

Participation rates for Aboriginal and Torres Strait Islander VET students

Output: 3.6

Annual Report Ref: Vol: 2.1 Page: 184 and Vol: 1 Page: 80

Indicator 3.6(b)(ii): Participation in VET by Aboriginal and Torres Strait Islander students

- The participation rate of Aboriginal and Torres Strait Islander Canberrans in government-funded VET in 2018 was 9.6%. While this is a good result (i.e. the target was exceeded) it is based on a very conservative measure and, therefore, does not capture the true participation rate for Aboriginal and Torres Strait Islander Canberrans who are eligible to participate in VET.
- A more accurate representation of VET participation can be achieved by comparing the number of VET students to the working-age population. This measure is more indicative of actual performance because Canberrans must be at least 15 years of age to participate in government-funded VET. In addition, VET targets people of working-age i.e. 15 to 64 years [NB: This amended measure will be introduced in the 2020-21 ACT Budget papers].
- By contrast, the measure used in the Annual Report compares the number of Aboriginal and Torres Strait Islander VET students to the total ACT Aboriginal and Torres Strait Islander population and, therefore, includes people who are either not eligible for VET funding or are beyond working-age
- The amended measure produces a 13.8% participation rate for Aboriginal and Torres Strait Islander students. Table 1, below, reveals that the participation rate—using the amended measure—for Aboriginal and Torres Strait Islander Canberrans in VET is more than double that of non-Indigenous Canberrans. Further, this rate has been consistently higher than the non-Indigenous rate for the last three years 2016-2018.

Table 1: Participation rates (using the amended measure) for Aboriginal and Torres Strait Islander and non-Indigenous VET students, in the ACT, by calendar year 2016 to 2018.

Indigenous status	Participation rate %		
	2016	2017	2018
Aboriginal and Torres Strait Islander	12.6	13.9	13.8
Non-Indigenous	5.6	5.7	6.0

Note: Numerator = number of VET students; Denominator = working age population aged 15 to 64 years.

Key Facts and Background

Table 2: 2018-19 Accountability indicator 3.6(b)(ii): Participation rate for Aboriginal and Torres Strait Islander students (as reported in the Annual Report, using the conservative measure)

<i>Original Target</i>	<i>Actual Result</i>	<i>Variance from Original Target</i>
9.0%	9.6%	7%

Note: Numerator = number of VET students; Denominator = total population from birth to age 85+ years.

Contact Officer: Action Officer Anita Dolstra

Cleared as complete and accurate: Kate Starick, Date

The effectiveness of VET for culturally and linguistically diverse (CALD) Canberrans

Output: 3.6

Annual Report Ref: Not referenced but of potential interest to the Committee members.

Definition of CALD

- For the purpose of this analysis, CALD students are defined as VET students who identify as being born in a non-English speaking country.

Representation of CALD students in Australian Apprenticeships

- In 2016, the number of CALD students accessing Australian Apprenticeships increased significantly and remained high in 2017 and 2018 (see table below):

Measure	2014	2015	2016	2017	2018
CALD students (number)	572	484	1152	960	889
% of AAs identifying as CALD	13.2%	13.5%	25.5%	21.0%	19.6%

- The dramatic increase in CALD student numbers coincides with a 2016 initiative which extended eligibility for User Choice funding to permanent humanitarian visa holders.
- In 2017, Skills Canberra further extended eligibility to refugees on temporary visas.

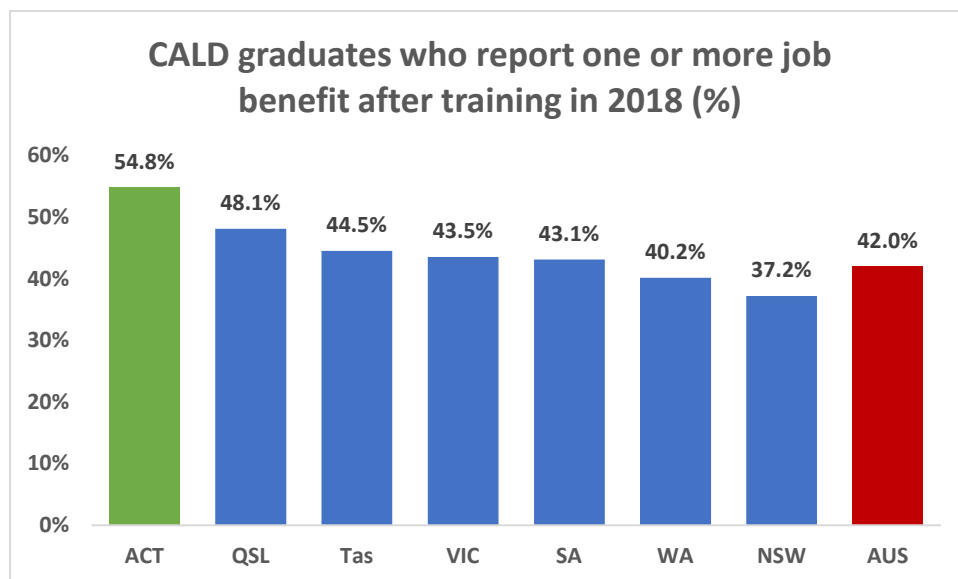
Employment Outcomes

- The table below, reveals notable improvements across a range of employment outcomes for CALD VET graduates in the ACT when compared to non-CALD graduates over the period 2015 to 2018.

Does VET deliver the skills and capabilities CALD Canberrans need for improved employment?						
Measure	CALD Students			Non-CALD Students		
	2015	2018	Assessment	2015	2018	Assessment
Proportion of VET graduates not employed before training to employed after training	12.1%	21.6%	✓	8.3%	9.6%	~
Proportion of VET graduates employed at a higher skill level after training	7.1%	9.6%	✓	17.1%	14.4%	✗
Proportion of VET graduates who received a job-related benefit	45.0%	58.1%	✓	67.5%	60.9%	✗
Key	✓ Good progress	~ Little to no progress	✗ Decline			

Note: The graduates in this analysis are aged 20 to 64 years.

- For CALD VET graduates who reported receiving job-related benefits after training, the ACT's results in 2018 were the best in the nation (see graph below).



Note: 'Job-related benefit' includes:

- Set up or expanded their own business
- Got a promotion
- Increased earnings
- Other job-related benefits after completing their training (e.g. moved from part-time to full-time work; moved from casual to permanent status).

Key facts /background

- On 1 January 2016, Skills Canberra published (for the first time) a detailed list of eligible visa-types in its compliance guides. The 309 Permanent Humanitarian Visa was included for the first time.
- On 1 January 2017, five additional visa categories were added to the eligible visa list. This initiative intended to remove barriers to employment for refugees and asylum seekers on temporary visas.
- Over the last five years, the ACE Grants program has funded many projects aimed at increasing English proficiency and digital literacy in the CALD adult population.
- The representation of the CALD in Skilled Capital initiative is not able to be studied. Information for this variable is not collected from participants.

Contact Officer: Action Officer Anita Dolstra

Cleared as complete and accurate: Kate Starick, Date

National Partnership on the Skilling Australians Fund (NPSAF)

Output: 3.6

Annual Report Ref: Vol: 1 Page: 79, 81

Attachment 1: ACT Performance against NPSAF targets

Attachment 2: ACT NPSAF Project List (overview and funding)

Good new stories

Future Skills for Future Jobs Grants Program – ‘Hotstart’ Hospitality Pre-apprenticeship Program

- The Hotstart Program is one of 12 projects awarded funding under the Future Skills for Future Jobs Grants Program. The program provides a pre-apprenticeship for ACT school students, delivered by Access Recognised Training in partnership with local industry and schools.
- The program enables students to undertake a week of pre-employment training followed by a week of work experience. Students can then make an informed choice about pursuing an Australian School-based Apprenticeship (ASBA) within the hospitality industry.
- The official launch of Hotstart was held on 24 September 2019 at Gungahlin College and included a ‘Cook for a Cause’ event delivered in partnership with OzHarvest.
- The first course group of ten Year 11 and 12 students prepared a variety of canapes for guests attending the launch and over 200 meals for distribution by OzHarvest. The students were mentored by high profile local chefs from Canberra restaurants, including the National Press Club, Aubergine, The Boathouse and Fenway House.
- Two of the students that participated in the ‘Cook for a Cause’ event have already been offered an ASBA.

Industry Pathways Course (IPC)

- A pilot of the IPC commenced in Term 1, 2019. The pilot was established in collaboration between Skills Canberra, CIT and the Education Directorate to deliver the Certificate II in Skills for Work and Vocational Pathways via a pre-apprenticeship program for secondary school students in the ACT.
- The program includes work placement opportunities and a range of skills for work and life training to empower school students to make informed choices about their future education and employment pathways. The program also equips students with information about operating effectively and safely in a range of work environments.
- The pilot in 2019 has included approximately 80 year nine and year 10 students from four ACT public schools: Namadgi School, Wanniasa School, Melba Copland Secondary School and Mount Stromlo High School.

**EXECUTIVE BRANCH MANAGER – SKILLS CANBERRA
ANNUAL REPORT HEARING BRIEF**

- Feedback received to date includes:
 - Students are understanding employability skills and the connection between what they learn at school and what they need for work
 - Students are gaining confidence in their own learning and learning how to engage and self-manage in adult learning
 - Students are understanding what skills they need to start an Australian School-based Apprenticeship or an Australian Apprenticeship, and
 - Students are getting exposure to a variety of industries through the course Introduction to Industry days.
- The four participating schools have indicated interest in continuing the program in 2020, and there is growing interest from other schools. An evaluation of the pilot will be undertaken in 2020 to determine the impact of the program and future arrangements.

Contact Officer: Caitlin Pantos

Cleared as complete and accurate: xxx, Date

ATTACHMENT A: NPSAF 2018-19 Targets and Actual Performance

SAF Target Type and Description		SAF 2018-19		Date Data Generated: 24 Sept 2019			
Target	Description	Baseline	Target	2018-19 Actual Commencements	Additional commencements after baseline	Achievement above target (total)	2018-19 commencements above target to carry forward in 2019-20
Apprenticeships/ Traineeships	All User Choice training contracts (Incl. Cert I)	3702	125	4740	1038	913	913
	Like activity (SC Cert III & IV Required Work Placement as per TPG - Attachment A)	513	513	885	372	372	0
Pre-Apprenticeships	Total	4215	638	5625	1410	1285	913
	Full Qualifications SC Cert I & II			347			
	Full Qualifications* (Other pre-apprenticeship programs Cert I & II)			TBC *			
	Skill Set/ Accredited Training (SC Skill Sets and Accredited Courses)			181			
	Skill Set/ Accredited Training* (Other pre-apprenticeship programs)			TBC*			
	Total	171	174	528	357	183	183
Higher Apprenticeships	Full Qualifications (like activity) (SC Dip to Grad Dip Required Work Placement as Per TPG - Attachment B)	225	61	333	108	47	47
	Total	225	61	333	108	47	47
Grand Total		4611	873	6486	1875	1515	1143

Note

* *Full Qualifications* and *Skill Set/Accredited Training* - the projected total for these two targets have not included the actual commencements from other pre-apprenticeship programs yet.

Sources: ACT AVETARS Data on all commencements under Skilled Capital and under User Choice as at 24 Sept 2019

Attachment B: Summary of ACT NPSAF Projects (2018-19)

Lead and Partners/Contractors	Project Description	Value 2018-19	Project Duration	Key achievements/ progress to date
CIT Skills Canberra Education	CIT AA Growth Project	\$2,374,943		
	<u>Cyber Security</u> Develop a more flexible delivery model and create training environments that simulate the physical infrastructure of cyber security workplaces and complement the TSOC. Expected to deliver 200 additional commencements per calendar year from 2018-19 to 2021-22.	\$700,000	Oct 2018 – Jun 2022	Launch of Cyber Security Training Security Operations Centre (TSOC)
	<u>Allied Health</u> Development of authentic simulated work environments in Allied Health to enable pre-apprenticeship programs to provide industry-valued experience and create work-ready graduates.	\$500,000	Oct 2018 – June 2019	
	<u>IPC Development and Coordinator</u> Coordinator for IPC: 4 class groups 2019-2020 8 class groups 2020-2021 Skilled Capital funding also linked to this project.	\$443,223	Jul 2018 – Dec 2021	78 year 9 and 10 students across four schools commenced IPC pilot in Term 1 2019
	<u>Teacher Capacity Issues</u> Addressing teacher capacity issues to ensure CIT is able to meet increased demand in Australian Apprenticeships commencements.	\$180,000	Aug 2018 to Dec 2019	Increase in engagement of new trainers in areas of growth (e.g. electrical)
	<u>Hospitality Pre-Traineeship Program</u> This program has been modelled on the successful pilot developed with Department of Jobs and Small Business and Accor Hotels. CIT has been approved funding to replicate the program for up to 100 participants.	\$36,720	Feb 2019 – Dec 2020 Maximum funding remaining \$80,000 (approx.)	Four multi-national employers committed to recruit graduates of Hospitality pre-employment initiative
	<u>My Profiling Implementation Support</u> This project enables CIT to continue the ongoing implementation and growth of the My Profiling suite of products offered across all ACT Australian Apprenticeship qualifications. A Project Co-ordinator and systems improvements are funded through this project.	\$515,000	Jan 2019 – Jun 2022	Staged roll-out of My Profiling for all Australian Apprentices across CIT.

Lead and Partners/Contractors	Project Description	Value 2018-19	Project Duration	Key achievements/ progress to date
<p>Skills Canberra Education, AEN NSW & ACT</p>	<p><u>ASBAs in Government Initiative</u> Contract with AEN to place ASBAs within ACT Directorates, ACT Public Schools and Australian Government Departments in 2018-19. Through this initiative GTOs employ, arrange host placements, mentoring and co-ordinate training for ASBAs that attend ACT Public Schools.</p>	<p>\$700,000</p>	<p>June 2018 to June 2019</p>	<p>As at the end of September 2019, 67 students have commenced an ASBA through the initiative, demonstrating an improved number of commencements through this program in comparison to previous models.</p>
<p>Skills Canberra ATC, CIT, LJS Constructions, MBA, NECA, SALT, Unions ACT</p>	<p><u>Women in Trades – Election commitment</u> The ACT Government’s Women in Trades Grants Program is designed to support the growth and development of Canberra’s vocational sector through specific outreach efforts with a focus on women. In an aim to improve participation and productivity in the broader ACT economy Skills Canberra is looking to fund activities that support women into trades.</p>	<p>\$354,710</p>	<p>Jul 2018 – Jun 2022 <i>(Funding to be paid 2019-20: \$333,870 Funding to be paid 2020-21: \$51,625 Funding to be paid 2021-22: \$5,000)</i></p>	<p>A total of 57 women completed or are completing pre-apprenticeships via the three projects awarded funding in Round 1.</p> <p>The second round includes one pre-apprenticeship program which supports up to 20 women to enter the construction industry.</p> <p>The remainder of projects aim to reduce the barriers faced by women in, or wanting to enter trades, including occupational gender stereotypes, workplace issues, and lack of exposure to using tools at a young age. The projects will deliver engagement with young people, advocacy for women in trades, and promotional activities.</p>

Lead and Partners/Contractors	Project Description	Value 2018-19	Project Duration	Key achievements/ progress to date
<p>Skills Canberra CIT, CBC</p>	<p><u>Mature Workers – Election commitment</u> The Mature Workers Grants Program aims to identify and address barriers impacting employers' utilisation of Canberra's mature workforce to meet their skills needs. Skills Canberra is looking to fund new activities that will assist employers to recruit and retain skilled, experienced, mature workers</p>	<p>\$148,192</p>	<p>Jan 2019 – Jul 2021 <i>(Funding to be paid 2019-20: \$207,153, Funding to be paid 2020-21: \$144,653)</i></p>	<p>CIT has commenced a range of activities to improve support services for mature workers. CIT's Mature Worker Student Support team has had significant client engagement and interaction with mature workers, with various levels of support provided.</p> <p>Canberra Business Chamber (CBC) has collaborated with CIT to educate employers and mature age workers about the opportunities available and to connect individuals with employment opportunities.</p> <p>CBC held its first recruiter workshop in July 2019 which attracted 17 businesses, including representatives from IKEA, the Labor Club, St Vincent de Paul, InterContinental Hotels Group and Accor Group.</p>
<p>Skills Canberra Access Recognised Training, CIT, CIT Solutions, MBA Group Training Ltd, NECA, Office for Women, Uniting Care Kippax, Worldview, Year13</p>	<p><u>Future Skills for Future Jobs Grants Program</u> Innovation grant fund to pilot/seed fund innovative projects that resolve industry issues and result in increased AA take-up. Projects developed through consultation and co-design with local industry - led by Workforce and Skills Development Unit.</p>	<p>\$1,000,000</p>	<p>Jun 2019 – Jun 2020 <i>(Funding to be paid 2019-20: \$1,000,000)</i></p>	<p>Project commencements from 1 July 2019.</p> <p>Launch of Project Embrace at Seeing Machines on 12 August 2019. The event was featured on WIN News.</p>

Lead and Partners/Contractors	Project Description	Value 2018-19	Project Duration	Key achievements/ progress to date
				Launch of 'Hotstart' Hospitality Pre-Apprenticeship and Work Experience Placement Program and 'Cook for a Cause' event at Gungahlin College on 24 September 2019. Two of the participants have already secured an Australian School-based Apprenticeship in the hospitality industry. The event was featured on WIN news.
Skills Canberra Ginninderry, Uniting Care Kippax, Office for Women	<u>SPARK Expansion</u> Expansion of SPARK across ACT, including: Canberra's southern suburbs, Queanbeyan, Goulburn, Cooma, Yass	\$350,000	Jan 2019 – Dec 2020 <i>(Funding to be paid 2019-20: \$470,000, Funding to be paid 2020-21: \$100,000)</i>	Funding Deed Executed. Programs commenced – report due
Skills Canberra	<u>My Profiling trial and CIT staged rollout</u> Development of Skills Canberra and Access Canberra Business Intelligence Dashboards, API development to enable integration with AVETARS, licence costs for CIT staged rollout and extended trial for Private RTOs (up to 5,000 licences per year)	\$198,500	Jan 2017 – Dec 2019 <i>(Funding to be paid 2019-20: \$13,500)</i>	Collaboration and development of enhanced product with external stakeholders to integrate links to relevant tools into My Profiling, creating a one stop Digital Platform.
Skills Canberra RTOs: ATC, CIT, CTET, GETS, MBA, CTET eLearning Australia, JobReady	<u>ACT Skills Central (My Profiling enhancements)</u> Scoping and development of ACT Skills Central - an enhanced version of My Profiling that will be used by Skills Canberra, Access Canberra, Education Directorate and Office for Women – in addition to usage by RTOs, Employers and students	\$251,275	Apr 2019 – Sep 2019	Collaboration across government to identify potential use of My Profiling by other Directorates (e.g. WorkSafe ACT, Education, Office for Women). My Profiling Steering Group established to inform evaluation of My Profiling.
Skills Canberra Tertiary Education Training and Research	<u>VET Investment Plan</u> Developing a VET Investment Plan for the ACT to identify the community benefits of government investment in VET	\$xx		VET Investment Strategy under development.

Lead and Partners/Contractors	Project Description	Value 2018-19	Project Duration	Key achievements/ progress to date
<p>Skills Canberra CSI OzHelp Worksafe ACT CIT, GETS, CTET, MBA</p>	<p><u>AA Empowerment Program</u> Delivery of pilot Empowerment Program for Australian Apprentices during 2019</p>	<p>\$37,000</p>	<p>May 2019 – Dec 2019 Maximum funding remaining \$65,000</p>	<p>76 automotive apprentices participated in a trial of the Workplace Tune Up (WTU) screening tool and Wellbeing at Work program delivered at CIT in October 2018. Evaluation Working Group established.</p> <p>Pilot of full day's training that incorporates OzHelp tools and CSI training commenced in May 2019 with automotive apprentices – 1st to 3rd years</p>
<p>Skills Canberra Uniting Care Kippax, Belconnen Community Services, MARRS, Supporting Asian Women's Fellowship, Tjillari Justice Aboriginal Corp, Queanbeyan Multilingual Centre</p>	<p><u>ACE</u> The ACE Grants Program is recognised as a vehicle for the delivery of accredited and non-accredited foundation skills learning activities with far reaching potential for individual empowerment and development. Importantly, these broad-based activities also teach participants — aged 17 years or older — how to engage in informal learning that makes formal training possible and future employment more likely.</p>	<p>\$250,000</p>	<p>Jul 2018 – Jun 2020 <i>(Funding to be paid 2019-20: \$245,740)</i></p>	<p>Revised Program Guidelines were implemented in 2019 to strengthen adult community education (ACE) in the ACT and support better outcomes for participants. This included an increase to available funding, and a new funding model to incentive collaboration and improve quality of outcomes.</p> <p>The 2019 ACE projects have made 56 foundation skills modules available to up to 496 adult jobseekers.</p> <p>This training is being delivered by six community-based organisations.</p>

Lead and Partners/Contractors	Project Description	Value 2018-19	Project Duration	Key achievements/ progress to date
Skills Canberra ASA, CIT Solutions, Dept of Human Services, Dept of Jobs and Small Business	<u>Indigenous Apprenticeships Program</u> National Australian Apprenticeships program with Department of Human Services and Department of Jobs and Small Business being delivered by CIT solutions. Approximately 300 AAs completing Cert IV or Diploma in Government	\$100,000	Feb 2019 to Dec 2020 Maximum funding remaining \$1,900,000	Have successfully re-engaged Australian Government in a formal Australian Apprenticeships program for priority cohort that will generate approximately 300 commencements contributing towards NPSAF targets.
Skills Canberra Education Directorate CIT	<u>Industry Pathways Course</u> One line allowance per class group for co-delivery and in-class mentoring paid to all participating schools	\$80,000	Feb 2018 to Dec 2021 (Funding to be paid 2019-20 \$220,000 Funding to be paid 2020-2: \$160,000)	A pilot of the IPC commenced in Term 1, 2019. The pilot has included approximately 80 year nine and 10 students from four ACT public schools: Namadgi School, Wanniasa School, Melba Copland Secondary School and Mount Stromlo High School.
Skills Canberra	<u>Increased subsidies – User Choice</u> Increased subsidies to occupations in demand through the Australian Apprenticeships (User Choice) program, which subsidises training for students employed as Australian Apprentices. The level of subsidisation is informed by the ACT Skills Needs List and each program includes loadings and additional support funding. These measures are aimed at increasing enrolments and supporting students through to completion in qualifications that are more likely to lead to employment outcomes. Value listed for 18-19 is 'additional' amount recorded against NPSAF 18-19 Annual Report.	\$4,656,250	Australian Apprenticeships training contracts may have a nominal term of up to 4 years – therefore commencements in 2018-19 may continue to receive payments up to 2022-23.	This project increased the amount of subsidy paid for Australian Apprenticeship and Skilled Capital qualifications that contribute to the training targets set under the NPSAF.

	<p><u>Increased subsidies – Skilled Capital</u> The Skilled Capital initiative increases access to high quality training in areas of skills need and maximises improved employment outcomes for students. The initiative also provides a comprehensive range of support services to ensure students accessing training receive the help they need to successfully complete their chosen qualification. Value listed for 18-19 is 'additional' amount recorded against NPSAF 18-19 Annual Report.</p>	<p>\$2,341,170</p>	<p>Skilled Capital qualifications must be completed within 2 years– therefore commencement in 2018-19 may continue to receive payments up to 2020-21</p>	
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Skills for workers in the ACT Gambling and Racing industry

Output: 3.6

Annual Report Ref: Not referenced (a member of the Committee is the Shadow Minister for Gambling and Racing and may have an interest in this topic)

Q: How have Skills Canberra's VET programs contributed to ensuring workers in the gambling and racing industry have the skills and knowledge required to provide responsible gambling services, and to assist those customers who have issues with problem gambling?

A: In 2018-19, Skills Canberra provided \$18,876 in subsidies for 63 workers and job seekers to gain competency in providing responsible gambling services. The skills and knowledge required to provide responsible gambling services and assist customers with problem gambling issues were delivered as an elective unit of competency within the qualifications listed in the table below.

Table 1: Expenditure on the unit of competency 'Provide responsible gambling services', by program and qualification

Qualification	Australian Apprenticeships	Skilled Capital	Total
Certificate IV in Hospitality	\$3,262	\$1,097	\$4,359
Advanced Diploma of Hospitality Management	\$330	\$462	\$791
Diploma of Hospitality Management	\$611	\$0	\$611
Certificate III in Hospitality	\$12,384	\$730	\$13,114
Total	\$16,587	\$2,289	\$18,876

NB: This is an elective (not a mandatory) unit.

Key Facts and Background

SITHGAM001 - Provide responsible gambling services

- This unit describes the performance outcomes, skills and knowledge required to provide responsible gambling services, and to assist those customers who have issues with problem gambling.
- Responsible gambling services must be provided wherever gambling activities are undertaken. In the hospitality industry, the gambling environment is usually referred to as the gaming area and is provided in a range of venues, such as hotels, motels, clubs, pubs and casinos.
- The major forms of gambling are wagering (racing and sport) and gaming (gaming machines, table games, Keno and lotteries). Both forms of gambling are relevant to the hospitality industry.
- Hospitality venues may operate Totalisator Agency Board (TAB) outlets for wagering on racing and sport events. They may also cover the full range of gaming activities, including operating gaming machines, table games, Keno and lotteries.
- Responsible provision of gambling services is an essential underpinning skill for all hospitality personnel involved in the sale and service of gambling activities in licensed

premises, including the licensee, gaming supervisors and gaming managers when involved in operational gambling activities.

- The unit applies equally to frontline operational gambling personnel who operate with a limited level of autonomy and under some supervision and guidance from others. They would operate within predefined organisational procedures, and regulatory authority and industry and organisational codes of conduct.
- Operational job roles would include gaming attendant, table game attendant, croupier and multi-skilled food and beverage attendant.
- The unit also relates to satisfying the requirements for providing responsible gambling services under state and territory legislation. The terms used to describe this vary across state and territory regulatory bodies and can include Responsible Conduct of Gambling (RCG), Responsible Service of Gaming, or Responsible Service of Gambling (RSG).
- Those developing training to support this unit must consult the relevant state and territory gaming licensing authority to determine accreditation arrangements for courses, trainers and assessors.
- Under differing state and territory legislation this is a required certification unit for certain nominated personnel operating in licensed gambling premises.

Contact Officer: Action Officer Asterie Twizeyemariya

Cleared as complete and accurate: Anita Dolstra, Date 6/11/2019

Staff Survey Results

- In the 2019 CMTEDD Staff Survey, Skills Canberra had a 94% staff response rate, equating to over 40 employees.
- The survey results indicated the following positive aspects:
 - An 84% rating for staff engagement. This indicates a high staff belief that there is a mutually beneficial relationship between the employee and organisation. Engagement is a good indicator of how connected they are to the organisation and in helping it to achieve its goals.
 - Greater than 80% ratings relating to pride in working for Skills Canberra, wanting to go the 'extra mile' to deliver results to clients and the Territory, and feeling that Skills Canberra is a great place to work.
 - Greater than 88% ratings relating to feeling well managed and engaged with management.
 - Greater than 85% ratings relating to staff knowing what outcomes they are expected to deliver, the extent to which their skills and experience are employed, and their contribution to the success of Skills Canberra.
 - An 88% rating of their team working well to achieve good outcomes.
- The survey results reflect a high level of morale, team spirit, and sense of purpose across the Branch.
- The survey indicated some areas for improvement, including concerns relating to:
 - Job security – reflective of the number of temporary employees and employees engaged in higher duties positions.
 - The extent to which senior leaders are visible in the Branch.
 - The opportunities for career progression within the Branch.
 - The desire for a clearer articulation of the direction and priorities for their work area.
- After the survey results were released, staff were consulted to determine the three highest priority matters for improvement. Their choice of matters to improve were:
 - Job Security;
 - Setting clearer direction and priorities for the Branch and its teams; and
 - Creating opportunities for a better work / life balance for employees.
- These three priority areas are the subject of an action plan, developed in conjunction with a staff working group. The action plan includes some work which was planned and/or commenced well before the survey results were released, including:
 - Development of a Skills Canberra business plan which is consistent with, and contributes to the achievement of, the Economic Development Directorate Strategic Plan. The business plan will provide clarity around the role of the Branch and its teams, priorities of effort, and how the Branch contributes to positive outcomes for the ACT and Canberra region.
 - An externally led review of key business processes. More efficient business processes will contribute to achieving a healthier work / life balance for employees and enable to Branch to invest additional staff time in more strategic aspects of the Vocational Education and Training environment, thus delivering greater contributions to economic and social outcomes for the Territory.

- Job security for Branch staff is being partially addressed through the whole-of-government project determining the viability of converting some long-term temporary employees to permanent employees. Job security will be further enhanced by the actions which will follow the release of the new business plan and the review of business processes. These actions will include:
 - a redesign of the Branch structure, position grades and duties. This will enable more staff to be appointed permanently within the new structure and provide updated team responsibilities and individual position descriptions. Existing permanent ACT Public Service employees have been advised that there will be no involuntary redundancies resulting from this restructure; and
 - a skills audit, which will result in affected employees being provided with training and other support to enable their transition to new duties and processes.

2018-19 Performance information – 5 year comparison

Measure	2018-19	2017-18	2016-17	2015-16	2014-15
Estimated number of visitors/patrons	452,641	405,690	537,365	373,518	366,546
• CTC	275,264	277,363	264,473	224,448	229,993
• CMAG (includes Outreach)	116,009	65,479	217,649	92,434	77,703
• Historic Places	61,638	62,848	55,243	56,636	58,850
– Lanyon	57,828	58,106	50,460	51,066	52,440
– Calthorpes' House	1,439	2,249	2,097	2,596	2,975
– Mugga-Mugga	975	1,482	1,397	2,059	2,409
– Outreach Programs	1,126	1,011	1,289	915	1,026
Number of exhibitions (includes permanent exhibitions)	21	19	23	23	25
• CMAG	14	13	17	17	19
• Nolan Collection Gallery	1	1	1	1	1
• Historic Places	6	5	5	5	5
– Lanyon	4	3	3	3	3
– Calthorpes' House	1	1	1	1	1
– Mugga Mugga	1	1	1	1	1
Number of education and community programs	564	596	570	676	706
• CMAG	168	175	146	192	213
• Nolan Collection Gallery	31	38	47	56	57
• Historic Places	365	383	377	428	436
– Lanyon	262	182	221	177	236
– Calthorpes' House	63	122	89	142	113
– Mugga Mugga	30	64	48	95	76
– Outreach Programs	10	15	19	14	14
Number of days venue usage at the Canberra Theatre Centre's venues	627	691	624	549	582

ISSUE: ACT ECONOMIC AND FISCAL OUTLOOK (4 November 2019)

Talking points:

Economic Conditions

- The ACT economy is growing strongly.
 - At the time of the 2019-20 Budget, economic growth as measured by Gross State Product (GSP) was expected to be 4¼ per cent in 2018-19.
 - downward revisions to historical estimates of ACT final demand by the Australian Bureau of Statistics (ABS) are likely to be reflected in the GSP result, which is expected to be released by the ABS on 15 November 2019.
 - GSP is forecast to be 3 per cent in 2019-20, 3¼ per cent in 2020-21 and 3½ per cent in 2021-22 and 2022-23.
 - These forecasts will be reviewed as part of the 2019-20 Budget Review process.
 - GSP was 4.0 per cent in 2017-18 and 3.6 per cent in 2016-17.
 - The size of the ACT economy is now almost \$40 billion¹.
- **Table 1** provides the forecasts and projections of economic parameters contained in the 2019-20 Budget.

