from a small sample but to do the whole analysis will be a significant piece of work.

**THE CHAIR:** Over a 12-month period it would be a significant—

**Mr Bain:** We do something in the vicinity of a thousand to 1,200 notifiable contracts every year; so it would be quite a considerable piece of work to do, even for a 12-month period.

**THE CHAIR:** Of those, how many would go with an exemption?

**Mr Bain:** If we take the Auditor-General's indication as being truly indicative, then it would be some 14 to 16 per cent, I would think. It is 140-odd.

**Mr Steel:** The Auditor-General just undertook a substantial inquiry into an example of procurements where exemptions were involved. They recognise that it was not possible for them to undertake a complete audit of every single procurement exemption and contract. They have looked at this from a systemic sense across a range of different procurements where exemptions have applied and made recommendations, and those recommendations have been considered.

The government has responded to those recommendations and will be taking many of them forward in what Procurement ACT does in terms of providing advice and support for agencies that are undertaking procurements, particularly where an exemption is required. The focus of that was well covered in the inquiry that followed that Auditor-General's report and includes things like making sure that there is appropriate documentation of the reasons why exemptions are given and appropriate considerations around the risks.

**MS ORR:** Minister, I would like to go in a slightly different direction and just have a look at the ACT Property Group. I understand that Property Group currently has a waiting list for community facilities. Can I find out how long is that list and how long do groups generally spend on the list before getting access to a tenancy?

**Mr Steel:** Yes, there is quite a long list of community organisations that would like to move into an ACT Property Group property. I will hand over to Property Group to

provide some information about the numbers.

**Mr Tanton:** I acknowledge the privilege statement. Thank you for your question. Currently we have 51 organisations on the waiting list. Twenty-two of those have been offered properties at some point during that waiting but quite a few of them are actually looking at bigger premises or additional premises. They are currently tenants within the ACT Property Group but they are looking at other areas. Some of them are quite specific with regard to their requirements.

The most recent application that we have got came in in January, and that actually looks for a commercial cooking facility. It is a program of work that assists newly arrived Australians into the community when they are looking at doing community cooking. Obviously, having a commercial kitchen available is not really applicable.

The longest one that we have on the list goes back to 2007. They have been offered a number of different sites, but it is a fairly specific targeted need. They have been offered sites that do not meet their needs. They are looking at quite a large facility which has got wooden floors and they are quite specific as to their needs. They have been on there for a while. They have been offered properties previously but they have not accepted them at this point in time.

There is a mix in that at the moment and there is obviously a body of work looking at the optimisation of some of our community facilities, noting that a lot of the properties that we currently do have are ageing in content. They are starting to get older, maybe not fit for purpose. It is something where we are continually reviewing what we do have. A good example of that was at the Causeway, the recent arts Hub, where that building had been unoccupied for a period of time and we were able to make that available for the arts Hub. That facility is now being utilised more broadly.

**MS ORR:** If tenants want to change their occupancy arrangements—if they want more space or they have particular needs—how much flexibility is there within the portfolio that the Property Group does maintain now to be able to make those moves easily or quickly?

**Mr Tanton:** Unfortunately it is quite difficult. Our vacancy rate at the moment is around 2.5 per cent of the facilities that we manage—and there are roughly 238 properties that we do have. Finding things that are quite specific in those needs and then sort of having discussions with folks about potentially moving out when they have got community support in those areas—it is something that is challenging to be able to move people around because obviously there is a lot of consultation in that process to do that. Again, some have specific needs. We may have a facility that is fine but we then cannot move that person out to make an either bigger tenancy or the likes because we do not have a specific property that may fit the other needs more broadly.

**MS ORR:** Mr Tanton, is it fair to say that there is just a general need for more floor space within the Property Group portfolio or is it looking more at the types of facilities that are being provided?

**Mr Tanton:** Yes, absolutely, and a very good question. We actually late last year

started a process which we call an optimisation, which is really looking back at the 238 properties that we currently have, and we are basically setting up a framework that we can assess those properties against, have consultation with the users and the likes. We have engaged a third party to assist us with that body of work. That will look to provide us with a framework that we will pilot to really get an understanding from the community groups of what they are looking for in the portfolio, noting that we are seeing the general commentary from the consultation that we have done with a number of agencies, including ACTCOSS, COTA and the like, as being very much that the buildings are fairly run-down and are not fit for purpose. They have generally been repurposed, older government accommodation, which they make do.

There is a view that is starting to come out that they are looking towards purpose-built facilities that may be in a hub, sharing broader administrative support and be located in local bus areas and things like that—many of our sites may not be on direct bus routes. We are piloting that framework at the moment, looking at a number of areas and a number of properties, trying to get an understanding of the make-up of the users that we do have, but also looking at the property make-up regarding the age of the property, the maintenance of the property, the ongoing requirements to support the old buildings—also noting that a lot of these buildings that we currently have sometimes are quite small buildings which are starting to run down and are on large pieces of land—what is the best use for them and what can we come back, as part of that process, to government on to get some decisions made around the way forward with the property portfolio.

**MS ORR:** In all the metrics that you are going to be looking at, will you also be looking at the geographical spread or equity geographically for location of facilities?

**Mr Steel:** The work on asset optimisation is looking at two areas to begin with, in the Woden region and the Belconnen region, to look at what is the current spread of property across those areas, what types of properties are there, what types of community organisations are in those areas and then find out what their needs are, and then look at what the potential pilot projects could be in terms of providing them with better fit-for-purpose accommodation—and we will certainly be looking at Gungahlin as well as a potential place—and that goes to, I think, the sort of geographical spread across Canberra.

A lot has changed in Canberra over the last few decades, and a lot of the historic portfolio of properties that was handed to ACT Property Group, which has come from a variety of different areas—old school sites and the like—as well as having huge diversity there, is not fit for purpose for the community organisations but also is not necessarily evenly spread across the city either and often is in places that are not as accessible as town centres or group centres. They are often in suburbs which may not be accessible for particular communities.

COTA is a great example of that. They are an organisation that provides services across the whole of Canberra. They would like to provide more services, particularly in the west of Belconnen. They would like to provide services in that northern area of Canberra. But there is not a huge amount of property for them to move into; so we need to, I think, do a piece of work around not just the existing community organisations that we have got in those areas but where we actually need to provide

more service delivery. That is, I think, a much broader conversation with the community sector about where they would like to be moving into. I am sure COTA is not the only one that is looking at how they can better serve the whole ACT community. It is about providing the properties to enable them to do that.

**MS ORR:** That leads into my next question: what are the next steps in your considerations and when will you be having broader input into where this work goes, particularly from community sector stakeholders or the broader community?

**Mr Tanton:** Once we get the initial look and deep dive into the community organisations and properties in those two regions, we will be undertaking a further piece of work around a renewal framework that we will then look to pilot. We have started some initial conversations with the community sector. We need to do a lot more of that, have a lot more of that conversation around these issues, but we have not got to that point yet. We are looking forward to having that conversation with them and the particular organisations in those areas.

**MR DAVIS:** I just want clarification on Ms Orr's question. Ms Orr did mention in her motion in the Assembly last month a review of ACT Property Group's community facilities. Is that what we are talking about, this review that was mentioned and forecast in that motion?

**Mr Steel:** Yes, that is right. This is an input into a review of our properties, this initial asset optimisation piece, which is focused on Woden and Belconnen, and will lead into a broader review and renewal framework which we will look at developing.

**MR DAVIS:** Do we have an expectation on the length of time that body of work will require?

**Mr Steel:** I think this is going to be an ongoing process, going forward. I think this is about renewing our entire portfolio over a very long period of time. We need to start with some demonstration projects, which were flagged in the motion, to test the model to make sure the community organisations are happy with the direction and that they are working with us from the very beginning on this approach. I think this is going to be a really interesting process to go through and we are just at the very beginning of that. It really is looking at how we can renew the portfolio of ACT Property Group. But we will start small and then move through, and those particular regions will be an initial focus.

**MR DAVIS:** I note that we spoke about this last time, Minister, but given that this review has started, it is probably time for me to bring it up again. For community groups who are currently occupying those ACT Property Group assets that, as you point out, are not fit for purpose but have got big ideas about how they would like to use that land, maybe not with the facility that is on the land but they would like to use that site—I could think of at least a few in my electorate who have proposed partnerships with other not-for-profit community organisations to co-locate and things like that—what kind of advice at this stage of the review process would you give them if they have got a bright idea on how to use their space but they are not quite sure how that will be received by government or what process there would be to introduce that idea to government?

**Mr Steel:** I think the government is interested in looking at what those types of demonstration projects could be. They may come in a range of different forms, and one of those could be better utilising some of the ACT Property Group land that is not currently occupied by buildings, by existing old buildings. There are a number of those.

We have to be mindful that these are quite sensitive sites, especially the former school sites, and these may need to be used for future schools in several decades' time, if the demographics change. We have got to work through all that and work out are there sites that do lend themselves to organisations who do want to come and own their own community services-zoned property—and certainly I am aware of a number of those, as I am sure you are by the sounds of it—and absolutely I think we should consider that. But we also need to consider what else is happening on that side as well.

