



**LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS AND
ADMINISTRATION**

(Reference: [Inquiries into Annual and Financial Reports 2023-24](#))

Members:

**MR J MILLIGAN (Chair)
MS F CARRICK (Deputy Chair)
MS C TOUGH**

TRANSCRIPT OF EVIDENCE

CANBERRA

MONDAY, 17 FEBRUARY 2025

**Secretary to the committee:
Ms S Milne (Ph: 6205 0435)**

By authority of the Legislative Assembly for the Australian Capital Territory

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

APPEARANCES

Chief Minister, Treasury and Economic Development Directorate	81, 106
Environment, Planning and Sustainable Development Directorate	81
Infrastructure Canberra	106

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Amended 20 May 2013

The committee met at 1.05 pm.

Appearances:

Stephen-Smith, Ms Rachel, Minister for Health, Minister for Mental Health, Minister for Finance and Minister for the Public Service

Chief Minister, Treasury and Economic Development Directorate

Campbell, Mr Russ, Acting Under Treasurer, Office of the Under Treasurer, Treasury

Pirie, Mr Mitch, Acting Deputy Under Treasurer, ERI and Acting Coordinator-General for Housing, Office of the Deputy Under Treasurer, ERI, Treasury

Hezkial, Mr Ray, Managing Director, Icon Water Limited, Treasury

Yau, Ms Joy, Chief Financial Officer, Icon Water Limited, Treasury

Pratt, Ms Alison, General Counsel, Icon Water Limited, Treasury

Salisbury, Mr Kim, Executive Group Manager, Revenue Management, Treasury

Shields, Ms Penny, General Manager, ACT Insurance Authority

Austin, Mr Scott, Acting Deputy Under Treasurer, Budget, Procurement, Investment and Finance, Treasury

Environment, Planning and Sustainable Development Directorate

Malouf, Ms Ros, Executive Branch Manager, Climate Change and Energy Programs

THE CHAIR: Good afternoon and welcome to today's annual hearings. We welcome Minister Rachel Stephen-Smith and all officials. You are here in the capacity of the Chief Minister, Treasury and Economic Development Directorate and Icon Water Limited.

I remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the pink privilege statement. Witnesses must tell the truth. Giving false or misleading evidence will be treated as a serious matter and may be considered contempt of the Assembly. When you first speak, please confirm that you understand the implications of the statement and that you agree and will comply with it.

As we are not starting with opening statements, we might go straight through to questions. I would like to start off with Ms Carrick.

MS CARRICK: My question is about the review of programs. The budget papers talks about reviewing government programs and functions. Where are we up to with reviewing the programs; where do they fit into the financial framework; and when was the last time there was an independent review of programs and outputs?

Ms Stephen-Smith: Thank you, Ms Carrick. I am here in my role as Minister for Finance, and I acknowledge the privilege statement. I will hand over to someone on the last question of when the last review was. I am not sure that anyone here is going to be able to answer that question, but we will have a look. In relation to the review of programs currently foreshadowed, I think it is fair to say that, at the moment, we are focusing primarily on the 2025-26 budget process, which is well underway, and the machinery of government changes that are taking place at the moment.

In the context of the budget process, all directorates are required to come forward with offsets for any new expenditures. So, in itself, that is asking directorates to review their priorities within their portfolios and do that with ministers, of course. All ministers will be looking at their own programs and priorities as part of the 2025-26 budget process. Beyond that, no determination has been made of what a further whole-of-government review of programs and priorities will look like. That is still a decision to go through the ERC budget process.

But I think we will be informed by the current work of the ACTPS task force that is being independently chaired by Caroline Edwards. That is looking specifically at the work around the machinery of government changes. But I think, from my conversations with Ms Edwards, that there will be some other things that come out of that. For example, that people have made broader observations about the way the ACT public service operates—so the programs and services and the way that they are run and whether there are overlaps or gaps in those that people observe through that task force process. That will form a pretty good basis for us to then do some further work around a more programmatic review. Russ, did you want to add anything?

Mr Campbell: I have read and understand the privilege statement. I probably do not have a lot to add to what the minister was saying about the prioritisation process—that the budget will help some of that prioritisation and development of potential future work in this area. Last week in the Treasury session we took on notice when there was the last independent review of the program. We will come back to you in writing on that.

MS CARRICK: Okay. How do programs fit into the financial framework? From what I can see, it is all outputs. You do not see the language programs—that language. When you say you are reviewing programs, how does that fit into the framework?

Mr Campbell: What the actual boundaries of this piece of work look like is yet to be determined. That will be worked through the current budget process. Really, the budget review was just the update on where we are. The real formal thinking around this is going to be occurring through the 2025-26 budget development. It will go to issues such as those you have spoken about—do we have the right objectives and outcomes and how are we assessing against those? But, in terms of particular programs that might be directed towards some of those outcomes, as we are developing that through government, we would define the boundaries of what the inquiry might look like. As the minister has already said, as part of the formal budget process, there is already a requirement to be looking at priorities as they exist now. That will help inform that work.

MS CARRICK: Could it be a review of the framework itself?

Mr Campbell: In terms of the reporting framework or—

MS CARRICK: Or the framework of outputs, programs, the line of sight between budget and actuals and the line of sight between an appropriation and what it is made up of?

Mr Campbell: Certainly no decisions have been taken on that as yet, but I would not necessarily rule that in or out. It would be a matter for government to consider exactly what that would look like.

MS CARRICK: Okay; thank you.

MR COCKS: One of the big challenges that we have in looking through annual reports and through budgets is the difficulty in tracing from one financial year to another, the shifting of programs from one outcome to another, redefining outputs and just generally an inconsistency from one year to another. That is a real difficulty from our end as MLAs. How do you deal with that from a Finance perspective, and how do you make sure the objectives and the funding attached at the start of a program continue to be tracked throughout subsequent budgets where there seem to be changes every year?

Mr Campbell: I might throw to my colleague, the deputy in charge of budget and reporting. We may need to come back to you in a bit more detail to answer that question in its full scope. Fundamentally, though, once a decision is taken through the budget process, it is a matter for the relevant agency to be tracking their current program spending. They will feed those figures through into the general budget management system. That is our mechanism, certainly in the Treasury side of things, to monitor and track reporting. The hierarchy of reporting is something that each of the directorates will need to turn their mind to. Is there anything further we can give as an update on that?

Mr Austin: The primary way we track decisions is through the initiatives in the budget. You will see that every budget review will have initiatives, and that is what we track through our expense system. As you point out, there might be changes in outputs or there might be MoG changes or that sort of thing, but the fundamental basis for it is those initiatives. That is why we track.

MR COCKS: But those initiatives can move between different agencies to deliver and even sit under different outcomes within that agency?

Mr Austin: Potentially, if there was a MoG change, a machinery of government change, that is true, yes.

Mr Campbell: But we track those movements.

MR COCKS: You were saying, Mr Campbell, that there is more information you can provide on notice. Is that what you are saying?

Mr Campbell: Yes, I will see if there is any further that would help direct to your question.

MS CARRICK: On your general budget management system, at what level does it track budgets and expenditure? Is it an output, an initiative or—

Mr Austin: When we track the expected expenses, we do not go to that level in the actuals, as far as I understand. So it is more at output level, I think, than the actuals.

Individual agencies actually track their budgets at a much more granular level. I have got a fair degree of understanding of my budget for Finance and Budget Group that is not reflected in the budget papers, but it is limited by what funding I have been given. On the expense side, the GBMS tracks, as I said, at initiative level and builds up to outputs. In actuals, it does not go to that level of detail. So we could not tell you how we are tracking against an initiative; we would have to go back to the agency and ask them how they are going.

MS CARRICK: So how do you know where there are savings?

Mr Austin: We will be talking to agencies as we go through as well and we have an understanding of where resources have been allocated. We might know, for example, that an initiative is terminated or finished but potentially resources might be ongoing. We would form an assessment, I guess, in our advice to government about how the agency is tracking against its deliverables.

MS CARRICK: Do you have a list of the initiatives and whether they are terminating or ongoing?

Mr Austin: Yes, and there was a list included in the pre-election budget update last year on those terminating initiatives.

MS TOUGH: My question is about the Sustainable Household Scheme. The CMTEDD 2023-24 annual report stated that the Sustainable Household Scheme is providing loans to support households to electrify their homes and transport. How much loan capital has been invested in that program so far? I would also like to declare for later, if it comes up, that a family member of mine has a company with a financial relationship with Icon Water—selling products to Icon. I just wanted to get that on the record.

Mr Pirie: Thanks for the question, Ms Tough. I have read and understand the privilege statement. As at 11 February, \$285 million has been applied for, \$252.5 million has been approved and \$234.6 million has been settled.

MS TOUGH: How much have households who have taken up these loans saved on their energy bills?

Mr Pirie: I will ask my colleague Ms Malouf to come up, if that is okay. I do have that figure here. I have just found it, but I will let Ms Malouf—

Ms Malouf: I am the Executive Branch Manager of the program delivery team in EPSDD which delivers the SHS on behalf of CMTEDD. I have read and acknowledge the privilege statement. Thank you for the question. We calculate the scheme household savings into all the savings that either an individual product provides to a household or an electric vehicle in savings for petrol savings and rego savings and the like. Collectively, among the 20,000-odd households that are participating, they are saving an average of \$62.3 million in savings through reduced energy bills and savings to fuel costs.

MR RATTENBURY: Is that per year?

Ms Malouf: It is collectively up until now. It is the whole period of time. So less of a saving if you only got a loan very recently but, if you got a loan right back in the beginning, a bigger saving to you.

MS TOUGH: When you apply for one of those loans, say, you wanted to get a hot water system because your hot water system broke, is there a quick turnaround or is it a longer turnaround between applying for the loan and getting it? Sorry; that did not quite make sense. Let me rephrase that. Say your hot water system broke and you wanted to get a new electric hot water system, is there a shortened time period for something like that to apply?

Ms Malouf: And usually those things only ever break on about 15 July on a Sunday morning. That is when they usually break.

MS TOUGH: I had a heater that broke in the middle of winter, yes.

Ms Malouf: That memory is probably burnt into your brain.

MS TOUGH: Yes; I was heavily pregnant and it was freezing cold.

Ms Malouf: We have hundreds of vendors in the scheme. If you were to apply today, you would likely get an outcome within 48 hours, had you provided all the information. It is almost immediately. It is a portal process. So householders do not have to wait from Monday to Friday; they can absolutely apply over the weekend. They go straight to the vendors and shop around to get the deal that suits them the best, and the providers are very quick with installation. Once it is approved, the installation time is very quick.

MS TOUGH: Wonderful. Thank you. The annual report also stated that the government is providing funding for low-income household and public housing upgrades. How much funding has been provided under the scheme?

Ms Malouf: That is actually the Vulnerable Household Scheme. The Vulnerable Household Scheme is made up of two different components. The first component is for public housing. That is Housing ACT and community housing households. They are places like Havelock House and the like that are rented to community houses but are providing a housing support mechanism—so non-Housing tenants equivalent. That had \$19 million allocated. That \$19 million allowed for electrification and insulation to make sure that the ACT, as the biggest landlord, meets its minimum standard for insulation. That is ceiling insulation in those properties. We are delivering approximately 55 of those a week—upgrades. All of the insulation installations will be in well before the November 2026 legislative deadline.

The other component of that original \$50 million is for non-Housing properties, and that is broken up into a group of different types of products. One of those is category A, which we call low-income homeowners. That component is for a solar rebate. It is a \$2,500 rebate for a householder to get solar on. The other component is a \$2,500 rebate for any electrical appliance. That could be heating and cooling, a hot water heater pump or cooktops.

MS TOUGH: Wonderful. At 55 houses a week, how many properties would you say

have been fully electrified so far?

Ms Malouf: Let me get that number for you. That 55 a week is just in the housing space, so Housing ACT and community housing. We have done all the insulation for community housing and we are now working on electrification. They are all very different sized houses. So it makes a big difference as to what they actually need. To date, in the insulation, we have done 2,480 households.

MS TOUGH: Across the insulation and the electrification?

Ms Malouf: Yes, and every household has a slightly different requirement.

MS TOUGH: What has the change been in the percentage of people who have had solar here in Canberra compared to nationally since the start of the schemes?

Ms Malouf: Originally, the Sustainable Household Scheme, when it was launched in 2021, provided a requirement that you could have solar along with any other product that suited your needs to electrify, or an EV as of December of the first year from the July launch.

