ACT Government
Chief Minister, Treasury and Economic Development

Freedom of Information Publication Coversheet

The following information is provided pursuant to section 28 of the *Freedom of Information Act 2016*.

FOI Reference: CMTEDDFOI 2018-0189

Information to be published	Status
1. Access application	Published
2. Decision notice	Published
3. Documents and schedule	Published
4. Additional information identified	No
5. Fees	Waived
6. Processing time (in working days)	20
7. Decision made by Ombudsman	Varied
8. Additional information identified by Ombudsman	Yes
9. Decision made by ACAT	N/A
10. Additional information identified by ACAT	N/A

From: [redacted]
To: CMTEDD FOI
Subject: Freedom of Information Request - Select Committee on Estimates 2018-19
Date: Monday, 30 July 2018 6:33:35 PM

Good Afternoon

I write to request under the *Freedom of Information Act 2016* final briefing notes and documents prepared for the Select Committee on Estimates 2018-19 hearings on:

- Monday 18 June 2018;
- Tuesday 19 June 2018; and
- Friday 22 June 2018.

Should you require any further information or clarification about my request, please contact [redacted]

Kind regards,

[redacted]

ACT Government
Chief Minister, Treasury and Economic Development

Our ref: CMTEDDFOI 2018-0189

[redacted]

via email: [redacted]

Dear [redacted]

FREEDOM OF INFORMATION REQUEST

I refer to your application under section 30 of the *Freedom of Information Act 2016* (the Act), received by the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) on 30 July 2018 in which you sought access to information under the *Freedom of Information Act 2016* (the Act).

Specifically, you sought access to:

"...final briefing notes and documents prepared for the Select Committee on Estimates 2018-19 hearings on:

- *Monday 18 June 2018;*
- *Tuesday 19 June 2018; and*
- *Friday 22 June 2018."*

Authority

I am an authorised Information Officer appointed by the Director-General of CMTEDD under section 18 of the Act to deal with access applications made under Part 5 of the Act.

Timeframes

The Act requires a decision and response within 20 working days of the access application being received. The deadline for responding to your access application is 27 August 2018.

Decision on access

A search of CMTEDD records was conducted and resulted in 250 documents being identified that formed the briefing packages provided to the Chief Minister and other relevant Ministers. CMTEDD is not responsible for the preparation of briefing notes for the City Renewal Authority and the ACT Audit Office.

I have decided to grant full access to 135 documents, partial access to 113 documents (of which 95 documents contain only redactions of names and phone numbers of contact officers listed at the bottom of the briefs) and exempt from release the remaining two documents. The information redacted is contrary to the public interest to disclose in accordance with section 16 of the Act, or would, on balance, be contrary to the public interest to disclose under the test set out in section 17 of the Act.

I have included as Attachment A to this letter the schedule of relevant documents. This provides a description of each document that falls within the scope of your request and the access decision for each of those documents. The documents released to you are provided as Attachment B to this letter.

In accordance with section 54(2) of the Act a statement of reasons outlining my decision is below.

Statement of Reasons

In reaching my access decision, I have taken the following into account:

- the Act;
- the content of the documents that fall within the scope of your request;
- the *Human Rights Act 2004.*

Exemption claimed

My reasons for deciding not to grant full access to the identified documents and components of these documents are as follows:

Cabinet Information (Schedule 1 of the Act)

Document Ref No. 92 contains information that was prepared and brought into existence for consideration by Cabinet. The information in these documents is deliberative in nature.

In reviewing the documents, I note the requirements of schedule 1 section 1.6(2) of the Act which states that the exemption for Cabinet Information does not apply to 'purely factual information' unless the disclosure of the information would involve the disclosure of a deliberation or decision of Cabinet and the fact of the deliberation or decision has not been officially published. In the case of *Parnell & Dreyfus and Attorney-General's Department* [2014] AICmr 71, the Australian Information Commissioner stated that the term 'purely factual material' does not extend to factual material that is an integral part of the deliberative content and purpose of a document, or is embedded in or intertwined with the deliberative content in such a manner that it is impractical to separate it from the other content.

Having reviewed the documents, I consider that the purely factual information within the document identified is an integral part of the deliberative content and as stated by the Commissioner, the analysis and views in the [documents] would be robbed of their essential meaning without incorporation of this material. I am satisfied that disclosure of

this purely factual information would involve the disclosure of a deliberation or decision of Cabinet.

Having considered the information contained in the documents, I am satisfied that disclosure of such information contained in documents Ref No. 92 would be contrary to public interest pursuant to schedule 1 section 1.6 of the Act.

Public Interest Test (Schedule 2 of the Act)

The Act has a presumption in favour of disclosure. As a decision maker I am required to decide where, on balance, public interests lies. As part of this process I must consider factors favouring disclosure and non-disclosure.

In *Hogan v Hinch* (2011) 243 CLR 506, [31] French CJ stated that when 'used in a statute, the term [public interest] derives its content from "the subject matter and the scope and purpose" of the enactment in which it appears'. Section 17(1) of the Act sets out the test, to be applied to determine whether disclosure of information would be contrary to the public interest. These factors are found in subsection 17(2) and schedule 2 of the Act.

Factors favouring disclosure (Schedule 2 section 2.1)

Taking into consideration the information contained in the documents found to be within the scope of your request, I have identified that the following public interest factor in favour of disclosure is relevant to determine if release of the information contained within these documents is within the 'public interest'.

(a) disclosure of the information could reasonably be expected to do any of the following:
(ii) contribute to positive and informed debate on important issues or matters of public interest;

The documents identified as being within the scope of the request provide information prepared for the Chief Minister and relevant Ministers for the 2018-19 Estimate hearings. The briefing package contain information relating to the government expenditure and source of revenue in the past financial year, and the plan for the future. I consider these are matters of public interest and the release of the information identified may contribute to positive and informed debate on how the government spends money and raises revenue. I am satisfied that this factor favouring disclosure carries significant weight. However, this weight is to be balanced with the weight of factors favouring non-disclosure.

Factors favouring non-disclosure (Schedule 2 section 2.2)

Taking into consideration the information contained in the documents found to be within the scope of your request, I have identified that the following public interest factors in favour of non-disclosure are relevant to determine if release of the information contained within these documents is within the 'public interest'.

(a) *disclosure of the information could reasonably be expected to do any of the following:*
   (ii) *prejudice the protection of an individual's right to privacy or any other right under the Human Rights Act 2004;*
   (iii) *prejudice security, law enforcement or public safety;*
   (viii) *prejudice the economy of the Territory;*
   (x) *prejudice intergovernmental relations;*
   (xii) *prejudice an agency's ability to obtain confidential information;* and
   (xvi) *prejudice a deliberative process of government.*

When considering the documents and factors in favour of non-disclosure, I have considered the personal information of staff members contained in the documents. This includes names and contact phone numbers. I am satisfied that the names and contact information of employees below Senior Executive Service (SES) levels should be redacted due to personal privacy considerations. However, I do not consider the release of the names and contact information of senior executives is unreasonable as it is accepted by senior executives that they carry additional responsibilities including approving and clearing documents prepared by their staff members. For this reason, I have decided to redact the names and phone numbers of employees that are below SES levels. This applies to 98 documents identified.

The second factor considered is in relation to the prejudice to data security that could occur if the cloud security strategy were made public. The information in document Ref No. 65 reveals how data is managed by the Directorate and the current security gaps to be addressed. The release of this information could reveal the vulnerabilities of the data storage system and prejudice the security of the ACT government information. I am satisfied that this factor favouring disclosure carries very significant weight and I have decided to withhold from disclosure this information.

The third document considered is a brief (Ref No. 180) containing information about Commonwealth land matters. The documents identified provide details of a number of sensitive land issues that are subject to ongoing negotiations and deliberations. Information contained in this document was provided in confidence to assist parties to negotiate an amicable solution for various land matters. The release of this document could adversely affect these negotiations and deliberations by damaging the continued level of trust and co-operation in the relations between the officers conducting negotiations. I consider that maintaining good working relations between the ACT and the Commonwealth are crucial to the ongoing negotiations on this issue and on future matters. I am satisfied that the release of the document could prejudice intergovernmental relations and the Directorate's ability to obtain confidential information by impairing the future flow of information between the ACT and the Commonwealth. As a result, this will prejudice the deliberative process of the Directorate.

I am satisfied that all three factors favouring non-disclosure carry very significant weight and I have decided to withhold from release the information in this brief.

Having reviewed the remaining information contained in the documents, I consider the release of certain information in documents Ref No. 35, 87, 90, 93, 105, 111, 114, 132, 135, 137, 149, 150 and 152 could prejudice the deliberative process of the Directorate.

Documents Ref No. 35, 87, 90, 111, 114, 132, 135, 149 and 152 contain information that is subject to ongoing negotiation between the Directorate and businesses or organisations. The release of the information could pre-empt those discussions and adversely affect the Directorate's ability to negotiate an amicable solution. Documents Ref No. 93, 105 and 150 contain information that is currently being considered by the Directorate. The release of the information could affect the Directorate's ability to effectively explore and assess potential options which in turn could prejudice the deliberation of the Directorate. I am satisfied that this factor favouring non-disclosure carries very significant weight.

Further, documents Ref No. 35 and 90 contain information relating to confidential agreements between the Directorate and businesses. This includes cost information that if released could adversely affect the Directorate's ability to negotiate similar commercial agreements in the future and consequently could affect the economy of the Territory. I am satisfied that this factor favouring non-disclosure carries very significant weight and I have decided to withhold from release this information.

Noting the pro-disclosure intent of the Act, I am satisfied that redacting only the information that is not in the public interest to release, while releasing the rest of the documents will ensure the intent of the Act is met and will provide you with access to the majority of information held by CMTEDD within the scope of your request.