I think the example that has come up recently where there has been some concern is in relation to the Blue Bell school wanting to purchase government land. There have been a number of other community organisations also using the properties around that. They have raised concerns with that proposal that was put to government, which we will respond to. This is going to be a collaborative process and we will need to work closely with community organisations, both those who are proposing to do certain things and those who may be affected by it as well.

**MR DAVIS:** How much will this review process then interact with the planning review process? The reason that I ask is that there are a few community groups who raised with me this possibility: they are dealing with 1,000 or 2,000 square metres of land, they need 100 square metres to run their community organisation and they have identified the possibility of some small-scale housing projects—I am remiss in using the word “projects” but do you see what I am saying here?—some small-scale housing. That would require variations to the land use, particularly for community-run organisations who are interested in providing more affordable rental accommodation. Are these two plans going to intersect or speak to one another at any point?

**Mr Steel:** There is a relationship in the sense that the EPSDD and the planning minister are responsible for providing the release of community facilities land through the land release program that may be purchased by a community organisation to build something to use that is compatible with the zoning of that land. The amount of land that goes out there needs to continue to meet community need, and there needs to be a need that is actually demonstrated for organisations that use that land under the processes that have been put in place. We are certainly mindful of that.

I guess what we are looking at with the Property Group properties is how we can better utilise the existing space that we have and the buildings that we have while also making sure that we have got new, fit-for-purpose buildings for the existing organisations. There is a relationship there and I think EPSDD will need to be involved in this process, going forward.

**MR CAIN:** Minister, why has the community facilities portfolio been allowed to decline to this extent?

**Mr Steel:** We continue to make investments in the property group portfolio, and that is evidenced in the budget. There are significant investments being made, and Callam Offices is one example.

**MR CAIN:** Yes, but why the decline if you are making investments?

**Mr Steel:** Of course, all buildings require maintenance over time, but what we know from the portfolio is that as it ages, it costs more to maintain. The purpose of this is looking at whether we need to build some new buildings that will be cheaper to maintain and what are the opportunities to better utilise the existing spaces that we have. These are buildings, as we mentioned, that historically have come into the portfolio from a range of different areas, including from education and so forth, so they are buildings that sometimes are many decades old and not fit for purpose, and do require improvements over time. One of those is around heating and ventilation and cooling, which has been the subject of substantial investment from the government over recent years to try to improve heating and cooling in those ageing properties, and moving away from expensive gas, for example. These are things that do get invested in, but we are trying to provide fit-for-purpose facilities, and that means re-looking at the existing facilities that are not necessarily fit for purpose.

**MR CAIN:** In the new build areas like Ginninderry and Molonglo Valley, what are your plans for community facilities?

**Mr Steel:** The government has a substantial piece of work underway on new community centres in Gungahlin, Woden and Molonglo. In terms of Molonglo, I think there are about five community centres, either established or in planning. Just to name a couple of them, I believe that this month the Denman Prospect community centre will open—a brand new community centre for the Molonglo Valley there. We are just going through the final stages of the expression of interest process for a community service to run the new Coombs community centre, which will be available very soon once the fit-out is completed. Then, during this term, we will be consulting with the community at Molonglo about a future library combined community centre which will be located in the commercial centre at Molonglo. Of course, that is in addition to all the school facilities that can be rented out by community organisations at the Evelyn Scott School and at the Charles Weston School. It is also in addition to the other community facilities in Molonglo.

**MR CAIN:** Thank you.

**THE CHAIR:** Mr Cain, do you have a substantive question?

**MS ORR:** Chair, can I put it to you that I think that that was all supplementary and maybe it might be nice just to give Mr Davis a substantive question.

**THE CHAIR:** Mr Davis did say that that was his substantive question, and he had four supplementary questions off the back of that.

**MR CAIN:** Thank you, Chair. It is a new substantive question. Minister, as we have heard over the past week, even though you have a range of documents and guidelines in place, major failures in procurement seem to be occurring. Minister, so that the

public has a level of assurance, will you undertake an independent audit of all ACT procurement decisions made across the whole of the government over the last five years, including exempted procurements?

**Mr Steel:** The ACT government is committed to ensuring that all procurement activity is fair and open and undertaken in accordance with the Government Procurement Act and associated regulations, as well as the policy and guidance material that you referenced. Just recently—over the past year—we have been undertaking a particular focus through Procurement ACT on providing support and guidance around probity, with the release of new probity guidelines that will support agencies to make sure that their procurements meet probity and integrity expectations across government. That is all part of the government’s integrity framework which we have put in place, which includes the Integrity Commission and the Auditor-General, as well as those legislative frameworks that I have just mentioned.

There are a large number of procurements that occur across a range of government agencies. Several thousand would occur. The Auditor-General has recently undertaken a review into a particular tender that occurred, where a delegate departed from the recommendations of a tender evaluation panel. There would be a number of those across government, and we think that it is worthwhile to commission an investigation of a select number of procurements where that type of circumstance has occurred, to help our continuous improvement of our procurement framework and also the education and support that is provided through to agencies when undertaking procurements.

**MS ORR:** Chair, I have a supplementary question when you are ready, please.

**MR CAIN:** I have a supplementary question. I have not had a supplementary yet, Chair.

**THE CHAIR:** Go ahead, Mr Cain.

**MR CAIN:** Thank you. You mentioned an audit of a select number of procurements. Who is going to select the procurements to be audited? It is rather self-defeating if the department itself selects the procurements to audit.

**Mr Steel:** That will be determined, but we think that it is useful to look at procurement where a delegate has departed or has disagreed with a tender evaluation panel, because that is the issue that has come up in this particular report. There were recommendations which the government will be responding to in due course. As part of that response, we think that it will be useful to undertake this examination of those types of procurements. Now, there may be many legitimate reasons why a delegate may depart from a tender evaluation panel recommendation. They are not a rubber stamp. It is an important accountability process and they have the ability to depart from that decision and ask questions, particularly questions around value for money. I will hand over to Kathy Leigh, the Head of Service, to talk a little bit about the framework for procurements and these particular types of procurements.

**MR CAIN:** I am interested in how many procurements the decision departed from the assessment recommendation.

**Ms Leigh:** Thank you, Mr Cain. I am Kathy Leigh, Head of Service, and I understand the privilege statement. First of all, I will go back to the comment the minister made. Then, Mr Cain, I will come to the question you have just raised. To give an outline of where the responsibilities lie for procurement in the ACT, each directorate is responsible for taking its own procurement decisions. This is relevant to some of the questions that members have asked about how we might do a review. You will have heard me talk many times about being one service and the importance of the efficient use of our resources. We have a centralised area of expertise on procurement, and that is Procurement ACT. Procurement ACT is responsible for giving policy advice to the minister and also for supporting directorates in taking procurement decisions. That is the area of expertise that directorates can go to when they are undertaking a procurement, to get detailed advice.

On large procurements, Procurement ACT will give direct support to a directorate on undertaking that procurement; but on all procurements, Procurement ACT provides standard documentation, guidance material, training et cetera, to ensure that across the service we are achieving the appropriate levels—the expected levels—of professionalism in undertaking procurements. Then, of course, we have Major Projects Canberra. That was created to undertake major infrastructure activity for the government—again, as a way of making sure that we bring our expertise together in one area to get the best possible outcomes for the resources of the ACT.

When you look at that, you will understand that particular decision. As was explained earlier, the Procurement Act and the procurement regulations specifically envisage the procurement process and how decisions might be taken. The material that sits under that, which Procurement ACT has developed, envisages that delegates are to consider the recommendations of the evaluation panel and that they can accept those recommendations, they can send them back, or they can choose another outcome that is in the standard template. It is a recognised part of the process that, as the minister said, the delegate is not a rubber stamp. The delegate turns their mind to what the appropriate outcome in relation to each procurement is, but that is done by directors-general and their delegates in each directorate. It is not done centrally by Procurement ACT.

The first thing that we would have to do in undertaking any check of those other examples, where a delegate has made a decision different from what the evaluation panel has put forward is, would be to find those decisions. That would be, first of all, a process that would need to be undertaken. Then we would be able to look at those decisions, the processes behind them and the documentation to make sure that it all meets the higher standards. Doing that process is something that the public service would welcome, because we are constantly trying to make sure that we are delivering to the highest standard and that we are learning lessons. It is why we have a process like the Auditor-General.

Yes, the Auditor-General's reports can become controversial, but fundamentally we have an Auditor-General because we want to be able to constantly check that the way the government operates, the way the public service operates, is the most efficient and effective way to operate. So, from my point of view, when we get reports back from the Auditor-General, that is a positive opportunity. We want to then look at what this

tells us about how we can strengthen our processes further in the future. That is what we do with every Auditor-General report we get, and that is what we are in the process of doing with the one that you have just mentioned.

**MR CAIN:** Thank you for that. Minister, but having heard all of that and also your aspirations for improvements in procurement, and given the Auditor-General's report late last year and the extraordinary extent of the Integrity Commissioner's investigation, do you need any more reason to institute an independent review of procurement in the territory? Surely there could not be anything else that could happen to support the need for an independent inquiry.

**Mr Steel:** Mr Cain, in fact, we have already undertaken an independent inquiry and review of Procurement ACT, and I will hand over to Kathy Leigh to talk through it.

**Ms Leigh:** In fact, I had intended to raise that, Mr Cain, in response to your question. As I said, we are constantly looking across the service in all of the different responsibilities that we have, to think about how we can continue to improve our practices, and that is what every public service should do.