Solar is quite an interesting one. You often compare solar to other states and territories, and that is not a really fair comparison, because if you are in Queensland, you get a really good deal for your solar. As at 1 July, when the Sustainable Household Scheme started, there were 2,463 properties connected through the grid. That is from the AEMO data. As of 31 December 2024, when the scheme had started, there were 50,486 solar systems. Interestingly, though, 24 per cent of those got a sustainable household loan—so not as big a component. There was a lot of growth, but it was mostly people paying for it themselves.

MS TOUGH: That was actually going to be my next question: how many were part of the scheme and how many were self-funded? I think you answered that 2,480 is the number of households that have been supported to improve energy efficiency with the vulnerable household supports.

Ms Malouf: That is just Housing ACT.

MS TOUGH: Do you know how many non-Housing ACT?

Ms Malouf: I will have that number in about 10 seconds. There are a lot of numbers here. I am sure my team are going, “It is in there, Ros.” We have done all the community housing providers, which are 66 in the first phase and 236 in the second stage. That is all community housing providers. For our vulnerable household one, category A, we have done 595 for solar and 729 for the other appliances—noting that some of those households could actually get both rebates.

MS TOUGH: Thank you.

MR RATTENBURY: In the Auditor-General’s *2023-24 Financial audits—Financial results and audit findings* there is a reference on page 10 that talks about lower than expected take-up of new interest-free loans under the Sustainable Household Scheme.

I was surprised to read that in the Auditor-General's reports. Are you aware of that? Are there any barriers that are being experienced? Given that the government has had to keep putting capital in, I am surprised to see the Auditor-General describe it that way.

Ms Malouf: Last year, the scheme was running very fast and very hot. Solar is a product that 15 years ago a 10-kilowatt system was probably \$15,000. We are now looking at about \$8,000. So the payback on those is several years less than it would have been before. The government made a decision to actually remove solar from the eligible products, except for the 19 per cent of householders that had an unimproved value of less than \$450,000. What we were doing was trying to target the solar to those that potentially did not qualify for the Vulnerable Household Scheme and provided with that next tier up support. That definitely slowed down the scheme. It about halved what the take-up was. I would suggest that that solar reduction has halved the scheme and made it a bit more sustainable.

MR RATTENBURY: Thank you.

MS CLAY: Minister, last week we heard in hearings that about one per cent of our public housing stock has got solar panels and there were no plans to increase that. The housing minister approached the question as if she could either build public housing or she could put on panels—it all came from the same bucket of money. I am interested to hear that we have been tightening our crutch here to make sure that they are helping people who most need the assistance and that we are also not installing solar panels on public housing and do not have any plans for that. Do you see a bit of a market failure there—a bit of a disparity?

Ms Stephen-Smith: I might ask Ms Malouf if she has any further information in relation to public housing, in particular.

Ms Malouf: Not in the scheme of public housing. I believe, though, that the insulation had to be a priority. As you all well know, insulation makes a much bigger difference to the outcome for householders and also keeping the heat in and the cool out when you wanted it to be. A fairly big budget has been allocated for electrifying those properties as well. That is the target, I believe, at this time.

Ms Stephen-Smith: If you are going to invest in the energy efficiency of public housing, it makes sense to put it where it is going to make the biggest difference to those low-income householders. If you are investing to solar, that is going to be connected to electrification, if you have not already done the work to electrify, solar is going to have significantly less benefit for anyone in that household. I cannot speak to the decisions that Housing ACT is making about their investments, because that is not my portfolio. I can speak to what the Sustainable Household Scheme and the investments that Ms Malouf's area manage go to.

MS CLAY: Sure. I might rephrase that. I absolutely agree that the correct prioritisation is insulation and then electrification for anyone, including public housing. Spot on—got it right for both money and climate. This is the right prioritisation. My concern was that there did not seem to be any kind of forward plan for what to do with the other 99 per cent of public housing. Clearly, they are not eligible for the Sustainable Household Scheme. ACT Housing has no forward plan. Is there likely to be a forward plan at some

point in the future? Will they be introduced to the Sustainable Household Scheme? Will there be another funding source? Or is this, “We have finished the job,” and that will be it?

Ms Stephen-Smith: I think that is a question for the Minister for Housing and Suburban Development. I cannot remember if that is the right title. I suspect, Ms Clay, that it also relates to the way that housing is being developed and the practicality of retrofitting versus new development et cetera. Really, that is a much more complex question for the housing portfolio than we would be in a position to answer.

MS CLAY: Thank you.

MS CLAY: Minister, I am interested in the quarterly statements for June 2024, September 2024 and December 2024, and the headline net operating balances in those statements. In June, total budget expenses for 2023-24 were \$8.4 billion, and the estimated outcome was \$8.6 billion. In June 2023-24, we already expected to be \$60 million higher than budget. There was already a bit of an overrun there. Can you tell me what the government’s response and the finance minister’s response were to that in June last year?

Ms Stephen-Smith: Firstly, I was not the finance minister in June last year and I was not even a member of the Expenditure Review Committee. Secondly, this sounds absolutely like a question for the Treasurer, not the finance minister, if you are talking about the whole budget and HNOB.

MS CLAY: We did get a committee secretary’s advice on this question, and we were told that this was the appropriate session for that. Chair, I do not know whether you would like to—

Ms Stephen-Smith: Under which element of my administrative order responsibilities?

MS CLAY: Finance.

Ms Stephen-Smith: Yes, but under which element of the Minister for Finance?

MS CLAY: I can look up the committee secretariat advice, if you wish me to do that? “Those all appear to fit within the administrative arrangements, specifically the Minister for Finance’s role in assisting with financial reporting and fiscal and economic strategy and policy.” That was the committee secretariat’s advice.

Ms Stephen-Smith: I think that is “assisting with” budget process, financial reporting and fiscal and economic strategy and policy. I will hand over to Ross to talk about that. I think that, overall, the question should have been one for the Treasurer, if it is about the total budget outcome.

Mr Campbell: We do not have the right people in the room today to go to the particular financial reports that you are pointing to. I would say that the most updated data is actually the budget review data. That captures all developments in financial reporting until the budget review cut-off, and the decisions that were taken in response to that. Every quarter, you have the updated reporting, but it is only at the point of the budget

cycle, or the midyear budget cycle, where there is a formal set of decision-making that responds to some of those trends.

As I mentioned at the Treasury briefings last week, you have a first set of quarterly reports for the September quarter. You do not have monthly reporting in that first quarter because you have audited data still coming through for the remaining financial months. From there, you have monthly reporting, which is then compiled by Treasury into the quarterly reports that the Assembly then sees. In terms of how the government responds to those trends and developments, that is actually in the budget review process and then in the budget.

MS CLAY: Are you able to tell me what the response was in June 2024?

Ms Stephen-Smith: A member of the Expenditure Review Committee is sitting to your right, from June 2024.

MS CLAY: I do have more questions, and they get more current.

Mr Campbell: Can you repeat the question, please?

MS CLAY: Sure. The June 2023-24 quarter was expected to be \$60 million higher than budget, so there was a significant overrun in June 2023-24. What was the outcome there? What did government do about that?

Mr Campbell: The government took a whole range of decisions in the budget review in response to that. That is captured in the initiatives that were taken and in the updated reports. The government's objective, as outlined in the budget review strategy, is to achieve that return to surplus over the forward estimates period. That is the projection that you will see in the budget review. That is the government's response to the information that it has in front of it.

MS CLAY: Okay. Initiatives were launched to respond to that?

Ms Stephen-Smith: Ms Clay, can I clarify what timeframe of decision-making you are talking about? You are talking about the June quarter; are you talking about the last quarter of 2023-24, or are you talking about the first quarter of 2024-25? And what timeframe of decision-making are you talking about? Pre-election?

MS CLAY: What I am trying to follow through is: we had a budget overrun in June; then we had a budget overrun in September; then we had a budget overrun in December. I am trying to find out what happened at all of those points in time with those budget overruns.

Ms Stephen-Smith: In that case, Mr Campbell has probably answered your question. Is this ongoing monitoring? Obviously, in the second half of 2024, in the first half of this financial year, there was a budget that was handed down in June 2024; that was then the subject of budget estimates, following the budget being handed down. That then passed the Legislative Assembly immediately prior to going into caretaker. All of those decisions, as taken by the government prior to the election, were transparently described through the budget process and the budget estimates process; people were

free to ask questions through that process.

Subsequent to the election, ministers were returned and portfolios changed around. The Treasurer and Chief Minister, the Deputy Chief Minister and I, as members of ERC, were briefed on what those situations were. As Mr Campbell said, all of that information was considered in the process of putting together the budget review and the second appropriation bill. That is the process. There is no other mechanism beyond the budget and budget review to respond to those cost pressures, other than talking to directorates and saying, “What can you do to address that in the short term,” if it is coming from a particular place or area.

There is an expectation overall that all directorates will live within their appropriation. That is one part of the piece. Treasury is having conversations with directorates to try to understand whether or not that is possible. That all then feeds into the budget review process.

MS CLAY: In that budget review process, in June, the reasons given for the June overspend are that a lot of it is employee expenses. There was nothing specific there, that I could understand. In the September and the December ones, it also says employee expenses, but it says, specifically, Health—September and December. What was the response to that, if we knew by September and then December that it was a Health expenditure overrun? I do not know whether in June it was a Health expenditure overrun. Can you tell me anything about that? Was it the same in June as it was in September and December?

Ms Stephen-Smith: One of the things I can say about June is that there has been a process in previous years of a Treasurer’s advance. There is a Treasurer’s advance availability built into the budget every year to account for an unexpected need for expenditure or an un-foreshadowed need for expenditure towards the end of the financial year. If a directorate is going over budget, the minister will write to the Chief Minister and seek authority to receive some funding from the Treasurer’s advance to cover their end-of-financial-year expenditure. That is often what happens in that May-June period. Particularly, usually, the Treasurer, on the advice of Treasury, will not approve a Treasurer’s advance until June, because that is when the outcome is closest to being known. That is how a June overrun is managed.

MS CLAY: Is that how that June overrun was managed? Is that what happened?

Ms Stephen-Smith: I cannot speak to that, Ms Clay; I was not in any of these roles at the time. I do not know whether Mr Campbell can speak about the use of Treasurer’s advance in 2023-24.

Mr Campbell: We can come back to you on notice with what the Treasurer—

Ms Stephen-Smith: That is really a question for the Treasurer.

Mr Campbell: Yes. It is attached to the budget papers as well—the actual instruments that are attached to the Treasurer’s advance. As the minister described, the process is that there is reporting. The reporting encourages the interaction between Treasury and the relevant directorate. The directorate has its overarching responsibilities to the

minister to manage the budget they have. The half-yearly opportunity, in budget review and in budget, is when further decisions can be taken about whether it is on track sufficiently or not to come back within budget.

An example would be that, in the budget review, the ERC would make a decision: is that particular directorate on track or not? Can they take mitigating actions or not? If they cannot, what additional funding might need to be sought to get through the financial year? Obviously, that is what has happened in relation to the Health pressure; that was part of the appropriation bill that is attached to the budget review.

MS CLAY: Given that we had overspends in June, September and December, and certainly for September and December it is Health; for June, I am not sure, but maybe we will get an answer coming back on that. Are we doing any health economic modelling about that, to help us understand what is going on?

Mr Campbell: Treasury is working very closely with CHS now, in the context of developing the budget, to understand what some of those pressures look like and any mitigating action.

MS CLAY: Do they have some health economists working on it?

Mr Campbell: I do not know the actual skills, qualifications, of the people in CHS. I do know that the people that are working on it are capable in the finance area.

Ms Stephen-Smith: We are also drawing on the skills that we have available to us through the Health System Council, which includes a number of external advisers, including an independent chair, whose substantive role has been in the New South Wales health system.

MR COCKS: Given the trajectory of budget versus final appropriation over a number of years has been increasingly divergent, when did that joint work between Treasury and Health start?

Ms Stephen-Smith: An outcome of the Expenditure Review Committee considerations in the budget review process was to establish this specific piece of work, Mr Cocks, in terms of this review. It is fair to say that there has been ongoing work over a number of years to look at and modify the health funding methodology and the health funding envelope.