Additional Information

- The information under section 'Key Information' of Ref No. 91 is out-of-date.
- No background information was provided in the document Ref No. 102.
- Under the Act, parliamentary estimates briefs, questions time briefs, incoming ministerial briefs and annual reports briefs are required to be publicly released when they are five years old, subject to the public interest test set out in the Act. The template developed for estimates and other briefs includes the note 'may not be suitable for public release' for the section provided for Background Information. The template note does not constitute an instruction to staff to restrict access to information, but is intended to alert decision-makers under the Act of the potential inclusion of sensitive background information that may be included in the brief. This is expected to streamline the assessment of such documents as it allows for all non-sensitive material (that is, material not included under the heading Background Information) to be easily identified and released. The existing template is currently undergoing a review.

Charges

Pursuant to *Freedom of Information (Fees) Determination 2017 (No 2)* processing charges are applicable for this request because the total number of pages to be released to you exceeds the charging threshold of 50 pages. However, the charges have been waived in accordance with section 107(2)(e) of the Act.

Online publishing – Disclosure Log

In accordance with section 28 of the Act, CMTEDD maintains an online record of access applications in the form of a disclosure log. Your original access application, my decision and documents released to you in response to your access application will be published in the CMTEDD disclosure log after 30 August 2018. Your personal contact details will not be published. The CMTEDD disclosure log is at http://www.cmd.act.gov.au/functions/foi/disclosure-log.

Ombudsman Review

My decision on your access request is a reviewable decision as identified in Schedule 3 of the Act. You have the right to seek Ombudsman review of this outcome under section 73 of the Act within 20 working days from the day that my decision is published in CMTEDD disclosure log, or a longer period allowed by the Ombudsman.

If you wish to request a review of my decision you may write to the Ombudsman at:
The ACT Ombudsman
GPO Box 442
CANBERRA ACT 2601
Via email: actfoi@ombudsman.gov.au

ACT Civil and Administrative Tribunal (ACAT) Review

Under section 84 of the Act, if a decision is made under section 82(1) on an Ombudsman review, you may apply to the ACAT for review of the Ombudsman decision. Further information may be obtained from the ACAT at:

ACT Civil and Administrative Tribunal
Level 4, 1 Moore St
GPO Box 370
Canberra City ACT 2601
Telephone: (02) 6207 1740
http://www.acat.act.gov.au/

Should you have any queries in relation to your request please contact me by telephone on 6207 7754 or email CMTEDDFOI@act.gov.au

Yours sincerely,

Daniel Riley
Information Officer
Information Access Team
Chief Minister, Treasury and Economic Development Directorate
27 August 2018

ACT Government
Chief Minister, Treasury and Economic Development

FREEDOM OF INFORMATION REQUEST SCHEDULE

NAME	WHAT ARE THE PARAMETERS OF THE REQUEST	Reference NO.
[redacted]	Final briefing notes and documents prepared for the Select Committee on Estimates 2018-19 hearings on: • Monday 18 June 2018; • Tuesday 19 June 2018; and • Friday 22 June 2018.	CMTEDDFOI 2018-0189

Ref No	Page number	Description	Date	Status	Reason for Exemption	Online Release Status
Treasury – Output Class 4 (4.1 and 4.2) and Icon Water						
1	1-2	Index	undated	Full	n/a	Yes
2	3-4	Key Statistics Overview	undated	Full	n/a	Yes
3	5-6	Key pages in Budget Papers	undated	Full	n/a	Yes
4	7-8	Budget Overview	undated	Full	n/a	Yes
5	9-10	Revenue Overview	undated	Full	n/a	Yes
6	11-14	Economic Overview	undated	Full	n/a	Yes
7	15-16	Top 10 Expense and Top 10 Capital Initiatives	undated	Full	n/a	Yes
8	17-22	Top 5 new initiatives by region	undated	Full	n/a	Yes
9	23-24	Borrowings	undated	Full	n/a	Yes
10	25-26	Return to budget balance in 2018-19	undated	Full	n/a	Yes
11	27-28	Large-scale Generation Certificates	undated	Full	n/a	Yes
12	29-38	ACTPS Staffing	undated	Full	n/a	Yes

13	39	Light Rail Stage 2	undated	Full	n/a	Yes
14	40-41	Child Protection and Out of Home Care Investment	undated	Full	n/a	Yes
15	42-44	Public Transport Initiatives	undated	Full	n/a	Yes
16	45-47	Asbestos Eradication Scheme	undated	Full	n/a	Yes
17	48	Commonwealth Grants – GST Funding	undated	Full	n/a	Yes
18	49-50	Commonwealth Grants – Impact on the ACT Budget	undated	Full	n/a	Yes
19	51-52	Cost of Living Statement	undated	Full	n/a	Yes
20	53-55	Health and Public Hospital Investment	undated	Full	n/a	Yes
21	56-57	Indicative Land Release Program and associated financial impacts	undated	Full	n/a	Yes
22	58-59	Lease Variation Charge Revenue	undated	Full	n/a	Yes
23	60-61	National Disability Insurance Scheme and DisabilityCare Australia Fund	undated	Full	n/a	Yes
24	62-63	Safer Families	undated	Full	n/a	Yes
25	64	Superannuation	undated	Full	n/a	Yes
26	65	Whole of Government Staffing Levels	undated	Full	n/a	Yes
27	66-67	Enterprise Bargaining Agreement	undated	Full	n/a	Yes
28	68-69	Payroll Tax	undated	Full	n/a	Yes
29	70-72	Residential conveyance duty	undated	Full	n/a	Yes
30	73-74	Commercial conveyance duty	undated	Full	n/a	Yes
31	75-77	Assistance to first home owners	undated	Full	n/a	Yes
32	78	Commonwealth Grants – Changes in funding relating to National Health Reform Agreement	undated	Full	n/a	Yes

33	79-87	General Rates	undated	Full	n/a	Yes
34	88-89	Icon Water Ltd - Financial Distributions	undated	Full	n/a	Yes
35	90-93	Revenue Initiatives	undated	Partial	Sch 2 s2.2(a)(viii)(xvi)	Yes
36	94-95	Fees and Charges	undated	Full	n/a	Yes
37	96-97	GGS Balance Sheet	undated	Full	n/a	Yes
38	98-99	GGS Cash Flow	undated	Full	n/a	Yes
39	100	HNOB – Superannuation Return	undated	Full	n/a	Yes
40	101-102	Key Budget Indicator Definitions	undated	Full	n/a	Yes
41	103-108	Expenses	undated	Full	n/a	Yes
42	109-112	Land Release Capital Works	undated	Full	n/a	Yes
43	113-117	Infrastructure Investment Program	undated	Full	n/a	Yes
44	118-123	Capital Works – Underspending projects in 2017-18	undated	Full	n/a	Yes
45	124-126	Public Housing	undated	Full	n/a	Yes
46	127-132	Climate Change and Sustainability	undated	Full	n/a	Yes
47	133	Community Sector Funding	undated	Full	n/a	Yes
48	134-135	Supporting Aboriginal and Torres Strait Islander Canberrans	undated	Full	n/a	Yes
49	136-137	Walking and Cycling	undated	Full	n/a	Yes
50	138	Expenditure Reviews	undated	Full	n/a	Yes
Treasury – Output Class 6						
51	139-140	COMPLIANCE ACTIVITY 2017-18	8/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes

52	141-142	TAXATION DEBT LEVEL	8/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
53	143-144	OBJECTIONS AND APPEALS TO THE ACAT	12/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
54	145	OBJECTIONS TIMELINE	13/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
55	146-147	UNIMPROVED VALUE OBJECTIONS BY SUBURB	12/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
56	148	OBJECTIONS AND ACAT APPEALS; DISPUTED AMOUNTS BY TAX TYPE	12/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
Treasury – ACTIA, Output Class 7, Output Class 8.1 and Output Class 9						
57	149-150	Index	undated	Partial	Sch 2 s2.2(a)(iii)	Yes
58	151-153	ACT Insurance Authority – Statement of Intent 2018-19	25/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
59	154	ACT Insurance Authority – Insurance Management System	25/5/2018	Full	n/a	Yes
60	155	ACT Insurance Authority – Capital Transfer to the Budget	25/5/2018	Full	n/a	Yes
61	156-157	Debt Management Software Solution	23/5/2018	Full	n/a	Yes
62	158-159	Implementation of Accounts Payable Invoice Automation Solution	23/5/2018	Full	n/a	Yes
63	160	Automation of Long Service Leave calculations with enhanced functionality for ACT Government Employees	23/5/2018	Full	n/a	Yes
64	161-162	Human Resources Information Management System Program	23/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
65	163-164	ICT Cloud Security Strategy	23/5/2018	Exempt	Sch 2 s2.2(a)(iii)	No
66	165-166	Cloud Adoption and Data Centres	23/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
67	167	Desktop Modernisation Program	23/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
68	168-169	Cyber Security	23/5/2018	Partial	Sch 2 s2.2(a)(iii)	Yes
69	170	Shared Services Operating result by Output (2017-18 Actual v 2016-17 budget)	23/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
70	171	Shared Services Accountability Indicators by Output (2017-18 results)	23/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes

71	172	Shared Services Controlled Recurrent Payments	23/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
72	173	Digital Records for Digital Government Initiative	23/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
73	174	Shared Services Operating Result 2017-18 Estimated Outcome v 2018-19 Budget	29/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
74	175	Staffing/Contractor Numbers	23/5/2018	Full	n/a	Yes
75	176-177	Infrastructure in ACT – Facts & Figures – Capital Works Table	18/1/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
76	178-179	Major Projects	23/5/2018	Full	n/a	Yes
77	180-186	Notifiable Invoices & Contracts Register (being tabled 1st June)	23/5/2018	Full	n/a	Yes
78	187-189	Capital Works – General	23/5/2018	Full	n/a	Yes
79	190	Community Facilities (including Community Rents, Community Halls & Men's Sheds)	23/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
80	191-192	Implementation of the Centralisation of Property Services/Custodianship	23/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
81	193	Government Office Accommodation Occupancy	23/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
82	194	Parkwood Estate	23/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
83	195	Yarralumla Brickworks & Thor's Hammer	23/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
84	196-198	Civic Office Project	25/5/2018	Full	n/a	Yes
85	199-200	Dickson Office Project	25/5/2018	Full	n/a	Yes
86	201-203	Temporary Car Park – Constitution Place	25/5/2018	Full	n/a	Yes
87	204	Venues Canberra – number of major events	23/5/2018	Partial	Sch 2 s2.2(a)(viii)(xvi)	Yes
88	205	Venues Canberra – own source revenue	23/5/2018	Full	n/a	Yes
89	206	National Arboretum Canberra – level of customer satisfaction	23/5/2018	Full	n/a	Yes
90	207	GIO Stadium - lease update	23/5/2018	Partial	Sch 2 s2.2(a)(viii)	Yes