**MR CAIN:** So who is doing the independent review?

**Ms Leigh:** Early last year, I commissioned a review of Procurement ACT. It was part of the routine scanning I do of the public service to look at where there are areas that we should look at now that we have, perhaps, not looked at for a while, and what we can do to further strengthen that process. I commissioned that review early last year. We got that report back and I have already provided that to the Under Treasurer to look at implementing the recommendations from that review. As I said, it is part of the normal process that we constantly do in the public service to look at the areas where there might be an opportunity to update, modernise and further improve our practices.

**MR CAIN:** But that was, obviously, prior to the Auditor-General's report late last year and the Integrity Commissioner's announcement last week. Firstly, who did this independent review early last year?

**Ms Leigh:** It was Renee Leon.

**THE CHAIR:** Thank you. We might move on.

**MR CAIN:** From?

**Ms Leigh:** Renee Leon is currently vice-chancellor of a university. At the time she was recently retired from the Australian Public Service. She had been the head of a number of agencies in the Australian Public Service and had extensive experience in administering large organisations and very large procurement.

**MR CAIN:** Thank you, and in what capacity was she doing this review?

**Ms Leigh:** As an independent consultant. She was no longer a member of the Australian Public Service when she did the review.

**MR CAIN:** Thank you. Just a couple of things. When will her report be made publicly available?

**Ms Leigh:** Mr Cain, my understanding is that the government intends to—

**MR CAIN:** Also, will it actually deal with the things that have been raised by the—

**MS ORR:** I am sorry, Chair. Ms Leigh did not even get a chance to answer that question before Mr Cain asked his next question. I am happy to say I—

**MR CAIN:** We do have some breaking-up issues.

**THE CHAIR:** Ms Orr, we are having some breaking-up issues; that is correct. Ms Leigh, did you hear those questions?

**Ms Leigh:** Perhaps we could just take them one at a time, if that would be possible.

**THE CHAIR:** Just clarify, Mr Cain, and then we will move on.

**MR CAIN:** Will the report that was instituted last year be released publicly, and when will this be done?

**Ms Leigh:** Mr Cain, my understanding is that the government intends to release that report as part of its response to the Auditor-General's report. As you know, there is a set time frame for responding to the Auditor-General's report.

**THE CHAIR:** Thank you. Ms Orr.

**MS ORR:** I have no supplementary question. Sorry, I tried to say before that my supplementary question was answered in the course of that line of inquiry. So I am good, thank you.

**MR CAIN:** You are welcome, Ms Orr.

**THE CHAIR:** Fantastic. We will move on, then. Continuing with procurement, I am wondering whether there are guidelines to address known failures of integrity or probity in procurement, or are you relying on public interest?

**Mr Steel:** I am not sure exactly what that means, Ms Castley, but if I can try and—

**THE CHAIR:** Yes. When there are failures and there are known failures, what are the guidelines to address the failures?

**Mr Steel:** There is a clear integrity framework that the government has established, which includes an Integrity Commissioner and an Auditor-General. In the case that you have been asking about, there has been an Auditor-General's inquiry into a particular procurement. When issues get raised, they may go to a variety of different bodies, but there are also some internal mechanisms. I will hand over to CMTEDD officials to provide some further details about that, and the mechanisms through

which tenderers—the suppliers—can report any issues to the government.

**THE CHAIR:** Yes. To be clear, that is what I am keen to understand. When you know that there is a failure, is it something that you actively follow-up according to the guidelines that are already set out, or do you wait for someone to get in touch with you and say, “Hang on a second, something has gone wrong here”? I am just keen to know how you handle it.

**Mr Steel:** The answer would be: a mixture of both. I will hand over to CMTEDD officials to provide some further detail.

**Mr Hocking:** I am Stuart Hocking, Under Treasurer. I have read and understood the privilege statement. We have specific guidelines around procurement probity, and there are broader guidelines around integrity in the public service. I think the latest procurement probity guidelines were released only at the beginning of last year. But, obviously, when we see something like the Auditor-General’s report into Campbell, which has made some recommendations in relation to those sorts of issues, as we go through the response to that, which we are doing at the moment, we re-look at the probity guidelines and see whether there are improvements that can be made in that area.

As the minister has alluded to, we also have a complaints mechanism through Procurement ACT. I might ask Mr Bain to mention anything specific in relation to the way that is used.

**Mr Bain:** Yes. Further to that, I think it is important to understand, as part of this framework, the level of training. As I understand it, there are some 234 officers across the territory that have undertaken the procurement training provided by Procurement ACT. Many of them have also taken various other e-learning modules that we have put up. So, the support, understanding and awareness of the framework is out there. When things go wrong, though, as inevitably they will in a large organisation, there are avenues for recourse.

The one to which the Under Treasurer has just alluded is actually formally set out as a supplier complaints mechanism. It accords with our obligations under the free trade agreements to have such a mechanism in place. It is a multi-stepped process, starting at probably the most important point where a decision might still be revisited, and that is at the procurement itself, when the feedback is provided, particularly to unsuccessful respondents to a tender. That is the first opportunity for issues to be raised and, perhaps, the decision to be reviewed.

If an affected party is still not satisfied with that, it then escalates to a review, still within the directorate responsible for the procurement, but undertaken by an area with specific procurement skills, probity advice and no direct connection to the business unit undertaking the procurement. So, although it is within a directorate, it is one step removed.

If that still does not result in a satisfactory outcome for the complainant, the next escalation point is where it comes to me to assign a Procurement ACT officer—usually one of our very senior directors experienced in procurements—to step aside

and take on, as a specific investigation, the process as it was intended, and then as it was run, with particular attention to any matters that the complainant might have raised. The idea there is that it is completely objective, and we are looking at whether we fulfilled that process contract we established when we went to market in the first place. Advice from my senior officer comes through me and I then develop advice to the relevant director-general on what I think a reasonable outcome would be for that director-general to consider.

There is also, obviously, the civil recourse through the courts, but in terms of internal mechanisms, I think it is a well-established one. I think since it was established in 2019, we have had nine complaints get up to the internal investigation in the directorates, and only three of them have made it through, still dissatisfied to the extent that they have been raised to my attention.

**THE CHAIR:** Thank you. Just on that, did you say that there were nine cases?

**Mr Bain:** There have been nine complaints, yes, that is right, that have actually engaged the complaints process and had an internal review within the directorate, for example.

**THE CHAIR:** Sure. Other than Campbell Primary School, which we have just been discussing, were there probity issues breached recently that you are aware of—like Throsby School, for instance, or Taylor Primary? How deeply have you looked into all of those?

**Mr Bain:** I do not have visibility of those processes because of the business models that we operate under, where for those particular procurement activities Major Projects Canberra takes the lead in procuring and delivering that infrastructure. So while Procurement ACT operates under our broad umbrella of guidance and material, they have a localised operational purview.

**THE CHAIR:** Okay. What do the business models inhibit you doing? Are there limits to that?

**Mr Bain:** No, not as such—only that in the normal course of business the first we would see of any such procurement would be when the material going to market gets put on Tenders ACT because that comes to us. We would then see responses, but we know only they were there and forward them to the relevant area within Major Projects Canberra in that case. The next we would see of it would be if any notifiable contracts came out of that procurement process. So we do not have visibility of the full process.

**MS ORR:** I would like to have a quick chat, or as long as we need to chat, about the ACT Government digital strategy. Minister, in 2021 the government started implementing the new digital strategy. Can you please give an overview of the priorities and the focus of this and how it is going?

**Mr Steel:** Thanks. I will hand over to Bettina Konti, the Chief Digital Officer, to provide a bit of an update on where we are at with the initiatives under the digital strategy.

**Ms Konti:** I have read and acknowledge the privilege statement. The ACT Government digital strategy was published just before COVID hit in March of 2020, and it is very much a strategy rather than a strategic plan. What it looks to do, through the five chapters that it describes, is talk about how the ACT government is looking to improve our investments in digital and data over the course of time. There are a range of initiatives that we have showcased as part of that digital strategy, and the ones that probably make the most sense to talk about now are the birth of a child initiative, which is one that has been picked up and sponsored by data and digital ministers on the national stage, as well as some of the more local ACT digital programs, which include our delivery of working with vulnerable people and NDIS worker screening and those kinds of things.

Birth of a child is an initiative that seeks to improve the experience for new parents when they have a baby by using one information collection, originally collected at the hospital, for enabling Medicare enrolment, Centrelink proof of birth and, ultimately, the birth registration itself. Using that one information collection, we will be able to register that baby with a new parent's consent without them having to fill in three large complex forms for three different types of agencies across two different levels of government. That is a pilot that is underway at the moment. The Medicare element has been implemented at the Centenary Hospital for Women and Children.

In March this year we are looking to implement the Centrelink proof of birth element. Then, following that, in September to November this year, that will be an end-to-end experience, where new parents can consent to having that information used for all three: Medicare, Centrelink, proof of birth and birth registration with Births, Deaths and Marriages as well, through a single user interface provided by our partners in Commonwealth, Services Australia.