A couple of years ago—I cannot remember in exactly which budget—we adjusted the health funding methodology and envelope to lift it up, recognising that the budget pressures and the cost escalations in Health, as well as the demand pressures, required that increase in annual growth from what was, I think, 4.15 per cent estimated in the health funding envelope to 5.1 per cent overall. It is an ongoing consideration through every budget as to how that health funding mechanism works. But this specific piece of work is what came out of the Expenditure Review Committee considerations in the budget review process.

MR COCKS: So it is only the most recent problems that it is trying to deal with, not—

Ms Stephen-Smith: No, I do not think that is an accurate characterisation.

MR COCKS: It has been the trigger.

Ms Stephen-Smith: We have been recognising this for some time, and we did in fact talk about this in the 2024-25 budget, where we committed considerable additional resources to Health, to both address cost pressures and expand funded beds in areas like paediatric, the University of Canberra Hospital, and the expansion of the acute medical unit. Overall, there was about \$100 million in this financial year just on funding basic activity growth, in addition to the cost growth that we funded in this financial year.

I do not think this is something we have never talked about before. Anyone who came to an event with me during the election campaign where we talked about financial sustainability of the ACT government would have heard me say that we have some significant challenges, and we have to continue to have that conversation with the community. I do not think it is accurate to characterise this as being the first time that we have looked at it. But this specific piece of work has arisen from the ERC and this budget review.

MR COCKS: It looks like, for multiple years now, we have had a situation where that original budget allocation that has been approved has been lower than the final appropriation for the previous year. What is the disconnect between the reporting of one year's results to the next year which means that somehow we assume that we are going to spend less in that following year?

Ms Stephen-Smith: Again, this is a question specifically for the Treasurer, who has overall responsibility for the budget and financial reporting. But it would be super helpful, when you are asking questions like this, if you could actually point us to the page and the numbers you are speaking about. I watched some of the earlier hearings. You make these overarching statements, and I do not know what it is that you are referring to.

MR COCKS: I do not have the page numbers here. I have an original budget amount in 2022-23 that was in the vicinity of \$1.5 billion, and the final result was significantly above that. I do not have the specific numbers here, but from just looking at the trend—

Ms Stephen-Smith: You are just talking about Health?

MR COCKS: Yes. Just Health, in this instance.

Ms Stephen-Smith: I really feel like I am wearing my Health hat now! I suspect some of the answer will lie in the way that we previously managed the health funding envelope. There was an allocated health funding envelope across the forward estimates. There would be a provision in the forward estimates years that was specifically provisioned for Health. It was spelt out in the budget paper, the health central provision. When you looked at the amount that was allocated for Health, that did not include the health central provision.

Sometimes we would not spend the whole health central provision for that year in the budget, because we would know that we were going to have to allocate some of it in

the budget review process. When you look at the budget—this is without knowing any of the numbers that you and your staff are looking at—for 2022-23, for example, and then you look at the final outcome, it may be that we allocated additional resources through the budget review process that were already provisioned in the health central provision to be spent on Health; we just had not decided exactly how to spend them yet.

That may be the source of some of this issue, and if you went through and added up the appropriations, plus the future health central provision, you might not come up with the same answer.

Mr Campbell: There are different sources of the funding for the overall CHS spend. The local health networks will be provided with funding, which would be in addition to the appropriated amount. It depends on what numbers you are actually looking at. We could probably answer the question, but it is hard to do it in the abstract.

MR COCKS: Maybe we can talk more about it in the Health section.

Ms Stephen-Smith: Yes. I am pretty confident that we will, Mr Cocks.

MR RATTENBURY: In volume 2.1 of the annual report, under “revenue management”, at page 143, there is a table of accountability indicators that talks about debt management, and particularly the difference between the target for overdue rates and overdue debt, and the actual results. Both of them are well above the targets. There is some explanation in the notes, but can you tell me what the actual level of debt is under both of those categories?

Ms Stephen-Smith: Mr Rattenbury, can you give me the page number again?

MR RATTENBURY: Yes, 143, in volume 2.1.

Ms Stephen-Smith: This is a Revenue Office question. Kim?

Mr Salisbury: I acknowledge the privilege statement. Minister, I do not have the actual debt figure with me. I took it on notice at the hearing on Thursday. We will come back and report on that.

MR RATTENBURY: I am sorry; I missed that one on Thursday. I will keep an eye out for it.

Mr Salisbury: We will report on that number.

Ms Stephen-Smith: As a general point, and Mr Salisbury can correct me if I am wrong, because of the pause that was put on debt recovery during the COVID-19 pandemic, that amount for overdue rates has been higher than the target because there was a pause put on collection activities, some of which is now being addressed.

MR RATTENBURY: That perhaps goes to my next question. Firstly, though, in providing those figures, are you able to provide a breakdown between the amount owed by individuals as opposed to corporate entities?

Mr Salisbury: We will look at what we can do. I am not sure that we can. It would be by residential, commercial and rural properties.

MR RATTENBURY: Perhaps that is the way. That is fine; thank you. I do note that the annual report references that there will be new measures introduced, and the minister has just touched on this, to reduce the amount of outstanding debt. Could you please outline what these measures will be?

Mr Salisbury: The new measures will be putting more staff into our debt recovery area, which we are recruiting to do at the moment. The other measure is that we are looking at opportunities provided by our business intelligence area to identify owners of multiple properties who have small amounts of debt against each of the properties. When you total those up, it is a significant amount of money. Rather than looking to promote compliance with debt recovery on an individual property basis, we would group the owners of those properties together and look at recovering against that single owner.

MR RATTENBURY: In that process, how do you balance effectively, essentially, cost-of-living pressures, which we know many in the community are subject to, with the government's important role of debt collection?

Mr Salisbury: The debt is due and payable. We would encourage people to pay the debt. You would look at debt recovery on a taxpayer-by-taxpayer basis, and try to understand the means and resources available to the individual taxpayer. If it was on a commercial property, and if you had a large commercial property developer, the strategy that you would employ there would be quite different from where it was somebody who, once they got their debt notice, had contacted the Revenue Office and said, "I've got a problem with paying that."

In that case we would direct the person to our hardship provisions. There is a hardship deferral that is available for rates. If the person was in a desperate financial situation, we would perhaps refer them to a financial counsellor. If someone had a range of debt issues, if they had a Mastercard to pay, a utilities bill to pay and a rates notice to pay, we would suggest that maybe they should approach their financial institution to get a line of credit that is probably cheaper than the interest rate that we are imposing through our standard interest rates on rates.

MR RATTENBURY: Are you able to give us any indication of whether you have seen an increase in people contacting you, asking for hardship arrangements? Has that changed in recent times?

Mr Salisbury: Not that I am aware of, but that perhaps reflects that we have not worked this tax line very hard at this point, particularly because of the point that the minister made. We backed right off during the period of COVID. We have not ramped up our debt recovery as we might normally have, in recognition of the types of pressures that households are under at the moment.

MR RATTENBURY: Finally, on the revenue side of the equation, the December financial statements put receivables at \$1.415 billion, whereas the budget expected is \$951 million. That is a significant difference. Could you tell us, collectively—not

necessarily you, Mr Salisbury—what the basis of that difference is between the budgeted line and the purported line in December?

Mr Salisbury: We might take that on notice, if that is okay. That might be the best way to answer that one.

MR RATTENBURY: That is fine. Thank you.

Mr Salisbury: Were you looking at the year to date or the projected—

MR RATTENBURY: I do not have it in front of me. I think it was—

Mr Salisbury: It might depend on particular revenue lines through the year as well, if it is the year to date that you are comparing.

MR RATTENBURY: I think it was the projected.

Mr Salisbury: We will take that on notice.

MR RATTENBURY: Thank you. It is on page 11, if that helps. I just do not have it in front of me.

MR COCKS: You mentioned the hardship deferral option for people who are unable to meet a debt. When someone takes up that option, do they continue to accrue interest at the rate of about 12½ per cent? I think that is what you said.

Mr Salisbury: No. That is at purely the 90-day bank bill rate. That would be the 4.42 per cent rate.

MR COCKS: Regarding the COVID pause on debt recovery, did you continue to advise people that they had accrued debts throughout that period? Were people aware that they had debts? And were they accruing interest throughout that period?

Mr Salisbury: Normal bills would have gone out advising people, and overdue notices would have gone out, so people would have been aware. And, yes, interest did accrue during that period.

MR COCKS: For the COVID pause specifically, what was the rate? Was that the bank bill rate or the higher rate?

Mr Salisbury: It was the standard bank bill rate plus eight per cent. Obviously, at that time, the interest rate was not 4.42 per cent; it was in the ones, because we were in the period of a low interest rate.

MR COCKS: But it still would have been in that nine to 11 per cent range through that time?

Mr Salisbury: Yes.

MR COCKS: I want to stay on revenue collection but shift to concessions and

exemptions. The Treasurer suggested that the primary mechanism for reducing stamp duty as part of the tax reform process is through exemptions and concessions. I might start with some detail questions. How many different categories of exemptions apply to stamp duty for residential homes?

Mr Salisbury: We will have to take that on notice. There are many.

MR COCKS: Over the past four years, how many people have applied for stamp duty concessions or exemptions?

Mr Salisbury: I will have to take that on notice.

MR COCKS: If you have a chance to come back on that during the hearing, it would be useful. On a slightly different angle, what is the assessment process? When someone lodges an application for an exemption or a concession, what happens from the time that they apply to the time they are told that they are successful or unsuccessful? How are they assessed?

Mr Salisbury: It is a self-assessment regime. The taxpayer is responsible for assessing whether they are eligible for the concession, and they would typically do that after consulting our website and also getting some legal advice from the solicitor that is acting on their behalf for the transaction.

MR COCKS: It is only a self-assessment? Is there any due diligence undertaken by the Revenue Office to check whether someone has actually made declarations that are correct?

Mr Salisbury: Not at the start of the process. It is a self-assessment. When the conveyancing transaction is being undertaken, there is self-assessment by the taxpayer that they are eligible for the concession. When they fill in the application form, they would indicate which concession they are applying for.

MR COCKS: What steps do you take to ensure that people fully understand what they are stating? Is there is no check of what they have said?

Mr Salisbury: We rely on the information that is provided on our website. We rely on the advice provided by professionals in that area. Then the concession is indicated. Then a notice of assessment is issued which says: "Your details may be validated at some point in the future." Also, on our website, there is a questionnaire in relation to the homebuyer concession. You can step yourself through that questionnaire and you can save the results of that and keep that for your records into the future as well.

MR COCKS: Is that a mandatory questionnaire?

Mr Salisbury: No. It is something people can use to inform themselves on whether they are entitled to the concession.

MR COCKS: So, people who are applying for the concession—I am just trying to understand—go to a form on a website?

Mr Salisbury: Yes; it is on our website. A questionnaire is on our website.

MR COCKS: When they are actually applying for the concession?

Mr Salisbury: No. That is to establish whether they are entitled to the concession. That is to help inform them about whether they are eligible for the concession.

MR COCKS: When someone actually applies for the concession, are they filling in a form or are they just saying, “I am eligible”?

Mr Salisbury: They are saying, “I’m eligible for this particular concession,” and they mark the concession that they are eligible for.

MR COCKS: So it is completely up to the individual to do all the checks and make sure they have met every legal step; they just tick a box?

Mr Salisbury: Yes; it is up to the individual to determine whether they are entitled to the concession, and then they indicate that they are entitled to the concession on the form. They make a declaration that they are entitled to the concession when they complete the paperwork for a property transfer.

MR COCKS: Just to confirm: no further investigation is undertaken before that is approved? You send out a notice to say, “You will receive this.” Is it a notice of assessment?

Mr Salisbury: It is called a notice of assessment, but that is on the duty liability that comes from that transaction. At no point is there—

MR COCKS: But no assessment actually happens?

Mr Salisbury: Correct.

MR COCKS: Do you think it would be unreasonable for someone to expect that the Revenue Office has actually assessed whether they are eligible for the thing that they think they are applying for?

Mr Salisbury: That is not the way the legislation is set up. The obligation is on the taxpayer. It is a self-assessed tax.

MR COCKS: From what you are saying, it sounds like, at some point in the future, you can reconsider whether an individual was actually eligible for that concession.

Mr Salisbury: Yes. As part of our compliance program, we would go back and see whether all the conditions of the concession that the person has applied for have been met.

MR COCKS: Is there a specific trigger required for you to go back and actually consider whether someone was eligible or they had to pay \$35,000 or \$40,000 in stamp duty? What is the trigger for you to go back and say, “Actually, you should have always paid that”?