91	208	Manuka Oval media and broadcast centre	23/5/2018	Full	n/a	Yes
92	209	National Arboretum Canberra - Master Plan	23/5/2018	Partial	Sch 1 s1.6	Yes
93	210-211	Stromlo Forest Park – Master Plan (including accommodation) update	23/5/2018	Partial	Sch 2 s2.2(a)(xvi)	Yes
94	212-213	Indigenous Procurement Policy	23/5/2018	Full	n/a	Yes
95	214-215	Local Industry Participation Policy	23/5/2018	Full	n/a	Yes
96	216	Contract Register	23/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
97	217-218	Sustainable Procurement Policy	23/5/2018	Full	n/a	Yes
98	219	SMS Procurement Reform	16/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
99	220	Renewable Energy	15/6/2018	Full	n/a	Yes
Economic Development – Output Class 3.6 and Output Class 1.1						
100	221	Index	undated	Full	n/a	Yes
101	222-223	ACT Vocational Education and Training System	7/6/2018	Full	n/a	Yes
102	224-225	National Partnership on the Skilling Australians Fund	7/6/2018	Full	n/a	Yes
103	226-228	Australian Apprenticeships	7/6/2018	Full	n/a	Yes
104	229-230	Skilled Capital	7/6/2018	Full	n/a	Yes
105	231-232	Election Commitment: Support for Women in Trades	18/6/2018	Partial	Sch 2 s2.2(a)(xvi)	Yes
106	233-234	Election Commitment: Support for Mature Workers	7/6/2018	Full	n/a	Yes
107	234-236	ACT Government support for CIT	7/6/2018	Full	n/a	Yes
108	237-238	Apprentice safety	7/6/2018	Full	n/a	Yes
109	239-240	Vice-Chancellor's Forum	7/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes

110	241-242	Study Canberra	7/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
111	243-245	Data61	7/6/2018	Partial	Sch 2 s2.2(a)(xvi)	Yes
112	246-248	Indigenous Outcomes	8/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
113	249-251	Accountability Indicators Output 3.6	7/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
114	252-254	Priority Investment Program	7/6/2018	Partial	Sch 2 s2.2(a)(xvi)	Yes
115	255-256	Skilled Migration	7/6/2018	Full	n/a	Yes
116	257-258	CIT Governance Review	12/6/2018	Full	n/a	Yes
117	259-260	Campus Modernisation Update	7/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
118	261-262	Future of Woden Campus Site	7/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
119	263-264	CIT Governance Board - Operation	1/6/2018	Full	n/a	Yes
120	265-266	Statement of Intent – Accountability Indicators	1/6/2018	Full	n/a	Yes
121	267	Strategic Compass Projects	1/6/2018	Full	n/a	Yes
122	268-271	Critical Skill Development/ New Training Courses	29/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
123	272-273	Australian Apprenticeships (CIT)	29/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
124	274-277	Survey Results – Learner Engagement, Employer Satisfaction and Student Outcomes	1/6/2018	Full	n/a	Yes
125	278-279	Course Enrolments	1/6/2018	Full	n/a	Yes
126	280-282	Student Numbers – Aboriginal and Torres Strait Islander students	1/6/2018	Full	n/a	Yes
127	283-285	VET Reforms	1/6/2018	Full	n/a	Yes
128	286-287	TEQSA (Tertiary Education Quality and Standards Agency) Requirements for Sexual Harassment and Safety	1/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
129	288-290	Heart Health Program	1/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes

Economic Development – Output Class 3.1, Output Class 3.2 and Output Class 3.4						
130	291-292	Index	undated	Full	n/a	Yes
131	293-295	Policy Directions	21/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
132	296-298	Priority Investment Program	7/6/2018	Partial	Sch 2 s2.2(a)(xvi)	Yes
133	299-302	Key Sectors	16/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
134	303-304	Project Facilitation Unit	16/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
135	305-306	UNSW City Campus	5/6/2018	Partial	Sch 2 s2.2(a)(ii)(xvi)	Yes
136	307-309	Future Use of Canberra Technology Park	5/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
137	310-311	Aquis Entertainment Unsolicited bid	16/6/2018	Partial	Sch 2 s2.2(a)(ii)(viii)	Yes
138	312-314	CBRfree	21/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
139	315-317	Strategic Indicators	16/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
140	318-326	Accountability Indicators	29/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
141	327	Vice Chancellors' Forum	15/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
142	328-330	Study Canberra	16/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
143	331	Screen Canberra	16/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
144	332	Screen Production Fund	15/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
145	333-335	Automated Vehicle Trial	16/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
146	336-338	International Engagement	21/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
147	339-341	Exports and Investment	21/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
148	342-343	Indigenous Business Development	21/5/2018	Full	n/a	Yes

149	344-347	Data61	7/6/2018	Partial	Sch 2 s2.2(a)(xvi)	Yes
150	348-349	Canberra Business Chamber funded programs	21/5/2018	Partial	Sch 2 s2.2(a)(ii)(xvi)	Yes
151	350-352	Innovation Co-investment Grants	21/5/2018	Full	n/a	Yes
152	353-356	Aviation	7/6/2018	Partial	Sch 2 s2.2(a)(xvi)	Yes
153	357-360	Major Event Fund	7/6/2018	Full	n/a	Yes
154	361-365	Value of Tourism	7/6/2018	Full	n/a	Yes
155	366-370	Destination Marketing	15/6/2018	Full	n/a	Yes
156	371-373	Brand Canberra	7/6/2018	Full	n/a	Yes
157	374-375	VisitCanberra – Budget, Staffing and Accountability Indicators	7/6/2018	Full	n/a	Yes
158	376-377	Standing Committee on Economic Development and Tourism Report No. 3 – Inquiry into a New Convention Centre for Canberra	16/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
159	378-379	Floriade 2017 and 2018	7/6/2018	Full	n/a	Yes
160	380-381	Enlighten 2018	7/6/2018	Full	n/a	Yes
161	382-383	Canberra Innovation Festival	7/6/2018	Full	n/a	Yes
162	384-385	Rugby League World Cup 2017	7/6/2018	Full	n/a	Yes
163	386-389	ACT Event Fund (for info)	7/6/2018	Full	n/a	Yes
164	390-391	ACT Events Policy (ACT Events Framework and Community Events Strategy) (for info)	7/6/2018	Full	n/a	Yes
165	392-397	Community Events Summary (for info)	7/6/2018	Full	n/a	Yes
166	398-400	Reconciliation Day Event 2018 (for info)	7/6/2018	Full	n/a	Yes
Chief Minister – Output Class 1 and ACT Executive						
167	401-402	Index	undated	Partial	Sch 2 s2.2(a)(x)(xii)(xvi)	Yes

168	403	Index	undated	Partial	Sch 2 s2.2(a)(x)(xii)(xvi)	Yes
169	404-406	Budget Initiative - Digital Records for Digital Government	19/6/2018	Full	n/a	Yes
170	407-410	Budget Initiative - ACT Reportable Conduct Scheme – Inclusion of Religious Entities	21/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
171	411-413	Budget Initiative - Office for LGBTIQ	25/5/2018	Full	n/a	Yes
172	414-416	Budget Initiative - More Jobs for our Growing City – Policy Innovation	25/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
173	417-418	Budget Initiative - Chief Minister's Charity	1/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
174	419-421	Royal Commission Royal Commission into Institutional Responses to Child Sexual Abuse – ACT Government Response	21/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
175	422-425	Greyhound Racing	1/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
176	426-448	ACT-NSW Memorandum of Understanding for Regional Collaboration	4/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
177	449-457	Regional Engagement with NSW Local Government (CBRJO And QPRC)	4/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
178	458-460	Jervis Bay Territory (JBT)	4/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
179	461-462	COAG and CAF	1/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
180	463-464	Commonwealth Land Matters	1/6/2018	Exempt	Sch 2 s2.2(a)(x)(xii)(xvi)	No
181	465-466	Council of Capital City Lord Mayors (CCCLM)	4/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
182	467-469	On-Demand Transport Industry Evaluation	21/6/2018	Full	n/a	Yes
183	470-471	Residential Tenancies Act 1997 – Commercial Guarantees	4/6/2018	Full	n/a	Yes
184	472-473	ACT Government Performance and Accountability Framework (and Review of Indicators)	4/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
185	474-475	Election Commitments and Parliamentary Agreement Reporting	4/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
186	476-477	Freedom of Information Act Open Access Scheme	4/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
187	478-479	Costings of Questions on Notice	4/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes

188	480	Territory Records Act	1/6/2018	Full	n/a	Yes
189	481-483	Commercial Drone Operations in the ACT	1/6/2018	Full	n/a	Yes
190	484-486	Combat Sports	4/6/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
191	487-488	Process in Separating ACT Health	31/5/2018	Full	n/a	Yes
192	489	Index	undated	Full	n/a	Yes
193	490-491	Budget Initiative - Inclusion Programs	25/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
194	492-493	Budget Initiative - ACT Integrity Commission	25/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
195	494-495	ACT Integrity Commission- Budget Initiative	25/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
196	496-497	ACTPS Learning Strategy and Core Learning Policy	25/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
197	498-499	ACTPS Graduate Program	25/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
198	500-501	Executive Learning and Development	25/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
199	502-503	Whole of Government Training Panel	25/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
200	504-505	Diversity Targets	25/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
201	506-507	Employment of Aboriginal and Torres Strait Islander People in the ACTPS	25/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
202	508-509	Employment of People with Disability in the ACTPS	25/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
203	510-512	Workforce Transformation Program	25/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
204	513-514	ACTPS Enterprise Bargaining Agreement	30/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
205	515-516	Veteran Employment in the ACTPS	25/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
206	517-518	Public Sector Standards Commissioner	30/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
207	519-520	Professional Standards Unit	18/1/2018	Full	n/a	Yes