¹ \$39.8 billion in current prices.

Table 1: 2019-20 Budget economic forecasts and projections, percentage change*

	Actual	Estimate	Forecasts	Projections		
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Gross State Product	4.0	4¼ (+¾)	3 (-½)	3¼ (-¼)	3½	3½
State Final Demand	3.6	4¼ (+1¼)	3 (-¼)	3¼	3½ (-¼)	3½
Employment	2.2	1 (-1)	1½ (-¼)	1¾ (+¼)	1¾ (+¼)	1¾
Wage Price Index	1.8	2¼ (-¼)	2½ (-¼)	2¾ (-¼)	3¼	3¼
Consumer Price Index	2.8	2 (-¼)	2¼ (-¼)	2½	2½	2½
Population	2.2	2 (+¼)	1¾	1¾	1¾ (+¼)	1¾

* Numbers in brackets represent the change from the 2018-19 Budget Review. Forecasts are on a through the year basis, apart from that for Gross State Product and State Final Demand which are on a year average basis.

2018-19 Outcomes

- The ABS has published 2018-19 actuals for State Final Demand, employment, the WPI, and the CPI.
 - Growth in State Final Demand in 2018-19 was 3.0 per cent, lower than the estimate of 4¼ per cent.
 - This outcome is reflective of \$550 million in total downward revisions by the ABS to the value of State Final Demand in 2018-19 over both the March and June quarter 2019 data releases. These revisions lowered year average growth in State Final Demand in 2018-19 by 1.1 percentage points.
 - Growth in employment in 2018-19 was 1.1 per cent, in line with the estimate of 1.0 per cent.
 - Growth in the WPI was 2.2 per cent, in line with the estimate of 2.25 per cent.
 - Growth in the CPI was 1.7 per cent, lower than the estimate of 2 per cent.

Recent economic data

- In the June quarter 2019, economic activity, as measured by State Final Demand grew by 0.8 per cent, the equal highest growth rate in Australia².
- The unemployment rate is 3.5 per cent³ – the lowest in the country.
- Total job vacancies increased by 17.1 per cent⁴:
 - public sector job vacancies were up by 67.2 per cent.
 - private sector job vacancies up 4.6 per cent.
- Population grew by around 7,000 people⁵:
 - to reach 425,706 people.
 - third strongest rate of growth in Australia⁶.
- Total value of housing finance are up 4.1 per cent⁷.
- Retail trade turnover increased by 4.6 per cent⁸.
 - well above the national increase of 2.6 per cent.
 - through the year growth has been positive for over 5 years.

Drivers of the economic outlook

- Sound fundamentals – strong population growth, record low interest rates and a supportive Australian dollar will continue to place a floor under the ACT’s economy.
- Diversification of the economy – expanding our economic base and growing new industries place Canberra as an innovation and knowledge leader.
 - record investment in tourism infrastructure.
 - more than 60 per cent of employed Canberrans work in the private sector⁹.
- The *Professional, Scientific and Technical Services* and *Health care and social assistance* sectors were the major contributors to ACT’s economic growth in 2017-18, expanding by 11.2 per cent and 8.5 per cent, respectively.

² The result was equal highest, along with Western Australia. In year average terms for 2018-19, the ACT recorded the 3rd highest growth rate of 3 per cent, behind Tasmania at 4.1 per cent and Victoria at 3.4 per cent.

³ September 2019

⁴ August 2018 to August 2019.

⁵ March 2018 to March 2019.

⁶ The ACT’s growth rate was 1.7 per cent, behind Victoria (2.1 per cent) and Queensland (1.8 per cent).

⁷ New housing finance commitments for owner occupiers and investors, August 2018 to August 2019.

⁸ Over the 12 months to August 2019.

⁹ 62.3 per cent as at August 2019.

- Driven by Commonwealth Government expenditure on the *National Disability Insurance Scheme* and Commonwealth consulting services in defence, IT, cyber security, intelligence and security.
- International services exports were up 10.6 per cent in 2017-18.
 - international student export earnings grew by 24 per cent.
 - almost a billion dollars in 2017-18.

Risks to the outlook

- Downside risks – household debt; international trade disruption and geopolitical tensions; extension of efficiency dividend and decentralisation of the public service and confidence in the housing sector.
- Upside risks – service exports including tertiary education and international tourism.
- **Attachment A** provides a summary of economic indicators for the ACT.

Fiscal Conditions

- Headline Net Operating Balance for the General Government Sector (GGS) is forecast to be:
 - a deficit of \$118.6 million in 2018-19.
 - \$162.4 million lower than the estimated outcome surplus of \$43.8 million (as forecast at the time of the 2019-20 Budget).
 - The lower than expected outcome in the Headline Net Operating Balance is mainly due to a number of non-cash impacts including expensing the relocation of underground utilities for Light Rail Stage 1 and costs such as landscaping, demolition and planning relating to other projects. These expenses had been forecast to be capitalised;
 - a deficit of \$89.1 million in 2019-20; and
 - a deficit of \$66.8 million in 2020-21, returning to surpluses in 2021-22 and 2022-23.
- Net debt is forecast to be \$2.7 billion as at 30 June 2020, and to peak in 2021-22 at \$3.4 billion.
- ACT's credit rating¹⁰ was affirmed by Standard & Poor's as AAA long-term and A-1+ short-term with a stable outlook.

¹⁰ By Standard & Poor's Global Credit Ratings on 29 August 2019.

- **Table 2** provides a summary of the key fiscal measures in the 2019-20 Budget.

Table 2: General Government Sector (GGS) Key Fiscal Measures

	2017-18 Actual outcome \$'000	2018-19 Est. outcome \$'000	2019-20 Budget \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000	2022-23 Estimate \$'000
Revenue	5,401,532	5,646,494	5,871,208	6,161,739	6,526,479	6,982,651
Expenses	5,482,493	5,799,285	6,157,966	6,440,570	6,618,635	6,813,259
Superannuation return adjustment	161,762	196,563	197,703	212,019	227,381	243,868
HEADLINE NET OPERATING BALANCE	80,801	43,772	-89,055	-66,812	135,225	413,260
Net cash from operating activities	523,556	353,357	240,906	525,920	781,685	1,054,778
Net debt (excluding superannuation)	1,302,158	2,181,737	2,713,929	3,257,646	3,363,532	3,019,165
Net financial liabilities	7,706,509	6,570,950	7,274,947	7,809,377	8,047,007	7,981,795

Note: Numbers may not add due to rounding.

Attachment A: Economic Indicator Summary, ACT and Australia

Statistics shown are the latest available as at 31 October 2019

Indicator	Unit	Frequency	Latest Period	Australian Capital Territory			Australia		
				Latest Estimate	Change from Previous Period	TTY ⁴	Latest Estimate	Change from Previous Period	TTY ⁴
ECONOMIC GROWTH									
Gross State Product (CVM)	\$m	Annual	2017-18	39,442	4.0%	n.a.	1,815,906	2.9%	n.a.
International Trade in Services									
Services exports	\$m	Annual	2017-18	2,199	10.6%	n.a.	88,048	7.0%	n.a.
Services imports	\$m	Annual	2017-18	2,513	10.3%	n.a.	93,028	9.4%	n.a.
Service Trade Balance (surplus+/deficit-)	\$m	Annual	2017-18	-314	n.a.	n.a.	-4,980	n.a.	n.a.
RBA Cash Rate	%	Monthly	Oct-19	n.a.	n.a.	n.a.	0.75%	-0.25ppts	-0.75ppts
Retail Trade ¹	\$m	Monthly	Aug-19	517	1.9%	4.6%	27,546	0.4%	2.6%
State Final Demand¹ (CVM)									
Consumption									
— Government	\$m	Quarterly	Jun-19	5,756	3.6%	5.9%	91,328	2.7%	6.2%
— Households	\$m	Quarterly	Jun-19	4,742	0.5%	1.7%	263,544	0.4%	1.4%
Investment									
— Public	\$m	Quarterly	Jun-19	762	-4.8%	-11.2%	22,514	-2.3%	0.7%
— Private	\$m	Quarterly	Jun-19	1,380	-5.5%	2.1%	84,761	-1.6%	-5.2%
Total State Final Demand	\$m	Quarterly	Jun-19	12,640	0.8%	2.7%	462,148	0.3%	1.0%
LABOUR MARKET									
Job Vacancies (ACT² AUS¹)									
Public sector	'000	Quarterly	Aug-19	2.5	30.6%	67.2%	23.5	5.9%	14.5%
Private sector	'000	Quarterly	Aug-19	6.2	8.6%	4.6%	211.5	-2.7%	-3.4%
Total Job Vacancies	'000	Quarterly	Aug-19	8.6	14.1%	17.1%	235.1	-1.9%	-1.9%
Average Weekly Ordinary Time Earnings									
Public sector (ACT ² AUS ¹)	\$	Bi-annually	May-19	1,979	0.5%	4.1%	1,789	1.5%	2.6%
Private sector (ACT ² AUS ¹)	\$	Bi-annually	May-19	1,646	-0.5%	-2.8%	1,595	2.0%	3.3%
Total ¹	\$	Bi-annually	May-19	1,811	0.0%	0.0%	1,635	1.8%	3.1%
Estimated Resident Population ²	Number	Quarterly	Mar-19	425,706	0.6%	1.7%	25,287,394	0.5%	1.6%
Labour Force (ACT³ AUS¹)									
Unemployment rate	%	Monthly	Sep-19	3.5	0.0ppts	-0.2ppts	5.2	-0.1ppts	0.2ppts
Unemployed persons	'000	Monthly	Sep-19	8.4	0.0	-0.1	709.6	-8.1	43.6
Employed persons	'000	Monthly	Sep-19	235.0	1.1	7.6	12,944.0	14.7	311.6
Employment growth	%	Monthly	Sep-19		0.5	3.3		0.1	2.5
Participation rate	%	Monthly	Sep-19	71.3	0.3ppts	1.1ppts	66.1	-0.1ppts	0.7ppts
Wage Price Index (ACT² AUS¹)									
Private sector	Index	Quarterly	Jun-19	129.7	0.5%	2.0%	131.1	0.5%	2.3%
Public sector	Index	Quarterly	Jun-19	130.0	0.6%	2.3%	135.2	0.8%	2.6%
Total Wage Price Index	Index	Quarterly	Jun-19	130.0	0.5%	2.2%	132.0	0.6%	2.3%
PRICES									
Consumer Price Index — All Groups ²	Index	Quarterly	Sep-19	114.3	0.7%	1.8%	115.4	0.5%	1.7%
HOUSING MARKET									
Building Approvals (ACT³ AUS¹)									
Residential approvals	Number	Monthly	Sep-19	320	-1.8%	-50.2%	14,004	7.6%	-19.0%
Building Activity¹									
Dwelling unit commencements	Number	Quarterly	Jun-19	1,137	31.3%	-37.8%	46,315	1.1%	-20.3%
Construction Work Done (CVM)¹									
Residential Building Work Done	\$m	Quarterly	Jun-19	466	-6.4%	14.3%	18,033	-5.1%	-9.6%
Housing Finance for Owner Occupiers^{1,5}									
New loans	Number	Monthly	Aug-19	754	-8.2%	-3.9%	32,740	0.7%	-5.1%
Value of new loans	\$m	Monthly	Aug-19	338	5.4%	6.5%	13,555	1.9%	-1.7%
Housing Finance for Investors^{1,5}									
Value of new investor loans	\$m	Monthly	Aug-19	114	5.7%	-2.7%	4,884	5.7%	-13.0%
ACT Median Property Prices^{2,6}									
Houses ⁷	\$	Monthly	Sep-19	670,000	-0.7%	-1.5%	n.a.	n.a.	n.a.
Units ⁷	\$	Monthly	Sep-19	487,250	1.5%	10.7%	n.a.	n.a.	n.a.
Total Residential	\$	Monthly	Sep-19	590,000	5.4%	7.3%	n.a.	n.a.	n.a.

Notes

- 1) Seasonally adjusted data 2) Original data 3) Trend data 4) TTY — through the year is the percentage change from same period of the previous year.
5) Excludes refinancing. 6) This data is based on property sales transactions in the ACT collected by the ACT Government. As such no state/territory or national comparison is available.
7) Houses refer to detached dwellings; Units include townhouses, apartments, duplexes and other non-detached dwellings.

Abbreviations & notations

CVM — Chain Volume Measure; n.a. — Not applicable; ppts — Percentage points.

Economic indicators for the Australian Capital Territory can be found at <http://apps.treasury.act.gov.au/snapshot>

Executive Branch Manager: Andrew Beaumont (6205 9121) | Macroeconomic Branch

ISSUE: REVIEW OF TAX REFORM**Talking points:**

- We have commissioned a detailed analysis of the impacts of the tax reform program on our economy, the community's revenue base and Canberrans across the income distribution.
- The analysis will inform the settings for the next five-year phase of the tax reform, to be outlined in the 2020-21 Budget.
- An Advisory Group of independent experts will guide this work:
 - [REDACTED]
- The Advisory Group's first meeting was held on 2 October 2019, and its second meeting is scheduled for 15 November.
- The key issues being investigated are:
 - Progress against the aim of keeping tax reform revenue neutral;
 - Impacts of tax reform on different household types and cohorts;
 - Changes that have occurred to the progressivity and equity of our property tax system;
 - Economic impacts, including on residential property prices and turnover; and
 - Impacts on housing affordability, including for renters.
- Some of the analysis is being undertaken by Treasury, while other parts will be undertaken by external consultants.
- The Government will carefully consider the findings of this analysis in developing settings for the next phase of tax reform, to ensure the economic objectives of this important reform are maintained at the same time as achieving the community's social needs and priorities.

- Findings and outcomes of the analysis and research commissioned will be made publicly available at, or soon after, the time of the 2020-21 Budget.
 - Material that could directly or indirectly reveal individual taxpayer information will not be released.

ISSUE: TAXATION REVENUE**Talking points:****Total Own-Source Taxation Revenue**

- The audited outcome of own-source taxation revenue for 2018-19 was \$2.1 billion. This was \$19.2 million (0.9 per cent) higher than the 2018-19 Original Budget, and \$229.1 million (12.1 per cent) higher than in 2017-18.
 - It should be noted that from 2018-19, the Betting Operations Tax (\$5.3 million in 2018-19) and the Lease Variation Charge Deferred Payment Scheme (\$25.6 million in 2018-19) form part of the CMTEDD Territorial Financial Statements. Previously estimates for these revenue lines were in the JACS and EPSDD Financial Statements respectively.

Variance from 2017-18 actual outcome to 2018-19 actual outcome

- The table at **Attachment A** provides a comparison by revenue type between the 2017-18 and the 2018-19 actual outcomes.
- Explanations of the revenue types with large variances are as follows:
 - Payroll Tax — the audited outcome for 2018-19 of \$550.6 million represents an increase of \$63.3 million (13.0 per cent) compared to the 2017-18 outcome.
 - Consistent with the growth in private sector employment, private sector wages and the payroll tax base.
 - Other Taxes — the audited outcome for 2018-19 of \$72.1 million represents an increase of \$35.0 million (94.3 per cent) compared to the 2017-18 outcome.
 - Largely driven by revenue from the introduction of the Betting Operations Tax and the Lease Variation Charge Deferred Payment Scheme.

- General Rates — the audited outcome for 2018-19 of \$558.8 million represents an increase of \$66.9 million (13.6 per cent) compared to the 2017-18 outcome.
 - Mostly due to tax reform, including a change in methodology for calculating rates for unit titled dwellings, which removed the \$100 rebate applied in 2017-18.
- Conveyance duty — the audited outcome for 2018-19 of \$248.0 million represents an increase of \$22.8 million (10.1 per cent) compared to the 2017-18 outcome.
 - Largely due to higher residential property prices in 2018-19 relative to 2017-18, despite a slowing in the ACT housing market, and increased commercial activity in large value properties, partly due to the asset recycling program.
- Income Tax Equivalent — the audited outcome for 2018-19 of \$105.7 million represents an increase of \$13.5 million (14.7 per cent) compared to the 2017-18 outcome.
 - Reflects an increase in operating profits from the Suburban Land Agency and ICON Water.
- Land Tax — the audited outcome for 2018-19 of \$137.1 million represents an increase of \$3.1 million (2.4 per cent) compared to the 2017-18 outcome.
 - Largely due to more properties being subject to land tax, increases in land values, as well as 5 per cent indexation to the fixed charge of land tax.

Variance from the 2018-19 Original Budget to 2018-19 actual outcome

- The table at **Attachment B** provides a comparison by revenue type between the 2018-19 Original Budget to the 2018-19 actual outcome.
- Explanations of the revenue types with large variances are as follows:
 - Payroll Tax — the audited outcome for 2018-19 of \$550.6 million was \$27.4 million (5.2 per cent) higher than the 2018-19 Original Budget.
 - Reflects stronger growth in the payroll tax base than expected.

- Other Taxes — the audited outcome for 2018-19 of \$72.1 million was \$30.1 million (71.9 per cent) higher than the 2018-19 Original Budget.
 - Mainly due to the introduction of the Betting Operations Tax and the Lease Variation Charge Deferred Payment Scheme that were not included in the 2018-19 Original Budget.
 - : Betting Operation Tax commenced in the ACT on 1 January 2019.
 - : Lease Variation Charge Deferred Payment Scheme was implemented in May 2018.
- General Rates — the audited outcome for 2018-19 of \$558.8 million or \$15.2 million (2.8 per cent) higher than the 2018-19 Original Budget.
 - Largely due to stronger revenue from new properties than expected.
- Conveyance duty — the audited outcome for 2018-19 of \$248.0 million was \$28.3 million (10.2 per cent) lower than the 2018-19 Original Budget.
 - Due to slowing in the ACT housing market and lower than expected revenue from the small sector in the commercial property market as well as no ‘super-nova’¹ transaction occurring in 2018-19.
- Income Tax Equivalent — the audited outcome for 2018-19 of \$105.7 million was \$25.6 million (19.5 per cent) lower than the 2018-19 Original Budget.
 - Reflects lower operating profit from the Suburban Land Agency.
- Land Tax — the audited outcome for 2018-19 of \$137.1 million was \$4.0 million (2.9 per cent) lower than the 2018-19 Original Budget.

¹ A ‘super-nova’ is a commercial property transaction with duty payable of \$10 million or over.

- Reflects lower revenue expected from the new initiatives (land tax on vacant properties and foreign investor surcharge) as well as from compliance activity.
 - : The ACT Revenue Office has received additional funding in the 2019-20 Budget to carry out compliance and debt recovery activities.

ATTACHMENT A

REVENUE TYPE ¹	Audited Outcome 2017-18 \$'000	Audited Outcome 2018-19 \$'000	Variance 2017-18 to 2018-19	
			\$'000	%
General Rates	491,947	558,802	66,855	13.6
Land Tax	133,924	137,074	3,149	2.4
Conveyance Duty	225,224	247,999	22,775	10.1
General Insurance Duty ²	-240	12	252	-
Motor Vehicle Registration & Transfers Duty	30,592	30,499	-92	-0.3
Ambulance Services Levy	24,090	22,532	-1,558	-6.5
Fire & Emergency Services Levy	73,796	84,183	10,387	14.1
City Centre Marketing & Improvement Levy	2,051	2,144	93	4.5
Energy Industry Levy	3,591	3,955	364	10.1
Payroll Tax	487,302	550,609	63,308	13.0
Income Tax Equivalent	92,192	105,728	13,536	14.7
Other Taxes ³	37,086	72,056	34,970	94.3
Fees ⁴	248,997	265,407	16,410	6.6
Fines	40,374	38,997	-1,377	-3.4
TOTAL	1,890,925	2,119,995	229,070	12.1

Note: Figures may not add due to rounding.

- Administered by Revenue Management Division (RMD) are general rates, payroll tax, residential and commercial conveyancing duties, land tax, levies, income tax equivalents, Network Facilities Tax and motor vehicle registration and transfers duties; and administered by Access Canberra are motor vehicle registration fees, traffic and parking fines, water abstraction charge, notice of intentions, land title fees, and driver's license fees.
- This revenue line has been abolished but some residual refunds/payments exist.
- Other taxes include Deferred Lease Variation Charge (not included in the 2018-19 Original Budget), Betting Operations Tax (not included in the 2018-19 Original Budget), FHOG Penalty, Waivers (Tax), and Network Facilities Tax.
- Safer Family Levy in the Annual Report is classified as Fees for Regulatory Services but as Other Taxes in the Original Budget.

ATTACHMENT B

REVENUE TYPE ¹	Original Budget 2018-19 \$'000	Audited Outcome 2018-19 \$'000	Variance Original Budget to 2018-19	
			\$'000	%
General Rates	543,561	558,802	15,241	2.8
Land Tax	141,112	137,074	-4,038	-2.9
Conveyance Duty	276,266	247,999	-28,267	-10.2
General Insurance Duty ²	0	12	12	-
Motor Vehicle Registration & Transfers Duty	31,870	30,499	-1,371	-4.3
Ambulance Services Levy	23,715	22,532	-1,183	-5.0
Fire & Emergency Services Levy	82,370	84,183	1,813	2.2
City Centre Marketing & Improvement Levy	1,992	2,144	152	7.6
Energy Industry Levy	3,406	3,955	549	16.1
Payroll Tax	523,194	550,609	27,415	5.2
Income Tax Equivalent	131,370	105,728	-25,642	-19.5
Other Taxes ³	41,922	72,056	30,134	71.9
Fees ⁴	254,898	265,407	10,509	4.1
Fines	45,091	38,997	-6,094	-13.5
TOTAL	2,100,767	2,119,995	19,228	0.9

Note: Figures may not add due to rounding.

- Administered by Revenue Management Division (RMD) are general rates, payroll tax, residential and commercial conveyancing duties, land tax, levies, income tax equivalents, Network Facilities Tax and motor vehicle registration and transfers duties; and administered by Access Canberra are motor vehicle registration fees, traffic and parking fines, water abstraction charge, notice of intentions, land title fees, and driver's license fees.
- This revenue line has been abolished but some residual refunds/payments exist.
- Other taxes include Deferred Lease Variation Charge (not included in the 2018-19 Original Budget), Betting Operations Tax (not included in the 2018-19 Original Budget), FHOOG Penalty, Waivers (Tax), and Network Facilities Tax.
- Safer Family Levy in the Annual Report is classified as Fees for Regulatory Services but as Other Taxes in the Original Budget.

ISSUE: ELECTRICITY PRICING

Talking points:

Electricity Prices

- In June 2019, the Independent Competition and Regulatory Commission (ICRC) determined a 0.85 per cent increase in electricity prices for customers on ActewAGL Retail's regulated standing offers for 2019-20.
 - Key drivers of the increase for 2019-20 were higher costs associated with the ACT Government Feed-in Tariff (FiT) schemes (3.27 percentage point increase), and increased costs related to the Commonwealth Government's green schemes (0.21 percentage point increase).
 - The increase in FiT scheme costs primarily reflected the commencement of generation by a number of the ACT FiT supported large scale renewable generators, which are contributing towards the achievement of the Territory's target of 100 per cent renewable electricity by 2020.
 - However, the cost increases outlined above were in part offset by:
 - decreased energy loss costs due to increased renewable energy connections (1.85 percentage point decrease); and
 - a moderation in network costs (0.56 per cent decrease) and wholesale energy costs (0.19 percentage point decrease).
- It is estimated the ACT's large and small Feed-in-Tariff schemes contributes around \$2.44 per week to the electricity bill of an average Canberra household in 2019-20.
- Despite the increase in prices, ACT consumers continue to have access to some of the lowest electricity prices in Australia.
- There are three main retailers serving residential and small business customers in the ACT. ActewAGL has an 88 per cent market share for small retail customers.

Comparison of Estimated Average Annual Electricity Bills

	ActewAGL Retail		Origin Energy		Energy Australia [#]	
	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
Supply Charge (cents per day)	107.25	108.16	95.084	99.264	86.79	86.79
Standard tariff (cents/kWh)	25.036	25.245	23.089	24.101	25.01	25.01
Estimated average Annual Bill* (\$)	2,394	2,414	2,194	2,290	2,317	2,317

Note: *The annual bills are estimated based on standing offers for single rate meter properties, assuming average household usage of 8,000 kWh electricity per year.

[#] Energy Australia maintained its residential tariff at the 2018-19 level for 2019-20.

- The Government will continue to maintain price regulation on ActewAGL's retail electricity prices.
- New arrangements at the Commonwealth level requiring the Australian Energy Regulator to determine a maximum price for a 'default market offer' for households and small businesses from 1 July 2019 do not apply in the ACT, as we have our own price regulation regime.
 - However, the issue of whether the Territory should implement a similar arrangement is currently being considered by the ICRC as part of the electricity pricing review (see below).

ICRC's current work related to electricity pricing

Pricing investigation for the 2020-24 regulatory period

- On 2 September 2019, the ICRC released an issues paper for the major pricing investigation for customers on regulated standing offers of ActewAGL Retail, which will determine price setting arrangements for the regulatory period from 1 July 2020 to 30 June 2024.
 - The issues paper set out the ICRC's approach for the investigation, and the draft report is expected to be released in February 2020.
- As part of this investigation, the ICRC will assess the comparability and transparency of electricity offers in the ACT, and will identify whether changes could be implemented, either by retailers or the ACT Government, to improve the transparency and comparability of offers.

Electricity pricing model and methodology review

- On 31 May 2019, the ICRC released its final Electricity Pricing Model and Methodology Review report.

Cleared as complete and accurate:	30/10/2019	
Cleared by: Sue Vroombout	Executive Group Manager	Ext: 53216
Information Officer name:	Kathy Goth	Ext: 50772
Contact Officer	Matthew Smith	Ext: 76128

- It set out the formal model and methodology the ICRC will use during the price investigation currently underway (see above).
- The ICRC decided to maintain the current approach for estimating retail costs and network costs, and to make some changes to the process for determining key components of the wholesale electricity cost estimate.
 - The changes in methodology will have only minimal impacts on the retail electricity bill for ActewAGL Retail's customers.

Consumer Protection Code

- On 23 August 2019, the ICRC released its draft decision on the review into the Consumer Protection Code and a draft Code that applies to energy and water utilities in the ACT.
- For electricity services, the ICRC proposes the Code:
 - be harmonised with the National Electricity Customer Framework;
 - continue to apply to energy retailers;
 - include new reliability guaranteed service levels (GSLs);
 - require energy retailers to automatically pay rebates to customers when GSLs are not met; and
 - align rebate values with the Australian Energy Regulator's Service Target Performance Incentive Scheme and the approach adopted in other jurisdictions.
- The final report and revised code are expected to be released by the ICRC in November 2019, and take effect from 1 July 2020.

Government Assistance to support households with utility costs

- The Government provides comprehensive information, tools and programs to assist households and businesses manage energy usage.
 - Eligible ACT households can apply for an annual concession of \$700 for 2019-20 to assist with their utility bills.
 - The Government has supported the establishment of an Energy Consumer Advocate – the ACT Energised Consumers Project, to provide the community with a voice in decision making processes such as the ICRC retail electricity price decision process.

- The Government also offers an Energy Efficiency Improvement Scheme, which can save households around \$5.80 per week on average, with a focus on low income and priority households.
- The Solar for Low Income Households Program provides eligible households a subsidy of up to 50 per cent (capped at \$2,500) of the cost of a solar system, along with a three year interest free loan for the remaining cost.

ISSUE: COMPLETION OF ASSET RECYCLING INITIATIVE
Talking points:

- The Asset Recycling Initiative (ARI) concluded on 30 June 2019. The Territory received approximately \$542.7 million in total proceeds, comprising \$475.55 million in sales proceeds and \$67.14 million in incentive payments from the Commonwealth.
- All funds received from asset sales and incentive payments are required to be invested into the Light Rail – Stage one project.
 - Following light rail services commencement on 20 April 2019, the ACT paid \$375 million as an upfront capital contribution.
 - The remaining funding available from the ARI will be contributed towards ongoing availability payments for light rail under the public private partnership with Capital Metro.
- The Territory received the full amount of funding available from the Commonwealth for incentive payments.
 - The table below shows assets sold under the ARI and the associated incentive payments.

Asset	Incentive Payment \$ million	Actual Sale Value \$ million
Currong and Allawah Apartment	7.05	47
<u>Precinct One</u> Dickson Flats Garden Flats Visitor Centre*	4	40
<u>Precinct Two</u> Owen Flats Lyneham & DeBurgh Flats*	5.73	45
Bega Court	5.78	38.50
Red Hill	7.52	50.13
Gowrie Court	3.05	20.36
Strathgordon Court*	1.29	16.40
Stuart Flats	9.04	60.25
Dame Pattie Menzies House	2.25	15.03

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Dickson Motor Registry	5.61	37.37
ACTTAB	15.82	105.50
Total#	67.14	475.55

Note: *Only partial incentive payments were received for Strathgordon Court and Lyneham & DeBurgh Flats, and no second milestone payment was received for the Visitor Centre, as the \$67.14 million cap on incentive payments allocated by the Commonwealth to the ACT had already been reached. # Numbers may not add up due to rounding.

- Five assets that were on the schedule were not progressed for sale as part of ARI, including:
 - Dickson Ambulance Station;
 - Community Health Building;
 - The sale of these sites was not progressed as the costs associated with their sales (in particular relocation costs for services currently provided from these sites) were estimated would outweigh the financial benefits from their sale.
 - Macarthur House;
 - The sale of Macarthur House was delayed due to the extended timeframes required to finalise the City and Gateway Urban Design Framework. It was not possible for sale to be completed by the deadline of 30 June 2019. The site is expected to be released to market during 2019-20.
 - Northbourne Flats – Braddon; and
 - Northbourne Flats – Turner.
 - The sale of Northbourne Flats (Braddon and Turner) was not progressed following a protracted tender evaluation and negotiation process, as the preferred tenderer was not willing to meet the required reserve prices for these sites.