Mr Salisbury: Nine months after the assessment, we contact the taxpayer and say, “Have you met all the requirements for this concession?” because, at nine months, there is still three months to go on the residency requirement. Particularly with a homebuyer concession, you have a 12-month residency requirement. At nine months we write to them and we say, “The 12-month residency requirement is nearly due. Have you met all the requirements of this concession?” Then we list all the requirements of the concession and we invite them to either contact us, if they do not think they have met the requirements of the concession, or go through to the next stage.

MR COCKS: Is that specifically about the residency requirement or all—

Mr Salisbury: It is for all. In the case of the homebuyer concession, it is all the requirements. We go back and ask, “Have you met the income threshold? Have you met the previous property ownership threshold?”

MR COCKS: That only happens in nine months?

Mr Salisbury: Those specific questions happen at the nine-month period.

MR COCKS: Is there any other time that you would look at someone’s stamp duty concession and consider whether they remain eligible or they should not have received that concession?

Mr Salisbury: Subsequent to the 12-month residency period, we will determine if we have any information that would suggest that the concession was claimed inappropriately.

MR COCKS: By “inappropriately”, do you mean the person is not eligible for it?

Mr Salisbury: Yes.

MR COCKS: What is the time limit on that for the Revenue Office?

Mr Salisbury: I do not believe there is a legislated timeline.

MR COCKS: There is no time line within which you actually have to have made a decision on whether someone was wrong? So, 10 years after someone has applied for the stamp duty concession, the government could look at the thing—which they never looked at before it was approved and the person received a notice of assessment—and decide that someone should never have been granted it?

Mr Salisbury: I do not think there is a legislative provision that specifically prohibits the Revenue Office from doing that.

MR COCKS: What measures are in place that would protect consumers? Essentially, it sounds like you are telling me that, for everyone who has ever applied for and received a stamp duty concession, the government can reassess it any time and decide: “No; you weren’t actually eligible in the first place.”

Mr Salisbury: I do not think the government is deciding that you are not eligible. You were clearly eligible or you were not eligible.

MR COCKS: I assume the government needs to make a decision before it undertakes any revenue collection activities that say that the declaration was incorrect.

Mr Salisbury: Yes. There would be a notice of reassessment. If we undertook a review and it was determined that the concession had been inappropriately claimed, and there was evidence of that, a notice of reassessment would be issued.

MR COCKS: What would be the trigger for something like that to happen?

Mr Salisbury: Purely if the conditions of the concession were not met for the income threshold, previous property holdings or the residency rule. They would be the three major things that would determine your eligibility for the concession.

MR COCKS: I would like to stay on this. When you go back and assess for the first time, as it seems, whether someone was actually ineligible when they made that first declaration, do you then seek to recover interest on the debt as well?

Mr Salisbury: If there is a notice of reassessment, that would include the initial principal amount plus interest and possibly penalties as well.

MR COCKS: So, five or 10 years later, when an individual has worked under the assumption that they had done the right thing, the government could say, “We’ve assessed your application,” and at that stage you apply five to 10 years of interest at the incredibly high interest rate, plus penalties. Is that right?

Mr Salisbury: That is what the legislation dictates.

MR COCKS: At that stage, does the individual have any appeal rights?

Mr Salisbury: Yes. A process is provided with the letter of reassessment which gives them the right to have an internal review of the decision, which, in Revenue Office terms, is called an objection. They have objection rights.

MR COCKS: Regarding the work that you do on trying to recover these debts, does that happen under section 105 of the Taxation Administration Act or does section 105 define the approach that you take?

Mr Salisbury: Sorry—I do not have section 105 in front of me.

MR COCKS: My understanding is that that section of the act provides that the government can undertake those debt recovery activities if an appeal has been lodged, as if no appeal were in place. Is that correct?

Mr Salisbury: I think it is open to the Revenue Office to take debt recovery actions if they are deemed appropriate.

MR COCKS: That can apply even if an appeal or an objection is still underway?

Mr Salisbury: It can apply.

MR COCKS: Even if an appeal is underway?

Mr Salisbury: Yes; it can apply even if an appeal is underway.

MR COCKS: Do you see any conflict between that section and section 28 of the Public Sector Code of Conduct, which has requirements for the way public servants engage with individuals?

Mr Salisbury: With respect, you may be conflating a couple of things. I said we can undertake debt recovery. Whether we do undertake debt recovery is a decision based on the merits of the individual case.

MR COCKS: So you would need to be satisfied that it was in compliance with the code of conduct as well?

Mr Campbell: Mr Cocks, what point are you trying to make? I am not quite following your line of questioning.

MR COCKS: There have been some suggestions that the approach the Revenue Office takes to recover some of these debts can be in conflict with the code of conduct, and specifically section 28 of the code of conduct. I am keen to make sure that the approach that has been taken always prioritises making sure our public servants are meeting that very important code of conduct.

Mr Campbell: Can you support us by repeating what that section is referring to? I do not have it in front of me.

MR COCKS: I am afraid that the link I had open to it has just closed.

Mr Campbell: As a general point, I would say that officials applying the law as it sits in front of them are entirely consistent with the code of conduct, so I do not quite follow the consistency you are pointing to, but I am happy to hear it.

Ms Stephen-Smith: The version that I managed to look up is around procedural fairness. It says:

Public employees must be able to explain their actions. The reasoning behind their decisions must be transparent and available.

Is that what you are referring to?

MR COCKS: I am trying to bring it up here as well.

Ms Stephen-Smith: Then it goes on to say, regarding the decision:

They must be based on the evidence available and anyone who is adversely affected by the decision must be given the opportunity to provide their views and contribute their voice to the debate or discussion before matters are finalised.

MR COCKS: Yes. That is the point that I am coming to: “before matters are finalised”. I am concerned that, if the Revenue Office is pursuing debts while the matter is still under consideration of an appeal, that condition may not be met.

Mr Campbell: We will take that on notice, but there will be processes and procedures around internal work that the Revenue Office undertakes that talk about assessments and before an assessment is raised. I would rather come back to you in writing because we are talking about legal requirements imposed on revenue officers.

MR COCKS: Thank you. I understand.

MS STEPHEN-SMITH: I would reinforce what Mr Salisbury said. The fact that section 105 of the act enables tax to be recovered as though no objection or review were pending does not mean that the recovery process would, in practice, continue while the review is pending. Correct me if I am wrong, Mr Salisbury. If that recovery action were to pause while the review is pending and that review took time, all of that time would then further contribute to interest accrual on that debt. Is that correct or is that not correct? Now I am trying to understand what the implications might be for somebody. I am coming at this as well from a Human Services point of view, from a previous portfolio, where action continued while reviews were underway because it was actually in the best interest of the people involved. As Mr Campbell said, we will take the question on notice. But what the Revenue Office is empowered to do under the legislation and what the Revenue Office does in practice, in line with the Public Sector Code of Conduct, is not necessarily—

MR COCKS: To round it out—I note the chair wants to move on—could you take on notice whether the Revenue Office has ever pursued a debt and undertaken recovery action while a matter is under appeal or objection?

Mr Salisbury: I can take that on notice. But I would like to state for the record that there are reasons we would undertake the debt recovery course while it was under objection, and that is if we have concern about the taxpayer’s willingness to engage with us and pay the debt at some point in the future. For example, if we thought a company was going into liquidation, we would take debt recovery action while an appeal was still underway. Those are the types of reasons we would undertake that.

Ms Stephen-Smith: There is probably not a lot of point in taking the question on notice, then, because the answer is yes, that has occurred in the past.

THE CHAIR: We will give you an opportunity to respond to the question formally on notice. We will move along to the next substantive. Ms Carrick?

MS CARRICK: Thank you, Chair. My question goes back to the line of questioning Ms Clay was going through earlier. I was wondering about the Treasurer’s Advance last year, in 2023-24. Are you able to find out over the break what that was and what it was primarily made up of? I am just curious to know whether it was for Health. Also, in the September quarter, there was a decrease in the headline net operating balance of \$36 million. That was known just for the quarter. If you extrapolate that out—

MS STEPHEN-SMITH: Sorry—can you repeat that, Ms Carrick?

MS CARRICK: I have moved on from the Treasurer’s Advance and what it was for—whether it was for Health last year.

MS STEPHEN-SMITH: Yes.

MS CARRICK: Also, just checking on the Treasurer’s Advance for 2024-25, for the current year: when was that claimed and used? I understand it was about \$79 million for Health. We established that last week. When was that requested?

Moving on to the financials, the September quarter for 2024 had a decrease in the headline net operating balance of \$36 million. That is for one quarter. Extrapolate that out and that is \$120 million plus—\$130 million something. Yet, the September pre-election headline net operating balance was only a reduction of \$11.7 million for the 12-month period—the forecast for the year. It is a significant difference. So, given that we have had a deteriorating fiscal position, why didn’t the statement of risks in the *Pre-Election Budget Update* highlight the risk of a deteriorating headline net operating balance primarily driven by health costs?

Mr Campbell: I think in the PEBU it referenced back to the statement of risks in the 2024-25 budget, which did point to health risks.

MS CARRICK: Okay, I will go back and check that, but given it was a big risk, presumably it should have been written into the 2024 *Pre-Election Budget Update* in the statement of risks so it could be seen, because it was significant.

Mr Campbell: On the face of the paper, it referenced the risks that were characterised. What the PEBU will do is it will update if it is different to the 2024-25 budget, because they are published quite close together. In this particular case, it referenced back to the risks that were identified in the 2024-25 budget which covered that.

Ms Stephen-Smith: I think, also, it is helpful—and I know we are now in February—to look back at when the PEBU would have been put together. It was still pretty early in the financial year, and, as Mr Campbell said, pretty close to the 2024-25 budget, and it did not have available the end-of-quarter position for the first quarter of the financial year. I recognise the election itself was in October, and government was not formed until November, but in putting the PEBU together, it was, effectively, the end of August. So, there is that period of time in-between the end of August and the beginning of November when government was formed, when a lot of things became a lot more apparent, and I think those things are getting conflated in this conversation.

MS CARRICK: That is true, but there is the quarterly report. That is only one point in time. There was the monthly reporting that led up to that, in addition.

Mr Campbell: Sorry, I thought I mentioned this last Thursday: the first time we have the publication is after the audited statements, so we do not get the monthlies. We have a quarterly, the first part of the year, so that is basically the September quarter data.

MS CARRICK: So there is no July or August monthly reporting?

Mr Campbell: No; they are still in audit phase for July and August.

MS CARRICK: I will just be quick on this one too. I will be short and sharp. Could you please tell me how much you provide Burrangiri annually? How much do you provide to the Salvation Army to operate Burrangiri?

Ms Stephen-Smith: No, not in this session, Ms Carrick. We can talk about that in the health estimates, but that is a matter for the Health Directorate and those officials are not here today.

MS CARRICK: Okay.

MS TOUGH: My question is about Icon Water, but it is separate to more operational things. The annual report talked about some of the projects in Icon's Circular Economy Plan that were progressed in 2023-2024. Can you tell me a bit more about some of those initiatives, please?

Ms Stephen-Smith: I will hand over to Mr Hezkial and others from Icon.

Mr Hezkial: Good afternoon. I have read the privilege statement and acknowledge it. I will refer that question to Alison, who has oversight of those initiatives.

Ms Pratt: Thank you. I have read and acknowledge the privilege statement. Your question is related to the circular economy initiatives. There are a range of things that Icon Water does in this space and has done for many years. Most recently—this one is since the annual report and is an up-to-date one—we have had approvals to use the water treatment solids from our water treatment process and to mix those with recovered soil and then to reuse them in restorations and those sorts of things. That has just been recently approved by the EPA, and we run that out at the site at the Fyshwick Sewage Treatment Plant.

MS TOUGH: Wonderful. You said you were using water treatment by-products. I read that it could be used for road building. How is that project going?

Ms Pratt: You are right. We look at a number of different initiatives and different uses for the different resource streams. I almost called them “waste streams”—but resource streams. Another opportunity is around road bases and mixing it with recovered concrete and other things for a road base trial; that one is still underway.

MS TOUGH: Wonderful, thank you.

Mr Hezkial: Just to add to what Alison was saying, we are pretty proud of what we are doing in that space. I think we recycle at least 80 per cent of our resource streams, and some of those other initiatives we have been doing are using recycled glass for fitting in our pipework. That has been of quite a bit of interest to the industry, so we have been sharing that knowledge more widely. There are a number of other things we are doing around topsoil and restorations for works that we do in the city which are really all driven by the people within Icon Water, so we are really excited about those things.