208	521-523	Professional Standards Unit	30/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
209	524	Index	undated	Full	n/a	Yes
210	525-528	Whole of Government Strategic Engagement	1/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
211	529-530	Communications and Engagement Strategy and accountability	29/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
212	531-532	'Our Canberra' Print Newsletter and Email	29/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
213	533-534	Whole of Government Social Media Channels	29/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
214	535	Purchase of Creative Services and Advertising	29/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
215	536	Whole of Government Omnibus Research	18/1/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
216	537-538	Independent reviewer of Campaign Advertising	25/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
217	539	Community Councils	29/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
218	540-541	Community Support Fund	29/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
219	542-544	Honours and awards	29/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
220	545-546	Questions on Notice - Communications staff and costs	29/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
221	547	Whole of Government Media Monitoring Service	29/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
222	548-549	Whole of Government Emergency Communications	25/5/2018	Full	n/a	Yes
223	550-551	Protocol and Ceremonial Events	29/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
224	552-553	How well Canberrans are informed	18/1/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
225	554	Index	undated	Full	n/a	Yes
226	555-556	Budget Initiative - Data Analytics for Smarter Policy	31/5/2018	Full	n/a	Yes
227	557-558	Role of the Office of the Chief Digital Officer	31/5/2018	Full	n/a	Yes

228	559-560	iConnect Program	25/5/2018	Full	n/a	Yes
229	561	Index	undated	Full	n/a	Yes
230	562-563	CMTEDD staff numbers and diversity	30/5/2018	Full	n/a	Yes
231	564	Strategic Objective and Accountability Indicator changes	25/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
232	565	Index	undated	Full	n/a	Yes
233	566	ACT Executive Functions and Hospitality	23/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
234	567-568	ACT Executive Travel	25/5/2018	Partial	Sch 2 s2.2(a)(ii)	Yes
235	569	ACT Executive Impact of Remuneration Tribunal	18/1/2018	Full	n/a	Yes
Treasury –Output Class 5 and the Long Service Leave Authority						
236	570	Index	undated	Full	n/a	Yes
237	571	ACTPS Return to Work Interventions	31/5/2018	Full	n/a	Yes
238	572	ACTPS Comcare workers' compensation premium	31/5/2018	Full	n/a	Yes
239	573-574	Public Sector Self-Insurance Workers' Compensation	31/5/2018	Full	n/a	Yes
240	575	ACTPS work injury experience	31/5/2018	Full	n/a	Yes
241	576	Inquiry into the extent, nature and consequence of insecure work in the act	31/5/2018	Full	n/a	Yes
242	577	ACT representation on Safe Work Australia	31/5/2018	Full	n/a	Yes
243	578	Construction industry injury management performance	31/5/2018	Full	n/a	Yes
244	579	ACT Work Safety Council	31/5/2018	Full	n/a	Yes
245	580-581	Apprentice and Young Workers Safety	31/5/2018	Full	n/a	Yes
246	582	Local Jobs Code	31/5/2018	Full	n/a	Yes

247	583	ACT Workers' compensation scheme	31/5/2018	Full	n/a	Yes
248	584-585	Independent review of compliance and enforcement	31/5/2018	Full	n/a	Yes
249	586-587	Portable Long Service Leave – performance of schemes and industry levies	31/5/2018	Full	n/a	Yes
Additional brief requested by Minister's Office						
250	588	Fee free training opportunities	undated	Full	n/a	Yes
Total No of Docs						
250						

Budget Day Briefs Index 2018-19

Key

O = Overview
H = Hot Issue
R = Revenue
P = Public Finances
C = Capital Works
S = Spending

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	O2	Key pages in Budget Papers
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	O5	Economic Overview
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	O7	Top 5 new initiatives by region
	O8	Borrowings
	O9	Return to budget balance in 2018-19
	O10	Large-scale Generation Certificates
	O11	ACTPS Staffing
HIB - Capital	H1	Light Rail Stage 2
HIB - Expenditure	H2	Child Protection and Out of Home Care Investment
	H3	Public Transport Initiatives
HIB - Other	H4	Asbestos Eradication Scheme
	H5	Commonwealth Grants – GST Funding
	H6	Commonwealth Grants – Impact on the ACT Budget
	H7	Cost of Living Statement
	H8	Health and Public Hospital Investment
	H9	Indicative Land Release Program and associated financial impacts
	H10	Lease Variation Charge Revenue
	H11	National Disability Insurance Scheme and DisabilityCare Australia Fund
	H12	Safer Families
	H13	Superannuation
	H14	Whole of Government Staffing Levels
	H15	Enterprise Bargaining Agreement
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	R2	Residential conveyance duty
	R3	Commercial conveyance duty
	R4	Assistance to first home owners
	R5	Commonwealth Grants – Changes in funding relating to National Health Reform Agreement
	R6	General Rates
	R7	Icon Water Ltd - Financial Distributions
	R8	Revenue Initiatives
	R9	Fees and Charges

Financial Statements	P1	GGS Balance Sheet
	P2	GGS Cash Flow
	P3	HNOB – Superannuation Return
	P4	Key Budget Indicator Definitions
	P5	Expenses
Capital Works	C1	Land Release Capital Works
	C2	Infrastructure Investment Program
	C3	Capital Works – Underspending projects in 2017-18
	C4	Public Housing
Specific Expenditure Issues	S1	Climate Change and Sustainability
	S2	Community Sector Funding
	S3	Supporting Aboriginal and Torres Strait Islander Canberrans
	S4	Walking and Cycling
	S5	Expenditure Reviews

KEY STATISTICS OVERVIEW

ISSUE: 2018-19 Budget Key Statistics Overview

	Actual 2016-17	Estimate 2017-18	Forecasts 2018-19
ACT			
Gross State Product[1]	4.6	4½ (+½)	3½ (+¼)
State Final Demand[1,2]	3.5 (+0.1)	4 (+¾)	3 (+¼)
Employment[3]	1.4	3 (-1½)	2
Wage Price Index[3,4]	1.9	2	2½ (+¼)
Consumer Price Index[3]	2.1	2¼	2¼
Population[3]	1.7	1¾	1¾ (+¼)
Australia			
Gross Domestic Product[1,2,5]	2.1	2¾	3

Sources: ABS Cat. No. 5220.0, 5206.0, 6202.0, 6345.0, 6401.0 and 3101.0; Chief Minister, Treasury and Economic Development Directorate; *Commonwealth 2017-18 MYEFO*; *2018-19 Commonwealth Budget*.

Notes: Forecasts and projections are rounded to a ¼ of a percentage point, reflecting an appropriate level of accuracy in forecasting economic parameters. Projections are based on long-run trend assumptions. Numbers in brackets for ACT parameters represent the change from the *2017-18 Budget Review*.

1. Real values.
2. Year average basis.
3. Through the year basis.
4. Total hourly rates of pay excluding bonuses.
5. These are the *2018-19 Commonwealth Budget* forecasts. Comparisons are to the Commonwealth's *2017-18 Mid-Year Economic and Fiscal Outlook*.

Public Finances

	2017-18 $m	2018-19 $m	2019-20 $m	2020-21 $m	2021-22 $m
Headline Net Operating Balance	**31.9**	**36.5**	**44.0**	**25.9**	**52.5**
Variance from Budget Review	73.4	25.3	3.5	-53.5	n/a
Variance from 2017-18 Budget	41.9	1.3	12.5	16.1	n/a
Net Cash (Operating)	**476.2**	**435.7**	**425.1**	**593.0**	**645.7**
Variance from Budget Review	2.1	-33.0	-72.3	89.0	n/a
Net Debt (excluding super)	**1,357.0**	**2,108.3**	**2,627.7**	**2,894.7**	**2,834.9**
Variance from Budget Review	-273.5	-192.6	205.2	400.5	n/a
Net Debt to GSP	3.3%	4.9%	5.7%	6.0%	5.5%
Net Financial Liabilities	**5,713.4**	**6,609.2**	**7,120.4**	**7,394.2**	**7,466.9**
Variance from Budget Review	947.0	1,065.8	1,455.3	1,698.2	n/a
Net Financial Liabilities to GSP	14.0%	15.3%	15.5%	15.2%	14.5%
Net Worth	**17,262.1**	**17,634.3**	**17,848.2**	**18,072.4**	**18,351.9**
Variance from Budget Review	-1,343.6	-1,108.4	-1,076.2	-1,081.7	n/a
Net Worth to GSP	42.3%	40.8%	39.0%	37.2%	35.6%

Mark Whybrow, Executive Director
Finance and Budget Division
Extension No: 77879

FTE Impact

	2016-17 Actual	2017-18 Budget	2017-18 Est. Outcome	2018-19 Budget	Change from Est. Outcome to 2018-19 Budget	Change from 2017-18 Budget to 2018-19 Budget
Agencies	19,993	20,365	20,582	20,871	289 (+1.4%)	506 (+2.5%)
PTEs	518	540	525	548	23 (+4.4%)	8 (+1.5%)
Totals	**20,511**	**20,905**	**21,107**	**21,419**	**312 (+1.5%)**	**514 (+2.5%)**

Summary of Commonwealth Government Funding to the ACT

	2017-18 Est. Out. $m	Variance from Est. Outcome $m	2018-19 Budget $m
General Revenue Assistance	1,332.0	36	1,368.5
Health Services	404.2	-6	398.4
Education and Early Childhood	329.1	17	345.8
Skills and Workforce Development	30.3	0	30.3
Community Services	49.8	-18	31.5
Housing	24.6	1	25.8
Infrastructure	13.2	39	52.3
Environment	39.9	-22	17.5
Other	64.0	-23	41.3
Total	**2,287.1**	**24.2**	**2,311.4**

Source: ACT Government expected payments derived from 2018-19 Commonwealth Budget and CMTEDD calculations; same as Table 6.2.9 in 2018-19 ACT Budget Paper 3.