Background:

- On 17 February 2015, the Commonwealth agreed to the ACT's Schedule of assets that could be sold under the National Partnership Agreement on Asset Recycling. Under the program, the Territory received incentive payments from the Commonwealth equal to 15 per cent of the net sale proceeds of assets.
 - 'Capital Metro' (now Light Rail – Stage one) was the ACT's nominated productive infrastructure investment project.

ISSUE: SUPERANNUATION FUNDING PLAN

Talking points:

- The Government maintains, as a key financial objective, a funding plan to extinguish the Territory's unfunded defined benefit superannuation liability by way of accumulating funds in the Superannuation Provision Account.
- The funding ratio at 30 June 2019 is 36 per cent based on the liability valuation calculated from the actual spot discount rate of 1.92 per cent.
 - If calculated on the long-term budget discount rate assumption of 5 per cent, the funding ratio is 54 per cent.
- In its recent review of the Territory's credit rating, Standard & Poor's commented "*While the ACT has an unfunded superannuation (i.e. defined-benefit pension) liability, it has a credible plan to extinguish the liability by 2030 through ongoing appropriations and investment earnings in its superannuation provision account*".
- The goal of fully funding the future defined benefit superannuation liabilities of past and current ACT public servants is the prudent approach for the broader sustainability of the ACT budget.
- Maintaining a consistent funding plan will ultimately help reduce the longer-term costs, with investment income contributing to meeting the superannuation liabilities.
- The ongoing volatile global economic environment and all-time low interest rates is likely to put pressure on investment returns over the next ten years and, consequently, the goal of full funding by June 2030.
- The Superannuation Provision Account's annualised investment return since inception (base year 1996-97) to 30 June 2019 is CPI+5.32 per cent (7.82 per cent nominal) compared with the long-term target of CPI+4.75 per cent.

ISSUE: RESPONSIBLE INVESTMENT OUTCOMES

Talking points:

- The Government continues to maintain a comprehensive Responsible Investment Policy policy that is supported by measurable implementation actions.
- The Government's policy not only seeks to reduce share portfolio exposures to fossil fuel reserves, carbon emissions and carbon intensity, but it also integrates an environmental, social and governance and international norms-based risk assessment, business activity investment screens, active ownership and share voting, and reporting and disclosure.
- Annually a comprehensive carbon analysis of the share investment exposures, both in Australia and internationally, is completed. The 30 June 2019 results demonstrate that the Responsible Investment policy framework has made a material and positive impact on reducing the carbon footprint of the share investment portfolios and the exposure to fossil fuels reserves.
- Annually the United Nations-supported Principles for Responsible Investment assesses the Territory's application and implementation of the Principles. For 2018-19, the Territory again received a strong assessment.

Key Information

- The 30 June 2019 international shares portfolio carbon analytics results confirm a carbon footprint (measured as the carbon emissions of a portfolio per \$million invested) of 63.0 compared against the MSCI World ex Australia market index of 119.0.
 - Total portfolio exposure to companies owning fossil fuel reserves is 2.2 per cent compared with the MSCI World ex Australia market index of 7.6 per cent.

- The 30 June 2019 Australian shares portfolio carbon analytics results confirm a carbon footprint (measured as the carbon emissions of a portfolio per \$million invested) of 151.3 compared against the MSCI Australia IMI market index of 198.9.
 - Total portfolio exposure to companies owning fossil fuel reserves is 8.6 per cent compared with the MSCI Australia IMI market index of 17.0 per cent.
- The number of share company exclusions based on the Responsible Investment policy criteria as at 30 June 2019 are detailed below:

Table 1: Total International Company Exclusions

MSCI World ex-Australia 'Parent' Index Companies	1,587
SPA International Custom ESG Index Companies	1,476
Total Number of Excluded Companies	111

Table 2: Reason for International Company Exclusions

Business Activity	ESG Risk	ESG Controversies	Carbon	Total ¹
9	36	15	71	131

¹ The total number of reasons for exclusion is greater than the sum of excluded companies in Table 1 because some companies are excluded on multiple criteria.

Table 3: Total Australian Company Exclusions

MSCI Australia IMI 'Parent' Index Companies	233
SPA Australian Custom ESG Index Companies	225
Total Number of Excluded Companies	8

Table 4: Reasons for Australian Company Exclusions

Business Activity	ESG Risk	ESG Controversies	Carbon	Total ²
0	1	2	5	8

² The total number of reasons for exclusion is greater than the sum of excluded companies in Table 3 because some companies are excluded on multiple criteria.

- PRI assessment scores:

Module	ACT Score 2019	Median Score	ACT Score 2018
<i>Strategy and Governance</i>	A	A	A
<i>Indirect - Manager Selection, Appointment & Monitoring</i>			
Listed Equity	A+	A	A+
Fixed Income	C	B	B
Private Equity	B	A	A
Property	A	B	A
<i>Direct & Active Ownership</i>			
Listed Equity – Active Ownership	C	B	C

ISSUE: TERRITORY BORROWINGS**Talking points:**

- Standard & Poor's affirmed the ACT's AAA (stable) credit rating on 29 August 2019. The AAA credit rating reflects the strong ACT economy, the Government's strong financial management and exceptional liquidity coverage and containing the debt burden at a manageable level.
- Total Territory borrowings (excluding leases) increased by a net \$951 million in 2018-19.
- The original 2018-19 budget did not estimate any new major borrowings in 2018-19. However, the Government undertook new borrowings to take advantage of low interest rates and guarantee access to funds in the current uncertain financial environment.
- The Australian short term money market and the long term capital markets are being significantly impacted by major political and geopolitical risks, changes in central bank policies and a weaker global and Australian economic outlook. As a result, long-term Australian capital market interest rates continue to fall to records lows.
- In an environment of very low and volatile interest rates, the task of managing short term budget liquidity and raising capital funding is exposed to increased capacity and execution risks.
- As a result of these increasing risks, issuer liquidity balances has also become an increasingly critical focus for Standard & Poor's in their credit ratings assessments.
- Recognising these risks and issues, and as a prudent response to this low and volatile interest rate environment, we transacted new short-term borrowings at the end of the financial year to increase our budget liquidity (\$278 million) and issued new long-term fixed rate borrowings to pre-fund part of the 2019-20 estimated borrowing program (\$675 million).

- Since the beginning of the 2019-20 financial year, we have taken advantage of all-time low interest rates and supportive financial market conditions to secure new market borrowings for the 2019-20 budget funding requirement and to enable the refinancing of the Commonwealth Asbestos Scheme loan.
 - In August we issued our largest single benchmark bond to date being \$1 billion for a 5½ year maturity to 2025 at an outright borrowing rate of 1.16 per cent.
 - In October this was followed up with another \$1 billion benchmark bond for a 12-year maturity to 2031 at an outright borrowing rate of 1.85 per cent.
- As a result of this proactive strategy, the budget will benefit from lower interest costs having secured lower long-term fixed interest rates on the new borrowings at an average rate of 1.50 per cent and the Territory's core 2019-20 budget funding requirement is now around 90 per cent complete.
- The outstanding \$900 million balance of the Commonwealth Asbestos loan at a fixed interest rate of 2.71 per cent was repaid on 1 November from the proceeds of the new borrowings.
 - The estimated budget benefit from refinancing the Commonwealth Asbestos loan for the period 1 November 2019 to 30 June 2024 is around \$29 million.

ISSUE: MOTOR ACCIDENT INJURIES SCHEME

Talking points:

- The *Motor Accident Injuries Act 2019* was passed by the Legislative Assembly in May 2019. Responsibility for implementation is with the Economic and Financial Policy Group, Treasury.

Regulation

- The new scheme will be regulated by a Territory authority called the Motor Accident Injuries Commission, or MAI Commission. With the change to a hybrid no-fault scheme, the role and functions of the new MAI Commission will increase in comparison to that of the existing CTP Regulator to include:
 - Stronger compliance and monitoring function to ensure private sector insurers meet their obligations;
 - New ICT system to assist the Commission with monitoring compliance and analysing the performance of the scheme; and
 - New information and service provision requirements; including assisting injured people to understand and navigate the new scheme.
- The MAI Commissioner was appointed on 17 September 2019.
- A Motor Accident Levy of \$16 per annum has been approved to fund the operation of the MAI Commission. The levy for cars in the Veteran, Vintage Historic Registration Scheme is \$4.

Implementation

- Since the passage of the Bill, Treasury has been working through the implementation of the Motor Accident Injuries scheme, including developing all the required instruments to support the Scheme's commencement.
- Consultations have occurred with the legal profession and insurers. All feedback is being taken into account in finalising documents.

- To date, the majority of the forms and guidelines have been circulated and these will soon be formally issued.
- Regulations relating to administration and premiums were notified in October 2019. The regulations and an associated Premiums Guidelines were made early to ensure the MAI Commission can review and approve premiums requested by insurers for the new scheme ahead of the commencement date of 1 February 2020.
- The Territory has been liaising with insurers in relation to their ICT system changes to facilitate the provision of the required information to the MAI Commission.

Summary of benefits:

Benefit Type	Defined benefits: for all people	Common law: for people not-at-fault who meet threshold requirements*
Reasonable and necessary treatment and domestic care	Five years Paid care only A lump sum to cover medical treatment for up to a further five years can be payable where a person has been continuously accessing these benefits during the defined benefit period and the injured person was not at-fault.	No time limit Paid care only.
Income replacement	Five years 95 per cent of pre-injury earnings for first three months, then 80 per cent thereafter. Higher percentage amounts payable to people on low incomes**. Maximum pre-injury weekly earnings amount of \$2,250.	No time limit First 12 months: as per defined benefits After 12 months: 100 per cent of loss of earning capacity (future earnings) + superannuation with a maximum pre-injury weekly earnings amount of \$4,500
Quality of life	Maximum \$350,000 Benefit based on Whole Person Impairment Threshold: No benefit if Whole Person Impairment is below five per cent	Maximum \$600,000 Amount based on Whole Person Impairment scale plus up to 20%, except for children where the amount will be Court awarded
Death	Funeral cost + up to \$350,000 if dependants	Funeral cost + common law damages for dependants

* The threshold requirement is a Whole Person Impairment of at least 10 per cent. In addition, children still receiving treatment and care benefits at four years and six months; and adults still receiving income replacement benefits at four years and six months assessed with a significant occupational impact are eligible for common law.

** Superannuation is included in income replacement if income is below \$800 AWE indexed, and was paid / payable by the person's employer.

ISSUE: EASTMAN ACT OF GRACE**Talking points:**

- Upon receiving Mr Eastman's request for an act of grace payment, Treasury officials assessed the merits of the claim against the criteria set out in CMTEDD's *Policy and Procedures Guide on Act of Grace Payments*. This guide is available online.
- Treasury officials also considered a range of methods in calculating a potential payment amount, should the Treasurer subsequently decide that an act of grace payment be appropriate.
- Treasury's assessment was then provided to the Treasurer.
- The Treasurer indicated his support for an act of grace payment to Mr Eastman and determined an amount he considered appropriate.
- The Treasurer made his offer of an act of grace payment of \$3.8 million on 4 July 2019. The offer was conditional on Mr Eastman signing a deed of release in relation to his action against the Territory for wrongful conviction and unlawful imprisonment.
- On 11 September 2019, Mr Eastman declined the Treasurer's offer, continuing his action against the Territory.
- On 14 October 2019, the Supreme Court ordered the Territory pay Mr Eastman compensation of \$7.020 million.

Background:

- On 3 November 1995, Mr David Eastman was found guilty of the murder of AFP Assistant Commissioner Mr Colin Winchester. Mr Eastman was sentenced to life in prison.
- On 22 August 2014, a Full Court of the Supreme Court quashed Mr Eastman's conviction and ordered a second trial.
- On 22 November 2018, the retail jury found Mr Eastman not guilty.

- In September 2015, Mr Eastman commenced legal proceedings against the Territory, seeking compensation for unlawful imprisonment pursuant to Section 18 of the *Human Rights Act 2004* (HRA), and for wrongful conviction pursuant to Section 23 of the HRA.
- On 21 March 2016 and 14 January 2019, a solicitor engaged by Mr Eastman wrote to the Treasurer, requesting Mr Eastman be made “an offer of an ex gratia payment”, noting he had been detained by, or on behalf of, the Territory for a period of 6,860 days.
- An act of grace is a payment to a person that would not otherwise be authorised by law but is authorised because the Treasurer considers it appropriate because of some “special circumstance”.
- The decision to make an act of grace payment (and, if relevant, the payment amount) is at the discretion of the treasurer.
- Where an act of grace payment is made the Territory will ordinarily have some “moral obligation” that warrants the authorisation.

BRIEF TITLE: ASBESTOS ERADICATION SCHEME – FINANCIAL IMPACTS**Talking points:**

- The anticipated net cash cost of the Loose Fill Asbestos Insulation Eradication Scheme to Government at the time of the 2019-20 Budget was \$289 million.
- There has been a reduction in the average demolition costs as a result of economies of scale achieved through the program, as well as efficiencies achieved through the introduction of improved demolition methodologies and the sharing of good practice by the Taskforce and its head contractors.
- The average price of demolition for each of the 960 properties contracted to date is approximately \$90,615 (GST exclusive).

Key Information

On 28 October 2014, the Government announced the implementation of a voluntary buyback scheme for all residential properties in the ACT affected by loose-fill asbestos (Mr Fluffy) insulation.

There were 1,023 houses in the ACT eligible for the Asbestos Eradication Scheme. This comprises 1,018 private and five government-owned properties. In addition, 15 eligible impacted properties – those connected to affected properties – were identified. A further two impacted properties were determined to be eligible in January 2019.

As at 30 June 2019:

- 992 homeowners had accepted offers to sell affected properties to the Government;
- 966 houses had been purchased at a total cost of \$692.5 million;
- 684 owners had exercised Stamp Duty concessions to the value of \$16.8 million;
- \$87 million had been paid for asbestos removal and property demolitions;
- a total of 1,098 relocation assistance grants had been paid to the value of \$12.3 million;
- 953 houses had been demolished; and
- of the 866 blocks released for public sale, 800 had exchanged, with 358 of those selling at auction.

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Loose-Fill Asbestos Insulation Affected Properties as at 08 October 2019

- There are currently 38 occupiers of properties on the Affected Residential Premises Register that are subject to the requirements regarding Asbestos Management Plans (AMPs).
- 30 properties are fully compliant (the Asbestos Contamination Report (ACR) has been completed and recommended works have been undertaken).
- Six properties are partially compliant.
- Two properties are non-compliant, meaning no current AMP documents have been lodged with WorkSafe ACT.
 - One property has an AMP that has been lapsed by more than a year.
 - One property has never had an AMP.
- The Work Safety Commissioner has written to occupiers reminding them of the need to have an Asbestos Contamination Report undertaken in the last two years.
- WorkSafe ACT has forwarded a total of six letters to loose-fill asbestos affected property owners between March 2017 and June 2019. These letters varied in content depending on the owners compliance with the *Dangerous Substances (General) Regulation 2004*.
 - The number of letters each homeowner has received depended on the owner's compliance with the *Dangerous Substances (General) Regulation 2004*.
 - The sixth letter forwarded in June 2019 advised owners of non-compliant properties that an Improvement Notice would be issued if an Asbestos Contamination Report with its associated Asbestos Management Plan was not obtained within 28 days. WorkSafe will work through responses received, if any, for each property and escalate regulatory action as appropriate.
- The regulator has a variety of enforcement options available, such as Improvement or Prohibition Notices (penalties apply for not complying) and potentially prosecution.
- A seventh letter and an Improvement Notice was issued to each lessee of the non-compliant properties on 5 September 2019 providing 14 days to obtain an Asbestos Management Plan.
- The Asbestos Response Taskforce advised on 19 September 2019 that it supported the release of relocation funds to remove any financial barrier owners may have to obtaining Asbestos Management Plans.
- Based on the Asbestos Response Taskforce advice, an extension of time to comply with the Improvement Notices was provided on 19 September, providing an additional 14 days for owners to obtain an Asbestos Management Plan.
- Two Asbestos Management Plans were received by 2 October 2019.

- One non-compliant owner has arranged for their property to be assessed on 15 October 2019.
- One non-compliant owner is still in discussion with the Asbestos Response Taskforce around the release of relocation funds.
- An additional extension of time to comply with the Improvement Notices was granted on 2 October 2019 providing the last two owners until 25 October 2019 to obtain their Asbestos Management Plans.
- Further detail can be found at Appendix I, 2019-20 Budget Paper No.3 (pages 409-411).

The information provided in this brief is available in the ACT Government 2018-19 Capital Works Program Year-to-Date 30 June 2019 Progress Report

https://apps.treasury.act.gov.au/_data/assets/pdf_file/0008/1408085/2018-19-Capital-Works-Program-Report-June-19.pdf

ISSUE: OUTCOME OF THE 2018-19 ACT GOVERNMENT CAPITAL WORKS PROGRAM

Talking points:

- The 2018-19 Budget committed to a Capital Works Program of \$1.6 billion over the four years to 2021-22. This included **\$746 million** allocated to 2018-19.
- The Budget included a Capital Delivery Provision to improve the accuracy of the overall budget estimates by adjusting the forecast annual Capital Works Program expenditure to reflect delivery risk within the budget estimate period at the whole of government level.
 - The Provision indicatively re-profiles \$148 million (approximately 20 per cent of the 2018-19 Capital Works Program) into 2020-21.
 - This provision is included at a whole of government level, providing forecast program expenditure based on past outcomes and risk analysis. It does not affect the timely delivery of any project.
 - The 2018-19 Capital Works Program announced in Budget, adjusted for Capital Delivery Provision, was \$598 million.
 - Adjusted for additional Budget Review funding, financial adjustments and rollovers from the previous year, capital works funding available for expenditure in 2018-19 was **\$789 million** compared to \$746 million original budget allocation.
 - Adjusted for the Capital Delivery Provision of **\$148 million**, the expected Capital Works Program expenditure in 2018-19 was **\$641 million**.

Cleared as complete and accurate:	25/10/2019	
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- The Government successfully delivered \$642 million worth of capital investment: \$555 million on infrastructure development; and \$86 million in Information Communications Technology and Plant and Equipment. This included:
 - \$110 million spent on new works; and
 - \$532 million spent on works-in-progress.

Key Information

- 2018-19 Capital Works Program major achievements are as follows.
 - **Light Rail – Stage 1:** operations commenced on 18 April 2019.
 - **ACT Law Courts Facilities:** stage 1 of the new joint court precinct has been completed.
 - **Public Housing Renewal Program** delivering 1,288 replacement dwellings: the program is nearing completion, with 1,094 properties already completed and transferred to Housing ACT. All remaining construction projects are expected to be completed by the end of November 2019.
 - **The Gungahlin Community Health Nurse-led Walk-in Centre:** was opened to the public on 4 September 2018.
 - **Replacement of polyethylene aluminium composite panels at the Centenary Hospital for Women and Children:** the project is completed.
 - **Upgrades of Calvary Public Hospital infrastructure:** completion of calorifiers and dampers upgrade, environmental cooling upgrade, Marian roof upgrade and the sub-mains electrical distribution upgrade.
 - **Upgrades of school infrastructure in Gungahlin**
 - **Caroline Chisholm School – Centre for Innovation and Learning:** the project is physically completed.
 - **Canberra Theatre – Temporary Carpark:** the project is physically completed.
 - **Lake Tuggeranong Water Quality Improvement –Stage 2:** the project has been physically completed and minor defects are being rectified.
 - **Nicholls Neighbourhood Oval upgrades:** the Oval was opened by the Minister on 25 March 2019.
 - **Restoring Boomanulla Oval:** the project has been physically completed.
 - **Physical completion of major road infrastructure** including:

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- Horse Park Drive duplication (Mulligans Flat Road to the Federal Highway)
- John Gorton Drive 3A – William Hovel Drive intersection pavement reconstruction
- Ernest Cavanagh Street extension (Gunghahlin)
- Ashley Drive duplication Stage 2
- Federal Highway and Old Well Station Road intersection upgrade
- Gundaroo Drive duplication – Stage 1
- Gungahlin town centre road network
- Ashley Drive duplication (Ellerston Avenue to Johnson Drive)
- Aikman Drive duplication: construction works with the exception of pit adjustments and final wearing course have been completed
- Cotter Road duplication (Tuggeranong Parkway to Yarralumla Creek)

Background Information

- The 2018-19 Capital Works Program valued at \$789 million included:
 - \$133 million in new capital works projects (excluding the Better Infrastructure Fund);
 - \$594 million works-in-progress (excluding the Better Infrastructure Fund) which commenced in previous years; and
 - \$61 million for the Better Infrastructure Fund.
- During the year \$114 million of the 2018-19 Capital Works Program was re-profiled into the forward years.

ISSUE: 2019-20 BUDGET CONSULTATION PROCESS**Talking points:**

- Consultation formally ran from 27 August to 31 October 2018; however the Budget Consultation website remained open until 14 December 2018.
- Participants were invited to undertake a survey and/or provide their own submission.
- The Government received 49 responses to the survey and 97 submissions.
- Survey feedback and submissions were made publicly available on the Budget Consultation *Input Received* website, unless the author specified that their submission was to be treated as confidential in nature.
- The Government's *What We Heard Report* associated with 2019-20 Budget Consultation process was released on 4 December 2018 (A copy of the report is attached).
 - The Report indicated that health services, community services, and public infrastructure and transport received high levels of commentary. A number of organisations also wrote seeking financial support for their activities.
- Government agencies considered the input provided as they developed new proposals for the 2019-20 Budget.
- The 2019-20 Budget represents the ACT Government's response to the matters raised via the 2019-20 consultation process.

2020-21 Budget Consultation process:

- The 2020-21 Budget Consultation process opened on 4 September 2019, and is scheduled to close on 30 October.

ISSUE: EXPENDITURE REVIEW – ACCOUNTABILITY INDICATORS

Talking Points

2018-19 Reviews

- A Repairs and Maintenance Expenditure Review was commenced and completed in 2018-19. A Property Services Sustainability Review commenced in 2018-19 and was completed in the first quarter of 2019-20.

Repairs and Maintenance Expenditure Review

- The Review considered financially sustainable options to manage repairs and maintenance across government into the future.
- It considered repairs and maintenance resourcing, how directorates and agencies determine and allocate their budgets, and strategies to manage future repairs and maintenance requirements.
- In addition, the Review considered examples of best practice and approaches taken in other jurisdictions.
- The options to improve the management of R&M developed as part of the review are currently being considered within Government.

Property Services Sustainability Review

- The review was undertaken in response to ACT Property Group's revenue base reducing following recent asset sales and pressures it faces in managing a diverse portfolio.
- The review highlighted that ACT Property Group remains financially viable and should be able to continue paying an annual dividend to government. It also considered opportunities to improve its sustainability which are being worked through internally.
- The delay in finalising the review until the first quarter 2019-20 was due to the need to internally consult on the review's findings.

2019-20 Reviews

- Two reviews will be undertaken in 2019-20.
- A **Review of Legislation Policy and Program Branch** within JACS will consider ongoing funding requirements taking into account: existing LPP operations including current workloads; emerging priorities; existing funding arrangements; and financial and service delivery options to manage future demand.
- A **Review of Funding Arrangements for Environmental Offsets** will consider how and when financial obligations to the ACT Government arise from the establishment of environmental offset sites associated with developments. It will also consider the value of potential process improvements and alternative funding arrangements.

ISSUE: FORMER LAND DEVELOPMENT AGENCY – LAND ACQUISITIONS

Talking points:

- Between 14 June 2014 and 30 June 2017 the Land Development Agency purchased, or was in the process of purchasing, nine rural properties west of Canberra.
- Under the then *Land Acquisition Policy Framework*, the Chief Minister approved the purchase of three of those rural properties with purchase prices exceeding \$5 million. The properties were:
 - Milapuru (Stromlo 19) for \$7 million;
 - Huntly for \$10 million; and
 - Winslade for \$7.5 million.
- The purchases were approved based on business cases prepared by the Land Development Agency and recommendations provided by Treasury who reviewed them.
- The three business cases indicated that the properties were being purchased to:
 - secure future greenfield land to increase future greenfield land supply;
 - unlock the potential of surrounding properties already owned by the LDA and the potential for the LDA to acquire surrounding properties; and
 - provide commercial returns through future land developments.
- The remaining six purchases were approved by the Land Development Agency Board.

Key Information

- The former ACT Auditor-General conducted a performance Audit on the assembly of rural land to the west of Canberra by the former Land Development Agency (LDA) during 2017 and 2018.
- On 29 June 2018, the ACT Audit Office released its report into the former Land Development Agency's purchase of nine rural properties west of Canberra under the *Planning and Development (Land Acquisition Policy Framework) Direction 2014 (No 1)*.
- You attended the Public Accounts Committee Hearing into the Auditor-General's report on Wednesday 16 October 2019. You stated that Treasury officials had assessed the business case for the acquisition of the property known as Milapuru and determined that it represented "excellent value for money". This assessment was based on the assumption that the property would be redeveloped as a housing estate.
- In the 2019-20 Budget, EPSDD was appropriated \$1.150 million to complete early planning works to determine the long term uses of the rural land west of Canberra.
 - This work will address recommendations made by the ACT Auditor-General's report into the assembly of rural land west of Canberra.
- The former *Land Acquisition Policy Framework* does not apply to the Suburban Land Agency (SLA) and the City Renewal Authority (CRA).
- Under the new land acquisition directions, the CRA and SLA must present a business case for all proposed acquisitions for the endorsement of the responsible Minister, following consideration by Cabinet.

New Land Acquisition Framework:

- Section 63 of the *City Renewal Authority and the Suburban Land Agency Act 2017*, requires the Treasurer to make directions relating to the acquisition of land by both the CRA and the SLA.
- Directions were subsequently made to both the SLA and CRA, commencing on 1 November 2017.
- The directions require the CRA and SLA to present a business case for each proposed acquisition for the endorsement of the responsible Minister, following consideration by Cabinet.
- The Land Acquisition Directions contain no minimum thresholds, which means that all acquisitions are subject to the same process.
- There have been no land acquisitions since the Land Acquisition Directions were made.

ISSUE: LAND REVENUES

Talking points:

- The 2019-20 to 2022-23 Indicative Land Release Program (2019-20 ILRP) includes the release of land for 15,600 homes over the next four years: an average of 3,900 new homes a year.
 - The residential target is lower than in recent years mainly due to the completion of the Commonwealth Asset Recycling Initiative, which saw a significant number of urban renewal sites released in the City and other parts of inner Canberra.
 - Other factors driving the current forward program include the delivery of the final stages of suburban greenfield supply in the Gungahlin region, evolving market conditions and the strong potential pipeline of residential releases outside the Government's own program.
- The 2019-20 IRLP also includes the release of 163,500 square metres of commercial land; 219,613 square metres of mixed use land; 100,000 square metres of industrial land; and 294,085 square metres of community land.
- The estimated revenues associated with land release were updated in the 2019-20 Budget.
- Gross revenue from land sales over the four year period 2019-20 to 2022-23 is estimated to be \$2.342 billion.
 - This represents a \$130 million decrease from the 2018-19 Budget Review gross revenue estimates.
- The Headline Net Operating Balance (HNOB) contribution from land over the four-year period is estimated to be \$1.283 billion (5 per cent of the total General Government Sector revenues).
 - This represents a \$66.8 million increase from the 2018-19 Budget Review HNOB land impact estimates.

- There were signs of moderation in the ACT’s housing market in the lead up to the federal election. Tightening conditions for housing finance and an associated slowing of turnover and price growth for freestanding houses also contributed to a slower pace of sales in single residential blocks over the 12 months prior. As a result, the Suburban Land Agency currently has an inventory of 603 (at 9 October 2019) blocks available for sale over the counter, down slightly from the August number of 622. This is in comparison to the expected inventory of around 100 blocks.
- This is expected to be only temporary as the ACT’s economic fundamentals, including population growth, remain strong and are expected to continue to generate strong demand for housing. Additionally, recent changes to lending standards and interest rate cuts are also likely to improve lending conditions.
- In this environment, the Government is continuing to release land under the program as planned. Any significant reduction in the program risks a sharp increase in prices when demand picks-up again.

Key Information

- 2018-19 land releases were lower than forecasted due to:
 - a significant reduction in the yield from the Lyons Block 9 Section 52 site (which was an ARI site); and
 - the delayed release of a mixed use site in the Belconnen Town Centre, which is now scheduled to be released in 2019-20.
- Actual land sales revenues generated by the land agencies were lower than forecasted due to a slowing in residential sales.

	Forecast	Actual	Variance
Residential sites released	4,060	3,204	-856
Land sales Revenues	\$700.646 million	\$485.265 million	-\$215.381

ANNUAL REPORT HEARING BRIEF

- Through the 2019-20 ILRP the City Renewal Authority (CRA) and Suburban Land Agency (SLA) expect to release land for residential development as per the below table:

Indicative Land Release Program

Region	2019-20	2020-21	2021-22	2022-23	Total
	Number of homes				
Gungahlin	754	1,621	1,130	740	4,245
Molonglo	926	847	1,201	1,100	4,074
Belconnen	885	800	800	300	2,785
Central Canberra	390	550	1,235	1,000	3,175
Woden and Weston	480	0	300	480	1,260
Tuggeranong	0	30	0	0	30
Other	5	26	0	0	31
Total	3,440	3,874	4,666	3,620	15,600

- The changes in land revenues and net operating balance forecasts between the 2018-19 Budget Review and the 2019-20 Budget are outlined in the below table.