MS TOUGH: Do you mean that the glass that is found is made into pipes?

Mr Hezkial: Used for bedding under pipes. We crush the glass, and we make sure the particle sizes are the way they need to be, and then we use that for bedding. Wherever we can reduce waste, we do that, and we have got a very active team in Alison's area that are always looking for new ideas as well.

MR TOUGH: Wonderful, thank you.

MR RATTENBURY: In that vein, I notice that Jemena, which is a key partner to Icon through all the various arrangements, released their Climate Transition Plan 2025 in early February. Were you involved in the preparation of that at all, and are you able to outline any implications for the ACT from that strategy?

Mr Hezkial: I think those activities that Jemena undertake nationally, across their portfolio, are separate and distinct from what might be going on within the ACT and within the joint venture. What I am trying to say is that in the partnership within the ACT there is absolute clarity around the electrification transition, and we need to make sure we are supporting the ACT government's policy on that. Yes, I can see there are variations on the theme in other jurisdictions around the country, but within the ACT there is no ambiguity there.

MR RATTENBURY: Given that Jemena owns the gas network in the territory, what does this plan mean for the ACT's gas network?

Mr Hezkial: I think, in terms of the transition to electrification, there is going to be quite a bit of work to work out the staging in terms of how we may decommission and move off the gas networks within the ACT. Part of the complication in moving towards electrification is any trunk infrastructure that might be traversing the ACT between the other side of New South Wales, or around New South Wales. So there is quite a bit of work going on within the joint venture around trying to understand those decommissioning costs, the technical challenges and the investment profile associated with that. There are definitely things to work through, but they are all on the radar.

MR RATTENBURY: Terrific, thank you.

MS CARRICK: With electrification of the residential towers, will there be any support to executive committees to help them move to electrification?

Mr Hezkial: That is a good question. I think one of the things we have heard loud and clear—and is an objective of the joint venture in working with the ACT government on electrification—is finding the most equitable path through. Residents within towers or apartments would definitely be in that group of hard-to-transition customers. There is a lot of work to be done—and I know ActewAGL are quite active in this space—in terms of trying to come up with a range of products and methods to support households to transition. I think it would probably be a matter of case by case, based on a customer's profile, capacity to pay and the configuration of their property; but it is definitely something that is factoring into the planning in terms of what we can do and what ActewAGL can do to support the transition.

THE CHAIR: Given the time is close to 2.30 pm, we will close this session. On behalf of the committee, we would like to thank you all for your attendance today. There have been some questions taken on notice, so could you please provide your answers to the committee secretary within five business days of receiving the uncorrected proof. Thank you very much.

Hearing suspended from 2.29 to 2.45 pm.

Appearances:

Stephen-Smith, Ms Rachel, Minister for Health, Minister for Mental Health, Minister for Finance and Minister for the Public Service

Chief Minister, Treasury and Economic Development Directorate

Wright, Mr Robert, Acting Deputy Director-General, Office of Industrial Relations and Workforce Strategy

Young, Mr Michael, Executive Group Manager, Work Safety Group

Wickman, Ms Dani, Executive Branch Manager and Director of Territory Records

Croke, Ms Leesa, Deputy Director-General, Policy and Cabinet Division

Konti, Ms Bettina, Chief Digital Officer, Digital, Data and Technology Solutions

Infrastructure Canberra

Geraghty, Ms Gillian, Director-General

Rynehart, Mr Josh, Executive Group Manager, Delivery - Places and Spaces

THE CHAIR: Good afternoon, and welcome to this session. In this session we will hear from the Minister for the Public Service, Minister Rachel Stephen-Smith, and officials from the Chief Minister, Treasury and Economic Development Directorate, and Infrastructure Canberra.

I remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the privilege statement. Witnesses must tell the truth. Giving false or misleading evidence will be treated as a serious matter and may be considered contempt of the Assembly. When speaking for the first time, please confirm that you understand the implications of the statement and that you agree and comply with it.

We are not starting with opening statements. We will head straight into it. I will give Ms Carrick the opportunity to ask the first substantive question.

MS CARRICK: My question is about the public sector reform, combining the directorates. It is about jobs in Woden. Will the ACT Health positions currently based in Woden town centre continue to be based there after the merger of the Health and Community Services directorates?

Ms Stephen-Smith: There are probably two parts to that question. Mr Rynehart will comment, because part of the answer to that will be around the lease on the current Bowes Street head office of the ACT Health Directorate. I would suggest that the locations of the current Health Directorate and Community Services Directorate staff would be only partially, if at all, related to the machinery of government change. It would also be related to our commercial leasing arrangements, because that Bowes Street property is not owned by the ACT government.

Mr Rynehart: I have read and understand the privilege statement. Yes, we hold a number of commercial leases in the Woden area. With the leases themselves—and a number of people will not be impacted by the changes—we have some tenancies in Bowes Street, where the Health Directorate is. We also have the Cosmopolitan Building, where Access Canberra is. As part of the management of government

accommodation, we may look for ways to have people working in like services together, but we are not looking at moving away from those existing leases in that town centre.

MS CARRICK: What about the ACT Health positions currently based at the Mulley Street, Holder facility? Will they continue to be based there after the merger?

Ms Stephen-Smith: There are no plans to move. Again, we can talk about this in the health portfolio. I think that is a Places and Spaces property. It is an ACT government property, a former school site. We have made some significant investments in that property to ensure that it is fit for purpose for Health Protection Services, so I cannot see them going anywhere in a hurry. That would be my short answer. Is there anything to add?

Mr Rynehart: Nothing to add. It has not been a conversation that we have had.

MS CARRICK: You are saying that there will not be any job losses in the town centre?

Ms Geraghty: I have read and acknowledge the privilege statement. I do not think we have made a comment about job losses. We have talked about the office accommodation, and we will be continuing the leases within those leases. It is not a subject for us, to talk about anything to do with the mergers themselves.

Ms Stephen-Smith: I emphasise, though, before this line of questioning sets hares running, that we have been very clear that this process of machinery of government change is not about the loss of jobs, that no jobs will be at risk beyond the senior executive service, where it might have some impact.

Mr Wright: I have read and understand the privilege statement. The government has announced machinery of government changes to more closely align the public service administration and resourcing with government priorities. As the minister said, we have committed that there will be no job losses outside the SES as a result of that process.

The executive has appointed Ms Caroline Edwards PSM as chair to lead the ACTPS 2025 Taskforce, which will review the current structure and operations of the agencies that will be amalgamated, and develop a report to government with a recommended implementation plan to achieve the objectives of the machinery of government changes.

MS CARRICK: Can you tell me what the current status of Callam Offices is?

Mr Rynehart: We are in the final stages of decanting the building. We have some tenants that we expect to have relocated within the next couple of months. Once the building has been emptied, it will be a decision of government about the future, as to what to do thereafter.

MS CARRICK: It would make a good spot for Community Services to co-locate, the ones which are currently out in the schools.

Mr Rynehart: There are a number of challenges with that building, but we will provide advice to government on what the next steps are with that.

MS CARRICK: Can you tell me what the challenges are with that building?

Mr Rynehart: Essentially, it is ageing infrastructure and it would take a significant investment to bring it up to code. That has been a challenge for some time. We are in the process of moving the tenants out, so that a decision can then be made about what to do next.

MS CARRICK: Basically, it is just like any building: it needs maintenance.

Mr Rynehart: As buildings age, yes, the cost of maintenance does increase. It is heritage listed as well. There are certain standards that we will need to bring it to.

Ms Geraghty: I think it is more than maintenance. There is actually a significant amount of capital investment required to upgrade the services, including the lift services, for example, in order to occupy the building.

MS CARRICK: Every lift has a whole-of-life, and there is periodic investment to bring all old buildings up to current standards, I would guess.

Ms Stephen-Smith: Going to Mr Rynehart's point about the heritage listing, these lifts are a quite bespoke product. You could not just slot a standard lift into the building, which obviously increases the cost of any work that is being done on that. Ms Geraghty was brave enough to take me up in the lift when I visited Callam Offices. It was a bit of a hair-raising experience!

Ms Geraghty: I am lucky to still be here, Minister!

Ms Stephen-Smith: On the other hand, the stairs are not great, either.

MS CARRICK: I did not realise it was things like lifts that were heritage listed. It is a heritage lift? I have never heard of a heritage lift before.

Ms Geraghty: It is the shape of the lift. There is a circular lift within the centre of the building that is quite bespoke for the Callam Offices. That is the issue.

MR COCKS: You mentioned with Callam Offices that there are challenges with bringing it up to code. What code are you referring to?

Mr Rynehart: That would relate to the building code. Certainly, if you undertake a significant amount of work in a building, you need to bring it up to the code of the day.

MR COCKS: Of course, with the building code that applies to a building, my understanding is that it is the building code that was in place when it was constructed. Of course, there are provisions for undertaking major renovation or changes. Are there no provisions in the building code for heritage-listed buildings?

Mr Rynehart: That is not one I could answer directly. With respect to the comment around the cost of it, as you mentioned, if you are undertaking major refurbishment or works in the building, you need to bring it to today's standard for the code.

MR COCKS: What is the trigger? Where does that line lie in terms of maintenance of these buildings? Heritage-listed buildings quite often are at risk if maintenance is not undertaken. When does that actually kick in? I assume you have done some analysis when considering the future of Callam Offices.

Ms Geraghty: There are a number of issues in relation to Callam Offices. There is a building code issue; there is a maintenance issue; there is the fact that services need to be replaced. There is a combination of issues that are required, not just the code issue.

MR COCKS: For example, does replacing a lift trigger the building code—needing to meet the new building code?

Ms Geraghty: It is not my area of expertise, but we are happy to take it on notice and provide you with an explanation of that trigger.

MR COCKS: Thank you.

MS CARRICK: Could you provide the issues surrounding it—the maintenance, the services and where it does not meet the code?

Ms Geraghty: Yes.

MS CARRICK: Thank you.

MR COCKS: Mr Wright, can I clarify your comments around whether jobs are at risk? Your response there was in relation to machinery of government changes specifically. If agencies are not able to keep within their budget, they will not have to make changes to their staffing profiles there?

Mr Wright: Thank you for your question. My response was specifically in relation to machinery of government.

MS TOUGH: My question is about the ACT public service grad program. The grad programs, presumably, are an important pipeline for young and early career Canberrans to have an opportunity in our community. How does the ACT grad program work and how does it compare to competing programs with the commonwealth, for example?

Mr Wright: The ACT government Graduate Program provides an important talent pipeline. The OIRWS, in which Mr Young and I work, has responsibility for that program at a whole-of-government level. We deliver the current year's program, and we also work on attraction and recruitment for the upcoming year ahead.

The program cohort size has varied over the past five years. We have 47 graduates for 2025. Nationally, demand for graduates has increased significantly since 2022, reflecting a very competitive talent space, particularly in the ACT, with commonwealth government departments competing, as well as big consultancy firms. We do very well in terms of retaining our graduates, which is a really important part of that. We invest quite heavily in their training, their development and their opportunities. From our last year's graduate program, 44 of our 45 graduates successfully completed the program

and one graduate transferred to the 2025 program, which is a fantastic outcome.

We have accountability indicators to measure the success of the program, and that indicates 85 per cent of graduates successfully complete their graduate program. Obviously, we are well and truly above that.

Mr Young: I acknowledge and will comply with the privilege statement. Going to your question about how the ACT's program compares with the commonwealth's, and adding to Mr Wright's comments, we are acutely aware that we are competing in a tight labour market. We are very keen to ensure that our graduate program provides a really good pipeline for employees going into the ACT public service.

While we are aware of and maintain visibility of the commonwealth program, with a view to competing effectively with it, we have also tailored the ACT program quite closely to the needs of the ACT government. Each year there is a process, similar to what Mr Wright referred to, where we will seek feedback from the participating directorates, from participants in the graduate program, with a view to continually improving our processes.

For example, this year we identified a significant need for graduates with an ICT capability, so we designed the screening and recruitment processes particularly to focus on those skills. We have worked really closely with the directorates that receive those graduates to tailor the rotation of roles that new graduates go through, to ensure that they are well supported and given a good grounding in the directorates which they will ultimately be engaged within.