I was going to move on, Ms Orr, to the working with vulnerable people project. Through our ACT digital program moving the delivery of more services online, in February last year we implemented working with vulnerable people. That delivered a simplified experience for people who were applying for or renewing their working with vulnerable people registration. We were able to build the commonwealth government's NDIS worker screening obligations into that one system and process. So people who are applying or renewing their working with vulnerable people registration have a new simplified form that pre-fills some of the information on the form on their behalf, and there is much simpler information that explains to them what their obligations are and what they are declaring and consenting to.

**MS ORR:** I was going to ask about the trials and pilots you have got out of the new strategy and how they are going. With the birth-of-a-child one, am I right in my understanding that this is actually taking these three registration processes and putting them into one, and you are through the testing period for the first two but are still looking to integrate the third? Have I understood that correctly?

**Ms Konti:** That is right.

**MS ORR:** I think you mentioned in your answer when that third one will come in. My question is: when do you see that trial becoming complete and how many people

have been participating in that?

**Ms Konti:** I think more than a thousand births have occurred at the Centenary Hospital for Women and Children where parents have consented to have their Medicare enrolments done on their behalf by Services Australia.

**MS ORR:** So it was offered to every birth at the Centenary Hospital?

**Ms Konti:** Yes. September to November this year is when the births, deaths and marriages integration will occur. I guess the whole solution is predicated on the creation of a data exchange in Services Australia which will actually broker the information. Information is first collected at the hospital through its patient admission form process, and it is using that information rather than notifying Births, Deaths and Marriages on a day-by-day basis of all the new births, which currently occurs. It is just a very small amount of information that is shared with Births, Deaths and Marriages on a nightly basis.

In the fullness of time, or later this year, a much richer set of information will be shared with Births, Deaths and Marriages through this central data exchange. As you can imagine, some of the same information is also required to complete a Medicare enrolment and a Centrelink proof of birth notification form. Information that is needed by each of those agencies appropriately is shared with those agencies on the consent of the new parents. The only thing that the new parents will have to provide is any additional information that governments do not already have or has not already been collected from the hospital. For example, if the parents leave hospital without having named the baby, that will be one of the things that we ask for in that new parent interaction.

**MS ORR:** With that last component in the trial coming online in September, how long will you be trialling that for before the whole package starts to come together and you can see the program operating in its intended entirety?

**Ms Konti:** We are undertaking what I would call smaller reviews and cyclical reviews as we go through with each step. But once we have got everything, which includes the birth registration and the single interface for new parents to interact with, we will conduct that pilot for a number of months and evaluate that pilot, and then use the learnings from that to inform what we are hoping will be a national rollout.

**MS ORR:** If you have been doing these ongoing evaluations as you go through the different stages, what is some of the feedback that you have heard from parents who have used the system so far?

**Ms Konti:** Feedback has been incredibly positive because it is saving people time at a time when they would rather be spending their time with their new family members.

**Mr Steel:** The other piece of work that we are doing around this is working closely with New South Wales, which has been, I guess, piloting a different part of the process, which is the digital birth certificate. We have been piloting this and we are expecting it to rollout around the country, working with the commonwealth. We are also looking at what the opportunities are with the digital birth certificate as well,

following New South Wales's lead.

**MS ORR:** The digital birth certificate would be the next to follow and complete. Is there anything else that you are looking at from the program at this point in time, or is it still just being rolled out at this particular point?

**Mr Steel:** Yes. There is a significant program, going forward, of moving government services online. Some of those have been disrupted, unfortunately due to COVID, but also because of the priorities that have come with that in terms of some of our digital work, but also because the commonwealth government has required us to undertake work which was not originally in the program. That primarily relates to the automatic mutual-recognition piece of work. That has meant that there has been a shift in some of the program priorities to accommodate that piece of work. I will hand over to Bettina to talk a little further about that.

**Ms Konti:** This year's program of work for moving the delivery of more services online program incorporates three subprojects. The first is the automatic mutual recognition of licensees. As the minister discussed, this was a commonwealth government initiative that was agreed, if I recall correctly, at National Cabinet level.

**Mr Steel:** It was not agreed by us but, yes. It was forced upon us, yes.

**Ms Konti:** Indeed. The desired outcome here is that a person who might be in one of the registered trades or who holds a licence in another state or territory can come and notify their intention to practise or to work in the ACT, without having to be held up or pay for the privilege of having an equivalent or very similar licence in the ACT for the same kind of profession. That is a piece of work that we are working with Access Canberra on to implement for the start of the legislative period for that, which is 1 July this year. There will be a process to enable people to notify their intention to come and work in the ACT with one of those licences. Over time the system elements will also be incorporated into that project.

The second project is what we are calling whole-of-government concessions. The outcome that we are seeking here is that a person who is entitled to a concession gets to prove their eligibility for that once and have that then held as information by ACT government to be able to apply to other types of payments that are relied on or require that same concession. It prevents, again, people in the community having to prove their eligibility for multiple, different types of payments and discounts across different types of programs.

Our program will develop the central capability to manage and broker the whole-of-government concessions, and then it will be a matter for directorates and different programs to connect to be able to consume that information from there. That is scheduled to be delivered by the end of this financial year, but it is one of the projects that the minister has said has been impacted by COVID—not to a large extent. It should be something that we can achieve in the first quarter of the next financial year.

The final project that is under that program of work is change of circumstances. This is a really important foundational capability that we need in ACT government to

enable people in the community to tell us once, effectively, when their circumstances change—if they move house, change address, swap over their car, buy a new pet or acquire a new pet; those kinds of pieces of information. The concept behind this is that people in the community should be able to manage their own information and be able to tell government about change of circumstances in a way that is really easy for them and have government figure out whom inside ACT government needs to know that information and have it flow to the right place.

**MS ORR:** You said that some of the programs have been disrupted by COVID. I just want to get a better understanding of what those disruptions have been and how the program is getting back on track.

**Ms Konti:** Okay. Thank you for the question, Ms Orr. The way in which we are managing these programs inside the ACT digital program is very much by using new, contemporary methods of developing and implementing projects and programs. We do this by creating multidisciplinary teams across government. We bring together the people who are skilled in design, the people who are skilled in configuring the technology, with the people who understand the policy and the people who might be the subject matter experts and who currently are responsible for operating a particular program.

When COVID hits, it hits these kinds of programs most significantly. To use the birth of a child example, the birth of a child needs us to work with Health, and with Access Canberra for births, deaths and marriages. They are two areas that have been the most impacted in terms of workforce and COVID. So those projects slow, and we need to turn our attention to other projects or try to find ways to progress the design and implementation of those programs without needing to rely quite so heavily on those areas.

**Mr Steel:** Think about the digital apps that have been developed by ACT Health during COVID-19: MyDHR, which was partially developed prior to COVID-19 but had significant modifications made to enable booking in for vaccination and the like. There was Check In CBR as well, and the development of that in a very short period of time. So a lot of work has been done on digital elements; it is just that the program that we started out with has not necessarily been delivered during this period. We will continue to work on the elements that we have committed to, plus others which may come in the future. There is a lot to do in this space.

**MS ORR:** Thank you.

**THE CHAIR:** There are lots of projects going on. Back in 2020, when you merged Shared Services with the Office of the Chief Digital Officer and made this new team, were there any financial savings as a result?

**Ms Konti:** Thank you for the question, Ms Castley. No. The merger was not done for the purpose of achieving financial savings. It was very much done for the purpose of looking to bring together the two key, central elements of digital data and technology in order to, over time, look to ensure that we are moving our workforce, our capability and our focus to the kinds of technology solutions that we have just been talking about with ACT digital.

**THE CHAIR:** Great; thank you.

**MR CAIN:** Just on the merger again, even though there was no cost saving, it is a bit of a surprise. It is quoted on page 12 of volume 1 of the annual report:

The merger helps better meet the ever-increasing demand for these services and solutions ...

My questions are: (1) can you provide metrics that demonstrate this increase in demand; and (2) can you detail how it was, or will be, better measured?

**Ms Konti:** Thank you for the question, Mr Cain. We know that the services that are provided by what used to be called Shared Services ICT were largely focused on supporting the ACT public service with desktops, devices, the operating system, Microsoft, the email, the videoconferencing capability that we are using now, and so on. At the same time, we have been working with directorates to help support the implementation of their business operations. We observed that there is a really large increase in demand from directorates for that end-to-end look at how we make the best use of technology and data, not only for our own internal ACT government efficiencies but also to deliver those benefits to the community.

We have commenced capturing that demand. We know that there are large numbers of projects and project lists that are held inside of what is now called Digital Data and Technology Solutions—that is the new name for the merged organisation—as well as in places like Access Canberra and in other directorates. The challenge for us is to understand the likely resourcing requirements, skill and capability that we need to be able to put to each of those initiatives—and, when we are actually full, how we prioritise those initiatives to ensure that we deliver the right ones at the right time.

**MR DAVIS:** Minister, there has been a bit of a conversation in the media recently about cabinet documents and their accessibility. I noticed that cabinet documents become accessible to the public after 10 years, but I was surprised to learn that they become available only on request and it can take some time to get them when you request them. What is stopping the government from releasing these by default every 10 years and publicly publishing them?

**Mr Steel:** I might pass that question to Kathy Leigh; I was not around when the original act was passed. The original intention of it, I understand, was nation-leading at the time, in the level of transparency that it offered in relation to past cabinet documents. But the world moves on. There is a certain level of resourcing that is required to be able to manage these types of requests. CMTEDD might provide some further context around the way that the process works at the moment and what would be required if changes were made.