Change in Key Metrics from 2018-19 Budget Review

	2018-19 Est. Outcome \$'000	2019-20 Budget \$'000	2020-21 Budget \$'000	2021-22 Budget \$'000	2022-23 Budget \$'000	2019-20 to 2022-23 Total \$'000
Land Revenue						
2018-19 Budget Review	586,366	533,657	671,163	633,646	633,646	2,472,112
2019-20 Budget	546,896	448,206	490,119	705,138	698,450	2,341,913
Change from 2018-19 Budget Review	-39,470	-85,451	-181,044	71,492	64,804	-130,199
HNOB Impact						
2018-19 Budget Review	265,784	288,993	338,393	294,588	294,677	1,216,651
2019-20 Budget	224,405	221,191	257,631	328,922	475,729	1,283,473
Change from 2018-19 Budget Review	-41,379	-67,802	-80,762	34,334	181,052	66,822

Cleared as complete and accurate: 24/10/2019
 Cleared by: Mark Whybrow Executive Director Ext: 77879
 Information Officer name: Wilhelmina Blount Ext: 70835
 Contact Officer name: Graham Chadwick Ext: 54614

Background Information

- The 2019-20 Budget land revenues and HNOB forecasts vary from the 2018-19 Budget Review due to a range of factors including changes in settlement timeframes, changes included in the 2019-20 ILRP and changes in revenue/cost estimates. Major movements include:
 - the re-profiling of settlement and a revaluation of the revenue forecasts of the major greenfield estates of Taylor and Whitlam;
 - Jacka revenues being delayed in line with the 2019-20 ILRP;
 - forecast revenues for Gungahlin Town Centre releases being brought forward in line with the 2019-20 ILRP;
 - East Lake revenues being delayed in line with the 2019-20 ILRP. Additionally, the forecast revenue and costs for East Lake and the remaining Kingston Foreshore release have been revised; and
 - the CRA's Section 63 City site value being revised.
- The General Government Sector recognises returns from the land agencies to the extent that the returns relate to the value add component of the land agencies' activities. The remaining component of the land agencies' returns are recognised as a market gain in other economic flows. This is due to the land agencies not imputing value in the land from undertaking their own activities.
- The Government does not set profit margin targets for the SLA or the CRA.
- The net profit margins included in the SLA Statement of Intent are performance indicators showing the SLA's cumulative performance against planned land revenue and expenditure budgets.
- The CRA does not report its net profit margin as a performance indicator in its Statement of Intent.

ISSUE: THE ACT INFRASTRUCTURE PLAN

Talking points:

- The ACT Infrastructure Plan (the Plan) is a blueprint that will shape the Territory's infrastructure investment over the next decade and beyond.
- It is a strategic, coordinated Plan consistent with the wide range of city-wide and sector specific strategies that are either finalised or in progress such as for transport, health, planning, housing and climate change.
 - A key feature of the Plan is an integrated land use and transport strategy to accommodate Canberra's population growth and achieve the target of zero net greenhouse emissions by 2045 through:
 - increased housing development along major transport corridors, and around city and town centres;
 - a flexible and environmentally sustainable transport system which incorporates light rail, bus services and active travel, and encourages reduced car dependency.
- The Plan focuses on the priorities that matter most to the community: health, education, transport and the community services that make Canberra one of the world's most liveable cities.
- It plans for the sport and cultural facilities that make our city lively and liveable, and that help Canberrans make connections and build social networks.
- The Plan also has a strong focus on building the infrastructure and growth capacity in the Canberra region, to support commercial activities and regional industries both within and outside the ACT's borders.
- The Plan outlines over \$14 billion of pipeline projects for the next five years and in the longer term.

- It includes the \$3 billion infrastructure investment program for the next four years announced in the 2019-20 Budget. These projects are already underway.
- The specific timing of delivery of projects which have not been announced will be guided by population levels, economic growth, community priorities, asset age, budget capacity, the availability of appropriate delivery partners and competing service delivery needs.
- An annual infrastructure investment program of the order of \$750 million would be consistent with maintaining a balanced budget and the Territory's AAA credit rating
- When appropriate, the ACT Government will seek to partner with the Commonwealth and the private sector to deliver the projects in the Plan.

Key sectoral priorities

Health

- **Priorities to be considered over the next five years:**
 - i. Build the Surgical procedures, Interventional Radiology and Emergency Centre (SPIRE) Project:
 - is the largest healthcare infrastructure project ever undertaken in the ACT
 - will deliver a state-of-the-art adult and paediatric emergency, surgical and critical healthcare facility on the Canberra Hospital campus
 - will help meet the increasing demand for complex healthcare services required by our growing, and ageing, population
 - ii. Expand Centenary Hospital for Women and Children
 - iii. Build two more walk in centres, taking the network up to five in total across Canberra
 - iv. Build a new, modern facility for Winnunga to improve the range and quality of services available at Winnunga's Narrabundah campus
 - v. Provide mental health supported accommodation facilities for long-term supported care
- **In the longer term:**
 - i. Further modernise Canberra Hospital campus
 - ii. Strengthen northside health services including Northside hospital infrastructure
 - iii. Further expand mental health acute care facilities and services
 - iv. Improve community health infrastructure in south Canberra.

Education

Cleared as complete and accurate:	17/10/2019	
Cleared by: Mark Whybrow	Executive Director	Ext: 77879
Information Officer name:	Wilhelmina Blount	Ext: 70835
Contact Officer name:	My Linh Hardham	Ext: 58573

- **Priorities to be considered over the next five years:**
 - i. Build new primary schools in Throsby and Denman Prospects, and a new high school in East Gungahlin
 - ii. Improve and upgrade the existing 87 schools across Canberra
 - iii. Modernise Canberra Institute of Technology. A new CIT campus in the Woden Town Centre is under consideration
 - iv. Working with UNSW to plan for a major new campus in the city
 - v. Co-ordinate with higher education institutions and infrastructure investment to strengthen local higher education

Transport

- **Priorities to be considered over the next five years:**
 - i. Deliver Light Rail Stage 2 from City to Woden, commencing with Stage 2A from City to Commonwealth Park
 - ii. Improve road network across the city, including major road improvements in Gungahlin, extension of John Gorton Drive, the new Molonglo River Bridge Crossing and a roads program for the new suburb of Whitlam
 - iii. Improve rail transport links between Canberra and Sydney and strengthen freight links across the entire Canberra regions
- **In the longer term:**
 - i. Deliver Light Rail Stages 3 and 4 to Belconnen, Mawson and Tuggeranong, and the Airport

City Services

- **Priorities to be considered over the next five years:**
 - i. Build new and upgrade existing parks, sportsgrounds, local shops and playgrounds
 - ii. Maintain and upgrade existing urban infrastructure including storm water assets, and also water and sewer mains (Icon Water)
 - iii. Continue to roll out green bins across the city, introduce a bulky waste service and upgrade Canberra's current materials recycling facility
 - iv. Adapt to climate change – stepping up tree planting towards the target of 30 per cent green canopy for Canberra's urban environment by 2045
 - v. Deliver clean energy infrastructure – rolling out 5,000 solar batteries and finalising the delivery of a second electricity supply for the ACT

Cultural and recreational facilities

- **Priorities to be considered over the next five years:**
 - i. Deliver a new Canberra Theatre
 - ii. Deliver the Kingston Arts Precinct
- **In the longer term:**
 - i. Consider Canberra's future stadium needs beyond the mid-2020s
 - ii. Consider future uses for EPIC as a hub for events and community activities
 - iii. Consider options for a new or an upgraded Canberra Convention Centre, depending on financial support from the Commonwealth Government

Community Services

- **Priorities to be considered over the next five years:**
 - i. More public housing: 1200 public housing residences will be built or renewed, adding 200 new residences to our total housing stock, on top of the 1300 completed over the past four years
 - ii. Deliver a second Common Ground community housing complex to support Canberrans who are experiencing or at risk of homelessness
 - iii. Deliver additional ACT Ambulance Service and ACT Fire and Rescue service stations in the city centre and the Molonglo Valley
 - iv. Expand the Reintegration Centre at the Alexander Maconochie Centre

Infrastructure across our regions

- **Gungahlin is reaching the end of its development phase but still has fewer schools and community facilities than the more established regions of Canberra**
 - i. Deliver more new schools and expansion of existing schools to accommodate the growing population
 - ii. Deliver the New Home of Football at Throsby and the redevelopment of EPIC
- **Woden/Weston/ Molonglo Valley**
 - i. As one of Canberra's older regions, the focus for Woden will be upgrading and renewing existing infrastructure
 - ii. New infrastructure include the SPIRE, expansion of the Centenary Hospital for Women and Children, and Light Rail Stage 2
 - iii. The Molonglo region is now at the start of its growth curve - our focus will be new investment in roads and trunk infrastructure to support new suburbs
- **Belconnen**
 - i. The area is well serviced by existing infrastructure – with 23 schools, two hospitals and 35 sportsgrounds
 - ii. Focus investment on preparing for the construction of Light rail Stage linking Belconnen to the City and then on to the airport, as well as investing in roads and trunk infrastructure to support the Ginninderry development in West Belconnen
 - iii. Investigate options for additional northside hospital infrastructure in the medium to longer term

- **Central Canberra**
 - i. As an older region, Central Canberra has an ongoing need for revitalisation, upgrades and some replacement of existing infrastructure.
 - ii. Investment focus will be on renewing and adding new facilities to the area:
 - Deliver a new Canberra Theatre
 - Upgrade Campbell Primary School
 - Deliver a new Walk-in Centre for Dickson
 - Provide a new health centre for Aboriginal and Torres Strait Islander people through investment in the Winnunga Nimmityjah Aboriginal Health Community Service
 - Develop Acton Waterfront and Kingston foreshore
- **Tuggeranong**
 - i. A relatively young region with a fairly stable population and well serviced by existing infrastructure
 - It has a walk-in centre and community health centre, 19 schools and 22 sportsgrounds
 - ii. Priority infrastructure investment for Tuggeranong:
 - Maintenance of existing infrastructure to ensure Tuggeranong’s quality infrastructure remains in good shape
 - Stage 4 Light Rail from Woden to Tuggeranong
 - Road duplication and intersection improvements

ISSUE: COMPLIANCE ACTIVITY

Talking points:

- In 2018-19, ACT Revenue Office Compliance activities detected \$12.26 million in undeclared revenues.
- The table below details revenue detected under each revenue line.

Revenue Line	2016-17 Assessments issued	2016-17 Compliance revenue	2017-18 Assessments issued	2017-18 Compliance revenue	2018-19 Assessments issued	YTD 2018-19 Compliance revenue
Payroll Tax	112	\$7,513,738	75	\$6,341,361	15	\$5,533,983
Land Tax	547	\$5,655,690	1,078 ^(a)	\$13,006,083	552	\$5,261,395
FHOG	2	\$29,182	2	\$41,699	4	\$105,941
Home Buyer Concession	3	\$58,146	3	\$39,190	5	\$93,274
Landholder duty	1	\$89,792	7	\$289,646	5	\$842,544
Conveyance duty			1	\$4,281	57	\$250,058
Motor Vehicles	2	\$2,061			5	\$169,829
Total	667	\$13,348,609	1,166	\$19,722,260	643	\$12,257,024

(a) The high result for 2017-18 reflects historical compliance cases found through the data matching and process transformation delivered from investments in a Business Intelligence Team and a data warehouse. This result is unlikely to be repeated in future years as the stock of historical compliance cases reduces.

- In 2018-19 Compliance had revenue target of \$650,000 per inspector under accountability indicator 6.1(f), with an outcome of \$937,745 per inspector.

Key Information

- Compliance's data matching capability has been significantly improved following the engagement of a Business Intelligence Team and the development of a compliance data warehouse.
- Compliance is now focussed on data enrichment, relational matching and developing new data-led projects and strategies to more effectively target non-compliance.

- Compliance Inspectors have adopted an end-to-end approach and are now responsible for the recovery of debts raised by the assessments they issue.

Background Information

- The ACT Revenue Office's ongoing working relationship with the ATO, other Government agencies and State and Territory Revenue Offices, continues to result in greater targeting of non-compliance.
- In the 2016-17 Budget the government allocated an additional \$5.7 million over four years to enhance compliance activity with a projected revenue return of \$27 million, as shown in the table below.

Financial Impact	2016-17 \$'000	2017-18 \$'000	2018-19 \$,000	2019-20 \$'000	Total \$'000
Expense	801	1,605	1,634	1,664	5,704
Revenue	0	5,000	10,000	12,000	27,000

- In the 2018-19 Budget the government allocated \$1.753 million to develop a business intelligence and data analytics compliance program for landholder duty. This is duty paid on the acquisition of a significant interest in a landholder, for example a unit trust or corporation that has land holdings.

	2018-19 \$'000	2019-20 \$'000	2020-21 \$,000	2021-21 \$'000	Total \$'000
Revenue	0	5,000	0	0	5,000
Associated Expenses	506	1,247	0	0	1,753

- A review will be undertaken in the 2020-21 Budget process to evaluate the outcomes of the program.

BRIEF TITLE: TAXATION DEBT LEVEL

Talking points:

- From 2018-19 the accountability indicators for debt collection were changed to identify rates and non-rates debt separately.
- The outcomes for 2018-19 (as a percentage of revenue) were:

	2018-19 outcome	Target
Rates debt	8.16%	5% ^(a)
Non-rates debt	3.40%	2%

a) In NSW, the outstanding rates target is 10 per cent for regional councils (e.g. Yass, Goulburn and Queanbeyan-Palerang) and 5 per cent for metropolitan councils (e.g. Wollongong).

- The overall level of collectable debt as at 30 June 2019 for the major tax lines (and a comparison to 30 June 2018) is provided in the following table.

Major Revenue Lines	30 June 2018 \$million	30 June 2019 \$million	Change \$million	2017-18 Average collectable debt % of revenue	2018-19 Average collectable debt % of revenue
Rates and levies	37.7	55.1	17.4	6.6	8.16
Payroll tax	7.8	12.7	4.9	1.6	3.40 (non rates revenue)
Land tax	11.7	13.1	1.4	7.9	
Duty	8.3	9.6	1.3	2.1	
Other	7.3	5.9	-1.4		
Total Average Collectable Debt	70.6	96.4	25.8		
Total Revenue Budget	1,679.1	1,822.5	143.4		

Key Information

Rates debt

- Rates debt figures include taxpayers on repayment plans who are meeting their agreed repayment arrangements and exclude deferred rates or outstanding rates subject to objection or appeal.
- Rates debt is secured by a charge on the title of the property. This means that a property with outstanding rates cannot be sold without the debt being cleared first, ensuring rates debt is ultimately collected.
- To encourage the payment of rates on time, overdue rates attracts interest at a rate of 9.54 per cent.
- In order to bring the overdue debts back into line with the KPI the Revenue Office is currently targeting:
 - a) 62 commercial properties with combined debts of \$12.2 million (an average of \$197,000 per property).
 - b) 27 residential properties with combined debts of \$1.2 million (an average of \$56,000 per property)
- Many of the residential properties being targeted are owned by builder or developer groups.
- For corporate entities, the Revenue Office will be pursuing these overdue amounts by use of wind up orders, garnishees and registering charges on title.
- Registering charges on title has not been widely used by the Revenue Office to date but has proven to be effective in encouraging payment. Following the registering of a charge and a warning period of 28 days, the Revenue Office can alert any party with an interest in the property, such as banks, that the owner has a significant liability payable to the Revenue Office. Pressure from lending institutions is proving an effective debt recovery strategy.
- The Revenue Office continues to encourage home owners to adopt weekly and monthly direct payment arrangements for rates and to defer rates where they eligible. We also readily enter into repayment plans with home owners who have fallen behind in their payments.

ISSUE: OBJECTIONS AND ACAT OVERVIEW OF KEY FIGURES
Talking points:

- In 2018-19, the ACT Revenue Office processed 536 objections. This compares to 338 in 2017-18 and 275 in 2016-17.
- The majority of objections decided by the Revenue Office confirmed the original assessment.

Table 1: Objections received by ACT Revenue Office

	2016-17	2017-18	2018-19	2019-20 (to 30 September)
Unimproved Value (UV)	77	84	144	53
Other	194	373	286	69
Total	271	457	430	123
Av./month	23	38	36	41

Table 2: Objections decided by ACT Revenue Office

	2016-17	2017-18	2018-19	2019-20 (to 30 September)
Allowed	24	22	17	3
Part allowed	28	32	33	5
Disallowed	208	265	470	53
Withdrawn	15	19	16	4
Total	275	338	536	65

- In 2018-19, there were 34 appeals to ACAT an increase of six from 2017-18, however a significant number of appeals were withdrawn or dismissed during the year.

Table 3: Appeals lodged in the ACAT or courts

	2016-17	2017-18	2018-19	2019-20 (as at 30 September)
Appeals allowed or part allowed*	4	3	3	3
Settled by mutual agreement*	6	9	3	0
Appeals dismissed or withdrawn*	14	10	23	5
Total appeals lodged	20	28	34	12
Outstanding appeals*				24

*This includes appeals which commenced in previous years.

BRIEF TITLE: OBJECTIONS TIMELINE
Talking points:

- The completion rate of objections received became a performance target (from 1 July 2015) and is documented in the CMTEDD Annual Report:
 - 85 per cent of all objections to be completed within 6 months of lodgement; and
 - 100 per cent of all objections to be completed within 12 months of lodgement.
- The performance targets were exceeded in 2018-19.

Table 1: Objections: completion times

	2016-17	2017-18	2018-19	2019-20 (to 30 September)
Total completed	275	338	536	110
Completed: 6 months or less	275 (100%)	334 (98.8%)	516 (96.3%)	96 (87.3%)
Completed: from 6 to 12 months	0 (0%)	4 (1.2%)	20 (3.7%)	14 (12.7%)
Completed: greater than 12 months	0	0	0	0

- The performance indicators include 'stop clock' features when the time calculated for completion of an objection is suspended including time taken to provide further information or pending the outcome of legal proceedings.

ISSUE: OBJECTIONS RECEIVED BY SUBURB 2018-19 – UNIMPROVED VALUE

Talking points:

- Approximately two-thirds of the 144 objections relating to unimproved value (UV) received in 2018-19 were for residential properties.
 - In 2017-18, there were 84 UV objections and approximately half related to residential properties.
 - There were 7 (commercial) UV objections in Phillip on 2018-19, compared with 14 in 2017-18.

2018-19 Residential and Commercial UV Objections by Suburb

SUBURB	RESIDENTIAL	COMMERCIAL/RURAL	TOTAL
Ainslie	2	0	2
Amaroo	0	1	1
Aranda	2	0	2
Barton	0	1	1
Belconnen	0	2	2
Bonner	3	0	3
Braddon	1	5	6
Bruce	1	0	1
Campbell	1	0	1
Casey	1	0	1
Chapman	3	0	3
Chifley	1	0	1
Chisholm	1	0	1
City	0	9	9
Crace	5	0	5
Curtin	4	0	4

Deakin	3	1	4
Denman Prospect	1	1	2
Dickson	1	4	5
Duffy	1	0	1
Evatt	1	0	1
Farrer	2	0	2
Fisher	1	0	1
Forde	2	0	2
Franklin	3	1	4
Fyshwick	0	2	2
Garran	1	0	1
Giralang	1	0	1
Griffith	1	0	1
Gungahlin	1	2	3
Hackett	2	0	2
Harrison	8	0	8
Holder	1	0	1
Holt	1	0	1
Hughes	1	0	1
Isabella Plains	1	0	1
Jacka	1	0	1
Kaleen	1	0	1
Kambah	4	1	5
Lyons	1	0	1
Macquarie	2	0	2
Mitchell	0	1	1
Monash	2	0	2
Moncrieff	1	0	1
Ngunnawal	4	0	4
Nicholls	2	1	3
Page	8	0	8
Palmerston	2	0	2

Parkes	0	2	2
Phillip	0	7	7
Pialligo	0	1	1
Red Hill	1	0	1
Reid	1	0	1
Taylor	1	0	1
Torrens	2	0	2
Turner	1	0	1
Wanniassa	1	1	2
Weston	2	1	3
Wright	3	0	3
Yarralumla	2	0	2
Total	100	44	144

- If a suburb is not listed then this means that no objection was lodged to the UV in that suburb.

ISSUE: OBJECTIONS AND APPEALS – CONTINGENT LIABILITIES
Talking points:

- As at 30 June 2019, the number of outstanding objections was under half that as at 30 June 2018; however, the value was greater.
- As at 30 June 2019, the number of outstanding appeals was lower.

Table 1: ACT Revenue Office objections outstanding and disputed amounts

	2017-18 (as at 30 June 2018)	\$	2018-19 (as at 30 June 2019)	\$
UV	10	765,301	19	789,682
Payroll tax	3	42,361	7	1,980,895
Land tax	149	1,460,864	30	337,056
Duty	8	197,710	10	3,392,220
HBC	12	102,867	4	71,939
FHOG	3	27,000	3	76,933
Rates	9	820,389	13	4,710,360
Total	194	3,416,492	87	11,359,085

Note: There are a small number of larger disputed amounts affecting the reported figures (compared to the same time in the previous year).

Table 2: ACAT appeals outstanding and disputed amounts

	2017-18 (as at 30 June 2018)	\$	2018-19 (as at 30 June 2019)	\$
UV	2	274,532	5	507,365
Payroll tax	7	6,873,767	1	*
Land tax	4	131,897	3	49,171
Duty	-	-	-	-
HBC	2	18,276	-	-
FHOG	-	-	-	-
Rates	-	-	1	572,721
LVC	1	882,812	3	5,372,187
Total	16	8,181,284	12	6,501,444

*Disputed liability is subject to determination in further legal proceedings.

ISSUE: LAND TAX – WAIVERS AND ACT OF GRACE PAYMENTS

Talking points:

- The Land Tax Act 2004 was amended from 1 July 2018 in order to encourage owners of unoccupied properties to make their dwellings available to rent.
- As part of the 2017-18 Budget and the 2017-18 Budget Review, the land tax legislation was amended to implement two revenue initiatives:
 - the extension of land tax to all residential dwellings that are not an owner’s principal place of residence; and
 - the introduction of a foreign ownership surcharge. As at 30 September there were 61 taxpayers paying this surcharge

The above initiatives introduced a ‘principal place of residence’ test as the primary determinant of liability for land tax in place of a ‘rented’ test.

- The government has acknowledged that there have been some unintended consequences because of changes to land tax that came into effect on 1 July 2018.
- Properties identified as being inadvertently affected by these changes are those that have had a Certificate of Occupancy and Use (COU) issued on or after 1 April 2018 and were unable to be occupied in the same quarter due to settlement pending.
- The government has agreed to grant a land tax waiver for the land tax quarter following the issue of a COU.
- Property owners who have an unpaid quarter of land tax which falls into this category have been provided with a waiver of those charges, conversely, property owners who have already paid their land tax liability have been provided with an Act of Grace payment.

- To this date the total number of affected properties and the corresponding revenue forgone are as follows:

	AoG		Waiver	
	Number	Value	Number	Value
Identified	543	\$459,889.77	152	\$134,248
Finalised	253	\$141,397.03	150	\$133,190

- A bill is currently before the assembly that amends legislation to ensure that a land tax liability is not raised in the quarter after a certificate of occupancy is issued.

ISSUE: **ICON WATER – ANNUAL REPORT HIGHLIGHTS**

Talking points:

- Icon continued to provide high quality water and wastewater services with customer satisfaction at around 92 per cent (Annual Report pages 68-69).
- A strong financial result for the year with:
 - profit after tax of \$87.1 million, \$20.6 million less than 2017-18 (\$107.7 million)
 - payments to ACT Government for Income Tax Equivalents of \$37.2 million and Dividends of \$71.3 million (\$42.2 and \$93.9 million in 2017-18) (Annual Report page 4).
- The lower outcome from the previous year was mainly due to decreased revenue from the water/sewerage price determination set by the ICRC, decreased Joint Venture profit attributable to reduced electricity and gas margins, lower revenue from gifted assets and offset by lower net operating costs (Annual Report page 85).
- Capital and major infrastructure works undertaken during the period are summarised on pages 59 to 63 of the Annual Report. Significant work continued to be done on the Lower Molongolo water quality control centre and the replacement sewer mains program continued across Canberra. Improvements were also achieved with the North Weston odour control system completed and to be commissioned in 2019-20.

Key Information

- Icon Water derived \$88 million (\$93 million in 2017-18) from its share of profits in the ActewAGL Joint Venture including \$59 million in cash distributions from ActewAGL (Financial Statements page 102 and 105). The ActewAGL joint venture income was \$4.9 million lower than 2017-18 mainly attributable to reduced electricity and gas margins.

- Inflows into the four major reservoirs continued to decline, with dam levels the lowest since 2013 at 57 per cent capacity as at 30 June 2019 (84 per cent at June 2017) with Cotter at 82 per cent, Googong 61 per cent, Bendora 45 per cent and Corin 24 per cent. (54 per cent at 15 October 2019). (Icon Website and Annual Report page 54-55).

Although storage levels have been falling, the increased storage capacity of the Enlarged Cotter Dam means no water restrictions are expected in the foreseeable future (at least to summer 2020).

- Management and operations of the Murrumbidgee to Googong Pipeline continued with the pipeline remaining in standby mode (Annual Report page 55).
- 2018 water and sewerage pricing saw annual water/sewerage bills reduced by 3.5 per cent from July 2018 (Annual Report page 57).
- New electricity prices announced in June 2018 saw an increase of 14.29 per cent from July 2018 (however, ActewAGL announced a range of discount offers for customers to help reduce costs to households).
- There were 134 water quality complaints in 2017-18 compared to 169 in 2016-17 and 230 the previous year (Icon Annual Drinking Water Quality Report 2017-18-latest report). (Annual Report Page 53).
- Community Engagement, major events and sponsorship spending totalled \$487,000 in 2018-19, \$492,000 in previous year (Annual Report pages 38-44).
- Board/Senior Executive Remuneration (Pages 26-27 of the Annual Report). (Nil redundancies). John Knox resigned as Managing Director of Icon Water and took up the position of Managing Director of ActewAGL on 11 November 2018 and Ray Hezkial was subsequently appointed as new Managing Director of Icon Water.
- Staffing was slightly higher than the previous year with 408 FTE in 2018-19 (378 in 2017-18) (Annual Report pages 31).
- Small amount of Fraud activity reported; four cases, two of which were unsubstantiated and the other two of a minor nature.(Report page 78).

Background Information – may not be suitable for public disclosure

- Operational Performance Section of the Annual Report is at Annual Report pages 68-69, indicating 20 out of 26 Key Service delivery outcomes were within target range.

ISSUE: ICON WATER – SUMMARY OF FINANCIAL RESULTS 2018-19**Talking points:**

- Net Profit after Tax, including distributions from ActewAGL, of \$87.1 million, down by \$20.6 million from the previous year (\$107.7 million) and up \$10.3 million from the estimates in 2018-19 Budget (\$76.8 million). There was decreased revenue in 2018-19 largely due to lower water/sewerage prices set by the ICRC, lower Joint Venture distributions due to reduced electricity and gas margins and lower gifted assets revenue.

Key Information

- Icon Water reported a declared dividend of \$71.3 million in 2018-19, excluding gifted assets (dividend in 2017-18 \$93.9 million) and income tax payments to the ACT Government of \$37.2 million (\$42.2 million in 2017-18). See Table on next page.

This was due to:

- Decreased water and sewerage revenues due to prices set by the ICRC and revenues from Gifted assets; and
- The 50 per cent ownership of the ActewAGL Joint Venture continued to be a strong commercial investment with Icon Water receiving \$88 million as its share of net profits. This was \$5 million lower than in 2017-18 mainly attributable to reduced electricity and gas margins.

- Summary of Net Profit after Tax (NPAT) and payments to the ACT Government

Item (Financial Statements Page No)	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Outcome \$'000	2018-19 Actual \$'000
Net Profit Before Tax(p102)	154,794	109,704	124,314	127,669
Less Income Tax(p102)	47,106	32,912	37,294	40,604
NPAT (p102)	107,688	76,792	87,020	87,065
Less Gifted Assets Icon (p111&112)	15,850	12,886	10,000	11,029
JV ¹	2,257		7,500	8,259
Net Dividend payable(p106)	89,581	63,906	69,520	67,780
Share JV Net Profit Included above (pre tax)(p102)	93,374	75,516	94,613	88,403

Note: 1. JV Gifted Asset values are unpublished data provided by Icon Water.

The table does not show payments to ACT Government for Water Abstraction Charge and Utilities Tax (approx \$40 million pa)

- Gearing Levels (Page 136 Annual Report)

2016-17 - Actual	55.0%
2017-18 - Actual	53.6%
2018-19 - Actual	54.0%

Note: The falling Gearing Ratio is due to increased equity arising from upward revaluation of Icon Water's infrastructure assets as a result of a change in assumptions to determine future cash flows of the terminal value of the water assets.

ISSUE: **ICON WATER SHAREHOLDER APPROVAL RESPONSIBILITIES**

Talking points:

- Icon Water is registered as a company under the *Corporations Act 2001* (Cwth) and is also subject to the *Territory-owned Corporations Act 1990* (TOC Act).
- Icon operates as an independent corporation, under the direction of a Board of Directors, and is managed by an executive management team.
- A TOC is required to have two voting shareholders who must be ministers and who do not generally become involved in the internal affairs of the company unless required under the TOC Act.

Key Information

- Being formed under the Corporations Act, the directors and management owe defined duties to the corporation itself as distinct from its shareholders. They are bound to perform their functions in what they consider to be the best interests of the corporation rather than any other entity.
- A breach of the duties and obligations established by the Corporations Act can lead to major pecuniary or criminal penalties.
- In contrast, public employees primarily owe their duties to the Government of the day and are bound to comply with Public Service Standards, guidelines and policies.
- The obligations of the Voting Shareholders under the TOC Act are generally confined to approving director appointments and their remuneration, changes to the constitution, and the acquisition or disposal of main undertakings. Otherwise, unless the Shareholders intervene, it is the Board and their management team who must take the decisions in relation to the day to day operations of the company.

Background Information

- The Shareholder responsibilities are separate from those of the Treasurer, who can approve borrowings, and as the Portfolio Minister is responsible for notifying the Assembly of certain matters such as changes to the constitution and tabling the Statement of Corporate Intent. The Chief Minister is responsible for appointing the shareholders

ISSUE: ICON WATER – DIVIDEND POLICY AND DEBT STRATEGY

Talking points:

- The long standing dividend policy has been set at 100 per cent Net Profit after Tax (NPAT). This has required Icon to borrow to pay the non-cash portion of NPAT.
- In May 2016 the Voting Shareholders agreed to exclude any future receipts of gifted assets from property development as they are recorded in the profit and loss statement as a non-cash item.
- In 2015-16 the Government also decided to provide some dividend relief for Icon Water of \$42 million (including gifted assets \$14.7 million) to allow Icon Water to reduce its gearing level.
- The Voting Shareholders, in consultation with the Icon Water Board, decide on dividend policy having regard to Icon Water’s level of profitability, an appropriate capital structure and the gearing level and future capital expenditure.