While we are aware of the commonwealth and model a number of the key characteristics on that commonwealth scheme, we are continuously looking to make sure it is tailored for the very specific needs of the ACT government and its directorates.

MS TOUGH: Do we have any data on the types of participants that we attract? Do they come from Canberra's universities? Do they come from interstate? Are they from culturally and linguistically diverse backgrounds? Do we have that kind of information about the grads?

Mr Young: We do. In terms of where they are relocating from, there is some variability, but it is around half and half, when you look, over the years, at people that reside in the ACT versus those that relocate from other jurisdictions, mostly from New South Wales. We do have graduates coming from farther-flung jurisdictions, and they are able to receive assistance with their relocation and support.

An important part of the program acknowledges that a number of our new graduates are recent graduates, relocating from home, perhaps, for the first time, and coming to the ACT, so the program that we have in place looks to ensure that they are supported while they settle and relocate.

MS TOUGH: You mentioned that we have people, not just from New South Wales but from a bit further afield. Do we market the grad program across Australia, not just here in Canberra?

Mr Young: We see applicants from all over the country, as that split of recruitment that we are taking on reflects.

MR COCKS: With the marketing process, what do you do regarding marketing to interstate graduates and what is the cost?

Mr Young: I will take that on notice, if that is okay, in terms of the cost.

MR COCKS: Yes, thank you.

MR BRADDOCK: I have a question about the Territory Records Act. In an answer to a recent question on notice, I found out that it takes, on average, 321 days from the date of a request to the date that the information has been received. I would like to understand why this lengthy timeframe is required and what steps have been made to decrease that timeframe.

Ms Wickman: I have read and understand the privilege statement. Mr Braddock, you referred to the period of time that it takes to process requests; is that correct?

MR BRADDOCK: It was in response to a question on notice. The average time from the date of a request to the date the applicant receives the requested document is currently 321 days.

Ms Wickman: I am not aware of that statistic. It is not a question that we were involved in responding to. I might have to take that on notice, to understand it a bit more.

MR BRADDOCK: More broadly, why is there such a significant timeframe required in order to process requests under the Territory Records Act to gain access to this information?

Ms Wickman: Archival access is quite different to access under the Freedom of Information Act. The records are generally in secondary storage. They are not on hand. They are usually not in digital format, and they are managed in old systems that require a bit of interrogation to understand, in order to match the researcher's question with the records that we might have that respond to that question.

It can be quite a prolonged process, depending on the complexity of the question asked, the records and their management. I am not sure about the 300-odd days number that you have. I would have to look into that, but I can confirm that it is not the same process as an FOI response.

Ms Stephen-Smith: Mr Braddock, can I get the question on notice number, so that we can check that?

MR BRADDOCK: I will try to track that down. I will take that on notice and get back to you!

I have a broader question, in terms of the list of cabinet documents that is provided on Canberra Day each year. You know, the documents that are looked to be provided under the scheme, so I am trying to understand why it takes so long, on average, to be able to

approve access to these documents.

Ms Wickman: I now understand the question.

Ms Stephen-Smith: Yes. It is about making sure that those documents are appropriately—

Ms Croke: I have read and understood the privilege statement. There is no statutory timeframe to meet the request for a Canberra Day release of cabinet documents from 10 years previously. Over the past three years, we have observed that every single one of those cabinet submissions has been requested. Let me just, if you give me one second—

MR BRADDOCK: Whilst you are doing that, to answer your question, Minister, it was question on notice 131 from this term.

Ms Wickman: Perhaps, while Ms Croke is looking at her statistics, I can answer that previous question a bit better. I was referring to access to non-cabinet records. Under the Territory Records Act, there are two categories of records. Cabinet records are released or able to be released after 10 years, which I think is what your question was referring to. Those systems are quite different.

My responsibility in the Territory Records Office is for all the other historical records. They are generally released to the public after 20 years, and that is the process that I described for that, where they are probably hard copy, in secondary storage, and not as clearly described and managed as a cabinet document would be.

Ms Croke: Since 2022, requests have been made for 1,438 documents. A document is not a cabinet submission, as in the cabinet submission itself. It is all the attachments that go with that. With every single one of those documents that has been requested, we have to look at and determine whether or not there is any reason not to release it in full—whether to have some elements redacted. They might go to personal security or legal in-confidence. There are four categories, and I am trying to remember them. We have to go through every single one of those cabinet submissions and work through that to determine whether or not it can be a full release or a partial release.

That precedent of all of the Canberra Day lists being requested is new. We have not had that in the past. We have a new approach now as to how decisions are made about that cabinet release. It has been decentralised, so every directorate has a role in assessing those, and working through those cabinet submissions.

MR BRADDOCK: You have a new process; you have decentralised the process to individual directorates, and do you hope that will improve your timeframes?

Ms Croke: That was the goal, certainly. But having every single document requested in a way that had not happened for a very long time, before 2022, has meant that workload is quite large, and we have to balance that with the other priorities. As I said, there is no statutory timeframe, so we work through those cabinet submissions as quickly as we can.

MR COCKS: You said that, since 2022, every one has been requested.

Ms Croke: Correct.

MR COCKS: Have you undertaken any work to proactively go through documents and ensure they are available, rather than waiting until the requests come through?

Ms Croke: After the 10-year mark? You are saying from Canberra Day, to make sure I have understood? From Canberra Day, we would actively work to release documents rather than being requested. We would still need to wait for the 10-year mark, though.

MR COCKS: No. Are you doing any work to be prepared ahead of that date to ensure that, when you get a request on that date, you are able to respond more quickly?

Ms Croke: If we were up to date, there would be an opportunity for that. But given we are behind, we have to work on a first in, first served basis. We are still processing some requests from 2022-23, that financial year. We have not really had the chance to be able to be more proactive in that release, because we are still working through those requests that we have to hand.

MR COCKS: What would it take to actually catch up?

Ms Croke: I would have to take that on notice. I would not be able to estimate that. It would be many, many hours.

MR COCKS: You said that every directorate is now involved in this process. What are you doing to ensure you have consistency in decision-making across the directorates?

Ms Croke: We have provided guidance to the directorates and we work with them as they are working through the requests. They do come back in. I am reflecting on the clearance processes within CMTEDD, so I might need to take on notice that the way that decisions are made within directorates is exactly the same. For example, within CMTEDD, regarding cabinet submissions that fall within my remit from 10 years ago, once they have been looked through by my team, they can come to me as the delegate to make a decision about whether the documents are fully released or released with redactions. What I cannot be entirely certain of is: the guidance is provided to directorates, but does every directorate follow that same decision-making? I would need to take that on notice, just to be sure about that.

MR COCKS: Perhaps you can take on notice any steps being undertaken to ensure that is consistent across all directorates.

Ms Croke: Yes; I can certainly take that on notice.

MR COCKS: Minister, I hope you can do a reasonable job compared to one of the other ministers on a similar question. Could you explain to me: what is the difference between your role and the Chief Minister's role when it comes to the ACT public service?

Ms Stephen-Smith: Thank you very much, Mr Cocks. I can at least try to answer that

question. Looking at the administrative arrangements, there is a very clear set of responsibilities that I have as the Minister for the Public Service: access to government information, the Territory Records Office, public sector management and reform—which is probably where you are going on this—the Chief Digital Officer, enterprise bargaining, One Service, Finance, ICT, Payroll, the whole-of-government ICT framework, Community Facilities, property services, and government accommodation. I suspect all of those are clear, except for public sector management and reform. Is that where you are heading?

MR COCKS: Yes.

Ms Stephen-Smith: One of the differences is that I have specific responsibility for all of those things that are not public sector management and reform. In relation to public sector management and reform, there is a degree to which the Chief Minister cannot hand over responsibility for the ACT public service and the Public Sector Management Act. That is clearly the responsibility of the Head of Service. The Head of Service has statutory responsibilities in relation to the management of the public service, and it is appropriate that, in relation to those responsibilities, the Head of Service reports to the Chief Minister. So, when we are talking about things like machinery of government changes, big changes across the whole public service—the current work that is underway in relation to the recruitment pause, for example—those are issues that are specifically managed by the Head of Service with the support of the Office of Industrial Relations and Workplace Safety. Those issues are then managed by the Chief Minister.

This is not an issue that is unique to this particular portfolio. Across a range of issues, there are often areas where the Chief Minister will step in because it is a whole-of-government responsibility and the Head of Service is taking responsibility for that.

MR COCKS: In terms of your responsibilities, issues such as reforms to the way public servants work, flexible work arrangements and where they are based—when public servants are working from home versus a flexible centre versus a standard office—would generally fall into your responsibilities?

Ms Stephen-Smith: It is probably fair to say—and Mr Wright might want to say something about this—that the day-to-day administration of those policies would probably fall into my area of responsibility. If there are significant strategic decisions that need to be made in relation to the management of the public service, that would probably be a matter for the Chief Minister.

Mr Wright: Flexible work has many different elements to it. There are also industrial relations elements to it, which obviously would fall under Minister Pettersson's portfolio; but these are areas in which we work very effectively across government.

MR COCKS: Minister, what mechanisms do you have in place for coordination between yourself and the Chief Minister, as well as at a directorate level across the service?

Ms Stephen-Smith: At a directorate level, it is largely around the Head of Service and the Office of Industrial Relations and Workplace Safety. Some other elements might sit

with the Treasury or outside that. But, in terms of coordination with the Chief Minister, often we would be jointly briefed about something that might have a specific impact on the public service, where it is about strategic decision-making and either both are asked to agree to the path forward or the Chief Minister is asked to agree and I might be asked to note the information. The Chief Minister and I work well together and our offices work well together. It is really a question of keeping those lines of communication open.

This is a new arrangement, so I think it is fair to say that we are still working through some of those details to make sure that public servants are clear on where we both need to be briefed, I need to be briefed or the Chief Minister needs to be briefed. As there is when portfolios change and there is a slightly grey area or crossover, those things tend to work themselves out in the first few months.

MR COCKS: This is going to sound like a Dorothy Dixier from the opposition: what are the key areas of reform that you are looking at, and what are the top priorities for reform from your end of things?

Ms Stephen-Smith: It probably goes back, in some ways, to the initial question from, I think, Ms Carrick, in relation to the finance portfolio's responsibility for the review of government programs. The priority at the moment is on the machinery of government changes, the work that we need to do around financial management for this year—that is, the work that OIRWS has been leading in relation to the recruitment pause and supporting all the areas to manage within their appropriation—and the 2025-26 budget. At the moment, those are all very busy areas of work. I am not creating more work in the next few months, prior to the 2025-26 budget, to look at additional public sector reform.

The work that Ms Edwards is doing, which Mr Wright talked about and we talked about earlier in relation to the ACTPS taskforce, will then feed into: what do we need to do next? An example of one of those things sits in the public service portfolio, in relation to our strategic use of information communication technology—how we ensure that technology is being used to support the efficient delivery of public services. That is one area where there is an overlap between the very specific thing that I have under my administrative orders and the broader public sector reform piece.

MR COCKS: In general, would it be unreasonable to characterise it as: the immediate pressures are the number one priority, rather than looking at those longer term strategic issues?

Ms Stephen-Smith: That would not be an unreasonable characterisation for the immediate period.

MR COCKS: Thank you.

MS CARRICK: This one follows on from the administrative arrangements. I have been asking everybody. Who is responsible for the social and economic development of the town centres?

Ms Stephen-Smith: That is not a question for me to answer, Ms Carrick.

MS CARRICK: Isn't it?

Ms Stephen-Smith: You tried the Chief Minister on this one, I assume, because he is responsible for administrative arrangements.

MS CARRICK: I asked him too, and I asked the SLA, and I have asked everyone.

Ms Stephen-Smith: It is a frustrating answer. It probably depends on exactly what you are talking about. Overall, Planning is responsible for planning of the town centres. I did not write the administrative arrangements, I am not responsible for managing the administrative arrangements, and it would be really out of place for me to try to answer that question in any detail.

MS CARRICK: It is very hard to get an answer. It seems to be very fragmented, and it is problematic.

Ms Croke: Chair, I have an answer to the question around the exemptions for the release of cabinet submissions. There are four key things that we look at: information that could endanger the life or physical safety of a person; limitation on a person's rights under the Human Rights Act; an ongoing criminal investigation; and disclosure of personal information. Legal privilege continues to apply.

THE CHAIR: Thank you very much.