**MR DAVIS:** That would be great; thank you.

**Ms Leigh:** Thanks, Minister. When the legislation was being developed, a review was done of practices across jurisdictions and what the demand was for documents, and weighing that up with the cost of providing everything. The assessment was that the

most cost-effective way to meet the demand in the community for that documentation was the process that we have. Under the process, all of the headings are released so that there is complete—

**THE CHAIR:** Sorry, we lost you there for a moment. Did everyone lose you or just me?

**MR DAVIS:** No, I did too.

**THE CHAIR:** Rewind about 20 seconds.

**Ms Leigh:** Okay. A review was done to look at the possible range of ways for handling the release of the documents and at what was done in other jurisdictions and what the demand was likely to be. The assessment was that the most cost-effective way for what is, after all, taxpayers' resources, was to use the current process, which means that there is complete transparency as to what is available and then requests can be made for documents. That is, as I understand it, the history. That is legislation that went through the Assembly; it was the Assembly's decision to do it in that way.

**MR DAVIS:** Ms Leigh, I must apologise in advance; it sounds like I am trying to give you a hard time at these annual reports hearings, and I am not—I promise. I am just naturally curious. I cannot, for the life of me, understand how it is not more expensive to have a public servant administer the request on a case-by-case basis for access to cabinet documents than it would be to simply upload what we have, regularly, once every 10 years. Small, not-for-profit community groups are expected to advertise minutes of their meetings and account for every red cent of grant money that they receive when they get small grants from government. That is an administrative burden that we place on them. I suppose I just cannot get my head around how it is more expensive to be more transparent.

**Ms Leigh:** There is a difference between matters that come before cabinet and before a small community organisation, in terms of the sensitivity of some of the content. Even though documents become less sensitive as they get older, there are still exemptions under that legislation passed by the Assembly, so documents still need to be checked to make sure that they do not raise any of those exemptions. Sometimes documents are only partially released or not released because they fall within some of those exemptions. To scan everything in advance, when nobody may actually even want to see it, and to check whether there are any sensitivities remaining—the Assembly, when it passed the legislation, judged that that was not the best approach.

**MR DAVIS:** Okay.

**MR CAIN:** We are having a very broken broadcast this afternoon, so I may have missed something here, but I have a supplementary in line with Mr Davis's line of questions. Forgive me if this has already been answered and explained. Surely there would be a cost saving in just making available the documents that are not going to be exempted, which is a decision made in house? Surely there would be a saving in avoiding an unnecessary approval process or a request process? Also, for documents that are being exempted under the act, there should be some notification of what is not being published and why.

**Mr Steel:** There has been an answer to that question, Mr Cain. I am not receiving the same level of interference with the broadcast that you may be. I suggest you have a look at the *Hansard* later on. What I can say is that this is a bill that, I think, was originally passed back in 2000, so it is quite an old bill. At the time, there was also an inquiry into the bill that looked at this, and it basically found that the wholesale public release would require a significant allocation of resources by the government.

The analogy that it used was in relation to the use of freedom of information documents, documents requested under that act. It requires a significant allocation of resources to go through the documents and only partially release some, because there may be personal information in them, or not release some because of national security information or whatever it may be. We have seen in the recent budget that we have actually had to increase the number of resources across directorates to undertake and comply with the requirements under the current FOI legislation, which was changed over recent years. An analogy can be made in relation to the release of old cabinet documents as well.

It comes down to: do you want to spend your money on this? Or do you want to go and spend it on delivering better services to the community, whether it is in city services, transport, health or education? That is a decision that the Assembly will make from time to time and it certainly will apply in this case.

**MR CAIN:** With respect, decisions on expenditure are not made by the Assembly. Further, surely the public interest is so strong in these documents being readily available, and as soon as practicable, that that itself merits a review of this current restriction?

**Mr Steel:** I will take that as a comment, but last time I checked we did have responsible government here in the ACT, Mr Cain.

**MR CAIN:** Chair, that answer is irrelevant to what I just asked.

**THE CHAIR:** Mr Steel, was there a question in your last comment?

**Mr Steel:** No, there was not. I was taking Mr Cain's comment as a comment.

**THE CHAIR:** That is all right.

**MR CAIN:** No, no. Doesn't the public interest value mean that you ought to be releasing these documents as soon as possible and making them as readily available as possible to the community? Why is that not the case?

**Mr Steel:** We are complying with the current legislation that was passed by the Assembly.

**MR CAIN:** Which can be reviewed, obviously. Is there a review—

**Mr Steel:** You are a legislator, Mr Cain. If you want to move an amendment to a bill then you can do so. That is your prerogative.

**MR CAIN:** Certainly.

**Mr Steel:** We have outlined the reasons and what the impact would be on the allocation of government resources.

**MR CAIN:** Thank you for the suggestion. Is the government itself planning to amend this rather frustrating process—again, for the public interest?

**Mr Steel:** Not at the present time. Our focus is on delivering better services for Canberrans.

**THE CHAIR:** Mr Cain, do you have a substantive question?

**MR CAIN:** I note the irrelevance of the answer of the minister. But thank you, Chair.

**THE CHAIR:** Okay. I will move on. Minister, do you have any better practice guidelines on how frequently panels should be retendered?

**Mr Steel:** We have probity guidelines in place which go to the integrity and probity of matters. There are a number of other guides that Procurement ACT publishes to provide advice and support to directorates in making procurement decisions. They go to value for money guidance, as well as a whole range of other matters. I will hand over to Procurement ACT to provide some further detail on that.

**Mr Bain:** Thank you, Minister. That is exactly right. It is very difficult to provide a blanket level of guidance on that. Indeed, depending on the nature of the market, and the nature of the goods, services or activity being procured in the first place, it is sometimes appropriate to have very longstanding panels. In other cases, it is more appropriate to have them either very short run or opened up frequently for new people to come and join them.

One of the value for money considerations that we tend to overlook is the value to the community. Part of that assessment is that it takes a fair deal of effort, particularly for small to medium enterprises, to actually tender to get onto a panel in the first place. We have to balance that, when we are talking with the people undertaking a procurement, with what is a reasonable expectation from the industry and the sector that they are approaching. The short answer is: no, we do not have specific guidelines on that. But our advice centres around value for money to the territory and practicality, and the expectations of the sector with which they are engaging.

**THE CHAIR:** Okay. Thank you.

**MS ORR:** I would like to change topic and focus on the motor accident injuries insurance. I know that the scheme is relatively new and that there was a lot of debate about how it would work when we moved to it here in the ACT. What sorts of trends or evidence have you seen as the scheme has come into practice and been active for a little while?

**Mr Steel:** I will hand over to the MAI team to provide some further context. To put it

in a nutshell: more money is going into care and support and less on legal fees.

**MS ORR:** It looks like we have got some people coming up to the witness table.

**Mr Bain:** Apologies, Ms Orr. We have new officials coming into the room. Would you mind just repeating the question, please?

**MS ORR:** The question was on the scheme for the motor accident injuries insurance. Given that the newer scheme has been in operation for a little bit now, what sorts of trends and outcomes are we starting to see from the new scheme, in its application?

**Ms Holmes:** I have read the privilege statement and understood it. The time frame that we are seeing under the new scheme is significantly improved over what we were seeing under the previous scheme, the CTP scheme. That reflects the scheme's focus on encouraging early and appropriate treatment and care for injured people. Fifty-eight per cent of injured people are actually receiving their first treatment and care payment within two weeks or less of putting in an application to the scheme. Just under half, 46 per cent, are receiving their first income replacement payment within four weeks or less of applying to the scheme. It is significantly improved over what we have seen in the past. The overwhelming majority of the scheme costs have been payments for defined benefits to injured people and their family. So \$11.9 million of defined benefits have been paid out, which is 95 per cent of the total scheme cost of \$12.6 million.

**MS ORR:** Okay. Are we seeing many of the matters that are before the scheme proceed through to ACAT for review?

**Ms Holmes:** At the moment we have 742 individuals who have applied for benefits under the scheme. Of that 742, in comparison, we have only had 48 internal review applications made. That is a very small number compared to the overall number of people who are applying to the scheme. When you put it in the context of multiple decisions being made per injured person, that fraction becomes even smaller. In terms of external review applications being made to ACAT, there have been 22 applications to date—once again, an extremely low number.

**MS ORR:** Okay. Do you have any oversight on whether those ones that are going to external review have first gone through internal review?

**Ms Holmes:** Yes. The way the legislation, the scheme, works is that they go to internal review first, before they can go on to external review.

**MS ORR:** Okay. There was a bit of discussion at the time when the scheme was coming in about insurer profits and how they are going to be regulated. Can you give me a bit of an overview on New South Wales's recent moves to control insurer profits and what opportunity there is in the ACT for those?

**Ms Holmes:** There are two mechanisms that we have in relation to insurer profits. The first is that insurers have to apply to the commission to get approval for their premiums. There is a guideline which is issued, which says all the information that an insurer has to provide in relation to those premiums. One of those elements is in

relation to the amount of profit margin that they have built into the premium that they are wanting to charge.