ISSUE: 2019-20 BUDGET (INCORPORATING THE 2018-19 CONSOLIDATED OUTCOME)

Talking points:

2018-19 Outcome

- The 2018-19 audited outcome General Government Sector (GGS) Headline Net Operating Balance (HNOB) was a deficit of \$118.6 million. This represents a variance of \$162.4 million from the 2018-19 estimated outcome of a \$43.8 million surplus.
 - This variance is largely due to a number of non-cash impacts including expensing the relocation of underground utilities for Light Rail Stage 1.
 - Transport Canberra and City Services Directorate received external advice of this change on 12 July 2019.
 - This treatment does not change the overall cost of delivering Stage 1 of light rail – it only brings forward some of the costs.
- The movements driving the 2018-19 Outcome are one-off and do not affect the Government's ability to continue providing high quality services to the Canberra community, or the underlying cash position of the ACT Budget.
- The Government fiscal strategy to balance the budget over the medium term remains on track and Standard & Poor's reaffirmed the ACT's AAA credit rating in August 2019.
- We still anticipate the HNOB to continue to improve over the forward years with a projected return of the property market. It is anticipated that the strong economic fundamentals of strong population growth, historic low interest rates, and recent changes to lending standards will improve confidence.

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Ext:

2019-20 Budget

- At the time of the 2019-20 Budget, economic growth as measured by Gross State Product (GSP) was expected to be 4¼ per cent in 2018-19.
 - downward revisions to historical estimates of ACT final demand by the Australian Bureau of Statistics (ABS) are likely to be reflected in the GSP result, which is expected to be released by the ABS on 15 November 2019.
- Over the forward estimates period, growth is expected to be 3 per cent in 2019-20, 3¼ per cent in 2020-21, and then projected stabilise at a trend rate of 3½ per cent in 2021-22 and 2022-23.
 - These forecasts will be reviewed as part of the 2019-20 Budget Review process.
 - The outlook for household consumption is positive, driven by high rates of population growth and new household formation, and despite current low real wages growth.
 - Service exports are expected to continue to expand, with ongoing growth in international students and tourism in particular, though at a slower pace compared to recent very high growth rates.
 - Housing construction activity is expected to reach record levels over the course of this financial year and next, before moderating to more normal levels from 2020-21 onward.
 - Commonwealth Government expenditure on the National Disability Insurance Scheme, defence, and security are expected to support economic and employment growth going forward.
- Employment growth is forecast to pick up to 1½ per cent in 2019-20, following estimated growth of 1 per cent in 2018-19.
 - Employment growth is then projected to return to its trend growth of 1¾ per cent in 2020-21, 2021-22 and 2022-23.
- The 2019-20 Budget forecasts that the headline net operating position will progressively return from a modest deficit position in 2019-20 to a strong surplus position in both 2021-22 and 2022-23.
- Net debt and net financial liabilities as a percentage of Gross State Product in 2019-20 have increased due to a change in the national

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Cleared by:

Under Treasurer

Ext:

accounting standards relating to leases, and an increase in borrowings to support capital initiatives in the 2019-20 Budget.

- Total Territory gross debt increased by \$411.6 million in 2019-20 as a result of the change in accounting standards.
- Net worth is forecast to be \$17.5 billion at the end of 2019-20, broadly in line with the 2018-19 estimated outcome of \$17.6 billion.

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Cleared by: Under Treasurer

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**ISSUE: COMPULSORY THIRD-PARTY INSURANCE SCHEME / MOTOR
 ACCIDENT INJURIES SCHEME**

Talking points:

- The Government introduced the *Motor Accident Injuries Bill 2019* in March 2019. The Bill was based on the model chosen by the citizens' jury on improving the Territory's Compulsory Third-Party Insurance Scheme to best balance the interests of all road users.
- In finalising the Bill, the Government closely considered both the Standing Committee on Justice and Community Safety's recommendations on the exposure draft of the Bill and community feedback. The majority report's recommendations were agreed by the Government and reflected in the Bill.
- Draft regulations and draft key guidelines were developed and made available through the YourSay website prior to the debate of the Bill.
- The *Motor Accident Injuries Bill 2019* was passed with amendments by the Legislative Assembly on 16 May 2019. The amendments further strengthened the new scheme and were consistent with the objectives set by the jury.
- The ACT's Motor Accident Injuries Scheme will deliver improved coverage and better protect Canberrans from 1 February 2020. It will deliver the following improvements:
 - everyone injured in a motor vehicle accident will receive up to five years treatment, care and income benefits, regardless of who was at fault. Approximately 40 per cent of injured people who currently can't make a CTP claim will now be covered - about 600 more Canberrans per year.
 - everyone will have earlier access to benefits after an accident. There will continue to be exclusions for serious criminal and driving offences, in line with other Australian jurisdictions.

Cleared as complete and accurate: 18/10/2019

Cleared by: Lisa Holmes

Executive Director

Ext: 70207

- quality of life benefits, which provide compensation for non-financial loss, will be available for all people who meet injury thresholds.
- anyone whose injury was caused by someone else's negligence and who is more seriously injured will still be able to access additional common law benefits.
- The new scheme will be regulated by a Territory authority called the Motor Accident Injuries Commission. With the change to a hybrid no-fault scheme, the role and functions of the new MAI Commission will increase in comparison to that of the existing CTP Regulator. The MAI Commissioner was appointed on 17 September 2019.
- The Government has been working through the implementation of the Motor Accident Injuries Scheme, including developing all the required instruments to support the commencement of the scheme.
- Consultations have occurred with the legal profession and insurers. Consultations commenced in July 2019. All feedback is being taken into account in finalising documents.
- Insurers are to shortly provide to the MAI Commission their premiums for the new scheme for approval. The parameters set by Government at the time of announcing the citizens' jury was that the overall scheme design of any reform could not raise the cost of premiums.
- Since the announcement of the jury process, average CTP premiums for passenger vehicles have fallen from \$555.20 to \$516.75, a reduction of \$38.45.
- From 18 November 2019 NRMA's CTP passenger vehicle premium will be the lowest in the ACT, at \$482.30.

ISSUE: TERRITORY BORROWINGS

Talking points:

- Standard & Poor's affirmed the ACT's AAA (stable) credit rating on 29 August 2019. The AAA credit rating reflects the strong ACT economy, the Government's strong financial management and exceptional liquidity coverage and containing the debt burden at a manageable level.
- Total Territory borrowings (excluding finance leases) increased by a net \$951 million in 2018-19.
- The original 2018-19 budget did not estimate any new major borrowings in 2018-19. However, the Government undertook borrowings to take advantage of low interest rates and guarantee access to funds in the current uncertain financial environment.
- The Australian short term money market and the long term capital markets are being significantly impacted by major political and geopolitical risks, changes in central bank policies and a weaker global and Australian economic outlook. As a result, long-term Australian capital market interest rates continue to fall to records lows.
- In an environment of very low and volatile interest rates, the task of managing short term budget liquidity and raising capital funding is exposed to increased capacity and execution risks.
- As a result of these increasing risks, issuer liquidity balances has also become an increasingly critical focus for Standard & Poor's in their credit ratings assessments.
- Recognising these risks and issues, and as a prudent response to this low and volatile interest rate environment, we transacted new short-term borrowings at the end of the financial year to increase our budget liquidity (\$278 million) and issued new long-term fixed rate borrowings to pre-fund part of the 2019-20 estimated borrowing program (\$675 million).

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Deputy Under Treasurer

Ext:

Additional background:

	2017-18	2018-19	Change	2018-19	Change	2018-19	Change	Change
	Actual	Budget	Actu to Budg	EstOut	Budg to EstOut	Actual	EstOut to Actu	Actu to Actu
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
General Government Sector								
Market Borrowings	1,761.1	1,763.0	1.9	2,709.6	946.6	2,709.6	0.0	948.5
Historic Commonwealth Loans (self-government)	67.8	63.7	-4.1	63.7	0.0	63.7	0.0	-4.1
Commonwealth Loan – Asbestos Eradication Scheme	950.0	900.0	-50.0	900.0	0.0	900.0	0.0	-50.0
Sub-Total	2,778.9	2,726.7	-52.2	3,673.3	946.6	3,673.3	0.0	894.4
Public Trading Enterprise Sector								
Market Borrowings	1,668.1	1,747.2	79.1	1,729.8	-17.4	1,729.2	-0.6	61.1
Historic Commonwealth Loans (self-government)	58.1	53.5	-4.6	53.5	0.0	53.5	0.0	-4.6
Sub-Total	1,726.2	1,800.7	74.5	1,783.3	-17.4	1,782.7	-0.6	56.5
Total	4,505.1	4,527.4	22.3	5,456.6	929.2	5,456.0	-0.6	950.9

ISSUE: REVENUE OFFICE OUTPUT 6.1

Talking points:

- Debt levels (including rates) are above target. The increase in rates debt is predominantly from those who own multiple properties. The Revenue Office is focussing more effort on debt recovery, deploying several new strategies including SMS messaging, garnisheeing rental income and placing charges on title.
- Compliance revenue per inspector is above target.
- The Revenue Office is currently working to provide customers with online access to rates information including payment history and outstanding balance.
- The commercial valuation program this year resulted in uplifts to values in Mitchell (average increase 2.5 per cent) Barton (average increase 5 per cent), Deakin (average increase 3 per cent). Also, 41 properties in local centres were reviewed with an average increase in value of 5.2 per cent. Next year's commercial valuation program will focus on properties in group centres.
- The land tax pilot for community housing providers has been modified with a new alternative income threshold and administrative simplifications. This follows consultation with community housing providers. There are ten properties currently receiving the exemption. We understand another provider is looking to join the pilot.
- There is currently a bill in the Assembly that addresses unintended consequences of land tax as it applies to vacant properties. The amendment provides an exemption from land tax for the quarter after a property receives its certificate of occupancy.

BRIEF TITLE: VENUES CANBERRA
Talking points:
Venues Canberra – Number of Major events by Venue 2018/19

- The number of major events at GIO Stadium, Manuka Oval and Exhibition Park in Canberra exceeded original targets. Stromlo Forest Park was one below the target due to the cancellation of one major booked event by the hirer.

Number of Major events at:	Original Target	Actual Result	% Variance
GIO Stadium	20	21	5%
Manuka Oval	5	11	120%
Stromlo Forest Park	10	9	-10%
Exhibition Park in Canberra	85	124	46%

- GIO Stadium hosted the Keith Urban concert in January 2019 and the Brumbies were also successful in securing a home quarter final in June 2019. This was offset by the Raiders moving one home game interstate.
- Manuka Oval secured six additional events that were unknown at the time of budget. This included a women's AFL game, a women's T20 match and four additional men's cricket matches.
- With ongoing marketing to attract new and return events EPIC secured additional bookings following the preparation of the budget. This included a number of large events such as Groovin' the Moo; the Showroom; Home Renovation and Building Show; and the Australian Local Government Association Gala Dinner.

Venues Canberra – Own Source Revenue by Venue 2018/19

- Own source revenue at Manuka Oval and Exhibition Park in Canberra exceeded original targets.

Own Source Revenue at:	Original Target	Actual Result	% Variance
GIO Stadium	\$3.0 million	\$2.7 million	-10%
Manuka Oval	\$360,000	\$595,000	65%
Exhibition Park in Canberra	\$3.5 million	\$4.4 million	28%

Cleared as complete and accurate: 15/10/2019

Cleared by: Shaun Strachan

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Ext: 71001

- The increase in own source revenue at Manuka Oval is associated with an increase in catering and ticketing revenue due to additional events.
- An increase in the number of events hosted at EPIC and an increase in camping resulted in an increase in own source revenue.
- GIO Stadium was 10% below the original target due to ongoing decline in attendance at Brumbies events and removal of one Raiders regular season match resulting in a decreased catering and corporate sales.
- Venues Canberra continues to work with event organisers to increase the number of events at all venues.
- Major events at Stromlo Forest Park are national or international events.
- Events with over 500 patrons are considered “major” for the purposes of Exhibition Park in Canberra.
- Own source revenue at GIO Stadium and Manuka Oval is measured as gross profit, that is, revenue less expenses incurred in conducting events and is based on pre-existing venue hire agreements.
- Own source revenue at Exhibition Park in Canberra is measured as gross revenue.

National Arboretum Canberra – Level of Customer Satisfaction

- The level of customer satisfaction at the National Arboretum Canberra is the accountability indicator.
- The target for 2018-19 was 85%. The actual result for 2018-19 for customer satisfaction was 95%.
- The results of the survey indicate that visitors strongly value the National Arboretum Canberra as a beautiful, natural place to visit and a place for the conservation of rare and endangered trees. It is valued as an important tourist attraction for Canberra.
- The survey is undertaken using Qualitix software and responses are online or via an iPad in the Arboretum’s Village Centre.
- The survey also captures likelihood of recommending it as a place to visit, most liked elements and suggested improvements. It also provides information on the demographics of visitors to the Arboretum.

Cleared as complete and accurate: 15/10/2019

Cleared by: Shaun Strachan

Deputy Under Treasurer

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Portfolio/s: Employment and Workplace Safety

**ISSUE: PUBLIC SECTOR WORKERS COMPENSATION FUND
PERFORMANCE**

Talking points:

- The Public Sector Workers Compensation Fund (PSWC Fund) is established under the *Public Sector Workers Compensation Fund Act 2018* (the Act) and commenced operations on 1 March 2019.
- The Act provides a financial and prudential governance framework to support the Territory's workers' compensation self-insurance arrangements under the *Safety, Rehabilitation and Compensation Act 1988* (SRC Act).
- The Fund's Statement of Performance does not record cost targets for 2018-19. This is because it commenced operation part way through the financial year.
- The total costs recorded reflect the total operating costs of the scheme in 2018-19 including the cost of workers' compensation services and payments for injured workers.
- Being a licensed self-insurer provides the Territory with more control and accountability in managing ACT Public Sector workers' compensation claims through the end-to end claims process.

Cleared as complete and accurate:	18/01/2018	
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Contact Officer name:	Rachel Hughes	Ext: 78322
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Rachel Hughes	
TRIM Ref:	CMTEDD2019/5392	

- As a self insurer within the Comcare Scheme there has been no change to the type or amount of compensation available to ACT public sector workers who are injured or become ill because of their work.
- Extensive staff and trade union consultation was conducted as part of the process for preparing the self-insurance operating model which informed the Territory's self insurance licence application.

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Contact Officer name:	Rachel Hughes	Ext: 78322
Lead Directorate:	Chief Minister, Treasury and Economic Development	
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Information Officer name:	Rachel Hughes	
TRIM Ref:	CMTEDD2019/5392	

Portfolio/s: Employment and Workplace Safety

ISSUE: ACTPS WORKERS' COMPENSATION ARRANGEMENTS

Talking points:

- The ACT Government became a self-insured licensee under the *Safety, Rehabilitation and Compensation Act 1988* on 1 March 2019.
- Following a competitive procurement process, Employers Mutual Limited were appointed as the Territory's third party claims administrator.
- Becoming a self-insurer enables the Territory to have more control and accountability in managing ACT Public Sector workers' compensation claims through an end-to-end claims process.
- Since becoming a self-insurer, the Territory has streamlined a number of claim processes and procedures, ensuring a more efficient and accessible service for injured employees.
- For example, injured employees who have lodged a claim now have online access to their claim through the Employers Mutual 'EMpower' program. This online platform enables the employee to communicate with their case manager, access claim information including details of

Cleared as complete and accurate:	29/10/2019	
Cleared by:	Executive Group Manager	Ext:53095
Contact Officer name:	Penny Shields	Ext:75229
Lead Directorate:	Chief Minister, Treasury and Economic Development	
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Information Officer name:	Penny Shields	
TRIM Ref:	CMTEDD2019/5392	

payments, upload claims related information and access a range of helpful links and resources. This program is one of the process and accessibility improvements that have been achieved through the Territory's self-insurance arrangements.

- As a self-insurer the Territory has implemented a program for injured employees to access medical treatment in the pre-liability phase of a claim, enabling delivery of best practice injury management and ensuring that all ACT government employees who sustain work related illnesses or injuries have access to timely medical treatment.
- The *Public Sector Workers Compensation Fund Act 2018* established the Public Sector Workers Compensation Advisory Committee (the Advisory Committee).
- The Advisory Committee has met twice since 1 March 2019, with a focus on reviewing process improvements and building capacity within the ACTPS in relation to claims administration activities.
- Feedback directly received from ACTPS employees since self-insurance commenced has been overwhelmingly positive with acknowledgement of improved communication, support and care for the individual.

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Contact Officer name:	Penny Shields	Ext:75229
Lead Directorate:	Chief Minister, Treasury and Economic Development	
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Information Officer name:	Penny Shields	
TRIM Ref:	CMTEDD2019/5392	

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Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
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TRIM Ref:	CMTEDD2019/5392	

Portfolio/s: Employment and Workplace Safety

ISSUE: Output 5.1 Performance

Talking points:

Accountability indicators

- Four out of six of the 2018-19 accountability indicators against this output were met.
- The accountability indicators not met were:
 - *Maintain consultative work injury management fora within the ACT* which requires that the ACT Work Safety Council meet four times during the financial year. Due to scheduling conflicts only three meetings were held during 2018-19.

Items that would otherwise have been considered during the meeting in question were dealt at the following meeting or through out of session engagement with Council members.

- *Achieve a conformance rating of 85% or higher in the annual audit of the ACT Government Rehabilitation Management System* which relates to an annual independent audit of the Territory's work injury rehabilitation infrastructure, policies and procedures against a Comcare audit tool.

In 2018-19 the scope of the audit was expanded in anticipation of

Cleared as complete and accurate: 28/10/2019
Cleared by: Executive Director Ext:53095
Contact Officer name: Michael Young Ext:53095
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CMTEDD2019/5392

the Territory becoming a workers' compensation self-insurer later in the year. The audit found compliance with 76% of the examined criteria. The areas for rectification related to new functions that would be required if the Territory was to become a self-insurer, all of which were addressed prior to the commencement of self-insurance operations.

Financial result

- Total cost at the end of 2018-19 was \$15.382m. The decrease of \$7.225m from the budget total cost of \$22.607m is due to:
 - not all of the supplementation for whole of government workers' compensation premium costs being required; and
 - an underspend as a result of unexpected resignations, transfers and delay in recruitment process for several positions.
- Total Controlled Recurrent Payments at the end of 2018-19 was \$10.828m. The decrease of \$7.252m from the budget total Controlled Recurrent Payments of \$18.080m is mainly due to:
 - not all of the supplementation for whole of government workers' compensation premium costs being required; and
 - an underspend as a result of unexpected resignations, transfers and delay in recruitment process for several positions.

Cleared as complete and accurate: 28/10/2019
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Contact Officer name: Michael Young Ext:53095
Lead Directorate: Chief Minister, Treasury and
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TRIM Ref: CMTEDD2019/5392

Portfolio/s: Employment and Workplace Safety

ISSUE: ACT WORKERS PRIVATE COMPENSATION SCHEME

Talking points:

- In 2017-18 the ACT workers' compensation scheme provided work injury insurance coverage for around 17,700 employers with approximately 140,000 private sector workers.
- The scheme is privately underwritten and as a result it is up to individual insurers to determine the premiums they charge to employers.
- Where an employer is unhappy with the premium offered by an insurer the competitive nature of the industry in the ACT means they have the option of pursuing coverage with another insurer.
- To assist employers in deciding whether the cost of their premium is reasonable, the Government publishes an annual schedule of reasonable workers' compensation premium rates for each industry class.
- The reasonable rates for the 2019-20 financial year are available on the Access Canberra and CMTEDD websites.
- The recommended average premium rate for 2019-20 is 2.48 per cent of wages.

Cleared as complete and accurate:	29/10/2019	
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Lead Directorate:	Chief Minister, Treasury and Economic Development	
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Information Officer name:	Penny Shields	
TRIM Ref:	CMTEDD2019/5392	

Portfolio/s: Employment and Workplace Safety

ISSUE: ACT PUBLIC SECTOR HEALTH AND WELLBEING

Talking points:

- The health, safety and wellbeing of our public sector workforce is fundamental to the ACT Government's pursuit of excellence in our service delivery to the ACT Community.
- The *Public Sector Work Health, Safety and Wellbeing Strategy 2019 – 2022* (the strategy) was launched in March 2019. The strategy recognises the role that good work plays in keeping people safe, promoting health and wellbeing and supporting recovery or return to work when illness or injury occurs.
- A new ACT Public Sector Work Health Safety and Wellbeing policy has been developed.
- Injured or ill employees continue to be supported through early intervention approaches. The Early Intervention Physiotherapy program provides timely and effective services for workers with musculoskeletal issues.
- To address the identified gap of early intervention supports for psychosocial issues, programs that provide early supports to individuals and workplaces have been piloted and will be reviewed to determine next steps and further rollout.

Cleared as complete and accurate:	29/10/2019	
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Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Penny Shields	
TRIM Ref:	CMTEDD2019/5392	

- Work continues to support the implementation of the whole of government *Addressing Occupational Violence Strategy 2019 – 2022*. This strategy and a whole of government policy were launched across the service in May 2019.
- *Healthy Minds - Thriving Workplaces* (the mental health strategy) was developed during 2018-2019, and outlines a program of work to support the mental health and wellbeing of the ACTPS workforce.

Cleared as complete and accurate:	29/10/2019	
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Contact Officer name:	Rebecca Parton	Ext:59482
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Cleared for release	Yes	
Information Officer name:	Penny Shields	
TRIM Ref:	CMTEDD2019/5392	

Portfolio/s: Employment and Workplace Safety

ISSUE: PUBLIC SECTOR PSYCHOLOGICAL INJURY, OCCUPATIONAL VIOLENCE AND BULLYING/HARRASSMENT INJURY EXPERIENCE

Talking points:

- Occupational violence, bullying and harassment and psychological injury can all result in significant individual, organisational and community costs.
- The ACT Government is committed to providing a workplace that prevents harm, promotes the health and wellbeing of its workers and supports those that are injured to return to or remain in work.
- The Government has undertaken a number of initiatives to address the incidence and impact of psychological injury, occupational violence and bullying and harassment.
- The *Public Sector Work Health, Safety and Wellbeing Strategy 2019 – 2022* was launched in March 2019. The strategy brings together existing approaches and focuses efforts to prevent harm, promote health and support participation in work through an integrated approach.
- Addressing occupational violence in workplaces and promoting positive mental health are key areas of focus of this strategy.
- *Healthy Minds - Thriving Workplaces* (the mental health strategy) was developed during 2018-2019, and outlines a program of work to further

Cleared as complete and accurate:	29/10/2019	
Cleared by:	Executive Group Manager	Ext:53095
Contact Officer name:	Rachel Hughes	Ext:78322
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Penny Shields	
TRIM Ref:	CMTEDD2019/5392	

protect, promote and support the mental health and wellbeing of the ACTPS workforce.

- The mental health strategy builds on previous initiatives to:
 - raise awareness of mental health issues and decrease stigma;
 - enhance manager capability in positive leadership and design of mentally healthy work through training and resources;
 - assist workplaces to identify and provide appropriate early intervention supports for workers experiencing mental ill health.
- *Addressing Occupational Violence Strategy 2019 – 2022* and a revised whole of government policy were launched across the service in May 2019.
- The occupational violence strategy outlines a program of work which includes:
 - Building on the capabilities of leaders and managers to assess and manage the risks of occupational violence and provide support to workers;
 - Better designing work and workplaces to minimise the risk of occupational violence; and
 - Fostering a reporting culture and strengthening data collection systems to support a risk management approach to occupational violence.

Cleared as complete and accurate:	29/10/2019	
Cleared by:	Executive Group Manager	Ext:53095
Contact Officer name:	Rachel Hughes	Ext:78322
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Penny Shields	
TRIM Ref:	CMTEDD2019/5392	

Key Information

- Occupational violence:
 - In 2018-19, 53 percent of reported work health and safety incidents were caused by occupational violence.
 - This equated to 5,021 of the 9,512 reported incidents.
 - 72 percent of all occupational violence incidents reported occurred in the Education Directorate.
 - This is an increase from 2017-18 and 2016-17 where occupational violence incidents represented 46 and 38 percent of all incidents respectively.
 - Occupational violence was the cause of 13% of all accepted workers compensation claims in 2018-19. This was an increase from 9% in 2017-18.
- Bullying and harassment:
 - The percentage of reported incidents caused by bullying and harassment have decreased slightly from 3% in 2016-17 and 2017-18, to 2% in 2018-19.
 - Bullying and harassment was the cause of 5% of all accepted workers compensation claims in 2018-19.
- Mental stress (excluding occupational violence and bullying):
 - The percentage of total incidents caused by mental stress (excluding occupational violence and bullying) is tracking steadily at 2% for the past two years.
 - Mental stress (excluding occupational violence and bullying) was the cause of 4% of all accepted workers compensation claims in 2018-19. This is an increase from 3% in 2017-18.
- The proportion of accepted workers' compensation claims with a primary psychological injury in 2018-19 was 13% which is a reduction from 14% in 2017-18.

Incident and claims statistics could vary for the 2018-19 financial year as data matures in coming months.

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Contact Officer name:	Rachel Hughes	Ext:78322
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Penny Shields	
TRIM Ref:	CMTEDD2019/5392	

Portfolio/s: Employment and Workplace Safety

ISSUE: REPRESENTATION ON SAFE WORK AUSTRALIA

Talking points:

- The Territory is an active participant in the work of Safe Work Australia.
- In 2018-19 Territory officials participated in 11 meetings conducted by Safe Work Australia. By participating in these committees, the ACT is able to influence WHS and workers' compensation policy at the national level.
- Significant national projects for Safe Work Australia in 2018-19 included the development and endorsement of the national return to work strategy, and supporting the review of the model work health and safety laws.

Background Information

- The ACT is a signatory to an intergovernmental agreement for regulatory and operational reform in occupational health and safety. The ACT's Work Health and Safety Act adopted the model laws developed and agreed to under the IGA. With the exception of Victoria and Western Australia all jurisdictions have now adopted the model laws.
- The administrative arrangements under this agreement provide for representatives of each jurisdiction and representatives of both employer and employee organisations to have overall responsibility for advising the meetings of Ministers responsible for Workplace Safety and Industrial Relations.
- In accordance with the Intergovernmental Agreement, the Commonwealth provides 50% of the funding to maintain Safe Work Australia. The remaining 50% is paid by the states and territories on a per capita basis.

Cleared as complete and accurate:	29/10/2019	
Cleared by:	Executive Group Manager	Ext:53095
Contact Officer name:	Ellen Lukins	Ext:53874
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Penny Shields	
TRIM Ref:	CMTEDD2019/5392	

Portfolio/s: Employment and Workplace Safety

ISSUE: REGULATION OF THE LABOUR HIRE INDUSTRY

Talking points:

- The previous Minister for Workplace Safety and Industrial Relations made a statement in the Legislative Assembly on 20 September 2018 that expressed the ACT Government's commitment to developing a labour hire licensing scheme in the ACT, in the absence of a national scheme.
- The development of an ACT scheme is underway.
- Public consultation on the design for an ACT scheme has already been undertaken with the release of a discussion paper for comment in June/July 2019.
- Ongoing scheme design work will be guided by arrangements already in place in other Australian jurisdictions including Queensland and Victoria.

Background Information

- On 22 February 2017, the Standing Committee on Education, Employment and Youth Affairs (the Committee) resolved to inquire into the extent, nature and consequence of insecure work in the ACT (Insecure Work Inquiry). The Committee's final report was released on 8 May 2018.
- The ACT's Insecure Work Inquiry followed similar inquiries in Victoria, South Australia and Queensland, which has subsequently led to the introduction of labour hire licensing schemes in these jurisdictions.
 - Victoria enacted the *Labour Hire Licensing Act 2018* which commenced on 29 April 2019 and allowed labour hire operators until 29 October 2019 to apply for a licence.

Cleared as complete and accurate:	29/10/2019	
Cleared by:	Executive Group Manager	Ext:53095
Contact Officer name:	Ellen Lukins	Ext:53874
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Penny Shields	
TRIM Ref:	CMTEDD2019/5392	

- Queensland enacted the *Labour Hire Licensing Act 2017*, which commenced on 16 April 2018 and labour hire providers had until 15 July 2018 to apply for a licence.
- South Australia enacted the *Labour Hire Licensing Act 2017* which commenced on 1 March 2018, however after a number of extensions to the transition period, labour hire providers have until 1 November 2019 to apply for a licence. The SA Government has recently indicated it intends to narrow the SA labour hire licencing scheme to five high risk industries of horticulture processing, meat processing, seafood processing, cleaning and trolley collection.

Cleared as complete and accurate:	29/10/2019	
Cleared by:	Executive Group Manager	Ext:53095
Contact Officer name:	Ellen Lukins	Ext:53874
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Penny Shields	
TRIM Ref:	CMTEDD2019/5392	

Portfolio/s: Employment and Workplace Safety

ISSUE: SILICOSIS UPDATE

Talking points:

- WorkSafe ACT has undertaken a number of activities as part of a silica dust compliance project:
 - guidance material was published on silica dust risk management, effective controls and health monitoring;
 - an ‘Occupational Cancer for WHS Managers and Professionals’ Workshop was convened in October 2018 in partnership with the Cancer Council and SafeWork NSW, the Workshop provided detailed information about a number of carcinogens, including silica; and
 - compliance visits to ACT employers that fabricate stone and artificial stone containing silica.
- The national model work health and safety laws adopted in the ACT impose obligations in relation to the use, handling and storage of hazardous chemicals, including crystalline silica. The WHS regulatory framework applies:
 - duties on persons conducting a business or undertaking (PCBUs) to manage risks in the workplace;
 - health monitoring requirements; and

Cleared as complete and accurate:	29/10/2019	
Cleared by:	Executive Group Manager	Ext:53095
Contact Officer name:	Ellen Lukins	Ext:53874
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Penny Shields	
TRIM Ref:	CMTEDD2019/5392	

- workplace exposure standards that set the upper limit for silica dust levels in the workplace.
- A National Dust Disease Taskforce was established by the Federal Government on 26 July 2019 and is chaired by the Commonwealth Chief Medical Officer, Professor Brendan Murphy. The Taskforce has met twice since then in August and in September 2019 and is expected to report by December 2020

Cleared as complete and accurate:	29/10/2019	
Cleared by:	Executive Group Manager	Ext:53095
Contact Officer name:	Ellen Lukins	Ext:53874
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Penny Shields	
TRIM Ref:	CMTEDD2019/5392	

Portfolio/s: Employment and Workplace Safety

ISSUE: WORK HEALTH SAFETY COMPLIANCE AND ENFORCEMENT REFORM PROGRAM

Key Information:

- An independent review, headed by Dr Claire Noone of NOUS Group, was conducted into the ACT's work safety compliance infrastructure, policies and procedures in 2018.
- The final report of the independent review was tabled in the Legislative Assembly on 30 October 2018.
- The Government has indicated its support in-principle to the 27 recommendations of the independent review.
- A project team has been established to manage implementation of the recommendations and implementation is progressing well. The work of the project team is being overseen by a Steering Committee of senior officials from CMTEDD, JACS and Access Canberra.
- On 22 October 2019, the *Work Health and Safety Amendment Act 2019* was passed in the Legislative Assembly. This is responsive to recommendation 21 of the independent review and will implement a single accountability governance model for WorkSafe as recommended by the review.