MR EMERSON: I have a question about community facilities like the Salthouse Community Centre in Haig Park. It has been put to me that some of these facilities have been underutilised because of the arrangements. Community service organisations are charged a licence fee and they are required to pay maintenance costs. They send out prices. Lots of community groups would like to use these facilities. I have a question about whether that is feedback that the government is also receiving and whether there are any plans to adjust how we are managing these facilities to increase their utilisation rate?

Ms Stephen-Smith: It may shock you to learn, Mr Emerson, that we also talk to the community. Yes, we have received a range of feedback over the years on this matter.

Mr Rynehart: If you are speaking specifically about the Salthouse Community Centre—

MR EMERSON: I used that as an example.

Mr Rynehart: It is probably better to speak more generally. There is a range of licensing and tenancy arrangements that we have in place across the community centres. We have booked facilities, and we directly lease or licence a community organisation to provide services—and that can be through a peppercorn arrangement or a community lease cost. There are occasions when we have a head tenancy arrangement with a, generally, community provider, who then sublets to other community providers. Also, some of our facilities are let on short-term utilisation. There certainly are some differences in that way.

We apply the lease arrangements as they have been set, generally historically. Many of our leases and licences date back decades. There is quite a history behind many of them. Also, we have very low vacancy rates. We generally run between one and three per cent vacancy at any time, so we certainly have a high demand for our facilities. The revenue that comes in from those leases is invested back into the buildings. As that revenue comes in, we invest it into maintaining the properties and administering our asset base.

Ms Stephen-Smith: Mr Emerson, you are speaking specifically about the community halls, community centres, where people hire them to do activities. We had some feedback about that. We will probably need to look at how we undertake those arrangements. Sometimes it has changed over time as well. But, as Mr Rynehart has indicated, there is a challenge for us in ensuring that, somewhere along the way, all of our facilities are generating sufficient revenue to pay for the maintenance of those facilities. Because of all the historical arrangements that we have in place, that is not always necessarily always the case. As part of the work in Places and Spaces within Infrastructure Canberra, we will look at all of those arrangements. We are really keen to get feedback from people. Realistically, if you look at how much revenue you are generating, if you charge more and fewer people use it, you may actually generate less revenue than if you charged less and more people used it. I do not know how much we fully understand what that potentially looks like.

Mr Rynehart: There is work to be done. We want our buildings to be used to their best potential and to meet the community need to deliver an outcome. We are always keen to hear from the community about what is needed, so that we can deliver that in the best way that we can.

Ms Stephen-Smith: Some of our facilities are really busy and others are not. I think the Salthouse Community Centre is actually a good example, because it is such a beautiful facility and you would want it to be used to its full advantage.

MR EMERSON: Yes. I understand that the vacancy rates are low, but we are talking about renting out facilities and their utilisation rates might be low. Do you track that? Do you go back to the community organisations that are running facilities—I am talking about the ones that you would rent out, like the Salthouse Community Centre—and say, “Can you report back every year and let us know how much this is being utilised”?

Mr Rynehart: I may need to take the detail on notice. I feel that there would be a case-by-case arrangement on whether we are actually tracking utilisation. In some cases it might be that we have a head tenant, and how much it is utilised is just a matter for the organisation. I will come back on notice about the detail of how much we track the utilisation of them.

MR EMERSON: That would be great, if you have ones you track, and include what their rates are. I am sure you have the same feedback, as you said, Minister. People feel that these are community assets that have been invested in by the government. And, yes, there is the need to make enough money to maintain them. I suppose it is a challenge in public housing, but people expect that they are utilised. That is a perfect example of a great facility.

Ms Stephen-Smith: Having a community organisation managing those facilities is a

really good way to ensure that the community is fully engaged in how those facilities are used, but that comes with a cost to the organisations as well, to be able to support that.

MR EMERSON: And the risk you might have with them is that they do not want to lose the opportunity to manage it, so maybe they do not report back on all the challenges that they are facing. There could be a perverse incentive in that they do not want the contract to go to someone else, if they are struggling. Thank you for taking that on notice. That is all I have on the facilities question.

MS CARRICK: Who is responsible for ensuring that there are community facilities where they are needed in the new suburbs, and in the old ones where they do not have them? There are gaps. I can tell you that there is not one community facility in the Woden town centre or Southlands, a major group centre.

Ms Stephen-Smith: There is a youth centre in the Woden town centre, so there is a community facility in the Woden town centre. To your broader question, Ms Carrick, in terms of planning for the delivery of community facility-zoned land and also community facilities within growing areas or existing suburbs, that would be a matter for Planning, and then there is the whole-of-government issue around what those community facilities look like. It depends on what you are referring to when you say “community facilities”. Not to diminish the importance of it, but are you referring to a community meeting space or are you referring to community services that are delivered by non-government organisations, or do you count community services that are delivered by the ACT government? For example, we have committed to a new child and family centre in Molonglo, as well as a range of other community facilities—libraries et cetera—across various areas.

Broader planning for community facilities is usually done by a needs assessment. We are proactively managing the community facilities that are managed by Places and Spaces to ensure that they are meeting the needs of the community. And there are individual portfolio things. For example, the renewal of Gugan Gulwan’s facility in Tuggeranong was a specific responsibility that I had as Minister for Aboriginal and Torres Strait Islander Affairs, I think, or it may have been under Children, Youth and Families. To bring that forward was under one of those portfolios. It is on the Places and Spaces side.

Mr Rynehart: There is the Woden Community Centre Project in the town centre that the government committed to. We are currently in procurement for the design phase for that. That is coming on. As the minister indicated, we are the custodian of the existing portfolio. Particularly in the Woden and Phillip areas, most of our stock is aged. We have community hubs in Phillip, Pearce and Chifley, as well as a range of other community facilities around the city. Generally, our role is that we become the custodian of the land and the asset as it is delivered. We are part of the conversation about the needs, and we provide feedback on what our stock looks like and what utilisation of it might be, moving forward. Matters of future planning fall under the planning portfolio.

MS CARRICK: You talk about the procurement and design phase of the proposed community centre. That community centre is primarily accommodation for budding

community service providers to deliver the critical services that they deliver to vulnerable Canberrans. Sure, there might be some meeting rooms that the public can access. Will the community be consulted and able to contribute to the design phase of that building?

Mr Rynehart: Yes. The design phase will include a DA, the ordinary processes through that, and feedback from the community. Our aim is to have a facility that the community want and will use, so we will be keen to hear from people about their expectation for Woden Community Service. Meeting places are part of the space.

MS CARRICK: Having some meeting rooms in a building is a bit different to having a community facility like Salthouse. Anyway, it is in the precinct. There are Callam Offices and there is other space. There is the park. Is there any opportunity to do some wholistic planning around the area? As you say, there is the youth centre, which is not somewhere that everybody goes; it is for youth. It is not a facility that anyone in the community can book and use. There is a childcare centre not too far away too. So there is great potential to have a community hub around the park. You could even put in a basketball stadium around there. You could fit it. It is the ideal spot for it. That would activate around the light rail alignment. Is there any opportunity to do some wholistic planning around the area? Otherwise, it is just piecemeal.

Ms Stephen-Smith: Going back a few years in relation to the Woden Community Centre, a key consideration was the chosen location for the community centre and how it was going to fit with other things. I would note as well that, when you are talking about places for the community to come together and meet, there is also Woden Library. It has spaces that people can use. It really depends on what you are talking about when you are talking about a community centre. In the mind of some people, when they talk about a community centre, they mean somewhere for a community sector organisation to deliver services from, and other people talk about a space for people to meet and do classes et cetera. It is a bit of both. The Woden Community Centre would have enough space for people to do both of those things. That is the plan.

MS CARRICK: When I am talking about the community, I am talking about places where people can come together. Sure, there is the library, but I am talking about things like Salthouse, which the community can book. Presumably, there will be rooms that can be booked in the new Community Centre. But there are also places like an arts centre. To go into a room to do your arts is different to having an arts centre. Having some meeting rooms in a building is different to having an indoor sports stadium or an aquatic centre. There is a range of community facilities that we are lacking. It would be good to be able to plan for these things.

Mr Wright: One of the wonderful things I discovered about the Woden Library—I have a young boy who is very into music—is that they have a recording studio and also a podcasting set-up. It is pretty amazing. It is a fantastic public resource.

MS CARRICK: Yes, but you cannot play basketball there, can you? And you can't at the hospital either.

Ms Stephen-Smith: In most community centres you cannot play basketball either.

MS CARRICK: Sometimes you can have a hoop outside.

Ms Stephen-Smith: The other major new development in Woden is the CIT, which, again, is not under my portfolio responsibility. It will include, I think, some public spaces that will be able to be used so that people can come together in Woden.

MS CARRICK: I hope so. Hopefully we can have bands and things. That would be excellent.

You mentioned the Pearce and Chifley community centres, which are the old schools. What happens as the population grows? We are up to between 30 and 40 towers. We are pushing 40 residential towers in Woden now, built or in planning. Garran school has been expanded, but there is a huge gap. There used to be six public primary schools in the west side of Woden—North Curtin, South Curtin, Lyons, Chifley, Pearce and Torrens—and now there are two: Curtin and Torrens. There is a big gap in the middle. If the population increases to a point where we need to reopen that primary school, it is a really good one. It is about futureproofing and forward planning about where community organisations can go. Callam Offices are potentially an option. I urge Planning—and urge people to work with the planning directorate—to plan where we will be in 20 years with these things and to not close off options and sell Callam Offices.

Ms Stephen-Smith: I think we will have to take that as a comment, Ms Carrick.

THE CHAIR: You could always send it through as a recommendation or something.

MS CARRICK: Yes. That is a good idea.

THE CHAIR: We will move on to the next substantive. Given the time, I want to give a couple more people an opportunity.

MR COCKS: A yes/no would probably do. One of the changes that was made in terms of community-facility zoned land some years ago was to expand its use to things like public housing. Has the government undertaken any analysis since that change to determine whether there has been an impact on the amount of land available for general community use than would previously have been zoned for?

Ms Stephen-Smith: I really think that we are straying well into the planning portfolio.

MR COCKS: It is outside of this. That's fine.

Ms Stephen-Smith: While I always wanted to be planning minister, that ship has sailed!

MR COCKS: Okay. In that case, turning to the *State of the service report*. I am looking at page 40 and the bullying and harassment statistics in here. I want to get a bit of a handle on what is happening here. Can someone explain to me table 7.3? What is a “contact” in that table?

Ms Stephen-Smith: Sorry, can you give us the page number again?

MR COCKS: It is page 40: “Total contacts of bullying and harassment received by directorates through various reporting mechanisms.”

Ms Stephen-Smith: My guess is that “contacts” there means reports of one description or another, given the explanations in that table. But now Mr Wright has got it in front of him, he might have a better answer.

Mr Wright: Thank you. We have a number of different contact points there. Sorry, Mr Cocks, would you mind repeating the question?

MR COCKS: What is a contact?

Mr Wright: It would be someone making a claim in regard to bullying or harassment, or making a report in regard to bullying or harassment, that may or may not turn into an ongoing matter. It would depend on the nature of the information that was provided, and the like.

Ms Stephen-Smith: Mr Young has an answer—perhaps a more specific answer.

Mr Young: Thank you. Further to Mr Wright’s comments, I think the paragraph that precedes the table flags a number of potential points of entry, but I think the principal one would be the government’s online WHS incident reporting and management system safety portal. That is a mechanism, it is an ICT system, that we have implemented across the service in order to identify injuries, incidents, near misses and hazards, and they include bullying and harassment. In fact, changes were made to that system to better accommodate reporting of occupational violence and bullying and harassment incidents.

MR COCKS: So presumably that would account for the increase from 2022-23 to 2023-24—through that system, if it has been improved. What I am interested in, though, is the translation from the number of contacts to try and work out how many cases or instances of bullying and harassment. Is there a number? Do you have a number for that, for 2023-24? Or is the number of contacts the best number we have?

Mr Young: I think there are a number of metrics that are potentially relevant there. There are matters that are referred for investigation to the standards area, which have their own records and are reported. There are workers compensation cases that proceed and are attributed to bullying and harassment. There is a range of relevant figures that are available.

MR COCKS: It sounds like there is not a direct number. You cannot say, “There have been well over 500 cases or contacts here.” That does not translate in any way to a number of cases or instances. There are pretty strong disclaimers around this data, and I am trying to find out: are there actually a number of cases that this data flows onto?