A part of the work that we do, as the commission, is to check that the amount of profit represents an adequate return on the capital invested and the compensation that is being taken. The actuary has estimated that the profit margins in those premiums are between 8.5 and 10.5 per cent.

In addition, the legislation allows a mechanism to be put in place if a licensed insurer's actual profit differs from reasonable industry profit. That regulation, which has yet to be made, would set out how the commission is to determine profit, including the method of working out what reasonable profits are, and what action the commission could take in relation to those actual profits.

The regulation, we have said since the time of the legislation being passed, will be made in the future, if the analysis indicates that insurer profits might be higher than what is reasonable for the industry. Actual profits requires, for an accident year, that you are comparing the total amount of the premiums which have been collected, versus the actual costs for all of the claims and applications for those injured people.

For those claims and applications, people can get up to five years for treatment and care, and then you could have common-law cases extending beyond the five years. Given that the scheme has only been in operation for two years, it is too early to start looking at what those estimated actual profits might be. The actuarial advice that we have had is that we probably cannot commence undertaking that analysis until the scheme has been in operation for at least four years.

The other element that I think it is really worthwhile noting, in terms of indicators of whether or not the profits might be too high, is to look at the effect that competition has been having on premiums since the scheme commenced, the MAI scheme. In the two years since it has commenced, we have seen premiums fall by \$22, which is five per cent. That is in relation to average passenger vehicle premiums. So there is a downward pressure which is occurring naturally because of competition, which is helping things such as premiums to be maintained at reasonable levels, and that is despite costs actually rising over the two-year period.

**MS ORR:** Okay. I was going to ask what factors would determine whether government exercised its legislative powers, but I believe you have already covered those. I will just check that there is nothing to add.

**Ms Holmes:** No. I think I have probably covered off the things that we would look at.

**MS ORR:** Yes, I think you have covered it. Thank you.

**MR CAIN:** I refer to page 92 of volume 1 of the CMTEDD report. Minister, why is the target for contracts awarded to Indigenous suppliers set so low, at one per cent, given that the actual result was 2.57 per cent?

**Mr Steel:** I will hand over to CMTEDD to provide some guidance there. But certainly a lot of work has been done around Aboriginal and Torres Strait Islander support for

Procurement ACT over recent years, which is a really great success story, and supporting directorates to go to Aboriginal and Torres Strait Islander suppliers and make them aware of the benefits and opportunities that this provides for their agency.

**Mr Bain:** That particular target figure has not been revised recently, but there has been a steady improvement over the years, particularly as the Aboriginal and Torres Strait Islander procurement policy has taken greater effect.

**MR CAIN:** Is the measure the value of the contract awarded or the volume of the contracts awarded?

**Mr Bain:** I will just check. It is on page 92. It is one of those specific measures, is it not, that you are talking about, the Aboriginal and Torres Strait Islander or social inclusion measure?

**MR CAIN:** The 2.57 per cent achievement is the one I am referring to.

**Mr Bain:** That is the volume of contracts, not the value of those contracts.

**MR CAIN:** Would it not also be instructive to have a measure for the value of the contracts awarded as well? Obviously very, very small contracts could be issued in proportion to the total to produce a high, a percentage of 2.57, but that might be a very, very low value compared to the total.

**Mr Bain:** It can be. I think you have struck one of those dilemmas in policy development and review, which is that the appropriate measures can sometimes be skewed by the relatively low numbers that we look at. There is a measure of a dollar figure, if you like, associated with the Aboriginal and Torres Strait Islander procurement policy, the target for which has been climbing by, I think, half a per cent each year since its introduction.

The territory, overall, has managed to maintain a very good record against that target. But it, too, suffers from exactly the opposite to what you have just suggested, whereby one very large contract, given the small number of contracts there, can skew it the other way. I do not think we have struck the perfect balance yet.

**MR CAIN:** Why not have reporting on both targets; in other words, the dollar value target as well as the number of arrangements as a target?

**Mr Bain:** That is exactly what we do for the Aboriginal and Torres Strait Islander procurement policy. Indeed, we also take it one further, to the number or the percentage of unique businesses to which those contracts have gone. But we have not expanded that to this particular measure on social inclusion as well.

**MR CAIN:** That is something, I think, that is worth contemplating.

**THE CHAIR:** I have a substantive question. It is on page 92 as well. You referred to continuing “to enhance our procurement systems and platforms by updating and modernising the Tenders ACT platform to provide greater useability and accessibility”. I am just wondering is this a prescribed program of identified works,

and what is the budget for this in 2021-22?

**Mr Bain:** That particular reference reflects our incremental changes to the systems. There is no specific budget. There is certainly no call to budget for those improvements. The program is incremental changes as those software platforms allow for modernisation or improvements to accessibility. One such arrangement with Tenders ACT, for example, was that we made some slight amendments to how that works to incorporate some of our smart forms, rather than manual interventions, to get the data in there. It is that incremental level of adjustment and improvement; it is not a major reform project.

**THE CHAIR:** How do you measure usability and accessibility? Can you give us the performance details from, say, 2020-21 and your target increase—obviously, what you are aiming for—for this year?

**Mr Bain:** We do that, and we do that through two means. One is an analysis of the time available. That goes to the accessibility. I do not have the actual targets at hand. They are in the report. We exceed them regularly in terms of availability of the system. But we also do survey users of the system, internal and external, and I think there is about an 85 per cent target around acceptance or acceptability of the service. Again, we regularly exceed that target.

**THE CHAIR:** And just to be clear, you have no budget for updating the platform? Is that what you said earlier?

**Mr Bain:** No specific budget; it is just part of our operational costs as part of the maintenance arrangement. The systems that we buy that are part of that maintenance arrangement allow for minor adjustments as they become available.

**THE CHAIR:** I am just wondering, if it is part of the operational costs, at what point in the report will it become costed, a line. Is it just all rolled into BAU? What part of your budget goes towards updating the system?

**Mr Bain:** As I said, our current budget arrangements are such that we use the operational components to make regular payments for access to the services. We buy these systems as a service; we do not house them ourselves. It is part of that maintenance, year-on-year licence and maintenance fee, that incorporates minor adjustments as they become available. Obviously it is a matter for government at what point they might choose to invest in any further ICT improvements.

**MR CAIN:** Minister, do you have any guidelines on the declaration of public donations or affiliations of tenderers?

**Mr Steel:** We have the probity guidelines, which are published on the ACT government's website, that were released last year and deal with conflict of interest issues as part of our broader integrity framework. I will hand over to Glenn Bain to provide some further detail about the guidelines.

**Mr Bain:** As you have said, Minister, it is largely encapsulated in the thinking around probity for the procurement process and the guidelines. While not specifically going

to the matter you raised, Mr Cain, we certainly encourage procurement practitioners to have a look at the risk associated with the procurement, in particular the probity risks. According to where those probity risks lie, we strongly encourage, and indeed recommend, the use of probity advisers to go through those sorts of questions.

In terms of conflict of interest, certainly internally now we have made a very strong suggestion that all ACT public service officers that are engaged or involved in procurement have a good look at their potential for any conflict of interest and make those declarations so that they can be dealt with appropriately.

**MR CAIN:** Are tenderers investigated as to whether they have made political donations or are they asked to declare that?

**Mr Bain:** I do not believe so, as a matter of course. There are certainly no guidelines along that.

**Mr Steel:** That would be covered by the Electoral Act requirements. But certainly in the probity guidelines there is a section on conflict of interest. There is a conflict of interest declaration form. I would imagine that a donation that was made that reflects on a conflict would have to be reported under that, if it was relevant to the procurement.

If you are talking specifically about MLAs and ministers, there is already a process that has been set up to declare conflict of interest—perceived conflict of interest or real conflict of interest—for ministers, and that is held by the Chief Minister.

**MR CAIN:** I am aware of that, Minister. Surely it would make a lot of sense for tenderers to declare whether they have made donations to a political party. At the moment we have a Labor-Greens government in place. There certainly would be a perception of bias if a tender was awarded to a heavy donor to either party?

**Mr Steel:** If it was a declarable donation then it would have to be declared by both the party and the donor, under electoral law.

**MR CAIN:** And would it have to be declared as part of the tendering process?

**Mr Steel:** If it was directly related to the process then there are certainly guidelines there for how to manage conflict of interest, and the probity adviser would provide advice in relation to a particular project. Any issues that may come up may need to be assessed in relation to that.

**MR CAIN:** That does not sound like a definite yes, Minister.

**Mr Steel:** I would refer you to the guidelines, to have a look at them, and I refer you to the broader integrity framework and our donor declaration laws.

**MR CAIN:** Given you have said things like, “I imagine that” or “I suspect” or “I am confident”, that is not necessarily a strong assurance that political donors are not being favoured with tenders.

**Mr Steel:** There are strong processes in place and guidance on probity and integrity and procurements, and that is available through the guidance that Procurement ACT has published for directorates to use. If it is relevant to a particular procurement, then those guidelines will provide advice to directorates in that case.

**MR CAIN:** Minister, with respect, you have said there are strong guidelines in place. Yet both the Auditor-General and, just last week, the Integrity Commissioner have challenged the strength of any probity certainly in the procurement for the Campbell modernisation and, as the Integrity Commissioner has said, all ACT government procurements. Your assurances are not very comforting.