Cleared as complete and accurate:	29/10/2019	
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Cleared for release	Yes	
Information Officer name:	Penny Shields	
TRIM Ref:	CMTEDD2019/5392	

- The Act establishes the Office of the Work Health and Safety Commissioner, to be known operationally as WorkSafe ACT, as a separate entity under the *Work Health and Safety Act 2011* (WHS Act).
- A full-time statutory office position of the work health and safety commissioner (WHS commissioner) would also be established. The WHS commissioner will be responsible for the Office and will be the regulator for work health and safety and other related legislation.
- A key part of the implementation of the review's recommendations is regular engagement and consultation with WorkSafe staff, unions and other key stakeholders, as this is critical to the effective and efficient transition of WorkSafe ACT.

Cleared as complete and accurate:	29/10/2019	
Cleared by:	Executive Group Manager	Ext:53095
Contact Officer name:	Ellen Lukins	Ext:53874
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Penny Shields	
TRIM Ref:	CMTEDD2019/5392	

Portfolio/s: Employment and Workplace Safety

ISSUE: YOUNG WORKERS ADVICE SERVICE

Talking points:

- The ACT Government committed funding in the 2018-19 Budget to support the delivery of a Young Workers Advice Service for the Canberra community.
- UnionsACT has been contracted by the Territory to deliver the service following an open tender process.
- The contract is available on the Government's contract register.
- This contract commenced in June 2019 and the Service was officially launched on 31 July 2019.
- This Service supports all young workers and provides information and advice about workplace rights to young workers, including information about pay rates, National Employment Standards, and work health and safety.

Cleared as complete and accurate:	24/10/2019	
Cleared by:	Executive Group Manager	Ext: 53095
Contact Officer name:	Ellen Lukins	Ext: 53874
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Ellen Lukins	
TRIM Ref:	CMTEDD2019/5392	

Portfolio/s: Employment and Workplace Safety

ISSUE: ACT WORK SAFETY COUNCIL

Talking points:

- The Government is committed to the safety of all workers in the ACT and the Work Safety Council plays a vital role in providing me with advice.
- During this reporting period, the Council discussed a wide range of legislative and policy matters covering work health safety, workers' compensation and workplace privacy.
- Key matters considered by the Council during 2018-19 include:
 - the 2018 independent review of the ACT's work safety compliance infrastructure, policies and procedures, its recommendations, implementation and legislative amendments;
 - the national review of the model WHS laws;
 - mental health in the workplace; and
 - health and safety issues including asbestos and silicosis hazards.
- The Work Safety Council will be replaced by a new Work Health and Safety Council, which will play a strengthened advisory role to the Minister on the activities and functions of the work health and safety regulator.
- The new Council will be established under amendments contained in the *Work Health and Safety Amendment Act 2019*, which was passed in the Assembly on 22 October 2019.

Cleared as complete and accurate:	29/10/2019	
Cleared by:	Executive Group Manager	Ext:53095
Contact Officer name:	Ellen Lukins	Ext:53874
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Penny Shields	
TRIM Ref:	CMTEDD2019/5392	

Portfolio/s: Employment and Workplace Safety**ISSUE: PORTABLE LONG SERVICE LEAVE SCHEMES IN THE ACT****Talking points:**

- As at 30 June 2019 the Authority achieved an average investment return of 11.47% for all four administered schemes, with a five year average return on investment of 8.85%, outperforming the target by 3.85%.
- As at 30 June 2019 the ratio of total assets over total liabilities was above target for all schemes, particularly for the Contract Cleaning scheme, which has assets over liabilities of 194% which is 76% above target. Levy rates will be reviewed in late 2020.
- Across 2018-19 the Authority recorded increases in registered employers and active workers numbers across all four schemes.

Background Information

- The Authority's target for investment is set at 3.5% above CPI averaged over five years. As at 30 June 2019 the investment target was 5%.
- The Authority's target for the ratio of total assets over total liabilities is 110%. As at 30 June 2019 the assets over liabilities ratio was above target for each scheme:
 - Building and Construction – 122%
 - Contract Cleaning – 194%
 - Community Sector – 126%
 - Security – 132%
- Employer levies on ordinary wages to cover the costs of the schemes were last reduced effective from 1 April 2018. The levy rates were reduced on the recommendation of the Authority's Governing Board, after receipt of the triennial actuarial review in late 2017 and taking into consideration solid investment returns, strong revenue collection and efficiencies in administration.

Cleared as complete and accurate: 23/10/2019
Cleared by: Chief Executive Officer Ext: 6247 3900
Information Officer name: Tracy Savage
Contact Officer name: Catherine Shih Ext: 6247 3900
Lead Directorate: Chief Minister, Treasury and
Economic Development

TRIM Ref: CMTEDD2019/5392

- The next actuarial triennial review is scheduled to be completed by October 2020 for all administered schemes, at which time the appropriateness of each levy rate will be reviewed.
- The Long Service Leave Authority (the Authority) was established under the *Long Service Leave (Portable Schemes) Act 2009* (the Act) to administer portable long service leave schemes in the ACT for workers in the building and construction, contract cleaning, community and security industries.
- Current and previous year worker numbers are included in the table below.

Active Worker Numbers		
	2017-2018	2018-2019
Building & Construction	21,077	21,806
Contract Cleaning	5,351	5,564
Community Sector	24,656	26,498
Security Industry	2,814	3,076

- Current and previous year employer numbers are included in the table below.

Registered Employer Numbers		
	2017-2018	2018-2019
Building & Construction	1,753	1,810
Contract Cleaning	108	128
Community Sector	292	329
Security Industry	28	34

Cleared as complete and accurate: 23/10/2019
 Cleared by: Chief Executive Officer Ext: 6247 3900
 Information Officer name: Tracy Savage
 Contact Officer name: Catherine Shih Ext: 6247 3900
 Lead Directorate: Chief Minister, Treasury and Economic Development

MINISTER FOR EMPLOYMENT AND WORKPLACE SAFETY PORTFOLIO
ECONOMINC, BUDGET AND INDUSTRIAL RELATIONS
ANNUAL REPORT HEARING – 2018-19

Brief Number	Brief Title	Responsible Officer
WORKPLACE SAFETY AND INDUSTRIAL RELATIONS		
1.	Public Sector Workers Compensation Fund Performance	M. Young
2.	Self-Insurance Fund	M. Young
3.	Performance against Output Class 5.1	M. Young
4.	ACT private sector workers' compensation scheme experience	M. Young
5.	ACT Public Sector work safety, health and wellbeing	M. Young
6.	Public sector psychological injury, occupational violence and bullying/harassment injury experience	M. Young
7.	Representation at Safe Work Australia	M. Young
8.	Labour hire licensing	M. Young
9.	Silicosis Update	M. Young
10.	Work Health and Safety Compliance and Enforcement Reforms	M. Young
11.	Young Workers Advice Service	M. Young
12.	ACT Work Safety Council	M. Young
13.	Portable Long Service Leave Schemes	M. Young



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON EDUCATION, EMPLOYMENT AND YOUTH AFFAIRS
MICHAEL PETERSSON MLA (CHAIR), ELIZABETH KICKERT MLA (DEPUTY CHAIR), MARK PARTON MLA

WITNESS LIST FOR COMMITTEE AND HANSARD
ANNUAL AND FINANCIAL REPORTS 2018-19

To assist the Committee with its records and Hansard in recording the appearance of all officers who are likely to give evidence to the Committee, you are requested to provide the following information. Please return this information electronically to the Committee Secretary.

Hearing Name:	Workforce Injury Management and Industrial Relations Policy	
Committee Name: Standing Committee on	Education, Employment and Youth Affairs	
Hearing Date and Time:	Thursday, 14 November, 9.30am to 12.30pm	
	Title / Full name / Position / Branch or Division / Department or Agency	Portfolio area
	Mr/David Nicol/Under Treasurer/CMTEDD	Minister for Employment and Workplace Safety
	Mr/Stephen Miners/Deputy Under Treasurer/Economic Budget and Industrial Relations/CMTEDD	Minister for Employment and Workplace Safety
	Mr/Michael Young/Executive Group Manager/Workplace Safety and Industrial Relations/Economic Budget and Industrial Relations/CMTEDD	Minister for Employment and Workplace Safety
	Mrs/Tracy Savage/CEO & Registrar/Long Service Leave Authority – Portable Long Service Leave Schemes	Minister for Employment and Workplace Safety
	Ms/Catherine Shih/Chief Financial Officer/Long Service Leave Authority – Portable Long Service Leave Schemes	Minister for Employment and Workplace Safety
	Mr/Alex Filo/Chief Operating Officer/Long Service Leave Authority – Portable Long Service Leave Schemes	Minister for Employment and Workplace Safety
	Mr/David Pryce/Deputy Director-General/Access Canberra/CMTEDD	Minister for Employment and Workplace Safety
	Mr/Greg Jones/Work Safety Commissioner/Workplace Protection/Access Canberra/CMTEDD	Minister for Employment and Workplace Safety

ISSUE: ACT PROPERTY GROUP OCCUPANCY RATE

Talking points:

- Accountability Indicator Output 9.1a 'Occupancy rate for properties designated for use by non-government tenants' set a target of 96.5% occupancy rate for 2018-19.
- The occupancy rate as at 30 June 2019 was 96.1%.
- The current occupancy rate within the ACT Property Group (ACTPG) property portfolio has decreased to 95.64% as at 18 October 2019.
- 154 properties are made available for government, community, commercial and residential use across the ACTPG portfolio including former schools, community and youth centres, childcare centres, community halls, depots, residential and rural properties.

Key Information

- The decrease in the occupancy rate from 96.1% is a result of recent vacancies and no longer being able to lease the Kippax health centre due to the redevelopment.
- Current vacancies include space within Conder Community House, Erindale Business Park, Maitland House Hackett, 141 Canberra Avenue, Grant Cameron Community Centre, Flynn Community Hub, Holt Community Hub, Cook Community Hub, Chifley Health and Wellbeing Hub and Weston Community Hub.
- Current applicants on the ACTPG Application Register seeking accommodation in ACTPG facilities have very specific accommodation requirements. As a result of these requirements ACTPG to date has not been able to offer the preferred spaces as these are either not available, or the spaces do not meet the needs of the applicant.
- Recent trend and demand for accommodation is within the Belconnen region of Canberra. There is a large amount of office space soon to become available at the Holt Community Hub which has generated interest by various groups.

Cleared as complete and accurate:	28/10/2019	
Cleared by: Shaun Strachan	Deputy Under Treasurer	Ext: 71001
Contact Officer name:	Liz Clarke	Ext: 52250
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Sam Croser	
TRIM Ref: TRSY19/186750		

Background Information

- ACTPG holds a vacancy register data base that is reviewed and updated at weekly intervals. An audit of the total Net lettable Area (NLA) tenanted space and vacant space of the ACTPG portfolio of assets has recently been undertaken.
- ACTPG has an application register which holds application details and supporting information of groups who have submitted an application for accomadation with ACTPG. This data is continually updated in line with applications for space.

Cleared as complete and accurate:	28/10/2019	
Cleared by: Shaun Strachan	Deputy Under Treasurer	Ext: 71001
Contact Officer name:	Liz Clarke	Ext: 52250
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Sam Croser	
TRIM Ref: TRSY19/186750		

Portfolio/s: Sport and Recreation

ISSUE: AQUATICS – POOL CONTRACTS

Talking points:

- YMCA NSW is the operator of the Canberra Olympic Pool (COP), Lakeside Leisure Centre (LLC) and Gungahlin Leisure Centre (GLC) under separate management contracts (the contract price for all these contracts is commercial in confidence):
 - YMCA NSW has been the operator at the COP since 1 July 2015. In 2019, ACT Property Group ran a procurement process for a new one year contract commencing 1 July 2019. YMCA NSW was the successful respondent.
 - The LLC has been operating under the management of YMCA NSW since 1 September 2015. The contract had a renegotiation point at 30 June 2017 where the Territory and YMCA NSW agreed to extend for a further three years. The contract has a one more 3 year option to extend up to a maximum of eight years.
 - The GLC has been operating under the management of YMCA NSW since it opened on 24 May 2014. The contract had a renegotiation point at 30 June 2016 where the Territory and YMCA NSW agreed to extend for a further 8 years until 30 June 2024, with review points every year requiring the agreement of both parties.
- Big Island Sports Manuka is the operator of the Manuka Pool, with the management contract due to expire on 30 June 2022.
- A Request for Tender for the management of the Dickson Pool was advertised on 1 March 2018 and closed on 29 March 2018. Dickson Aquatic Centre Pty Ltd was the successful tenderer. The Dickson Pool has been operating under the management of Dickson Aquatic Centre Pty Ltd for over 20 years. The current management contract for Dickson Pool expires on 30 June 2022 with a further extension available for an additional two years.

Cleared as complete and accurate: 16/10/2019
Cleared by: Shaun Strachan Deputy Under Treasurer Ext: 71001
Contact Officer name: Grant Voysey Ext: 75809
Lead Directorate: Chief Minister, Treasury and Economic Development
Information Officer name: Liz Clarke
TRIM Ref: TRSY19/184910

ISSUE: GOVERNMENT PROCUREMENT BOARD

Talking points:

- In 2018-19, the Government Procurement Board (the Board) comprised of 9 part-time members, including 5 government employees and 4 non government employees. The Board's membership met the 50 per cent requirement for female representation, with 5 female members.
- The Board considered 73 proposals in the 2018-19 financial year, which had a combined estimated value of \$1,790 million. Of the 73 proposals considered by the Board:
 - 35 were single pass proposals (procurement review); and
 - 38 were two pass proposals (strategic review and procurement review).

Key Information

- The Board is established by the *Government Procurement Act 2001*. The Board's role is advisory and has no delegation authority or other powers.
 - The Board provides advice to Government on procurement policies and processes that will deliver better procurement outcomes and value for money for the Territory.
 - The Board identifies risks in procurement, both in individual proposals brought before the Board for review and provides advice to directorates and Directors-General accordingly.
 - The Board also provides advice to the Minister on any issue relevant to the procurement activities of territory entities or the operation of the GP Act.
- In the second half of 2018, the Board advertised and filled 2 non government employee memberships (appointing Ms Nethercott-Watson and renewing Ms Virginia Shaw as a member).

Cleared as complete and accurate:	30/10/2019	
Cleared by: Meredith Whitten	Deputy Director-General	Ext: 55147
Cleared by: Shaun Strachan	Deputy Under Treasurer	Ext: 71001
Contact Officer name:	Nicole Masters	Ext: 52895
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Nicole Masters	
TRIM Ref: TRSY19/186558		

- Mr Stephen Goggs (non public employee member) attended his last Board meeting on 28 August 2018. Mr Goggs was replaced by Ms Suzy Nethercott-Watson on 18 September 2018.
- In May 2019, the Board also advertised another 2 non government employee memberships and 1 government employee membership that were vacant/soon to be vacant.
 - Mr Roger Broughton (non public employee member) attended his last meeting (in-person) on 18 June 2019. A recruitment process to replace Mr Broughton is in the process of being finalised.
 - Mr Richard Bear (non public employee member) retired as a Board member and attended his last meeting (in-person) on 9 July 2019. A recruitment process to replace Mr Bear is in the process of being finalised.
 - Mr Dominic Lane (public employee member) attended his last meeting (in-person) on 9 April 2019. Mr Lane was replaced by Ms Bettina Konti on 30 July 2019.

Background Information

- There was no significant change from the previous year in the number of proposals or value of the proposals that the Board considered in 2018-19.
 - 68 proposals in 2017-18 compared to 73 proposals in 2018-19
 - \$1,848 million in 2017-18 compared to \$1,790 million in 2018-19

Cleared as complete and accurate:	30/10/2019	
Cleared by: Meredith Whitten	Deputy Director-General	Ext: 55147
Cleared by: Shaun Strachan	Deputy Under Treasurer	Ext: 71001
Contact Officer name:	Nicole Masters	Ext: 52895
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Nicole Masters	
TRIM Ref: TRSY19/186558		

Vol: 1 Page No: mentioned on p 20, 26, 110, 189, 225

Portfolio: Government Services and Procurement

**ISSUE: ABORIGINAL AND TORRES STRAIT ISLANDER
PROCUREMENT POLICY**

Talking points:

- The Aboriginal and Torres Strait Islander Procurement Policy (Policy) commenced on 1 July 2019.
- The Policy encourages Territory entities to identify and address barriers to Aboriginal and Torres Strait Islander enterprises in their procurement processes.
- The Government is implementing the Policy by:
 - Delivering training to agencies on how to engage Aboriginal and Torres Strait Islander enterprises. Procurement ACT has delivered 32 training sessions to 297 attendees to date across most agencies.
 - engaging with agencies' Reconciliation Action Plan (RAP) committees to lead a cultural change in their agencies. Procurement ACT has met with most agencies' RAP committees and discussed practical steps to change culture such as recognising social return on investment in procurement decisions.
 - simplifying procurement processes for agencies to engage Aboriginal and Torres Strait Islander enterprises, including provision of new templates to make the process easier.
 - updating the Procurement website to make searching for an Aboriginal and Torres Strait Islander enterprise more user-friendly.
- The Government is exploring ways to best assist emerging Aboriginal and Torres Strait Islander enterprises to develop their capability so they can take advantage of the opportunities under the Policy.

Cleared as complete and accurate:	24/10/2019	
Cleared by: Shaun Strachan	Deputy Under Treasurer	Ext: 71001
Contact Officer name:	Nicole Masters	Ext: 52895
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	David Robertson	
TRIM Ref: TRSY19/186557		

- This includes adding an Application Form to the Procurement ACT website for Aboriginal and Torres Strait Islander enterprises to apply to join the Canberra Region Aboriginal and Torres Strait Islander Enterprise List.

Key Information

- Key Features of the Policy include:
 - an exemption to the quotation threshold for Territory entities to directly approach an Aboriginal and Torres Strait Islander enterprise for a quote for work under \$200,000;
 - an addition to the plans under the Local Industry Participation Policy and, where appropriate, the Secure Local Jobs Code, to specifically consider Aboriginal and Torres Strait Islander employment and sub-contracting opportunities for procurements valued at \$5 million and over; and
 - targeted and meaningful performance measures for Territory entities to report against, which capture the breadth and volume of work opportunities afforded to, and successful engagements of, Aboriginal and Torres Strait Islander enterprises.
- One of Procurement ACT's Accountability Indicators is the "Proportion of goods and services contracts awarded to Indigenous suppliers or Social suppliers" (page 110 of the Annual Report). The target is one per cent of goods and services contracts.
 - The result for the 2017-18 financial year was 30 per cent (70 per cent below the target), while 2018-19 financial year was 70 per cent (30 per cent below the target) – a significant improvement.
 - Performance is expected to be boosted over the next 12 months with the introduction of the Aboriginal and Torres Strait Islander Procurement Policy.
- Procurement ACT is working with Chief Finance Officers across government to refine the reporting arrangements.

Cleared as complete and accurate:	24/10/2019	
Cleared by: Shaun Strachan	Deputy Under Treasurer	Ext: 71001
Contact Officer name:	Nicole Masters	Ext: 52895
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Cleared for release	Yes	
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TRIM Ref: TRSY19/186557		

Portfolio/s: Sport and Recreation**ISSUE: AQUATICS – CANBERRA OLYMPIC POOL LEAK****Talking points:**

- The Canberra Olympic Pool continues to have significant water leakage. Significant leaks were repaired in 2015, 2016 and 2018, however the problem remains due to the ageing infrastructure. Another leak from the dive pool was identified after the outdoor pools were closed for winter in April 2019. The leak was repaired in time for the outdoor pools to open for the 2019-20 summer season on 1 November 2019.
- The average daily water loss at the Canberra Olympic Pool for 2018-19 was approximately 50kL/day. In 2017-18 the loss was approximately 43kL/day.
- In 2018-19, a total of 18,250kL of water was lost as a result of leaks, costing the Territory \$115,000 in associated utilities (gas, electricity and water). This is an increase of 2,550kL (and \$12,000) from 2017-18. The increase in lost water may be attributed to the further leaks found in the dive pool at the end of the 2018-19 summer.
- The ACT Government is currently considering the long term future of the Canberra Olympic Pool taking into account the recently opened ANU leisure facility (February 2019) and Stromlo Leisure Centre, that is scheduled to open in the first half of 2020.

Key Information

- The indoor 50 metre pool at the COP was closed from 5-18 September 2016 so it could be emptied to enable equipotential bonding (earthing of the facility) to take place. Minor leak repairs were also undertaken at a cost of \$12,378. Subsequent water monitoring showed a reduction in water loss by approximately 10kL/day.
- Prior to the leak repair work completed in 2016, leak repairs had also been undertaken on the outdoor pools between July and October 2015. Closure of the indoor 50 metre pool was not required for this work.
- Following leak repairs on the outdoor pools at the COP in 2015, consumption data showed that water use reduced from an average of 83kL/day in September-December 2014 to 30kL/day for the same period in 2015.

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- Given the age and condition of the facility, the possibility remains that other parts of the pool infrastructure may fail and new leaks could occur.
- The Territory provides \$1.1 million annually to cover the operational losses at COP, which can be attributed to patronage declining by 50% since 2011, the ongoing water leakage and the aging infrastructure.

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ISSUE: COMMUNITY FACILITIES: RENT CHARGING MODELS AND PEPPERCORN RENTS**Talking points:**

- The ACT Government is determined to provide accommodation to as many community groups as possible, and to ensure the portfolio of community buildings and spaces is sustainably managed.
- ACT Property Group (ACTPG) has a total of 299 tenants occupying 117,566m² of various space configurations.
- ACTPG has 276 community tenants of which 74% of the tenancies pay a community rent rate and the remaining 26% of tenancies are occupied under peppercorn rent arrangements.

Key Information

- The Chief Minister approved an answer to a Question on Notice from Mr Coe in August 2017, which included an expectation of a review of the community rent policy within 12 months (Attachment A). This review is work in progress.
- The 2019/20 full community rental rate is \$148.22 per square metre per annum for Net Lettable Area (NLA) accommodation, and \$71.62 per square metre per annum for Gross Floor Area (GFA) accommodation.
- The current community rent policy titled *Community and Other Tenancies Application and Allocation Policy* came into effect in June 2007.
- The community facilities above does not include other community facilities directly managed by the Health, Education and Community Services Directorates. Those facilities are specific to the delivery of services by those Directorates.

Background Information

- ACTPG is authorised to determine the notional full community rent for its community facilities based on building type, condition, location, operating costs and cost recovery. The Authority is Cabinet Decision 14/470/CAB of 21 July 2015.

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TRIM Ref: TRSY19/5549

- ACTPG directly manages properties classified as community use buildings include:
 - Childcare centres – 37;
 - Community hubs and centres – 57;
 - Cottages and residential – 19;
 - Community halls – 12;
 - Former Parks Depots – 14;
 - Youth, cultural, senior citizens centres – 8; and
 - Hire venues – 4.
- The NLA rental rate is applied in shared accommodation such as a former school and includes outgoings such as electricity and water. The GFA rate is applied where a tenant occupies the entire building, such as a former depot and the tenant is liable for all outgoings.

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TRIM Ref: TRSY19/5549		

Portfolio/s: Sport and Recreation**ISSUE: AQUATICS – POOLS IMPROVEMENT PROGRAM****Talking points:**

- The 2018-19 Pools Improvement Program budget totals \$0.75 million and was allocated to the upgrades at Manuka Pool.
- The works include upgrades to the pool gutters (as they are too small and would not turn over the water quick enough to the new filtration plant) and new filtered water lines/inlets in the side of the pool.
- The entire pool is also being retiled due to the large areas of tiles to be removed from the floor and walls for the new scum gutters and filtered water lines/inlets. The original tiles also didn't meet Australian Standards for slip resistance.
- The works total \$2.42 million, which will be funded out of the 2018-19 and 2019-20 Better Infrastructure Funding Pools Improvement Programs and 2018-19 and 2019-20 Aquatics Repairs and Maintenance Budget.
- The upgrades are being undertaken whilst the pool is closed for the off season (April-October 2019) to minimise the impact on the 2019-20 summer swim season.
- To ensure the upgrades remain sympathetic to the Heritage values of the site, tiles were required to be sought from the Czech Republic to match the original tiles. Unfortunately, this has led to delays in the delivery of the tiles, which has delayed the opening by five weeks, from 26 October to 30 November 2019.
- All work at Manuka Pool is being done in close consultation with Heritage ACT and in line the Manuka Pool Conservation Management Plan.

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Key Information

- In condition assessments completed in 2009 it was identified that Manuka Pool's filtration systems did not meet the modern health standards for the turnover of water in three hours. A new filtration plant for the toddlers' pool at Manuka Pool was installed in 2012-13. The new filtration plant for the main pool is the final stage of the filtration upgrades at Manuka Pool.
- After engaging an aquatic engineer to design the new filtration plant, it was found that the existing guttering system on the main pool would not allow the water turnover to meet the health standard. Therefore, the guttering system on the main pool is also being replaced.
- Both projects have been approved by the ACT Heritage Council.
- There was media interest in June and October 2019 (due to the revised opening date of 30 November 2019) in relation to the works occurring at the Manuka Pool, with an article featured in the Canberra Times.
- On 17 July 2019, advice was received that the pool tile shipment from the Czech Republic had been delayed. It was scheduled to arrive in Sydney on 24 July 2019 (with two weeks to clear customs). The tiles arrived in Sydney on 27 August 2019 and were transported to site on 18 September 2019.
- On 20 September 2019, a revised program was supplied that advised the completion date as 29 November 2019. The facility is scheduled to open for the summer season on 30 November 2019.
- The Territory may be required to compensate the operator for the delay in opening the facility (as per the facility management contract). The costs are still to be negotiated.

Background Information

- ACT Property Group engaged ABA Construction Managers to advertise a two stage Tender process for the Filtration Plant Upgrades (opened 25 January 2018 and closed 25 February 2018), and Pool Structural and Renovation Works (opened 9 March 2018 and closed 29 March 2018).
- Swimplex was identified as the preferred tenderer to complete the pool filtration plant upgrades, with Capital Boilers and Burners the preferred tender to complete the demolition, drainage and plumbing, electrical and mechanical components of the project.
- Farley Pools Australia was the successful tenderer to carry out the Pool Structural and Renovation Works.

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ISSUE: Community Facility Capital Upgrades and Better Infrastructure Funding

Talking points:

- In 2018-19, ACT Property Group spent \$1.7 million on capital upgrades across 46 projects at 36 ACT Government owned community facilities. \$1.27 million was funded by the Better Infrastructure Fund (BIF) initiatives for ACT property upgrades and \$0.43 million was self-funded by ACT Property Group.
- Some of the major upgrades included:
 - Causeway Hall removal of asbestos containing material and remediation (\$0.35 million);
 - Completion of heating ventilation and air conditioning (HVAC) upgrades at Albert Hall (\$0.19 million);
 - Refurbishment of bathrooms and nappy change areas at Ginninderra Childcare Centre (\$0.17 million); and
 - Roof upgrades at Baringa Childcare in the Mount Rogers Community Centre (\$0.13 million).
- There was also \$0.16 million spent on electrical upgrades and \$0.17 million in fire safety upgrades at ACT Government community facilities.
- In 2019-20, total of \$4.891 million is proposed to be spent across 17 ACT Government owned community facilities. These projects will be funded by the 2019-20 BIF initiatives for ACT property upgrades, Upgrading local community centres capital works funding and from ACT Property Group revenues.

Key Information

- Of the \$4.891 million proposed to be spent in 2019-20, \$3.782 million in funding for the projects will come from the following BIF initiatives for ACT property upgrades:

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TRIM Ref: TRSY19/186587		

- \$0.494 million – Childcare centre upgrades
 - \$0.158 million – Grounds upgrades
 - \$0.135 million – Hazardous material removal
 - \$1.103 million – Safety upgrades
 - \$0.526 million – Building refurbishment and energy efficiency improvements
 - \$0.526 million – Renovations, extensions and amenities improvements
 - \$0.415 million – Upgrades to aging infrastructure
 - \$0.425 million – Revitalising heritage buildings
- Funding of the upgrades at the Belconnen Community Centre will come from the \$0.150 million Upgrading local community centres capital works funds approved in the 2019-20 Budget.
 - ACT Property Group will in addition fund \$0.945 million of the proposed community facility upgrade works and a further \$14,000 will be provided from the 2018-19 More Men’s Sheds Capital funding to complete the Hughes Men’s Shed.
 - All works will be subject to value management initiatives to where possible reduce costs and deliver the program outcomes.

Background Information

A full list of the proposed 2019-20 projects at community facilities is at [Attachment A](#):

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Attachment A

Project Name	Budget	Description
Belconnen Community Centre fit-out, toilets, lifts	\$380,000	Proposed works include the refurbishment of two lifts (1 in community centre and 1 in youth centre). Remaining funds will be used to replace floor coverings and complete other minor internal upgrades. \$150K of the \$380K for this project is coming from the Upgrading Local Community Centres capital funding.
Pearce Community Centre roof replacement	\$530,000	In 2018, ACTPG engaged a contractor to complete a detailed roof report on the Pearce Community Centre. The report recommended the roof on all three buildings be replaced. These will be installed on the top of the existing roof without removing the existing sheeting in order to keep all facilities in operation.
Pearce Community Centre floor replacement	\$20,000	After repeated attempts to repair the floor in the main hall over the past 12 months, and based on feedback from contractors and the tenant, ACTPG has agreed to replace the floor in the hall. The tenant has applied for other ACT Government grant funding and will also provide a contribution towards the project.
Maitland Centre roof and internal fitout	\$280,000	ACTPG engaged a contractor to complete a detailed roof report in February 2019. The report found that the corridor roofs needed to be replaced within the next six months. A new elevated roof is proposed for over the corridor roof. The report also recommended replacing timber fascias and box gutters, which will be done at the same time as the corridor roof. Any remaining funds will then be used to complete works inside the building to remediate damage caused by the leaks.
Maitland House roof replacement and building upgrades	\$1,050,000	As part of the same roof inspection at the Maitland Centre in February 2019 it was found that the corridor roof on Maitland house also needs to be replaced along with other roof repairs. In addition to the roof works a 2018 building condition assessment identified a number of areas which needed to be remediated in the next 12 months which include removal of asbestos in the sub floor, repair/replacement of window frames, replacement floor coverings in various tenancies, replacement of roof insulation and sarking.