KEY PAGES IN BUDGET PAPERS

ISSUE: Key tables and information

Key Points:

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Mark Whybrow, Executive Director
Finance and Budget Division

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BUDGET OVERVIEW

ISSUE: What are the key movements in the Headline Net Operating Balance?

Key Points:

2018-19

The headline net operating balance in 2018-19 is forecast to be $36.5 million, an increa e in comparison to the 2017-18 Budget Review forecast for 2018-19 of $11.1 million. The budget is also forecast to return to balance in each year of the forward estimates. The movements since the 2017-18 Budget are set out in Table 1:

Table 1: GGS – Headline Net Operating Balance

	2017-18 $m	2018-19 $m	2019-20 $m	2020-21 $m	2021-22 $m
2017-18 Budget	**-83.4**	**9.8**	**27.9**	**63.3**	**N/A**
Variance: 2017-18 Budget to 2017-18 Budget Review	*41.9*	*1.3*	*12.5*	*16.1*	-
2017-18 Budget Review	**-41.5**	**11.1**	**40.4**	**79.4**	**N/A**
Variance: 2017-18 Budget Review to 2018-19 Budget	*73.4*	*25.4*	*3.6*	*-53.5*	-
2018-19 Budget	**31.9**	**36.5**	**44.0**	**25.9**	**52.5**

Additional details regarding the following variances may be found in Budget Outlook (BP3 Chapter 2.2).

Revenue

The Government is forecasting revenue of $5.7 billion in 2018-19, an increase of $82.9 million since the 2017-18 Budget Review. This higher revenue forecast reflects:

- an increase in revenue associated with technical adjustments of $27.3 million, mainly due to revenue from forestry, increases to cross-border health receipts and fees for regulatory services;
- an increase of $23.1 million in 2018-19 in income from the Suburban Land Agency associated with changes to the Land Release Program;
- an increase of $15 million ($52.1 million over four years) in GST revenue as a result of an increase in the growth in overall receipts from the Commonwealth; and
- an increase of $13 million ($94.6 million over four years) for National Health Reform Commonwealth Grants.

Expenses

The Government is forecasting expenses of $5.8 billion in 2018-19, an increase of $53.9 million since the 2017-18 Budget Review. This increase largely reflects:

- the impact of Government policy decisions to meet the needs of our growing city ($85.8 million); and

- the re-profiling and rollovers of agency expenses, including those associated with capital works ($34.9 million).

These increases are partially offset by a decrease in expenses associated with the Large-scale Generation Certificates ($72.1 million).

The most significant policy decisions taken by the ACT Government include:

- additional investment in health services ($197.9 million over four years) such as expanding the Hospital in the Home program, and delivering new funding for elective surgeries. The majority of these expenses will be offset by the Health Funding Envelope (see Expense Initiatives – Chapter 3 – for further details);
- additional funding for student population growth and additional learning professionals to support educational needs ($31 million over the budget and forward years);
- further support for families and inclusion with new initiatives for the Commonwealth Redress Scheme for Institutional Child and Sexual Abuse, and better resourcing for the Alexander Maconochie Centre ($28.4 million);
- increased funding to support students with disability ($18.2 million);
- funding for the early planning for Light Rail – Stage 2 ($10.6 million); and
- more services for our suburbs ($10 million).

REVENUE OVERVIEW

ISSUE: Main drivers of revenue in the 2018-19 Budget

Key Points:

- Over 2017-18 to 2020-21, Total ACT General Government Sector revenue is $337.6 million more than expected at the 2017-18 Budget, driven in part by an extra $209.5 million in GST and $161.6 million more in Commonwealth Grants, partly offset by $188.4 million less Gains from Contributed Assets. See Table 4 for additional detail.
  - Gains from contributed assets relate to land development infrastructure assets transferred to the General Government Sector (GGS) from the City Renewal Authority, Suburban Land Agency and private developers. Contributed assets also include Renewable Energy Certificates that are credits received for the generation of renewable electricity under the Commonwealth Government's Large-scale Renewable Energy Target.
- GGS revenue in 2017-18 is estimated at $5.4 billion, $82.6 million higher than expected at the 2017-18 Budget. Contributing most to the increased revenue is higher GST (+ $67.8 million) and Commonwealth Grants (+$42.9 million). Own-Source Taxation fell (-$30.4 million) due to lower than expected revenue from the property sector (-$55.8 million less from conveyance duty and the Lease Variation Charge), partially offset by an increase in payroll tax revenue (+$24.2 million).
- In 2018-19, GGS revenue is forecast to be $5.7 billion, an increase of $247.2 million or 4.6 per cent from the 2017-18 estimated outcome of $5.4 billion.
  - The increase primarily reflects a $176.6 million increase in Own-Source Taxation revenue (largely from payroll tax as a result of higher employment and general rates due to a higher property base), a $54.9 million dollar increase in revenue from Gains from Contributed Assets and a $35.9 million increase in revenue from the GST.
  - Other revenue was lower (-$18.2 million) as was Dividend and Tax Equivalents Income (-$13.3 million) and Commonwealth Grants (-$11.9 million).
    - The fall in Other revenue was primarily due to the timing of revenues received from the Renewable Energy Innovation Fund and the Battery Storage program.
- The majority of GGS revenue in 2018-19 is from Own Source Taxation (33.5 per cent) and the GST (23.4 per cent).

Table 1: General Government Sector Revenue - Summary

	2017-18	2018-19	2019-20	2020-21	2021-22
$ million	Est outcome	Budget	Estimate	Estimate	Estimate
2017-18 Budget	5,341.4	5,538.7	5,800.4	6,040.3	n.a.
2017-18 Budget Review	5,423.5	5,588.4	5,863.5	6,196.0	
2018-19 Budget	5,424.1	5,671.3	5,854.7	6,108.3	6,335.1

Sue Vroombout, Executive Director **Extension No: 53216**
Economic and Financial Group

Table 2: General Government Sector Revenue – Variance from Earlier Budgets to the 2018-19 Budget

$ million	2017-18	2018-19	2019-20	2020-21	2021-22
2017-18 Budget Review	0.6	82.9	-8.8	-87.7	
2017-18 Budget	82.7	132.6	54.3	68.0	

Table 3: General Government Sector Revenue

2017-18		2017-18	2018-19		2019-20	2020-21	2021-22
Budget		Est. Outcome	Budget	Var	Estimate	Estimate	Estimate
$'000		$'000	$'000	%	$'000	$'000	$'000
1,752,032	Own-Source Taxation	1,721,625	1,898,190	10	2,027,968	2,141,654	2,261,017
1,224,615	Goods and Services Tax	1,292,414	1,328,348	3	1,373,103	1,450,763	1,525,111
951,870	Commonwealth Grants[1]	994,799	982,921	-1	976,152	1,024,965	1,077,016
157,868	Gains from Contributed Assets	165,659	220,515	33	219,125	166,973	201,991
520,623	Sales of Goods and Services	518,432	542,093	5	556,286	567,675	578,279
125,124	Interest Income	124,363	118,534	-5	120,907	121,082	123,401
36,851	Distributions from Financial Investments	33,206	38,633	16	47,412	50,839	54,517
407,963	Dividend and Income Tax Equivalents	410,776	397,462	-3	390,777	436,411	367,865
164,493	Other	162,814	144,609	-11	142,973	147,963	145,905
5,341,439	**Total**	**5,424,088**	**5,671,305**	**5**	**5,854,703**	**6,108,325**	**6,335,102**

Note:

1. This amount includes the gross-up of the Goods and Services Tax (GST) on Non-Government Schools' funding.

Table 4: General Government Sector Revenue – Variance from 2017-18 Budget

	2017-18	2018-19	2019-20	2020-21	Total
	$'000	$'000	$'000	$'000	$'000
Own-Source Taxation	-30,407	10,886	37,621	41,690	**59,790**
Goods and Services Tax	67,799	41,765	47,834	52,129	**209,527**
Commonwealth Grants	42,929	39,482	21,221	57,940	**161,572**
Gains from Contributed Assets	7,791	-15,472	-44,485	-136,250	**-188,416**
Sales of Goods and Services	-2,191	7,085	8,677	7,546	**21,117**
Interest Income	-761	6,481	1,639	5,676	**13,035**
Distributions from Financial Investments	-3,645	-6,632	-677	-729	**-11,683**
Dividend and Income Tax Equivalents	2,813	54,219	-12,800	44,638	**88,870**
Other	-1,679	-5,214	-4,689	-4,652	**-16,234**
Total	**82,649**	**132,600**	**54,341**	**67,988**	**337,578**

ECONOMIC OVERVIEW

ISSUE: Economic outlook

Key Points:

- The outlook for the ACT economy is for sustained growth over the forward estimates period. Growth in Gross State Product (GSP) is forecast to be a solid 3½ per cent in 2018-19 as well as over the projection period of 2019-20 to 2021-22.
    - This expected growth comes in addition to a recent period of high growth, with 4.6 per cent growth in GSP in 2016-17 and an estimate of 4½ per cent growth in 2017-18.
- These growth rates represent an upward revision since the 2017-18 Budget Review of ½ of a percentage point in 2017-18, ¼ of a percentage point in 2018-19 and 1 percentage point in both 2019-20 and 2020-21.
    - These revisions largely represent a strengthening of the underlying drivers of growth over this period.
    - The forecast and projections have also been influenced by the methodological revisions undertaken by the Australian Bureau of Statistics (ABS) to State Accounts in late 2017. These changes have had the effect of raising long term historical average rates of growth in Gross State Product.

Drivers of growth

- A significant driver of the overall growth outlook is **national government expenditure**.
    - The 2018-19 Commonwealth Budget shows an increase in spending in 2018-19 and 2019-20 on both *wages and salaries* and, in particular, *goods and services*, which includes spending on consultants, in comparison to the *2017-18 Mid Year Economic and Fiscal Outlook*.
        - The ACT economy is likely to benefit from this expenditure to a strong degree, in particular in the areas of Defence, IT, cyber security, security, and general consulting services.
- The *Professional, Scientific and Technical Services* sector, which expanded by a third in 2016-17 is expected to continue to grow over the forward estimates, including as a result of Commonwealth Government spending.
- A further strong driver of the growth outlook is **household consumption**.
    - Household consumption is expected to continue to grow strongly as a result of solid population growth and associated household formation.
    - A further contributing factor is an expected strengthening of real wages, above their current very low levels, toward the end of the forward estimates period.
    - High consumer confidence as a result of ongoing jobs growth and low interest rates is also likely to support household consumption.