**Mr Steel:** I am confident that we have got an integrity framework that the ACT government has put in place, including the Integrity Commissioner and the Auditor-General but also through the work that Procurement ACT does in providing advice and support to directorates in undertaking procurements with the highest level of probity. The probity guidelines were released last year. I understand that that was after this particular procurement took place. Procurement ACT continues to provide education, resources and training to practitioners in implementing those guidelines.

**MR CAIN:** But, again, the reasons appear to be mounting for a fresh, independent inquiry of ACT Procurement processes, noting in particular that the one that was mentioned by Ms Lee earlier was prior to the publishing of the Auditor-General's report and obviously prior to the Integrity Commissioner putting grave doubts on the integrity and the probity of ACT procurements. Surely the case for an independent inquiry of ACT procurements is so strong that it cannot be denied?

**Mr Steel:** We have already undertaken an independent inquiry into Procurement ACT. That, I believe, was probably initiated whilst the Auditor-General inquiry that you are talking about was underway. I would imagine that it certainly has taken into account that there has been some Auditor-General work underway. But we have recently, as a government, established the Integrity Commission, and we continue to work with the Auditor-General and we will respond to the recommendations in that particular case. I note that the Integrity Commission have not yet made a decision about whether they will actually undertake an inquiry, but they are asking for people to contact them if they have any concerns. We certainly support them in doing that.

**MR CAIN:** A responsible government, as you have touted earlier, surely would have its own inquiry, nonetheless.

**Mr Steel:** I will take that as a comment, not a question.

**THE CHAIR:** I have got some questions with regard to training. We may have touched on this earlier. Apologies if we did. Auditor-General's report No 7, *Procurement Exemptions and Value for Money*, recommended providing training on the use of tenderer evaluation report templates. I am wondering if this training has been conducted. I did hear something about online training earlier in all directorates and agencies.

**Mr Steel:** I will hand over to Mr Bain.

**Mr Bain:** Yes, that training has been made available—and not only online but Procurement ACT has undertaken a series of face-to-face and virtual, in the COVID environment, training sessions as well to supplement the use of template material that we made available. One of the responses to that report gave us cause to revisit those templates and make sure that they are contemporary and fit for purpose. That spurs on the need then to trade on the use of those templates and best practice.

We do have a considerable number of people across the territory also involved in a procurement community of practice where these sorts of matters are aired and discussed. These are the people that are actually at the coalface, doing the procurements in the directorates. We tend to test some of our template work and our training with that community of practice. The number is in the vicinity of 300 officers at all levels across government. They too become, I suppose, the champions of that best practice and training. I think it has been well and truly covered off. We will not stop, obviously. We will make sure that that is something that we are seen to be on the front foot with.

In terms of the use of the templates, the training on them and the requirements, I can get numbers you were after. I would be happy to take that on notice and provide you with a list of the numbers of people that have actually participated in the various e-learning modules and face-to-face modules.

**THE CHAIR:** You read my mind. Thank you so much. Yes, I would love to know how many have done the training and what your forecast is, going forward, for the next year for the public service. Obviously, it must be an ongoing thing. I have noted that you will take that one on notice.

Moving on, the Auditor-General's report states that there was no evidence that whole-of-life costs were factored into the value for money assessment. Recommendation 4 of that report was to prepare better practice guidance on the identification of whole-of-life costs. I am wondering, since then, what has been prepared with regard to guidance on the identification of the whole-of-life costs and how are these incorporated into value for money assessments?

**Mr Bain:** I am happy to take that. We have developed and published those guidelines on the Procurement ACT webpage, available for all ACT public servants. Just following up quickly on your last question, my wonderful team have got together for me some numbers that you might be interested in. We have trained 965 individual officers through online and face-to-face training, up to 28 February. That is across a broad spectrum of modules, but still that is a considerable proportion of people that are undertaking procurement activity across the territory.

**MS ORR:** Mr Bain, it sounds like there are quite a few courses. Can you just give us a quick overview of some of the courses and training options that you have there for public servants to do?

**Mr Bain:** I can. In fact, I will bring it up so that I do not mislead you. Again, they are available through the Procurement ACT website. If you will excuse my fumbling with the technology, I should be able to give you a comprehensive list.

We have fact sheets and guidance on calculating whole-of-life costs; value for money considerations; risk management; distinguishing procurements from grants; the definition of procurement; spend under the Aboriginal and Torres Strait Islander procurement policy; conflict of interest; approach to market and request types; contract variations; procurement framework thresholds; establishing standing offer arrangements and panel arrangements; free-trade agreements; reporting contracts and invoices; training on the procurement framework itself; the Plastic Reduction Act 2021; the Australia and New Zealand Government Procurement Agreement; supplier debriefing—a very important element; disposal of assets; industry briefing and site inspections for a procurement process; and managing financial risks through the use of insurances, indemnities and performance guarantees. One that will be updated again as part of the cycle is the procurement during caretaker period.

They are the sorts of guidelines and material available. I am just trying to find the list of specific training, e-learning and face to face. If I can't find it in a second, I might have to take it on notice and get it back, hopefully, before the end of the hearing period.

**MS ORR:** Okay.

**MR CAIN:** Minister, my question is in regard to FOI requests. I refer to the ACT Ombudsman's report on the operation of the Freedom of Information Act, and the CMTEDD report, volume 1, page 139. In 2021 the ACT Ombudsman reported that the number of FOI refusals increased by one-third, compared to the previous year. Minister, is that expected to be the case again this year, and what are you doing across the whole of government to reduce the rate of refusals and to speed up the release of information?

**Mr Steel:** There may be very good reasons for refusals. If CMTEDD officials can provide some further context for those numbers, that would be useful. There are a few officials coming in. You might have to repeat your question, Mr Cain, for the benefit of officials.

**Ms Croke:** I acknowledge the privilege statement. Mr Cain, I did hear the question. I think I am going to have to take that on notice so that I can ask our corporate colleagues if they can provide more detail about that.

**MR CAIN:** Okay. Thank you.

**THE CHAIR:** I have some questions about the ACT Insurance Authority. Do we have the right people in the room?

**Mr Bain:** We will just bring them in, Chair.

*Interruption in sound recording—*

**Ms Holmes:** ... for the ACT for the private sector, and we have just completed procurement for actuarial services in that business. We have actuarial services in that part of our business in the ACTIA portfolio, which is internal to government, and in our office of the nominal defendant portfolio, which we also administer. The only

procurement activity we have undertaken in that space, for actuaries in particular, has been in the current financial year and has been related to the default insurance fund portfolio. That particular procurement has gone out through the panel service and we have requested quotes to tender for that service.

**THE CHAIR:** Just so that I understand: you are still trying to—

**Ms Holmes:** I believe that procurement has now completed. Yes.

**THE CHAIR:** Right. Okay. So you are happy with the services that you now have access to?

**Ms Holmes:** Yes, and they will be in place for the coming three-year term.

**THE CHAIR:** Great. Thank you. On page 18 of your annual report I note that you refer to the level of satisfaction with the authority and highlight positive experiences. The overall satisfaction for the authority was 81 per cent. Can you tell me what KPIs you have in place to measure this against? Is it a satisfaction rating?

**Ms Holmes:** Yes, it is. We undertake that satisfaction survey annually with our internal government and agency partners. It looks at some key specific areas. It looks at risk management services that the authority provides, claims management services that the authority provides, and insurance services and financial services. They roll together to provide that overarching global satisfaction rate. As you say, it is at greater than 80 per cent, which is our target, which is fantastic to hear, but we are also looking for opportunities to improve.

**THE CHAIR:** Thank you. It is good to hit your targets. I am wondering how that measures against other jurisdictions?

**Ms Holmes:** It is exceptionally challenging to compare us to other jurisdictions. We are unique in that the services that we deliver internally to government are not on the scale of some of our counterparts in other jurisdictions. The territory is obviously quite a lot smaller, but also our services are quite diverse because we are rolled into one function that does risk, insurance claims and financial practices all in one, which not all of our counterparts do. So it is quite difficult to benchmark us, in totality, against perhaps what our equivalent would look like in New South Wales or South Australia, for example.

**THE CHAIR:** Great. Thank you. I have one last question about the negative experiences, the 20 per cent that are not happy. Can you give me an idea of what those problems have been?

**Ms Holmes:** Sure. We do ask for free-text feedback and open comment as to some of the areas. We have seen, over the past two years, a large number of claims made, particularly in the property insurance portfolio. Obviously, we have had a number of natural catastrophes; we have had the hailstorms—well, lots of storms, actually—over the past two years, unfortunately.

What that does is create a higher volume of claims than we are used to managing at

any given point in time. We do our best to scale, to manage those, but quite often in those particular situations we have business-as-usual claims that we are managing as well and we need to manage that peak. I think there is probably a component of our ability to get back to directorates in a timely manner to manage those, but that is something that we are working on improving, through our claims processing procedures, with the claims team.

Also during the past two years, we have seen exceptionally challenging insurance markets globally and that has put pressure on us from a financial perspective. Again, what directorates are feeling is that same pressure that we are feeling, which is increasing the number of claims and insurance-related issues that we are trying to deal with on a large scale, which we are not used to doing. So it is about putting some new processes in place to manage those into the future.