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Project Name	Budget	Description
Civic Youth Centre roof restoration	\$180,000	In late 2018, a crack was identified in the slab above level two of the Civic Youth Centre, which was believed to be the source of a leak. In early 2019, a temporary repair was completed. As part of the 2019-20 works, ACTPG will engage a structural engineer to assess the crack and provide advice before proceeding with any remediation works to prevent any further structural damage.
Hughes Community Centre Men's Shed	\$209,000	\$87,000 was allocated in the 2017-18 Budget for More Men's Sheds. This funding was allocated to the planning of Hughes Men's Shed at Hughes Community Centre in 2018-19. To date \$73,000 has been spent on site survey, transfer of land custodianship, design, authority fees and other associated costs to achieve DA in early 2019. After going to tender all quotes came back higher than expected. As a result the project was put on hold until more funding was made available. The remaining \$14,000 rolled over from 2017-18, \$0.17M from 2019-20 BIF and \$25,000 in self-funding will be utilised to complete the project.
Wakefield Gardens renovations	\$400,000	Wakefield Gardens has previously had all of the asbestos removed, but has been left vacant since having this done. Kidsafe and Playgroups approached ACT Property Group with an interest in having the site developed so they could utilise it to deliver their programs. Proposed works include internal fitout (reinstating wall coverings removed as part of the asbestos remediation), removing of some walls to improve usability for Kidsafe and Playgroups, removal of chimneys, replacing tiled roof with light weight roof sheets and installing access ramps.
Bangalay Street Depot electrical upgrade	\$25,000	Providing power to the large shed from the main building so the Weston Creek Men's Shed can install lighting and use the shed as a workshop.
Spence Children's Cottage internal upgrade	\$30,000	The proposed works are to complete a full upgrade of the wet areas (laundry, wash area and nappy change area) and remove all asbestos wall sheeting. Tenders came back \$30K higher than anticipated.
Spence Children's Cottage asbestos removal	\$130,000	
Mount Rogers HVAC upgrade report	\$250,000	Proposed works are to complete a report on HVAC upgrades, which will include HVAC design and specifications. A detailed condition assessment will also be undertaken on the roof to determine its remaining useful life before completing the HVAC upgrades. This will be to avoid having to replace the

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Project Name	Budget	Description
		roof after upgrading the HVAC. It will also help to determine the location of the HVAC plant.
Playground repairs	\$68,000	This funding has been allocated to complete various repairs and upgrades at playgrounds across ACTPG community facilities which were identified in an audit of playgrounds in 2018-19.
Hall Community Precinct asbestos removal – Stage 1 Works	\$336,000	Roof replacement, switch board upgrade, remove asbestos and make good on buildings in the Hall Community Precinct. This is a staged project working on a building at a time starting with Building I. Stage 1 works (Buildings A, B, I and L) were completed in September 2019. Work on the remaining buildings will commence in 2020-21.
Albert Hall refurbishment	\$230,000	The 2015 Albert Hall Conservation Management Plan identified the finishes to the floors and walls in the crush hall (entry foyer), ticket booth, alcoves to men’s and women’s amenities and the gallery require refurbishment/replacing.
Albert Hall electrical upgrade	\$90,000	Upgrade of internal distribution board and sub board. Works were not as extensive as first thought, so there has been a saving of \$120K on the original budget.
Yarralumla Woolshed roof and wall restoration	\$280,000	A 2018 building condition assessment identified various works which needed to be completed at the Yarralumla Woolshed to ensure its continued use as an events venue, which included: <ul style="list-style-type: none"> – Replacement of corrugated iron roof and wall sheets. – Replacement of various windows/window frames. – Replacement of metal downpipes where required. – Replace/reaffix rotted/loose timber on stairs and ramp way. – Replace timber external doors.
Civic Merry-Go-Round	\$280,000	The draft Conservation Management Plan (CMP) for the Merry Go Round identified various renovation works. Some of the works include: <ul style="list-style-type: none"> – Refurbishment of the timber flooring and steps. – Investigate ways to permanently fix the soft fall to the pit cover and not have tape required to hold down edges. – Reinstate the vertical fibro sheet to the inside of the timber deck.

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		– Refurbishment of animals on the Merry Go Round.
Project Name	Budget	Description
Civic Child Care Centre softfall	\$30,000	Replacement of softfall in playground. This was a 2018-19 project which was postponed to 2019-20 due to a lack of available funds.
Majura Child Care Centre softfall	\$30,000	Replacement of softfall in playground. This was a 2018-19 project which was postponed to 2019-20 due to a lack of available funds.
Turner Child Care Centre softfall	\$30,000	Replacement of softfall in playground. This was a 2018-19 project which was postponed to 2019-20 due to a lack of available funds.
Pearce Community Centre gas line	\$33,000	Installation of new gas line. Excavate gas line and re-lay line at required depth. This was a 2018-19 project which was postponed to 2019-20 due to a lack of available funds.
Total	\$4,891,000	

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ISSUE: SUSTAINABLE PROCUREMENT POLICY

Talking points:

- Since 2015 the Territory has had a Sustainable Procurement Policy (policy). The policy provides information on how to advance government priorities and achieve value for money through consideration of environmental, economic and social factors within procurement processes.
- The policy is not prescriptive but, rather, is principles-based, recognising that procurements will have different sustainability opportunities and issues to be addressed.
- When planning a procurement, the Territory considers sustainability opportunities or issues and these are incorporated into the requirements of the procurement as appropriate.
- Particular attention is given when a procurement involves products that have a higher sustainability risk in the supply chain. These products include items such as paper, steel, cotton or energy production.
- To improve its effectiveness, the Territory is reviewing the policy to ensure alignment with the Australian Standard AS ISO 20400:2018, Sustainable Procurement – Guidance and to ensure the policy continues to meet expectations.
- Tools and processes to facilitate greater usability for officers to consider and apply sustainability in procurement processes are also being developed to support the policy.

Key Information

- The revised policy will include two ‘toolkits’ to provide guidance for Territory officers – one for those conducting procurement of goods and services and another for procurement of infrastructure and capital works.

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TRIM Ref: TRSY19/186556		

- The Territory already relies on independent third party certifications relating to the sourcing and manufacturing of key goods such as steel, cotton for uniforms, and paper.

Background Information

- The Sustainable Procurement Policy reflects the Government's commitment to sustainability. It provides guidance to Territory entities to:
 - utilise procurement outcomes to reduce the adverse impacts of goods, services, property or works throughout their life, implement social and environmental standards, encourage suppliers to adopt socially responsible and ethical practices, and support innovation in the market;
 - meet responsibilities that extend throughout the Territory's supply chains, which may be outside the Territory or Australia, for example, with trade agreement partners and others, including developing nations; and
 - implement a user-friendly sustainable procurement approach for goods, services and capital works.
- Directorates with particular interest in sustainability issues are being consulted on the draft policy to ensure it adequately addresses the Government's environmental, social and economic policies relevant to sustainable procurement, such as:
 - People, Place, Prosperity – The ACT's Sustainability Policy 2009
 - ACT Climate Change Strategy 2019-25
 - Canberra's Living Infrastructure Plan: Cooling the City
 - Zero Emissions Government Framework
 - Canberra Region Local Industry Participation Policy
 - Aboriginal and Torres Strait Islander Procurement Policy

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Portfolio/s: Sport and Recreation

ISSUE: AQUATICS – STROMLO LEISURE CENTRE

Talking points:

- \$36.49 million has been committed to deliver a 50 metre pool, warm water program/learn to swim pool, leisure pool, toddlers pool, splash park, gym/health club and seating capacity for up to 500 at Stromlo Forest Park.
- Preliminary costings conducted during the tender phase of the Stromlo Leisure Centre (SLC) identified that the inclusion of a dive pool in stage 1 was cost prohibitive as it totalled approximately \$8 million. However, the design of SLC has the capacity for possible expansion and additional facilities to be added over time.
- The SLC does not have a dedicated hydrotherapy pool, however, the warm water multi-purpose program pool at SLC will be suitable for some hydrotherapy and aquatic-based rehabilitation. The water temperature will operate at or above 32 degrees Celsius and it will have disability access through the use of a hoist or beach entry (zero depth), which enables a wheelchair to be pushed all the way into the pool.
- KANE Constructions was the successful tenderer to design and construct the SLC.
- Building approval was obtained on 18 July 2018. The detailed design was completed and the construction documentation was reviewed and finalised in October 2018.
- A sod turning event to mark the start of construction of the SLC was held on 13 September 2018, coinciding with commencement of the bulk earthworks.
- The pouring of all the concrete pool structures is complete and all prefabricated concrete walls have been installed.
- Installation of the laminated timber roof beams is now complete and certification has been received. Installation of the roof sheeting to the main building is complete. External/internal framing to the gym pod is now underway as well as the installation of the cladding to the exterior

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walls of these pods. Installation of the electrical services and curb and guttering on tier 2 to the carpark has commenced.

- The procurement process to engage an operator to manage the SLC was advertised on 22 August 2019 and closed on 10 October 2019. It is expected that an operator will be appointed by the end of 2019.
- The facility is scheduled for opening in mid-2020.

Key Information

- The design and construction of the SLC is being completed under a two phase GC21 contract. Phase one of the contract included site/soil investigation and finalisation of the design. Phase two is construction of the facility.
- Consultation with the community and key stakeholders on the provision of additional facilities at the SLC, if budget permitted, was completed in January 2017 with over 700 submissions received. A summary of the feedback from the consultation process was posted on the Your Say website.
- The five most popular additional facilities (in order of overall preference from the community consultation) were a splash park, gym/health club, hydrotherapy pool, outdoor playground and a dive pool. All community sporting groups requested seating capacity in excess of 500 to enable them to hold competitions.
- There is no peak body for diving in the ACT with the Canberra Diving Academy being the only springboard and platform diving club located in the ACT (affiliated with Diving NSW), who use the dive pool at the Canberra Olympic Pool. It currently has membership base of approximately 30 members.
- There will be parking for up to 295 vehicles (180 sealed car parks and a further 115 unsealed car parks).

Background Information

- \$33 million was committed under the 2016-17 ACT Budget to deliver a 50 metre pool and program/learn to swim pool at Stromlo Forest Park.
- On 19 February 2018, Government agreed to provide an additional \$3.6 million funding to the Stromlo Leisure Centre (SLC) project (bringing the total project budget to \$36.6 million) to also deliver a gym/health club, leisure pool (inclusive of toddlers pool), splash park and increased seating capacity. This was based on the feedback received from the community consultation completed in January 2017.
- \$0.99 million for Stromlo Forest Park Planning and Infrastructure was utilised on the SLC project to assist in delivering utility services to the site.
- \$0.2 million from the Controlled Capital Injection appropriation associated with the City to the Lake – New Civic Pool Feasibility was reallocated from City Renewal Authority to the SLC project on 7 February 2018.

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- The \$2.41 million in additional funding approved by Government consists of the reallocation of \$0.8 million from the Better Infrastructure Fund 2019-20 Pools Improvement Program and an additional funding allocation of \$1.641 million.
- After savings were realised in the early services works in 2018-19, Budget Cabinet approved the utilisation of \$0.69 million from the 2017-18 Better Infrastructure Fund Pools Improvement Program on the Stromlo Leisure Centre project and reallocation of the \$0.8 million from the 2019-20 Better Infrastructure Fund Pools Improvement Program to the Manka Pool upgrades. This reduced the total budget from Stromlo Leisure Centre to \$36.49 million.

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Portfolio/s: Government Services and Procurement

ISSUE: PROFESSIONAL AND CONSULTING SERVICES PANEL

Talking points:

- The Professional and Consulting Services Panel is a new panel arrangement that aims to:
 - Reduce costs through a competitive tender process; and
 - Improve purchasing practices across government through a centrally managed contract and streamlined process.
- The Panel was highly contested with a very strong industry response of 277 tender submissions across multiple categories, resulting in over 1600 assessable components.
- Implementation activities have commenced and the panel will be live from early November 2019.
- Tenderers who were unsuccessful in any of the categories have been offered debrief interviews to obtain feedback on their submission from members of the evaluation team.
- Procurement ACT will be monitoring the activity of the Panel to inform opportunities for improvement, need for additional categories or the need to refresh existing categories in the future.

Key Information

The Professional and Consultancy Services Panel has offered appointment to 66 unique suppliers, across 9 categories as follows:

- Strategic Business Advice
- General
- Policy
- Risk and Audit
- Procurement
- Human Resources
- Finance
- Economic

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- Actuarial

The anticipated panel consists of:

- 71% of small-to-medium enterprises (SMEs)
- 55% local suppliers and
- 5 verified Aboriginal and Torres Strait Islander organisations.

Background Information

- The Professional and Consultancy Services Panel was an initiative of the Smart Modern Strategic (SMS) Procurement Reform Program. The SMS Program Stage 1 was a 2015-16 Budget initiative.
- The Request for Tender was released on 31 October 2018 and closed on 17 December 2018. A total of 277 tender submissions were received at the time of closing.
- The Panel Deed is for five years with two extension options of one year (5 + 1 + 1). However it is an open panel, which means it can be refreshed at the discretion of the Territory. A refresh could add new suppliers and or new categories.

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Contact Officer name:	Nicole Masters	Ext:52895
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Dave Purser	
TRIM Ref: TRSY19/186555		

Portfolio/s: Government Services and Procurement

ISSUE: CONTRACTOR CENTRAL

Talking points:

- Contractor Central is the ACT Government's contingent labour hire scheme. The Scheme is administered by NSW Government but appoints agencies in accordance with the ACT Government's policies and legislation.
- For the financial year 2018-19:
 - 91 business units used the Scheme
 - 59 suppliers were prequalified with the Scheme with 75% receiving work during the year
 - A total of approximately \$60m was spent in contingent labour on Contractor Central – with the first quarter approximately \$16.4m and all remaining quarters approximately \$2m less spend per quarter.
- There is no fixed budget for contingent labour hire as expenditure is specific to Directorate funding constraints and fluctuations in demand.
- Access Canberra have recently converted a volume of contingent labour positions to permanent and temporary employment arrangements through a competitive recruitment process.
- NSW recently re-tendered for the Vendor Management System provider (contractor central digital platform) and awarded the contract to Beeline Pty Ltd.
- Procurement ACT is currently working with stakeholders to support transition from the current provider SAP Fieldglass to Beeline. Transition to the new platform is anticipated in March 2020.

Key Information

- The Territory joined the NSW Government's Contingent Workforce Scheme for supply of short term labour and services commenced in April 2017.

Cleared as complete and accurate:	24/10/2019	
Cleared by:	Shaun Strachan	Deputy Under Treasurer
Contact Officer name:	Nicole Masters	Ext:71001
Lead Directorate:	Chief Minister, Treasury and Economic Development	Ext:52895
Cleared for release	Yes	
Information Officer name:	Dave Purser	
TRIM Ref:	TRSY19/186554	

Background Information

- The Scheme comprises four sub arrangements being:
 - Vendor Management System (VMS);
 - Managed Service Provider (MSP);
 - Payroll processing; and
 - Prequalification scheme of recruitment suppliers.
- Commensura Pty Limited is the contracted Managed Service Provider.
- SAP Fieldglass Pty Ltd is the Vendor Management System provider until March 2020.
- Beeline Pty Ltd will be the new Vendor Management System provider from March 2020 following a NSW tender process earlier in 2019.

Cleared as complete and accurate:	24/10/2019	
Cleared by: Shaun Strachan	Deputy Under Treasurer	Ext:71001
Contact Officer name:	Nicole Masters	Ext:52895
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Dave Purser	
TRIM Ref: TRSY19/186554		

Portfolio/s: Sport and Recreation**ISSUE: POOL CHARGES PROPOSED AND COMMUNITY PROGRESS****Talking points:**

- On 27 November 2017, Government agreed to implement a new methodology for setting pool fees through the Pool Fee Guidelines for ACT Government pools commencing from 1 January 2018.
- The methodology includes a staged adjustment to fees over four years to offset increasing operational costs and bring pool fees in line with privately owned public pools in the ACT and pools in other jurisdictions. The majority of adjustments have been at or below the Wage Price Index (WPI).
- Under the Guidelines, people with a disability and children under three years of age continue to have free access to ACT Government public pools. There is also a separate rate for pensioners to reduce the costs of access to public pool facilities.
- The third staged adjustment of the Pool Fee Guidelines commenced on 1 July 2019. The staged approach is designed to have less of an impact on the community as the fees are brought in line with privately owned public pools in the ACT.
- The Guidelines apply to the Lakeside Leisure Centre in Tuggeranong, Gungahlin Leisure Centre, Canberra Olympic Pool, Dickson Pool, Manuka Pool and Active Leisure Centre in Erindale.

Key Information

- In 2017, a consultant (Lockbridge) was engaged and the Territory conducted desktop comparative analysis which identified that fees at ACT Government owned public pools were comparably lower than privately owned public pools in the ACT and pools in other jurisdictions.
- The new Guidelines do not affect swimming lesson fees and are not applicable to privately owned public pools.
- The Pool Fee Guidelines set the maximum fees that can be charged at ACT Government pool facilities. Operators can set fees at whatever rate they choose so long as it is at or below the fee in the Guidelines.

Cleared as complete and accurate: 16/10/2019
Cleared by: Shaun Strachan Deputy Under Treasurer Ext: 71001
Contact Officer name: Grant Voysey Ext: 75809
Lead Directorate: Chief Minister, Treasury and Economic Development
Information Officer name: Liz Clarke
TRIM Ref: TRSY19/184906

The adjusted casual rates from 1 July 2019 include:

- Standard (16 years and over) - \$7.50
- Concession/Child/Senior (persons aged 3-15 years, holders of Health Care Cards, Veterans Cards, Full Time Student Cards and/or Seniors Cards) - \$5.30
- Pensioner- \$4.00
- Disability Support Pensioner Card Holder – Free
- Family (Manuka will remain unchanged \$20) - \$19.55
- Spectator - \$2.55
- Children under 3 years - Free

Background Information

Community consultation on the proposed new Pool Fee Guidelines for ACT Government pools was undertaken from 6 April 2017 to 12 May 2017.

There were 11 submissions received, with the request to increase in the validity of the 20 visit pass from the previous four months to a six months period, being taken into consideration in the final submission for approval of the Guidelines by Government.

Cleared as complete and accurate:	16/10/2019	
Cleared by: Shaun Strachan	Deputy Under Treasurer	Ext: 71001
Contact Officer name:	Grant Voysey	Ext: 75809
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Information Officer name:	Liz Clarke	
TRIM Ref: TRSY19/184906		

Portfolio/s: Government Services and Procurement**ISSUE: ONLINE SIMPLE PROCUREMENT TOOL****Talking points:**

- The online simple procurement tool (OSQAR) was an initiative of the Smart Modern Strategic (SMS) Procurement Reform program.
- The tool is designed to support Directorate buyers in their simple procurements between \$25K - \$200K value.
- Included in the tool is guided instruction that supports development of the statement of requirements, evaluation planning and reporting and contract development.
- The key benefits of the tool include:
 - Streamlining and standardising the simple procurement process for both ACT Government purchasers and suppliers;
 - Simplifying compliance with procurement policy for purchasers by leading them through prompts and questions that in turn incorporate the appropriate policy and contract requirements into their procurement documents; and
 - Data and reporting to track simple procurement activity and achievement of procurement policy goals such as the number of engagements with Aboriginal and Torres Strait Islander enterprises.
- The tool has been released to all directorates and Procurement ACT is providing training on request and improving the tool as required in response to feedback.

Key Information

- OSQAR is built on the Infiniti product developed by Canberra Software company Intelledox.

Cleared as complete and accurate:	24/10/2019	
Cleared by: Shaun Strachan	Deputy Under Treasurer	Ext:71001
Contact Officer name:	Nicole Masters	Ext:52895
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Dave Purser	
TRIM Ref: TRSY19/186552		

Background Information

- OSQAR replaces an existing electronic simple procurement tool that was created in 2013 to support the devolution of \$25k-\$200k procurements from the central procurement function to directorates. The software supporting this system is no longer supported.
- The Smart Modern Strategic (SMS) Procurement Reform Program was active from 2015 – June 2019. In addition to realising targeted savings, the SMS Program sought to improve procurement practice across Government. The OSQAR tool is a product of that SMS objective.

Cleared as complete and accurate:	24/10/2019	
Cleared by: Shaun Strachan	Deputy Under Treasurer	Ext:71001
Contact Officer name:	Nicole Masters	Ext:52895
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Dave Purser	
TRIM Ref: TRSY19/186552		

ISSUE: SMART MODERN STRATEGIC (SMS) PROCUREMENT REFORM

Talking points:

- The Smart Modern Strategic (SMS) Procurement Reform Program sought to facilitate reform to procurement practices across government and facilitate savings through the reduction in goods and services spending.
- Phase 1 of the SMS Program was originally scoped from 2015 - 2018, with additional initiatives identified in Phase 2 for an extended period to June 2019.
- Total savings of \$57.3 million was realised across 11 initiatives over the four financial years from 2015 - 2019.
- All initiatives from the SMS Procurement Reform Program have been closed out with the exception of the Simple Online Procurement Tool (OSQAR) and the Professional and Consultancy Services Panel.
- Both of these activities are in their final stages of implementation.

Key Information

- The SMS Procurement Reform Program was active from 2015 to June 2019 and is now closed out.
- SMS Phase 1 initiatives included new or improved contract arrangements for Stationery, Medical equipment, Utilities, multifunction devices, ICT Labour Hire, and Software.
- SMS Phase 2 initiatives included new or improved contract arrangements for Digimail, heavy vehicles, advertising, contingent labour and consultancy services.
- The Online simple procurement tool OSQAR was a process enhancement initiative under the SMS Program.

Cleared as complete and accurate:	24/10/2019	
Cleared by: Shaun Strachan	Deputy Under Treasurer	Ext:71001
Contact Officer name:	Nicole Masters	Ext:52895
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Dave Purser	
TRIM Ref: TRSY19/186551		

Background Information

- The Smart Modern Strategic Procurement Reform Program (SMS Stage 1) was funded in the 2015-16 Budget (15/115). The Program commenced in 2015 and was scheduled to be completed by 30 June 2018.
- Funding was provided in the 2017-18 Budget to extend the SMS Program for the financial year 2018/19 (SMS Stage 2) and new projects were identified.

Cleared as complete and accurate:	24/10/2019	
Cleared by: Shaun Strachan	Deputy Under Treasurer	Ext:71001
Contact Officer name:	Nicole Masters	Ext:52895
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Dave Purser	
TRIM Ref: TRSY19/186551		

ISSUE: SOCIAL POLICIES

(Social Procurement, Gender Equity, Domestic and Family Violence, Modern Slavery, Multicultural affairs, LGBTIQ+)

Talking points:

- The ACT Government uses its purchasing power to help build a better community. The ACT Women's Plan, Multicultural Framework, Capital of Equality Strategy – First Action Plan, and the Prevention of Violence against Women and Children Strategy 2011 – 2017 are Government policies and strategies that require specific actions to be incorporated into procurement processes.
- In mid-2016, a multi-use list of social enterprises that provide employment opportunities for people who face barriers to traditional employment was established. The multi-use list was designed to streamline the process for ACT Government agencies to procure services from social enterprises. The multi-use list is open to new entrants that meet basic pre-qualification requirements.
- The Government is currently reviewing the Sustainable Procurement Policy. As part of the policy review, social factors are being considered, along with environmental and economic factors. Once the Sustainable Procurement Policy has been finalised and implemented, it is proposed that the Government's Social Procurement Policy will be reviewed.
- The Secure Local Jobs Code, established to ensure only businesses meeting the highest ethical and labour standards are awarded government contracts, requires compliance with a range of prescribed legislation. The Commonwealth Workplace Gender Equality Act 2012 (WGEA) is part of the Code's prescribed legislation and code covered entities are required to provide evidence of employee support mechanisms to address gender equity.

Cleared as complete and accurate:	24/10/2019	
Cleared by: Shaun Strachan	Deputy Under Treasurer	Ext: 71001
Contact Officer name:	Nicole Masters	Ext: 52895
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	David Robertson	
TRIM Ref: TRSY19/186550		

Key Information

- It is Territory policy to not enter into contract with a party named as a non-complying employer under the Workplace Gender Equality Act 2012 (WGEA). This policy is outlined in the relevant standard conditions of tender. A tender may be deemed to be non-conforming and be excluded from further consideration if the tenderer is in breach of the WGEA at the time the tender closes.
- As part of the First Action Plan 2017-19 under the ACT Women’s Plan 2016-26, Procurement ACT continues to liaise with the Office for Women in relation to procurement practices that prioritise contractors with Gender Equity Strategies.
- Separately, the Territory is investigating options for identifying contractors that have appropriate workplace policies concerning domestic and family violence and sexual assault and will work with the Office of Multicultural Affairs to increase cultural competency, cultural awareness and diversity in ACT Government contracts.
- Procurement ACT is working with the Office of LGBTIQ+ Affairs to implement an action in the Capital of Equality Strategy – First Action Plan to “Prioritise doing business with organisations that provide inclusive and non-discriminatory services to the public.”
- The Commonwealth and NSW Governments have introduced Modern Slavery Acts, which require procuring entities to take measures to reduce or eliminate the risks of this practice in their supply chains. These jurisdictions are expected to begin publishing reports on businesses’ actions to eliminate modern slavery in their supply chains from late 2020. Procurement ACT will keep a watching brief on results from these policies, as well as developments in other states and the Northern Territory.

Cleared as complete and accurate:	24/10/2019	
Cleared by: Shaun Strachan	Deputy Under Treasurer	Ext: 71001
Contact Officer name:	Nicole Masters	Ext: 52895
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	David Robertson	
TRIM Ref: TRSY19/186550		

ISSUE: HUMAN RESOURCE INFORMATION MANAGEMENT SOLUTION**Talking points:**

- The Human Resource Information Management Solution (HRIMS) Program has been established to provide a Whole of Government (WHoG) integrated solution for payroll and human capital management.
- The HRIMS will deliver streamlined and harmonised business processes in key capability areas, including: talent planning and strategy, recruitment, learning and development, performance management, career planning, payroll and Human Resource (HR) analytics and reporting.
- Ernst and Young have been engaged as the program's implementation partner to deliver a solution based on SAP SuccessFactors' Software-as-a-Service (SaaS).
- The Solution will enable:
 - an end-to-end understanding of the employee life cycle;
 - staff to have an integrated view of their careers and understand the linkages between different areas (for example, performance and recognition);
 - upskilling of the HR function in the Territory to provide more value-added HR business partner services; and
 - workforce planning, succession, mobility, and the use of a single competency framework across agencies.
- A major benefit of the HRIMS will be the increased accuracy and efficiency in reporting. It will allow for the prediction of future trends and in-depth analysis of the workforce and have the agility to produce multiple internal and external workforce reports with deeper insights.

Cleared as complete and accurate:	24/10/2019	
Cleared by: Shaun Strachan	Deputy Under Treasurer	Ext: 71001
Contact Officer name:	Graham Tanton	Ext: 75757
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Graham Tanton	
TRIM Ref: TRSY19/186549		

Key Information

- The implementation of the HRIMS is a phased approach consisting of three releases over a two-year period finishing in mid to late 2021.
- Release 1 will deliver the following capabilities: workforce administration (Employee Central), payroll, recruiting and onboarding, and workforce analytics.
- Releases 2 will bring forward functionality to support Performance Management and Learning and Development, with Release 3 focussed on functionality to support Workforce Planning, Talent Management and Health and Wellbeing capabilities.
- Design activities for Release 1 are presently underway with planned completion end of 2019, in order to transition to the solution build phase in 2020.
- The business transformation and change management is significant in order to achieve a successful WHOg outcome and as such, a comprehensive change management program has been tightly integrated into all Program phases.
- Data migration preparation activities have been ongoing since 2018 with considerable progress made to assess and prepare HR-related data for migration and archiving.
- HRIMS is governed by a multi-tiered structure, which features WhoG representation and includes a large number of functional working groups consisting of Subject Matter Experts.

Background Information

- The program was subject to a two-stage budget approval process (in the years 2017-18 and 2018-19), and has been allocated funding totalling \$68.7 million.
- The outcome of the procurement was, Ernst and Young were selected as the implementation partner, and SAP SuccessFactors chosen as the preferred product.
- The implementation partner was onboarded in the second quarter of 2019 and the program commenced implementation planning.
- In the third quarter of 2019, business engagement has been ongoing to support high-level and detailed design activities.
- The fourth quarter of 2019 will be dedicated to finalising the design for Release 1 of the SuccessFactors Solution, specific to the ACT Government context.

Cleared as complete and accurate:	24/10/2019	
Cleared by: Shaun Strachan	Deputy Under Treasurer	Ext: 71001
Contact Officer name:	Graham Tanton	Ext: 75757
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Graham Tanton	
TRIM Ref: TRSY19/186549		

ISSUE: SHARED SERVICES 2018-19 ACCOUNTABILITY INDICATORS - RESULTS

Talking points:

- For the 2018-19 financial year Shared Services met 9 of its 11 performance accountability indicators with a 5% or less variance from the original target.
- Two of Shared Services accountability indicators exceeded performance target (in a negative way) with a greater than 5% variance from the original target.
- ‘Average time taken for telephone ICT service requests to be answered by a Service Desk Officer’ was 97 seconds (target 30 seconds) due to increased call volumes of 14% over the previous financial year mainly resulting from new technical capability released into the environment (Office 365, Windows 10, Exchange online migrations and Accounts) and the queries with regards to the implementation of recently negotiated enterprise agreements.
- ‘Number of successful attacks on internally hosted ACT Government websites’ was 1 (target 0) due to a security breach during November 2018 on the ACT Government managed ‘Active Directory’ Cloud service but not on the ACT Government network.

Key Information

- Nil.

Cleared as complete and accurate:	24/10/2019	
Cleared by: Shaun Strachan	Deputy Under Treasurer	Ext: 71001
Contact Officer name:	Graham Tanton	Ext: 75757
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Graham Tanton	
TRIM Ref: TRSY19/186548		

Background Information

CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE
STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

	Original Target 2018-19	Actual Result 2018-19	Variance from Original Target (%)	Explanation of Material Variances (+/- 5%)
TOTAL COST (\$'000)	\$208,595	\$211,364	1	This variance is mainly due to a higher ICT contractor costs, driven by demand for services from other directorates. This is partially offset by lower employee expenses for vacant positions, and delays in implementing the Whole of Government Software Upgrade and Human Resource Information Management System initiatives.
CONTROLLED RECURRENT PAYMENTS (\$'000)	\$28,125	\$25,890	(8)	This variance is mainly due to the delays in implementing the Whole of Government Software Upgrade, Data Storage Infrastructure, and Human Resources Information System Replacement initiatives.
Accountability Indicators				
a. Email availability across government during core business hours	100%	100%	0	
b. ICT service requests made via the Service Desk are resolved within Service Level Agreements' timeframes	90%	91%	1	
c. Average time taken for telephone ICT service requests to be answered by a Service Desk Officer	30 seconds	97 seconds	223	The variance was due to a substantial increase in call volumes as a result of the rollouts of the new Microsoft Operating system (Windows 10 Upgrade) and Exchange Online across government while still maintaining the average for resolution of calls at first point of contact.

CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE
STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

	Original Target 2018-19	Actual Result 2018-19	Variance from Original Target (%)	Explanation of Material Variances (+/- 5%)
d. Number of successful attacks on internally hosted ACT Government websites	0	1	(100)	The variance was due to a security breach on the ACT Government managed 'Active Directory' Cloud service. The ACT Government network was not compromised.
e. Human resources service requests made via the Service Desk are resolved within Service Standard timeframes	90%	88%	(2)	
f. Business Activity Statements completed in accordance with the ATO deadline	100%	100%	0	
g. Fringe Benefits Tax Return submitted to the ATO in accordance with the ATO deadline	100%	100%	0	
h. Monthly financial information available for use by agencies by 6th working day of the month	100%	100%	0	
i. Annual financial statements completed and provided to agencies by 10th working day of July	100%	100%	0	
j. Finance service requests made via the Service Desk are resolved within Service Standards timeframes	90%	87%	(3)	

The above Accountability indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

The Total Cost and Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*.

The above Statement of Performance should be read in conjunction with the accompanying notes.

Cleared as complete and accurate: 24/10/2019
 Cleared by: Shaun Strachan Deputy Under Treasurer Ext: 71001
 Contact Officer name: Graham Tanton Ext: 75757
 Lead Directorate: Chief Minister, Treasury and Economic Development
 Cleared for release Yes
 Information Officer name: Graham Tanton
 TRIM Ref: TRSY19/186548

ISSUE: ACT INSURANCE AUTHORITY OPERATING RESULT 2018-19

Talking points:

- The Authority's actual operating result of 2018-19 is a favourable surplus of \$12.5 million, being \$12.5 million higher than the original breakeven budget.
- The Authority's balance sheet resulted in an equity position of \$72.7 million as at 30 June 2019, which was higher than the budgeted position of \$52.5 million.
- The Authority made a capital return to the ACT Government of \$70 million in May 2019.

Key Information

- The surplus on the operating statement, and the increase in the equity position is a direct result of changes to the Authority's investment strategy, resulting in a gain on investments of \$21.8 million. On the operating statement this gain is largely offset by an increase in claims expenses of \$9.2 million.
- The Authority's equity position of \$72.7 million represents a funding ratio of 129 percent which is 10% higher than the budgeted funding equity ratio of 119 percent.

Background Information

- The Authority operates as the captive insurer for the ACT Government and provides a range of insurance, claims and risk management services to ACT Government Directorates and Statutory Authorities.
- The Authority operates on a cost recovery basis by collecting annual premiums from Directorates and Statutory Authorities to meet the cost of insurable claims and losses. The Authority's operating costs are largely driven by provisioning for future claims and current claims expense.
- The Authority works to protect the assets and services of the Territory by providing a range of insurance services and risk management support to a large and diverse client base.

Cleared as complete and accurate:	24/10/2019	
Cleared by: Shaun Strachan	Deputy Under Treasurer	Ext: 71001
Contact Officer name:	Marion Lynch	Ext: 70302
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:		
TRIM Ref: TRSY19/186547		

ISSUE: AVERAGE SQUARE METRES OF OFFICE ACCOMMODATION PER EMPLOYEE

Talking points:

- Accountability Indicator Output 9.1b 'Average square metres of office accommodation per employee' set a target of an average of 14.5m² of office accommodation per government employee.
- The figure as at 30 June 2019 was 14.8m².
- With the announced renewal of office accommodation in Civic, Dickson and Woden, the expectation is this rate will trend towards 12m² per employee by 2020, reflecting the introduction of contemporary office fit out, including for example, activity based working (ABW).

Key Information

- The Accountability indicator for the ACT Government of 14.5 square metres of office accommodation per employee reflects the current occupancies of leased and owned office accommodation managed by ACT Property Group.
- The result is calculated by dividing the net lettable area for ACT Government office accommodation by the total headcount. Averages at individual properties vary due to different fit out and usage arrangements.

Background Information

- The ACT Government Office Accommodation Policy, issued in December 2015 sets the target of 12 square meters of office accommodation per employee. This rate is anticipated to be achieved progressively with the introduction of ABW office fitout and retiring leases in buildings when new leases for the Civic and Dickson office blocks commence throughout 2020.

Cleared as complete and accurate:	28/10/2019	
Cleared by: Shaun Strachan	Deputy Under Treasurer	Ext: 71001
Contact Officer name:	Liz Clarke	Ext: 52250
Lead Directorate:	Chief Minister, Treasury and Economic Development	
Cleared for release	Yes	
Information Officer name:	Phil Revill	
TRIM Ref: TRSY19/186544		

ISSUE: CAPITAL UPGRADES TO ACT PROPERTY GROUP GOVERNMENT BUILDINGS

Talking points:

- In 2018-19, ACT Property Group spent \$3.565 million on capital upgrades across 60 projects at ACT Government facilities. \$2.121 million was funded by the Better Infrastructure Fund (BIF) initiatives for ACT property upgrades and \$1.444 million was self-funded by ACT Property Group.
- Some of the major works have included:
 - Demolition works at the Kingston Freight Shed (\$0.40 million);
 - Asbestos roof removal and replacement at the 141 Canberra Avenue Depot (\$0.31 million);
 - Remediation of flood damage at Dickson Library (\$0.29 million);
 - Asbestos eave remediations at the Sandford Street Mitchell Depot (\$0.25 million);
 - Led lighting upgrades at the National Convention Centre (\$0.22 million);
 - Commercial Kitchen Upgrades at the National Convention Centre (\$0.20 million); and
 - Upgrades to 1 Moore Street (\$0.18 million).
- There was \$0.54 million spent on insurance works resulting from storm damage, \$0.56 million on hazardous material remediation works and \$0.39 million for electrical upgrades at ACT Government facilities managed by ACT Property Group.
- In 2019-20, \$4.75 million is proposed to be spent across 10 projects at ACT Government facilities. These projects will be funded by the 2019-20 BIF initiatives for ACT property upgrades, More jobs for our growing city – Government facilities upgrade capital works funding and from ACT Property Group revenues.

Cleared as complete and accurate: 24/10/2019
Cleared by: Shaun Strachan Deputy Under Treasurer Ext:71001
Contact Officer name: Liz Clarke Ext:52550
Lead Directorate: Chief Minister, Treasury and Economic Development
Cleared for release: Yes
Information Officer name: Sam Croser
TRIM Ref: TRSY19/186543

Key Information

- The \$4.75 million proposed to be spent in 2019-20, funding for the projects will come from:
 - \$2.4 million - More jobs for our growing city – Government facilities upgrade;
 - \$0.100 million – Hazardous material removal BIF initiative;
 - \$0.163 million – Fire services upgrades BIF initiative;
 - \$2.087 million – Self-funded from ACT Property Group revenues

Background Information

Full list of the proposed 2019-20 projects at ACT Government properties:

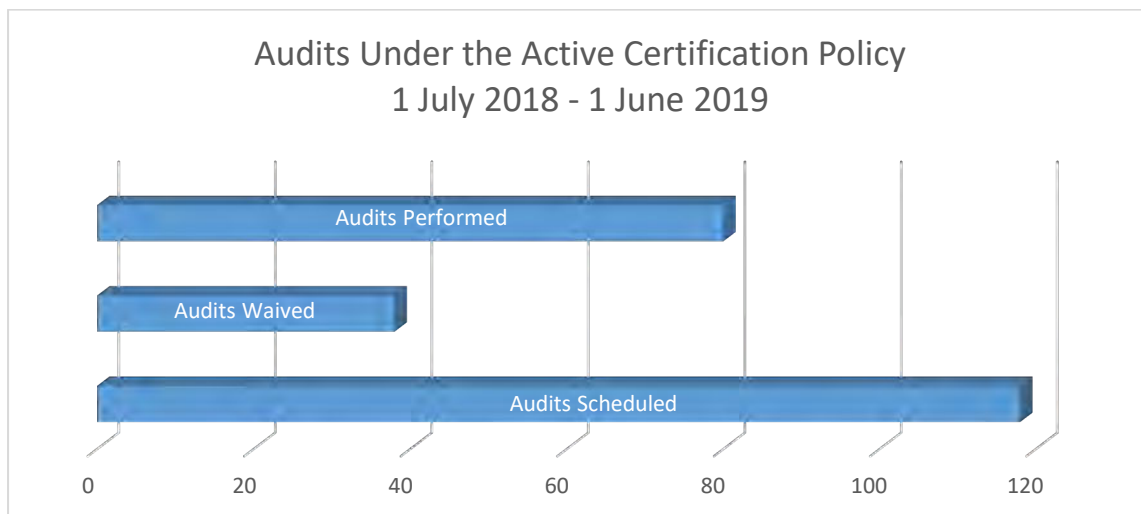
Property	Description	Budget
1 Moore Street	Base building upgrades, including lift upgrades and replacement of windows (staged over four years with a total project budget of \$7.5 Million).	\$2,400,000
Bendora Dam Depot	Upgrade to power supply to allow for removal of old diesel generator	\$100,000
Callam Offices	Office fit out to accommodate Major Projects Canberra.	\$700,000
Callam Offices	Engaging of architect to complete planning works for the upgrade of Callam offices.	\$115,000
Mitchell Depot – Sandford Street	Remediation of contaminated soil.	\$100,000
Mitchell Depot – Sandford Street	Upgrade of water supply line to buildings 2 and 4.	\$81,000
Mitchell Depot – Sandford Street	Building 3 roof condition report.	\$30,000
Mitchell Depot – Sandford Street	Safety upgrades to mezzanine walkway in building 4	\$414,000
National Convention Centre	HVAC condition assessment and upgrades report.	\$30,000
National Convention Centre	Structural repairs to walls and electrical upgrades.	\$420,000
North Building	Passive fire upgrades.	\$360,000
TOTAL		\$4,750,000

Cleared as complete and accurate: 24/10/2019
 Cleared by: Shaun Strachan Deputy Under Treasurer Ext:71001
 Contact Officer name: Liz Clarke Ext:52550
 Lead Directorate: Chief Minister, Treasury and Economic Development
 Cleared for release: Yes
 Information Officer name: Sam Croser
 TRIM Ref: TRSY19/186543

Active Certification Statistics 1 July 2018 - 1 June 2019

Key Statistics

- During the period 1 July 2018 – 1 June 2019 118 Audits on 63 active worksites were required in accordance with the Policy.
- 80 of the 118 Audits were performed. This represents 68%.
- 38 Audits were waived in accordance with the provisions in Section 4 of the Policy. This represents 32%
- 34 Contractors were contracted to manage the 63 active worksites during this period.



The ACT Work Health and Safety Active Certification Policy (the Policy) has been developed as part of the ACT Government's overall work health and safety response to the *Getting Home Safely* report published in November 2012. The Policy attempts to prevent fatal, permanent and serious debilitating injuries within the construction industry; and improve work health and safety practices on sites where ACT Government construction projects are being delivered. The Policy commenced on 1 July 2013.

In order to calculate the cycle of audits for a project, the period will be determined from the date the prequalified contractor commences work onsite and the proposed date for practical completion (or the equivalent date provided for under the contract). Audits will then be conducted every 13 weeks during this period.

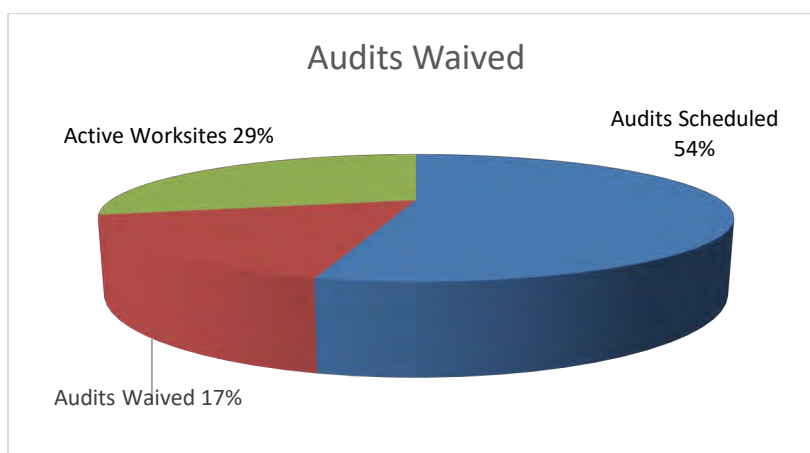
- The Policy provides for Work, Health and Safety Audits conducted on site during the period for which construction work is being performed.
- The Policy includes Construction Projects over \$250,000 in value or for a period exceeding 13 weeks, audits will be conducted on a 13-week cycle from the commencement of work onsite (not from site possession).
- The above table highlights the following:
 - > During the period there were 118 Audits scheduled under the Policy;
 - > Of the 118, 80 of the audits were performed;

- > The remaining 38 audits were waived in accordance with the Policy.

Active Certification – Waived Audits

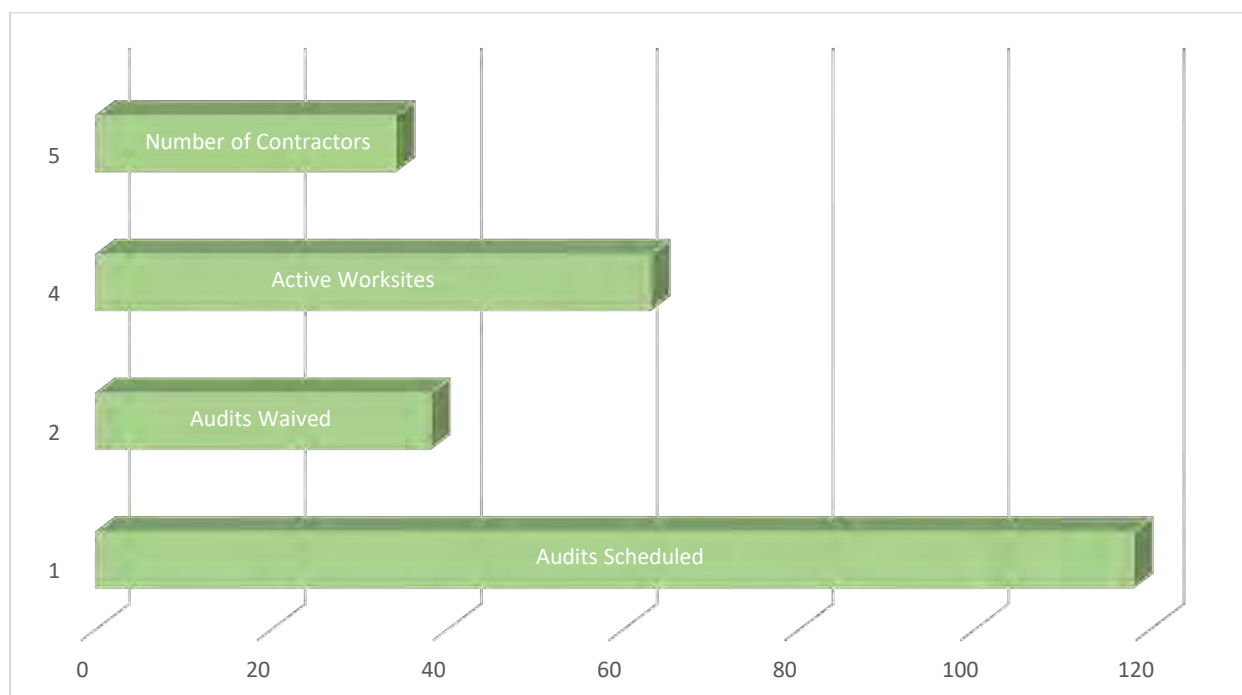
Pursuant to Section 4 of the Policy, the Territory may have regard to a number of factors when considering an audit. The following may be considered when granting a waiver of a scheduled audit:

- > Audits may be delayed by up to, but not exceeding four weeks due to changes in site possession, operation or other circumstances, this delay will be sanctioned by the Superintendent of Works acting on behalf of the Territory.
- > Scheduled audits may be waived at the discretion of the Superintendent of Works acting on behalf of the Territory, circumstances where this may occur include (but are not limited to) where a project has
 - > Received non-adverse reports from the two previous audits or the project will reach final completion in the four weeks from the date of the scheduled audit.
 - > The Superintendent of Works acting on behalf of the Territory may also allow a single audit to be performed on one site where a contractor has possession of multiple job sites.
- > An audit may be conducted following a notice being issued by WorkSafe ACT in respect of the Construction Project;
- > a notifiable incident (as defined in the WHS Legislation) occurring with referable to a Construction Project;
- > the ACT Government is dissatisfied with the work health and safety performance of the Prequalified Contractor;
- > where the Construction Project includes High Risk Construction Work.



During the Period 38 Audits were waived in accordance with the policy. For each of these waivers a form which provided the rationale for the waiver was signed by the Superintendent of Works.

Following an internal review of processes it was determined that a supporting risk assessment should be conducted to assure an evidenced based approach to decision making. A copy of the risk assessment can be found at [Attachment A](#).



As part of the policy there may be instances where a Contractor is undertaking a number of construction projects for the Territory that are subject to the policy, if there are no non-conformances for over two consecutive audits the Territory can conduct a single consolidated audit.

During this period there were 63 Active Worksites subject to the Policy, of these, there were 34 Contractors.

Points to Consider:

- The information provided above is a snap shot in time and only covers Audits Scheduled during the period described.
- As such some of these construction sites may have been nearing completion during this period and may have ceased having audits performed.
- Consequently some projects may have been new and not yet completed their first 13 week audit.

CIVIL INFRASTRUCTURE BRANCH					
Project Name	Description	Completed on Time Y/N	Reasoning for not Completing on Time	Completed on Budget Y/N	Reasoning for not Completing on Budget
Gundaroo Drive Duplication Stage 1	Duplication of Gungahlin Drive to Mirrabai Drive	N	Delayed due to issues associated with soft landscaping and obtaining asset acceptance handover.	Y	
Faster Bus Travel - Well Station Dr	Public transport facilities improvements	Y		Y	
Faster Bus Travel - Goyder St	Public transport facilities improvements	Y		Y	
Bridge Renewal Program - B5175 and B5255	The Government will undertake bridge strengthening works on the Drakeford Dr, a key heavy vehicle by-pass for travel between Canberra and Melbourne, the Riverina, the Snowy/Monaro and the South coast region, subject to successfully securing matched funding through the Commonwealth Government's Bridges Renewal Program.	Y		Y	
MLRMC - Haul Road/Crushing, Processing Day Cover Materials - Construction	Construction of additional landfill capacity at the Mugga Lane Resource Management Centre to ensure continued operations beyond 2020.	Y		Y	
MLRMC - Ground Water Underbore - Construction	Construction of additional landfill capacity at the Mugga Lane Resource Management Centre to ensure continued operations beyond 2020.	Y		Y	
MLRMC - Wheel Wash - Construction	Construction of additional landfill capacity at the Mugga Lane Resource Management Centre to ensure continued operations beyond 2020.	Y		Y	
MLRMC - Timelapse Camera's - Supply and Placement of	Construction of additional landfill capacity at the Mugga Lane Resource Management Centre to ensure continued operations beyond 2020.	Y		Y	

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Movable Poles - Installation of Cameras on Poles					
Ashley Drive Stage 2-PAP and Site Management Services	Upgrades to the vital link between Richardson and Wanniasa and its arterial road	Y		Y	
Ashley Drive Stage 2 - Construction	Upgrades to the vital link between Richardson and Wanniasa and its arterial road	Y		Y	
Brisbane Avenue Barton Pavement Rehabilitation Design and Superintendence	Pavement Rehabilitation	Y		Y	
Brisbane Avenue Barton Pavement Rehabilitation Construction	Pavement Rehabilitation	Y		Y	
Faster Bus Travel-Bus Stop Upgrade in Kingston (Stops 2596 & 2598)	Public transport facilities improvements	Y		Y	
Faster Bus Travel-Bus Stop Upgrades on Captain Cook Cr (Stops 2371 & 2372)	Public transport facilities improvements	Y		Y	
Rapid Transport Customer Infrastructure-Bernard Heinze Av Moncrieff Bus Stops	Public transport facilities improvements	Y		Y	
Faster Bus Travel-Watson Bus Layover and Bus Stops	Public transport facilities improvements	Y		Y	
Rapid Transport Network Customer Infrastructure-Increased Bus	Public transport facilities improvements	Y		Y	

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Capacity Parkinson Street, Weston (Package 1).					
City Block 23 Section 19 - Additional Parking Spaces	Additional Parking Spaces	Y		Y	
Federal Highway and Old Well Station Rd Signalisation Upgrade	Upgrade to Old Well Station Road and Signalised Intersection from Federal Highway turning into Old Well Station	Y		Y	
Gungahlin Bus Station and Hibberson St Upgrade	Public transport facilities improvements	Y		Y	
Bindubi Street / William Hovell Drive Grade Separated Intersection Feasibility Study	A feasibility study to investigate and deliver a concept design option for a grade separated intersection for Bindubi Street and William Hovell Drive.	Y		Y	
TMS1417.9C - Watson R2R Old Well Station Rd	Upgrade to Old Well Station Road and Signalised Intersection from Federal Highway turning into Old Well Station	Y		Y	
TCCS1835407C - BRG Gungahlin Town Centre Road Network Improvements	Project is part of the Better Roads for Gungahlin	Y		Y	
TCCS1635192C - Belconnen - Aikman Drive Duplication Pantowora st extension contract	Project forms part of the Better Roads Project	Y		Y	

SOCIAL INFRASTRUCTURE BRANCH

Project Name	Description	Completed on Time Y/N	Reasoning for not Completing on Time	Completed on Budget Y/N	Reasoning for not Completing on Budget
Canberra Health Services Energy Efficient Lighting (LED) Lighting Upgrade	The replacement of high-use low efficiency lighting with energy efficient LED lighting within the kitchen areas of Building 1. The remaining	N	The project was placed on hold to undertake a scope review.		

	projects cope is being finalised by Infrastructure and Health Support Services.				
Canberra Health Services – Building 11 Aluminium Composite Panel Façade Replacement	Replacement of Aluminium Composite Panels (ACP) with a Poly Ethylene (PE) core on the Centenary Hospital for Women and Children Building 11 façade.	Y		Y	
Canberra Health Services – Building 10 Cold Rooms	Upgrade to the Canberra Hospital Building 10 walk-in cold rooms and construction of a new mortuary cool room.	Y		Y	
Canberra Health Services - Gungahlin Walk in Centre	Design and construction of a Nurse led Walk-in centre including four treatment rooms to provide treatment for minor injuries and illness.	Y		Y	
Canberra Health Services - Building 7 Heating Ventilation Air Conditioning	Replacement of air conditioning plant that serves the upper level of Canberra Hospital Building 7 with a heat pump system. The outside air units for both floors were also replaced.	Y		Y	
Canberra Health Services – Single Photon Emission Computed Tomography (SPECT) Replacement Project	The project is to replace the existing CT Scanning Equipment that is located in Medical Imaging, Building 12, level 2 at Canberra Hospital. The existing CT Scanning equipment was reaching the end of life and was replaced with new technology / equipment with additional functions to provide improved accuracy for diagnostic purposes. Project works include, investigating the capacity of the existing base building services and structural loads including, room modifications for the installation of the new SPECT.	Y		Y	
Justice and Community Safety - Emergency Services Agency (ESA) –	The Emergency Services Agency Headquarters - Security Upgrade project involves the design and upgrade work to provide a secure room for an ASNet	Y		Y	

Fairbairn Security Upgrade	facility and changes to the physical security at the main entrance of the building.				
Canberra Health Services Upgrading and Maintaining ACT Health Assets (UMAHA) Fire Protection Works	Rectification of service penetrations that have not been fire treated properly to achieve the required insulation criteria.	Y		Y	
COMMERCIAL INFRASTRUCTURE BRANCH					
Project Name	Description	Completed on Time Y/N	Reasoning for not Completing on Time	Completed on Budget Y/N	Reasoning for not Completing on Budget
Taylor Playing Fields	Development of two new turf soccer pitches at Taylor in North Gungahlin	N	Resolution of scope and design with TCCS who took control of the asset. Lack of water supply installation during the SLA estate development phase. This had to be installed as an addition to this project. Design changes associated with the existing conditions which were not evident when the initial design was prepared as the estate development, which included the playing fields, was still in progress.	Y	
North Gungahlin P-6 preschool works and learning community	Project Forms part of the Better Schools for our Kids: Expanding Schools in Gungahlin initiative	Y		Y	
Visit Canberra Information Booth	Information booth design for offsite construction and then installation at airport.	Y		Y	
Modernising Belconnen High	Project forms part of the Schools for the Future: Modernising Belconnen High initiative	Y		Y	
North Gungahlin Relocatable Learning Units Stage 2	Project Forms part of the Better Schools for our Kids: Expanding Schools in Gungahlin initiative	Y		Y	

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	Procurement and Installation of Relocatable Learning Units at Neville Bonner, Gold Creek Junior and Franklin Early Childhood Schools.				
Schools for the Future: North Gungahlin and Molonglo	Development of the new Margaret Hendry Preschool to year 6 School in Taylor ACT under a design, construct, maintain contract.	Y		Y	
Manuka Oval Media and Function Centre	Upgrades to Manuka Oval	Y		Y	
Manuka Oval Amenity Improvements	Spectator Facilities	Y		Y	
Manuka Oval Upgrades	Changing Room upgrades	Y		Y	
Better Facilities for GIO Stadium	Security Corporate Facilities and Change Room Upgrades	Y		Y	
National Arboretum	Amphitheatre Upgrade	Y		Y	
National Arboretum	New tracks and trails	Y		Y	
Mort Street	Public Realm Improvements	Y		Y	
18-19 BIF GIO Stadium Turf	Replacement and Irrigation Upgrades	Y		Y	
Canberra Theatre	Centre Capital Upgrades 2018-21	Y		Y	
CMAG Gallery	Upgrade Project	Y		Y	
ACT Historic Places	Essential Upgrade Package 2018/19	Y		Y	
Charnwood Childcare	Demolition and Remediation	Y		Y	
Parkwood Lot 2033	Demolition and initial clean up	Y		Y	
Belconnen Bike training Facility	Demolition and Remediation	Y		Y	
Barrer Hill Habitat Structure		Y		Y	

Major Projects

Project Name	Description	Completed on Time Y/N	Reasoning for not Completing on Time	Completed on Budget Y/N	Reasoning for not Completing on Budget
Courts Public Private Partnership (PPP)	Construction of an integrated courts facility	N	<ul style="list-style-type: none"> Stage 1 was delivered 45 weeks late due to a number of challenges 	Y	

			<p>faced by the contractor, Juris.</p> <ul style="list-style-type: none">• Stage 2 is nearing completion but is also running late due to the late commencement (completion of Stage 1) and unforeseen complexities encountered in the structure of the existing heritage building (which required additional work to accommodate the revised building layout). Subcontractor supply chain issues have also been a factor in the delays.		
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BRIEF TITLE: VENUES CANBERRA
Talking points:
Venues Canberra – Number of Major events by Venue 2018/19

- The number of major events at GIO Stadium, Manuka Oval and Exhibition Park in Canberra exceeded original targets. Stromlo Forest Park was one below the target due to the cancellation of one major booked event by the hirer.

Number of Major events at:	Original Target	Actual Result	% Variance
GIO Stadium	20	21	5%
Manuka Oval	5	11	120%
Stromlo Forest Park	10	9	-10%
Exhibition Park in Canberra	85	124	46%

- GIO Stadium hosted the Keith Urban concert in January 2019 and the Brumbies were also successful in securing a home quarter final in June 2019. This was offset by the Raiders moving one home game interstate.
- Manuka Oval secured six additional events that were unknown at the time of budget. This included a women's AFL game, a women's T20 match and four additional men's cricket matches.
- With ongoing marketing to attract new and return events EPIC secured additional bookings following the preparation of the budget. This included a number of large events such as Groovin' the Moo; the Showroom; Home Renovation and Building Show; and the Australian Local Government Association Gala Dinner.

Venues Canberra – Own Source Revenue by Venue 2018/19

- Own source revenue at Manuka Oval and Exhibition Park in Canberra exceeded original targets.

Own Source Revenue at:	Original Target	Actual Result	% Variance
GIO Stadium	\$3.0 million	\$2.7 million	-10%
Manuka Oval	\$360,000	\$595,000	65%
Exhibition Park in Canberra	\$3.5 million	\$4.4 million	28%

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Cleared by: Shaun Strachan

Deputy Under Treasurer

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- The increase in own source revenue at Manuka Oval is associated with an increase in catering and ticketing revenue due to additional events.
- An increase in the number of events hosted at EPIC and an increase in camping resulted in an increase in own source revenue.
- GIO Stadium was 10% below the original target due to ongoing decline in attendance at Brumbies events and removal of one Raiders regular season match resulting in a decreased catering and corporate sales.
- Venues Canberra continues to work with event organisers to increase the number of events at all venues.
- Major events at Stromlo Forest Park are national or international events.
- Events with over 500 patrons are considered “major” for the purposes of Exhibition Park in Canberra.
- Own source revenue at GIO Stadium and Manuka Oval is measured as gross profit, that is, revenue less expenses incurred in conducting events and is based on pre-existing venue hire agreements.
- Own source revenue at Exhibition Park in Canberra is measured as gross revenue.

National Arboretum Canberra – Level of Customer Satisfaction

- The level of customer satisfaction at the National Arboretum Canberra is the accountability indicator.
- The target for 2018-19 was 85%. The actual result for 2018-19 for customer satisfaction was 95%.
- The results of the survey indicate that visitors strongly value the National Arboretum Canberra as a beautiful, natural place to visit and a place for the conservation of rare and endangered trees. It is valued as an important tourist attraction for Canberra.
- The survey is undertaken using Qualitix software and responses are online or via an iPad in the Arboretum’s Village Centre.
- The survey also captures likelihood of recommending it as a place to visit, most liked elements and suggested improvements. It also provides information on the demographics of visitors to the Arboretum.

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