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- Private **dwelling construction** activity is expected to continue to grow at a moderate pace, despite the very high levels of growth experienced recently. The main driver of this is population growth, including from international students.
    - Commercial construction activity is also expected to continue to support growth.
- **Services exports**, in particular for international students, are forecast to continue to grow strongly over the forward estimates. Inbound tourism exports are also expected to grow, despite flat outcomes over recent years.
- **ACT Government** consumption and investment spending are both expected to contribute to growth over the forward estimates.

Employment

- Employment growth is expected to be a strong 3 per cent in 2017-18, before moderating to 2 per cent in 2018-19 and stabilising at the long term trend rate of 1½ per cent thereafter.
    - The employment of contractors and consultants by the Commonwealth Government is a significant driver of jobs growth in 2017-18 and 2018-19 in particular. This includes in relation to defence, IT, and cyber security.
    - The employment growth outlook is also supported by a significant number of job vacancies, in particular in the private sector.

Wages

- Wages growth is estimated to be moderate in 2017-18, with a Wage Price Index (WPI) of 2 per cent.
- Wages growth is then forecast to pick up slightly in 2018-19 and 2019-20, before increasing further toward the end of the forward estimates.
    - A significant driver of the weak short term wages outlook is the Commonwealth Government's decision to cap wages increases in new Enterprise Agreements to 2 per cent per annum.
    - In the medium term a tight labour market including strong private sector labour demand is expected to place upward pressure on wages growth.
- It should be noted that the ACT's Average Weekly Ordinary Time Earnings (AWOTE) increased by 3.2 per cent through the year to November 2017, well above the 1.9 per cent WPI growth recorded through the year to December 2017. The 3.2 per cent increase in the ACT's AWOTE was also well above the national rate of growth of 2.4 per cent through the year to November 2017.
- The 'wages box' in the 2018-19 Budget also shows that low wages growth has been a phenomenon not only in Australia, but across a number of advanced economies.

Inflation

- The Consumer Price Index is forecast to gradually return to the middle of the RBA's target band (2 to 3 per cent) over the course of the forward estimates on the back of a pick-up in the tradeables sector, in-line with a strengthening of global economic conditions.

- It should be noted that inflation in the ACT is largely determined by factors external to the ACT economy, such as national price pressures (from non-tradeables) and the cost of internationally traded goods and services.

Population

- Population growth is expected to remain elevated at 1¾ per cent through to 2019-20 and then return to its long term trend rate of growth of 1½ per cent thereafter. Natural increase (births less deaths) is likely to continue to remain stable and contribute around half of the overall growth, while Net Overseas Migration, which is also expected to contribute around half of the population growth is heavily influenced by the Commonwealth Government's migration program.
- Net Interstate Migration is forecast to be positive, though small, over the forward estimates and is subject to variability arising from the relative economic performance of States and Territories.

Risks

- Australia's high levels of household debt represents a risk to the national, and with it, the ACT economy. These debt levels, which are the second highest in the developed world, represent a vulnerability both in terms of the impact of any significant fall in dwelling prices as well as by making the economy more vulnerable to negative economic shocks of all types.
    - Somewhat offsetting this risk is the current high levels of national population growth and a solid national economic outlook. The ACT's high incomes and more secure jobs may also help to insulate the ACT in the event that this risk is realised.
- Any step up in the Commonwealth Government's decentralisation agenda represents a threat to the ACT economy.
- Upside risks exist in relation to the possibility of a new UNSW 10,000 student campus in the ACT.

2018-19 Budget Economic forecasts

	Actual	Estimate	Forecast	Projections		
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Gross State Product	4.6	4½ (+½)	3½ (+¼)	3½ (+1)	3½ (+1)	3½
State Final Demand	3.5 (+0.1)	4 (+¾)	3 (+¼)	3¼ (-¾)	3¾ (-¼)	3¾
Employment	1.7	3 (-1½)	2	1½	1½	1½
Wage Price Index	1.9	2	2½ (+¼)	2¾ (-¼)	3¼ (+¼)	3¼
Consumer Price Index	2.1	2¼	2¼	2½	2½	2½
Population	1.7	1¾	1¾ (+¼)	1¾ (+¼)	1½	1½

Number in brackets represents change since the *2017-18 Budget Review*.

2018-19 BUDGET BRIEF

TOP 10 CAPITAL INITIATIVES, TOP 10 EXPENSE INITIATIVES AND TOP 5 REVENUE INITIATIVES

O6

ISSUE: What are the largest value capital, expense and revenue initiatives?

Table 1: Top capital initiatives exceeding $10 million

Initiative	BP3 Page number	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	Total $'000
More schools, better schools – Delivering Molonglo P-6	150	5,000	25,000	17,000	0	47,000
Keeping our growing city moving – Monaro Highway upgrade	168	2,000	3,000	15,000	20,000	40,000
Better healthcare for a growing community – ACT Health critical assets upgrades	156	12,100	12,780	0	0	24,880
Keeping our growing city moving – Better infrastructure for active travel	166	7,200	11,950	2,000	500	21,650
More schools, better schools – More places at Gungahlin schools	151	6,250	5,580	5,600	2,400	19,830
More schools, better schools – Campbell Primary School Modernisation	150	2,500	5,000	6,119	5,200	18,819
More schools, better schools – Roof Replacement Program	151	898	5,375	5,464	6,223	17,960
Better healthcare for a growing community – ACT Health ICT upgrades	157	10,582	2,891	0	0	13,473
More jobs for our growing city – City Renewal Precinct activation projects	147	0	0	3,500	8,500	12,000
Better healthcare for a growing community – More mental health accommodation	116	123	3,973	5,560	320	9,976

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Table 2: Top expense initiatives exceeding $10 million

Initiative	BP3 Page number	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	Total $'000
Better healthcare for a growing community – More surgeries	117	15,818	16,052	16,296	16,550	64,716
Better healthcare for a growing community – More resources for acute hospital care	117	11,521	11,700	11,887	12,079	47,187
Better healthcare for a growing community – Expanding Hospital in the Home	115	4,925	9,850	9,850	9,850	34,475
More schools, better schools – More resources for student growth	103	7,430	7,652	7,882	8,119	31,083
Better Government – Digitising Government records	84	1,517	8,126	8,567	7,947	26,157
More schools, better schools – Needs-based funding for students with disability	104	5,549	5,716	5,887	6,064	23,216
Better Government – Boosting Access Canberra	84	4,000	5,315	4,833	4,954	19,102
Better healthcare for a growing community – ACT Pathology Laboratory information system replacement	157	2,554	2,789	6,230	4,331	15,904
More support for families and inclusion – Implementing the Commonwealth Redress Scheme for Institutional Child and Sexual Abuse	127	2,587	3,450	4,009	4,117	14,163
Better healthcare for a growing community – More mental health accommodation	116	3,460	3,103	3,617	3,783	13,963

Table 3: Top 5 revenue initiatives by value

Initiative	BP3 Page number	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	Total $'000
Keeping our growing city moving – Keeping Canberrans safe on our roads	86	4,808	4,004	3,515	3,368	15,695
Fairer revenue – General rates early payment discount	175	1,400	1,500	1,700	1,800	6,400
Fairer revenue – Landholder duty compliance	176	0	5,000	0	0	5,000
More jobs for our growing city – Easier registration for local cafes	145	0	0	2,050	0	2,050
More support for families and inclusion – Improving ACT Coronial Services	127	203	411	418	424	1,456

TOP NEW INITIATIVES BY REGION

ISSUE: What are the largest value Capital and Expense initiatives by region?

Top expense and capital initiatives are listed below by region. Refer to Budget Paper 3, Chapter 3 for more details of these initiatives.

TOP EXPENSE INITIATIVES

Table 1: Top expense initiatives by value with an impact across all regions

Initiative	BP3 Page number	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	Total $'000
Better healthcare for a growing community – More surgeries	117	15,818	16,052	16,296	16,550	64,716
Better healthcare for a growing community – More resources for acute hospital care	117	11,521	11,700	11,887	12,079	47,187
Better healthcare for a growing community – Expanding Hospital in the Home	115	4,925	9,850	9,850	9,850	34,475
More schools, better schools – More resources for student growth	103	7,430	7,652	7,882	8,119	31,083

Table 2: Top expense initiatives by value with an impact in the Belconnen region

Initiative	BP3 Page number	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	Total $'000
Better healthcare for a growing community – Continuing Northside health care planning	114	1,000	0	0	0	1,000
More jobs for our growing city – Supporting expansion at the Belconnen Arts Centre	91	300	400	0	0	700
More jobs for our growing city – Renewing Higgins Neighbourhood Oval	170	0	100	102	104	306
Keeping our growing city moving – Safer intersections	168	0	0	80	202	282
More support for families and inclusion – Upgrading ACT Policing facilities	161	0	0	15	33	48

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Table 3: Top expense initiatives by value with an impact in the Gungahlin region

Initiative	BP3 Page number	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	Total $'000
More schools, better schools – More places at Gungahlin schools	151	603	1,000	1,000	500	3,103
More services for our suburbs – Ecotourism Woodlands Learning Centre	110	200	1,238	72	74	1,584
Better healthcare for a growing community – Continuing Northside health care planning	114	1,000	0	0	0	1,000
Keeping our growing city moving – Light Rail Stage 1 - commencing operations	133	850	0	0	0	850
More services for our suburbs – Protecting Mulligans Flat Woodland Sanctuary from pests	111	255	189	154	0	598

Table 4: Top expense initiatives by value with an impact in the Canberra Central region