**THE CHAIR:** Okay. Just one last question on this one. You said “large scale”. I am wondering about the Canberra stadium and when it last had an insurance risk review. Do you know any information about that?

**Ms Holmes:** When you say “an insurance risk review”, what in particular—

**THE CHAIR:** Patron safety and things like that; keeping premiums under control; just their insurance risk review.

**Ms Holmes:** We are not responsible for undertaking a review of each site specifically. What we ask directorates to do is to provide us with information about their assets on an annual basis, and that includes valuation, what they have done in terms of perhaps improving that particular asset, for example.

What we do independently of the directorates is what we call property loss control surveys. They are done in partnership with our lead property reinsurer and they look at eight different assets per year. They tend to be the larger assets in our portfolio and they look at things that an insurer is interested in: fire suppression systems and their functionality, access and egress, maintenance and those sorts of activities. The Canberra stadium, I believe, has been one of those properties. I could not tell you which year; I would have to take that on notice to be able to tell you exactly which year they were last part of that program.

**THE CHAIR:** I would appreciate that. Thank you.

**Ms Holmes:** Not a problem.

**THE CHAIR:** It is obviously up to them, the venue, to do this analysis.

**Ms Holmes:** I was just going to say that it is up to the directorate to take on any recommendations made out of those assessments, in terms of improvements or upgrades that might need to take place. It is done on a recommendation basis for improvement, rather than perhaps suggesting that there is anything particularly wrong with that asset.

**THE CHAIR:** Thank you. Mr Cain, can you hear us?

**MR CAIN:** I can. There is quite a lot of breaking up from both you, Chair—and obviously that is not your fault—and ACTIA as well. I have got a question and—

**THE CHAIR:** Fire away. It looks like Mr Cain has got some issues.

**MS ORR:** I am not sure what is going on, but I certainly have not had any of the technical problems Mr Cain has had. Maybe it is just his connection that is a bit of an issue.

**THE CHAIR:** Yes. Has he gone?

**MS ORR:** I can only see an orange question mark, so I think we can take it that he has dropped out.

**THE CHAIR:** Me too. Okay. Thank you. I have more questions, if we are happy for me to just roll on by. They are about the community facilities charging policy. Do we have the people in the room who can help me with that?

**Mr Bain:** We will get them. They are just outside.

**THE CHAIR:** Thank you so much. Mr Cain, can you hear us now? No. It looks like—

**MR CAIN:** I can. I do not know what happened in the last minute, because hardly anyone was coming through to my feed.

**THE CHAIR:** If you can turn your video off, Mr Cain, we should be able to hear you. Often the video feed is what causes the problem.

**MR CAIN:** Yes. Thank you. I have turned my video off. I do not know if that would be a suggestion for others as well. Forgive me; I am not quite sure if this got covered off in the chair's questioning. Regarding ACTIA, is there a formal review program for ACT government directorates' processes and assets to identify opportunities to reduce insurance risk and, obviously, leading to the consequent reduction in premiums?

**Ms Holmes:** Thank you, Mr Cain. As I mentioned earlier, we rely on directorates and agencies to provide us with information on their assets on an annual basis. That forms the basis of our insurance pool or the limit to which we purchase reinsurance, for example. I think it is important to note that premiums are made up of not only the consideration as to the asset that we are insuring but also the claims history that a particular directorate or agency might have experienced. We do ask for that information. It is exceptionally important information. Along with asset information, we ask for information about activities that directorates and agencies are undertaking, new lines of business that they may be entering, new acquisitions, for example, because, as you say, it does impact on our insurance pool and therefore our premium.

Because we rely on that information to come through from directorates, it is incumbent on them to ensure that they look after their assets, for example, and ensure that they are maintained appropriately. The work that we do through the property loss

control surveys with our lead property reinsurer provides an avenue to assess the larger assets in our pool on a regular basis for exactly as you say: improvements or considerations that we can give to the directorates to improve maintenance functions.

**THE CHAIR:** Thank you. I will go back to my community facilities question. Thank you for popping into the session. I am wondering how the fees are determined, broadly, for community facilities, but specifically for managing and hiring community facilities out, including schools? Is it on a full cost-recovery basis?

**Mr Steel:** I do not think we can talk in terms of school infrastructure, but we certainly can in relation to Property Group infrastructure and the arrangements we have in place there. I will go to Mr Tanton.

**Mr Tanton:** There are a number of levels of charging regime for community assets. That obviously does not include sports and rec fields and things like that. For the area that we look after, there are generally a number of ways that that can be charged. One is commercial rates, which is basically done through market reviews. That would probably be looking at some of the more commercially viable organisations, plus the tenancies of that nature. We then have community rates, which are reviewed on a site-by-site basis, where we look at recovering the cost for a cost-neutral running of a facility. They are reviewed on an annual basis.

We have a number of peppercorn rents. They are generally legacy rates where there is no rental but the individual peppercorn organisations who are deemed to be acceptable need to assist in providing some costs—that is, the first \$500 of maintenance requests and things like that. Those are the three areas that we have regarding the charging regime in that space. Obviously, as I have mentioned, I cannot talk for some of those other community facilities that come under some of the different portfolios.

**Mr Steel:** Mr Tanton, I think Ms Castley was getting not necessarily to the cost of having a licence but more to the ad hoc rental of a community hall that might be in the Property Group portfolio, under Weston Creek community centre or something like that.

**THE CHAIR:** Thank you, Minister. Did you say that it was sporting ovals as well that you—

**Mr Tanton:** No.

**THE CHAIR:** All right. Then certainly I would like to zip over to—

**Mr Steel:** Sorry, I do not think we had your question answered, Ms Castley, on that one. Mr Tanton, do you want to provide some further detail on what the hiring rates are as opposed to the leasing arrangements?

**Mr Tanton:** I will take that on notice, if that is okay, Minister, because there are different scales and rates. I would like to take that on notice and come back.

**THE CHAIR:** In the last five minutes, you mentioned “peppercorn”, so I would like

to talk about those rents. On page 131, volume 1, there was a list of organisations receiving peppercorn rents. I am wondering, has there been a list loaded onto the ACT Property Group website?

**Mr Tanton:** Yes, there has.

**THE CHAIR:** Thank you. There was a recommendation to draft a policy on peppercorn rent. I am wondering where this report is. Is it due to be completed soon; has it already been done?

**Mr Tanton:** Yes, we have started preparing the policy in regard to peppercorn and the like. It is still in development at this point in time, and we are hoping to get that done in the near future and then provide it to government for consideration.

**THE CHAIR:** The near future would be six months?

**Mr Tanton:** Less than that. We have started drafting it; it is just a matter of consultation more broadly, so within the next three to four months definitely.

**Mr Steel:** This is also linked to the piece of work which we discussed before around the future and renewal of ACT Property Group assets. We know that there are many organisations that do not really receive any revenue from the ACT government or the commonwealth government or through charitable means, or they may only receive revenue through charitable means. In part, this is about looking at what is a reasonable amount to charge that enables us to keep our properties maintained—because that is really important to make sure that we can have functioning properties, for community services to be delivered, for example—and at what level, and what contribution community organisations should make.

Obviously, commercial organisations should absolutely pay a contribution, but then there are various different levels when it comes to community organisations around the level of revenue that they receive from various grant programs and other sources of revenue, government and non-government, and their ability to help maintain the properties that they occupy.

**THE CHAIR:** Thanks. I am keen to see that report because I am concerned about the lack of transparency. How can peppercorn rents be handed out without a policy in place? I am just wondering how that gets administered.

**Mr Steel:** Well, many of these are historic. They have been around for many years. They are organisations that do not have a significant amount of revenue, and so effectively the government are subsidising them to provide the services out of our properties, because they are not making a contribution to the maintenance in the same way that other community organisations are. The development of this policy is designed to make sure that any new organisations move on to an arrangement that reflects their ability to contribute to the maintenance of our assets.

**THE CHAIR:** Okay. Will periodic reviews be part of the policy, just to ensure the ongoing suitability of the organisations partaking in the peppercorn rents?

**Mr Steel:** I think Property Group has done that from time to time, in terms of working with organisations to move them onto different rental arrangements. Mr Tanton, do you want to comment on that?

**Mr Tanton:** Chair, that will be something that we will be looking at as we go forward. Obviously, the financial positions of different organisations change over time, and sometimes, with additional funding, they become more commercial in their arrangements. So it is something, as part of that policy, that we will be looking at. Obviously, we want to try and make the playing field fair, noting that there are new organisations coming in who probably have financial challenges. Providing equity and fairness across the system is what we will be endeavouring to do with the policy.

**Mr Steel:** It is also about incentivising the efficient use of ACT government property. We have organisations on the waiting list. Unfortunately, a peppercorn rental does not necessarily support the efficient use of the space that a community organisation has, because they have no incentive to bring other groups in to use that space and cross-subsidise the use of that space. So one of the objectives is to make sure that we have efficient use of the government buildings that we have in the portfolio.

**THE CHAIR:** Okay. It has been a marathon session. Thank you to everybody. I would like to thank Minister Steel and all of your officials today. There have been many questions taken on notice. Would you please provide those answers to our committee secretary within five working days. It has been a big old afternoon. I adjourn this meeting for today. We will reconvene on Thursday, 3 March at 9.15 am.

**The committee adjourned at 6.01 pm.**