Ms Stephen-Smith: I think you are pointing to the disclaimer that matters may be reported through multiple mechanisms or by multiple employees. I suspect that some of those matters may not easily be able to be matched together, so if it has been a contact through a contact officer, for example, that might be recorded as a contact in relation to a matter, but that may not be able to be matched with a report that is made through the

work health and safety incident system. So, I do not think that we will be able to come from those contact numbers to a total number of cases. One of these fine people will correct me if I am wrong, but I think, also, to go on from that, in relation to contacts versus reports assessed or investigated—

MR COCKS: That is what I wanted to come to.

Ms Stephen-Smith: my assumption here—and again, I will be corrected if I am wrong—is that the contacts in relation to bullying and harassment may also include harassment by non-ACT public sector employees, so clients or other people, who would not necessarily be reports of bullying and harassment assessed or investigated because there is not a public servant responsible to investigate. I do not know if that is correct, but I think there are some complexities here.

Mr Young: Indeed, and I think one of the reasons why that table seeks to delineate the types of sources where reports are received is in acknowledgement of that issue that you are raising, in that there are a whole range of circumstances where bullying, harassment, sexual harassment and occupational violence potentially occur in the community, affecting public servants, and therefore we have multiple mechanisms in place to record and to respond to those.

The number on table 7.4 that refers to matters that go to preliminary assessment tends to be where a bullying and harassment incident correlates with allegations of misconduct and the misconduct investigation proceeds, as opposed to other scenarios that would be included in the much larger number. So, while the possibility of overlap exists, the purpose of that report and that table, specifically, is to give some context and understanding to what is a multifaceted experience.

MS CARRICK: Since the ACT Property Group has a vacancy rate of approximately one per cent for properties leased to community organisations, how is the ACT government planning to address the growing need for community organisation accommodation across the ACT to ensure vital community services are able to deliver services and meet community need?

Mr Rynehart: Thank you. As indicated, we have a very low vacancy rate, so we actively monitor, as the vacancies come online, to make sure that we let them as quickly as we can, and we have an allocation policy where we are looking at how the vacancy can be used to best meet the community need.

We, as Places and Spaces, administer the assets that we have. We are responsible for the assets that we have, and we have a drive to make sure we have them all available for the most time we can so that they are in the state that can be used by the community. We do look at our stock. We look at its age and its usability for the best we can use it for. We speak to our colleagues and other directorates around where we are seeing demand and where we are seeing pressures, for their consideration, as future planning comes on.

MS CARRICK: Will there be more community facilities in Molonglo, outside of the town centre? I know that the town centre will, but, in the suburbs?

Mr Rynehart: That is probably not one I can answer directly, as in, if there are community facilities that come to Places and Spaces to administer, then we would pick them up and deliver them, but decisions around the actual allocation of community facilities, in any particular location, are not ones we generally make.

MS CARRICK: Given that some of them require maintenance because they are aging, can you provide the amount of funds the ACT government spent on maintenance on community facilities leased by community organisations in the last financial year and the projected amount for the current financial year?

Ms Stephen-Smith: We can take that one on notice. I think it would take a while to look that up and to answer it. In terms of Molonglo and community facilities, you would be aware that part of ACT Labor’s election commitment is to support a “community club of the future”, so a pokie-free venue, and that is in the town centre—but I know you asked about outside the town centre. I have talked about the Child and Family Centre, but more broadly, in relation to community services, community organisations and space, one of the things that Labor talked about as an election commitment was working with, particularly, peak bodies and policy related non-government organisations about sharing space with ACT government directorates, so that is something that we will be working on. That work has not really commenced yet, but I have certainly had some very positive feedback from some of the peaks that that it would be a very welcome development for them to be co-located—

MS CARRICK: Is that like a flexi hub?

Ms Stephen-Smith: We have not worked through what the detail of that would look like, but co-locating those peak organisations with the directorates with whom they work closely is certainly something we are looking at, and those peak organisations usually are currently located in Places and Spaces facilities.

MS CARRICK: And do you do things like skate parks? They are a community facility. I think Molonglo needs a skate park.

Ms Stephen-Smith: City Services.

MS CARRICK: Thank you.

MS TOUGH: In the interest of keeping the same people at the table, mine is also a community-facilities-type question. I understand that Infrastructure Canberra has its own internal resources and maintenance staff for the property portfolio. Can you tell me a bit more about the team and how they work?

Mr Rynehart: Thank you for the question. Yes, within Places and Spaces, we have one of our branches, which is Service Operations Branch, provide the direct facilities maintenance and repairs and maintenance work across both government offices and community facilities. We have, over the last 12 months, grown our trades team to a current number of 36 trades on staff—that is across plumbers, electricians, carpenters, general trades and HVAC.

The aim of that is for us to grow our internal capacity so that we can start to balance

out some of the work between outsourced and insourced work. It also means that by having a standing workforce, we can work more on a prioritisation basis, rather than a pure cost basis so that we can deliver those services both to our government and our community tenants. That team is also supporting Housing ACT in a multi-unit property trial, so they are delivering the services in housing complexes as well. By growing our team and by having people on staff, they can deliver those services across our whole portfolio.

We are also taking the opportunity to bring on apprentices and trainees as part of that, and we currently have nine apprentices on staff. As we continue to grow out our team, we bring that next generation into the industry and provide a career pathway for young people, and other people, into the service and into the trades, into the industry, because trade skills are in demand. We are continuing to utilise that, and that team, and because it is our employees, we can deliver those services on a prioritisation basis, as I said.

MS TOUGH: Thank you. Yes, when you said trades, I was going to ask about apprenticeships, so it is really good to hear you have got nine apprentices, was it?

Mr Rynehart: Yes.

MS TOUGH: Yes, that is wonderful. And you said that you now work on more of a prioritised basis, rather than a cost basis, because it is insourced. How do you work with tenants to identify the issues that need rectification, and how do you then prioritise that work?

Mr Rynehart: For many of the responsive works, we have a funding base where we maintain our own assets. Some of the works are still at the cost of the tenants, so our team is then funded by that revenue that comes in. And we have a prioritisation model internally, where we look at urgent works that need to be undertaken. Responsive work, repairs and maintenance, is prioritised according to urgent or ordinary type work, and then we also prioritise our work for planned maintenance and upgrades within our program funding.

MS TOUGH: Wonderful. And that works with Housing ACT—those properties as well?

Mr Rynehart: The Housing ACT model is one where, yes, we are providing services to Housing, and they are invoicing us—

MS TOUGH: And then paying. Yes, awesome; thank you.

Ms Stephen-Smith: Can I just very quickly add to a previous answer? I did talk, Ms Carrick, about peak bodies co-locating with ACT government, and I have talked to one or two of the peaks around that, but our commitment was also around community sector partners, identifying places where they can locate in government facilities to deliver their services. We have already got some good examples, like at Canberra Health Services at Molonglo, where Asthma Australia actually comes in and partners and delivers children's asthma services from a Canberra Health Services facility, so there are things like that as well, and we will look at that across all of our new health centres.

MR BRADDOCK: I have a question about freedom of information, and particularly, whether the territory is correctly applying the legislation around cabinet-in-confidence documents. The reason I ask this is because I know the ombudsman has overturned a decision, stating that cabinet-in-confidence was incorrectly applied to particular range of documents.

Ms Stephen-Smith: I have a sneaking suspicion that you will find, Mr Braddock, that the Attorney-General is responsible for freedom of information policy. I think Ms Croke might be able to answer your question. The Attorney-General has already appeared, hasn't she, in her role?

Ms Croke: Yes, I think she has.

Ms Stephen-Smith: Is there any information that you can provide in this context?

Ms Croke: Certainly, when documents are requested that include cabinet, we do look at that closely. Because something has cabinet naming on it does not necessarily preclude its release, depending on the information that is included and whether or not it is deliberative in nature. There is a process that we work through when there is material that is for FOI that includes cabinet documents. But if you have got a specific—

MR BRADDOCK: The example of—

Ms Stephen-Smith: If you could put a question on notice to the Attorney-General, Mr Braddock, about FOI policy, that would be really helpful. I think we are probably stretching beyond our remit here.

MR BRADDOCK: I can do that; thank you.

Ms Stephen-Smith: Thank you.

MR EMERSON: With ICT investments, there have been some instances of challenges in this space—\$78 million on a scrapped payroll and HR management system, \$160 million on the Digital Health Record. An Assembly inquiry last year into Auditor-General's reports into those instances and others, recommended that the Chief Minister strengthen and clarify the ministerial code of conduct to ensure that ministers actively seek to prevent and are held accountable for any significant mismanagement within their portfolio.

I understand there is work happening to centralise ICT procurement. My question is: does that make you the minister for all ICT procurement mismanagement concerns? I am genuinely curious about what the scope of that work is.

Ms Stephen-Smith: Individual ministers and portfolios will remain responsible for their projects, but within a much more structured framework about ICT procurement, which I will hand over to Ms Konti to talk about.

Ms Konti: I have read and acknowledge the privilege statement. ICT procurement is part of a broader governance improvement activity that we are doing across the ACT

public service. As part of the budget process, there is a process whereby a committee of people called the budget assessment subgroup come together to look at all of the proposals that have technology components to them, and determine whether it makes sense to do, whether the business case as written, the resources and the funding being requested make sense and are enough, and the extent to which the business case is ready to move forward into either a design phase or an implementation phase.

That tends to include proposals for procurement as well, on which we will provide advice. Procurement-specific advice is not within the remit of my group. It is within the remit of Procurement ACT. We will work together with Procurement ACT to provide that advice—the technology components to it as well as the procurement component.

MR EMERSON: The decisions are still very much sitting with the responsible agencies and so on?

Ms Konti: Absolutely.

MR EMERSON: And they are seeking advice, rather than saying, “This is a big procurement; can you help us,” from the outset? It sounds like they are coming to you with already developed plans.

Ms Konti: Some are. Others are coming to us and saying, “We have one; we’ve got a thing we need to do, and we need your help.”

MR EMERSON: Is there a value threshold for which of those two pathways someone might take?

Ms Konti: At the moment we look at every budget business case that is approved to come forward. There may come a time when that is beyond the limits of what our group can achieve in the time frame. If that is the case, we will need to address it then. It will either be a matter of throwing more people at it or starting to prioritise by way of a threshold, as you have suggested.

Ms Stephen-Smith: Obviously, programs cannot go ahead unless they are funded through a budget process of some kind, so the advice that will be provided out of this group into the Expenditure Review Committee, in considering budget proposals, is advice that will be taken seriously by all ministers.

I suspect, as the minister with responsibility for whole-of-government ICT, I would be specifically briefed if there were some concerns coming out of that group or Bettina’s team around the readiness of a project for that next funding gate. The early funding gate would be around problem identification and design around what the potential solutions to that problem might be, and there would be another funding gate around procurement or investment in that solution.

MR EMERSON: Is this a new function or is it a changed function?

Ms Konti: It is a function that has existed for some time; it existed even before I arrived in ACT government. Year on year, it continues to mature.

MR EMERSON: The Chief Minister has spoken about Infrastructure Canberra being a model for centralising ICT procurement. Is that future work that you are aware of that might be pursued, which sounds quite different from what is happening currently? In that case, obviously, there is much more of a handover of, “Now this is a job for this bigger agency with specialised skills.” What we hear about being a problem in the ICT space is that sometimes the people making the decisions are not across the technical details, and that is why we get into trouble. Is that something that is in the pipeline area?

Ms Stephen-Smith: That is probably, from a public service structure perspective, a question for the Chief Minister. Certainly, with what we are seeking to do, it is in the same way that Infrastructure Canberra has that expertise around infrastructure, capital development and capital works development. That is then utilised by whole of government, and procurement expertise is utilised by the whole of government. This group would have a capacity to be utilised by whole of government and take a more substantial position on major ICT projects.

There are whole-of-government ICT projects like PC-HRM, which has replaced the HRIMS project, where Bettina’s team would primarily have a high level of responsibility, but not necessarily be the business outcome owner, which is Robert. That connection between the ICT expertise and the subject matter expertise that you were pointing to is really critical.

THE CHAIR: On behalf of the committee, we would like to thank you, Minister, for your attendance today, and all the officials who have been here today. With any questions taken on notice, please provide your answers to the committee secretary within five business days from receiving the uncorrected proof *Hansard*. Have a good afternoon.

The committee adjourned at 4.00 pm.