Initiative	BP3 Page number	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	Total $'000
Keeping our growing city moving – Light Rail Network 2 – City to Woden early planning	133	12,500	0	0	0	12,500
Better healthcare for a growing community – New facility for Winnunga Nimmityjah Aboriginal Health Service	118	1,165	2,435	7,700	0	11,300
More jobs for our growing city – City Renewal Precinct activation projects	147	850	1,200	1,500	1,500	5,050
More jobs for our growing city – Rugby League Centre of Excellence	90	0	1,250	1,250	2,500	5,000
More jobs for our growing city – Facilitating major projects	88	800	800	0	0	1,600

Table 5: Top expense initiatives by value with an impact in the Woden region (and Molonglo)

Initiative	BP3 Page number	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	Total $'000
Keeping our growing city moving – Light Rail Network 2 – City to Woden early planning	133	12,500	0	0	0	12,500
More schools, better schools – Delivering Molonglo P-6	150	0	0	2,083	2,409	4,492
More jobs for our growing city – Better infrastructure at the National Arboretum	144	0	500	0	0	500
More jobs for our growing city – Better town centres	169	0	35	58	148	241

Table 6: Top expense initiatives by value with an impact in the Tuggeranong region

Initiative	BP3 Page number	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	Total $'000
More services for our suburbs – Protecting native species	111	300	900	950	975	3,125
More services for our suburbs – Asbestos remediation for Birrigai	134	300	317	0	0	617
More jobs for our growing city – Conserving and improving Canberra's historic places	149	45	20	20	20	105
More jobs for our growing city – Protecting the Murrumbidgee River Corridor	153	75	0	0	0	75
More support for families and inclusion – Upgrading ACT Policing facilities	161	0	0	15	33	48

TOP CAPITAL INITIATIVES

Table 7: Top capital initiatives by value with an impact across all regions

Initiative	BP3 Page number	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	Total $'000
Keeping our growing city moving – Monaro Highway upgrade	168	2,000	3,000	15,000	20,000	40,000
Better healthcare for a growing community – ACT Health critical assets upgrades	156	12,100	12,780	0	0	24,880
Keeping our growing city moving – Better infrastructure for active travel	166	7,200	11,950	2,000	500	21,650
More schools, better schools – Roof Replacement Program	151	898	5,375	5,464	6,223	17,960
Better healthcare for a growing community – ACT Health ICT upgrades	157	10,582	2,891	0	0	13,473

Table 8: Top capital initiatives by value with an impact in the Belconnen region

Initiative	BP3 Page number	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	Total $'000
Keeping our growing city moving – Safer intersections	168	3,248	4,872	0	0	8,120
More services for our suburbs – Parkwood estate rehabilitation	171	3,453	1,500	0	0	4,953
More jobs for our growing city – Better facilities for GIO Stadium	143	1,750	2,031	0	0	3,781
More services for our suburbs – Stormwater infrastructure improvements	171	3,000	0	0	0	3,000

Table 9: Top capital initiatives by value with an impact in the Gungahlin region

Initiative	BP3 Page number	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	Total $'000
More schools, better schools – More places at Gungahlin schools	151	6,250	5,580	5,600	2,400	19,830
More services for our suburbs – Nicholls Neighbourhood Oval upgrade	170	50	1,550	0	0	1,600
Keeping our growing city moving – William Slim Drive duplication	169	250	0	0	0	250

Table 10: Top capital initiatives by value with an impact in the Canberra Central region

Initiative	BP3 Page number	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	Total $'000
More schools, better schools – Campbell Primary School Modernisation	150	2,500	5,000	6,119	5,200	18,819
Keeping our growing city moving – Pavement upgrades	168	350	3,150	3,500	0	7,000
More jobs for our growing city – City Renewal Precinct activation projects	147	2,750	1,458	0	0	4,208

Table 11: Top capital initiatives by value with an impact in the Woden Valley region (and Molonglo)

Initiative	BP3 Page number	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	Total $'000
More schools, better schools – Delivering Molonglo P-6	150	5,000	25,000	17,000	0	47,000
More jobs for our growing city – Better town centres	169	750	3,500	500	0	4,750
More services for our suburbs – Establishing the Molonglo River Reserve	154	1,044	800	834	504	3,182

Table 12: Top capital initiatives by value with an impact in the Tuggeranong region

Initiative	BP3 Page number	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	Total $'000
Keeping our growing city moving – Monaro Highway	168	2,000	3,000	15,000	20,000	40,000
Keeping our growing city moving – Bridges Renewal Program	167	750	1,250	0	0	2,000
More jobs for our growing city – Conserving and improving Canberra's historic places	149	680	0	0	0	680
More jobs for our growing city – Commemorating the 50th anniversary of the first moon landing	153	391	0	0	0	391
More jobs for our growing city – Better facilities for the Tuggeranong Rowing Club	143	200	0	0	0	200

BORROWINGS

ISSUE: What is the estimated outlook for Territory borrowings

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Key Points:

- Total Territory borrowings, as reflected in the Consolidated Total Territory balance sheet, comprise:
  - Australian capital market debt (bonds issued by the Territory);
  - Advances received (Loans provided by the Commonwealth); and
  - Finance leases (mainly the ACT's public private partnership liabilities).

2018-19 Budget Borrowings

General Government Sector

- General Government Sector (GGS) borrowing requirements are determined by the net annual cash flow activities of the Territory Banking Account (TBA).
- The 2018-19 Budget and forward estimates borrowing profile is established from a significantly higher than estimated closing cash position at the end of 2017-18 (Table 1).

Table 1: TBA Cash/Investment Position at 30 June

	2017-18 $m	2018-19 $m	2019-20 $m	2020-21 $m	2021-22 $m
2017-18 Budget	258	247	266	245	na
2017-18 Budget Review	383	348	364	382	378
2018-19 Budget	567	267	293	273	231

- The reprofiling of estimated borrowings based on the updated cash position means no new general government borrowings are expected to be required until 2019-20 (Table 2).

Table 2: New 'Gross' Annual GGS Market Borrowings

	2017-18 $m	2018-19 $m	2019-20 $m	2020-21 $m	2021-22 $m
2017-18 Budget	200	450	600	100	na
2017-18 Budget Review	100	350	600	250	800
2018-19 Budget	70	0	1,000	400	600

- Total estimated GGS borrowings outstanding, when comparing the 2017-18 Budget Review estimates to the 2018-19 Budget estimates, are largely unchanged at end 2021-22 (Table 3).

Table 3: Total Outstanding GGS Borrowings

	2017-18 $m	2018-19 $m	2019-20 $m	2020-21 $m	2021-22 $m
2017-18 Budget	3,021	3,798	3,979	3,962	na
2017-18 Budget Review	2,918	3,595	3,775	3,908	4,041
2018-19 Budget	2,779	3,215	3,796	4,083	4,021

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Total Territory

- Total Territory borrowings, which comprise GGS and Public-Trading Enterprise Sector (PTE) borrowings, are largely unchanged by end 2021-22 by comparison to the 2017-18 Budget Review estimates (Table 4).

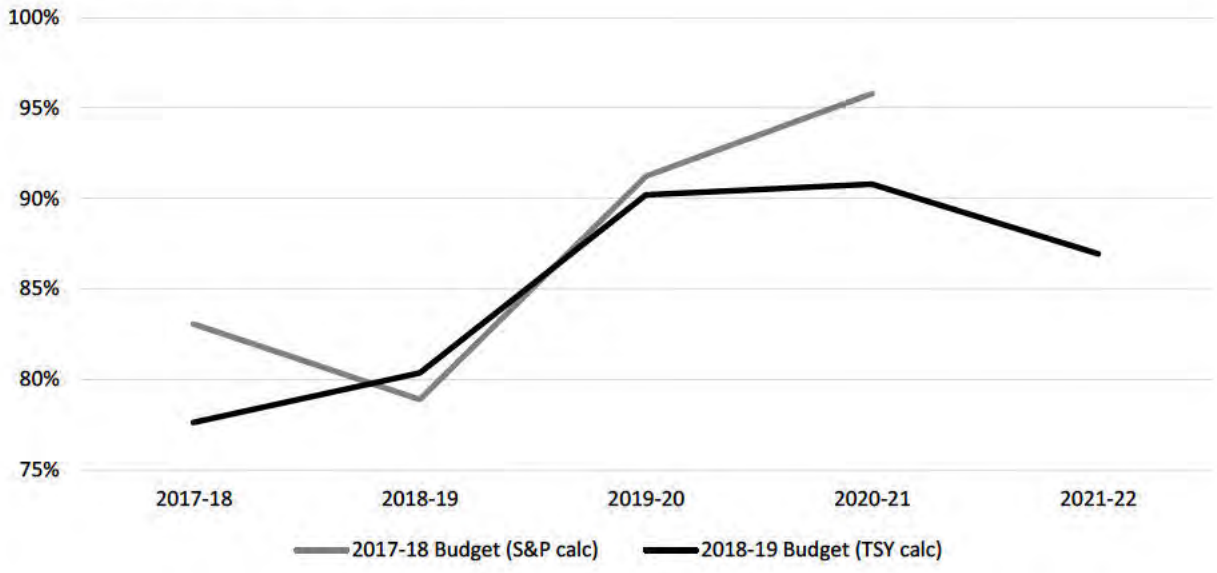
Table 3: Total Outstanding Territory Borrowings

	2017-18 $m	2018-19 $m	2019-20 $m	2020-21 $m	2021-22 $m
2017-18 Budget	4,758	5,587	5,817	5,849	na
2017-18 Budget Review	4,657	5,386	5,615	5,797	5,979
2018-19 Budget	4,505	5,015	5,654	6,003	5,970

Credit Rating

- It is our assessment that the estimates reflected in this Budget, and the resulting strong financial position are consistent with maintaining a AAA credit rating.
- One of the key financial ratios Standard & Poor's monitors is the total Territory gross debt to revenue ratio.
  - Our assessment of this ratio for the 2018-19 Budget is that it peaks at 91 per cent in 2020-21 from an estimated 78 per cent at the end of 2017-18 and declines to 87 per cent by the end of 2021-22.
  - This compares with Standard & Poor's 2017 assessment of the 2017-18 Budget that estimated the debt to revenue ratio would reach around 96 per cent in 2019-20.

Figure 1: Debt to Revenue Ratio



Return to budget balance in 2018-19

ISSUE: Is the Government's fiscal strategy still on track?

Key Points:

- The headline net operating balance in 2018-19 is forecast to be $36.5 million, an increase in comparison to the 2017-18 Budget Review forecast of $11.1 million.
- The budget is also estimated to return to balance for each year of the forward estimates.
- Maintaining a balanced budget across the forward estimates will ensure the costs of investments in new and expanded services are met while keeping the ACT's borrowings and debt at sustainable levels.

Table 1: General Government Sector Headline Net Operating Balance – Comparison between the 2017-18 Budget Review and the 2018-19 Budget

	2017-18 Est. Outcome $m	2018-19 Budget $m	2019-20 Estimate $m	2020-21 Estimate $m
2017-18 Budget Review	-41.5	11.1	40.4	79.4
2018-19 Budget	31.9	36.5	44.0	25.9
Improvement	**73.4**	**25.4**	**3.6**	**-53.5**

Headline Net Operating Balance

- In 2018-19, the forecast headline net operating balance has improved since the 2017-18 Budget Review by $25.4 million to $36.5 million.
- In line with the Government's consistent trajectory since 2015, the forecast headline net operating balance will be in balance in 2018-19 and maintained across the forward estimates.

2017-18

- The Government is forecasting an improvement of $73.4 million in the Headline Net Operating Balance since the 2017-18 Budget Review. This improved forecast reflects:
  - an increase in Commonwealth Grants for National Health Reform and additional GST receipts ($62.1 million);
  - an increase in revenue associated with technical adjustments mainly due to higher revenue from regulatory fees and cross-border health receipts ($13 million);
  - a decrease in expenses due to revised funding profiles and rollovers ($37.5 million); and
  - a decrease in expenses relating to the deferral of surrendering Large-scale Generation Certificates until 2020-21 ($34.4 million).

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- These increases are partially offset by a decrease in dividends and income tax equivalents mainly due to the re-instatement of a deferred tax liability by the Suburban Land Agency, revised land settlement timings and the revaluation of estate costs and revenues ($53 million).

2018-19

- The Government is forecasting an improvement of $25.4 million in the Headline Net Operating Balance since the 2017-18 Budget Review. This improved forecast reflects:
  - an increase in revenue associated with technical adjustments mainly due to increases in cross-border health receipts and fees for regulatory services ($27.3 million);
  - an increase in income from the Suburban Land Agency and City Renewal Authority relating to the Indicative Land Release Program as well as revisions to release settlement timings and revaluations of estate costs and revenues ($24.3 million);
  - an increase in GST revenue as a result of growth in overall receipts to the Commonwealth ($15.1 million);
  - an increase in National Health Reform Commonwealth Grants ($13.1 million); and
  - a decrease in expenses relating to the deferral of surrendering Large-scale Generation Certificates until 2020-21 ($72.1 million).
- These increases are partially offset by:
  - the impact of Government policy decisions ($100.3 million); and
  - the re-profiling and rollovers of agency expenses ($34.9 million).

2019-20

- The Government is forecasting a Headline Net Operating Balance of $44 million, in line with the forecast of $40.4 million in the 2017-18 Budget Review.

2020-21

- The Government is forecasting a decrease of $53.5 million in the Headline Net Operating Balance since the 2017-18 Budget Review. This reflects the agency impact ($23.0 million) of the enterprise bargaining agreement expenses over the previous year.

2018-19 BUDGET BRIEF

O10

TITLE OF BRIEF

ISSUE: Large Scale Generation Certificates (LGCs)

Key Points:

- Large-scale Generation Certificates (LGCs) are credits for the generation of renewable electricity under the Commonwealth Government's Large Scale Renewable Energy Target, with one LGC being equal to the creation of one megawatt hour of renewable electricity.
- As the ACT's percentage of renewable electricity supply increases towards 100 per cent in 2020, the number of LGCs held by Territory increases.
  - As at 30 June 2018, the Government will have accumulated approximately 900,000 LGCs.
- The Government receives LGCs from the generation of renewable energy by generators who receive a feed-in tariff. Certificates are issued in October the year following the right of creation of the certificates. Certificates can be surrendered at any time after they have been received.
- The Government began accounting for its LGC holdings in the 2017-18 Budget.
- The Government policy for the treatment of LGCs is for the Government to record the revenue upon the creation of the right to the certificate, at market value, in the financial year in which the right to the certificate is created; and to record an expense when the certificate itself is surrendered without compensation (ie returned to the Clean Energy Regulator, which is a Commonwealth body).
- The Government's default policy position is to voluntarily surrender its LGCs.
- There has been no voluntary surrender of the Territory's LGCs to date as the Australian Government has been unable to confirm its previous commitment that voluntary surrenders would be additional to national emission reduction targets. It is anticipated that this issue may be clarified through the negotiation of the National Energy Guarantee.
- The Government has deferred the surrender of LGCs until 2020-21.
- The 2018-19 Budget includes revalued current and estimated future holdings of LGCs as well as the removal of the expense associated with surrender until 2020-21. The projected LGC holdings at June 2019 is 2,887,441 (LGCs accrued after this point must be surrendered to meet the Government's 100 per cent renewable electricity target in 2020.
- The Government may change this position in the future

Financial Impacts of the decision

- Table 1 below shows the updated financial impacts of the accounting treatment for LGCs in the 2018-19 Budget, including:
  - The revalued forecast revenue to be received from the recognition of the right to the certificates each year, and

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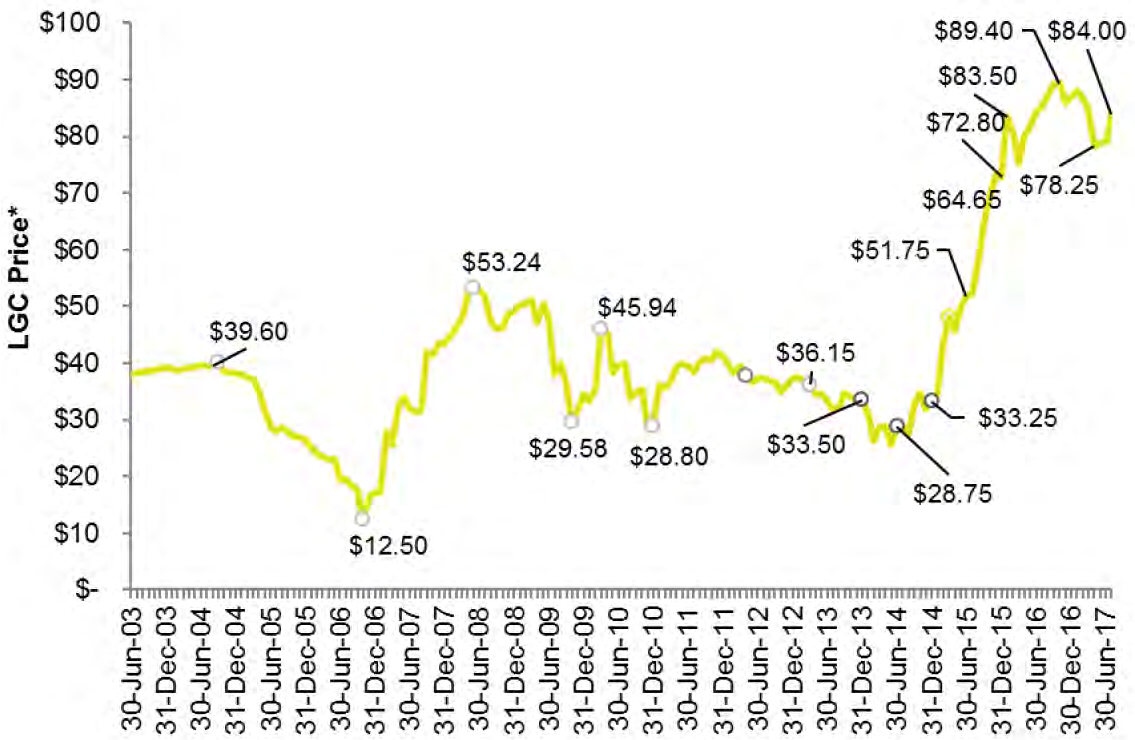
- an adjustment to the forecast expenses so that they now commence with the first surrender in 2020-21.

- Noting the volatility of the market price for LGCs (see Figure 1 below), the estimates have been based on a recent update to market values undertaken by the Government.

Table 1: Financial impacts of accounting treatment of LGCs reflected in the 2018-19 Budget

	2017-18 $000	2018-19 $000	2019-20 $000	2020-21 $000	2021-22 $000
Revenue	72,143	4,310	-54,710	-110,165	-110,165
Expense	-34,400	72,143	127,620	60,331	119,110
NOB Impact	**37,743**	**76,453**	**72,910**	**-49,834**	**8,945**

Figure 1: LGC spot prices end of month from June 2003 to June 2017



2018-19 BUDGET BRIEF

O11

ACTPS STAFFING

ISSUE: What are the details behind staffing movements for the ACT Public Service in the 2018-19 Budget Papers?

Key Points:

- Total FTE is forecast to increase by 514 between the 2017-18 and 2018-19 Bud ets comprising an increase of 506 in agencies and eight in Public Trading Enterprises.

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Change from Est. Outcome to 2018-19 Budget	Change from 2017-18 Budget to 2018-19 Budget
Agencies	19,993	20,365	20,582	20,871	289 (+1.4%)	506 (+2.5%)
PTEs	518	540	525	548	23 (+4.4%)	8 (+1.5%)
Total	**20,511**	**20,905**	**21,107**	**21,419**	**312 (+1.5%)**	**514 (+2.5%)**

- The largest movements, from 2017-18 Budget to 2018-19 Budget, are as follows:
  - **Health Directorate –** The increase of 163 FTEs (equating to an FTE increase of 2 per cent) is primarily due to expected growth in employment related to new initiatives, offset by efficiencies.
  - **Justice and Community Safety Directorate** – The increase of 110 FTEs (equating to an FTE increase of 7 per cent) is primarily due to 2017-18 Budget Review and 2018-19 Budget initiatives, including initiatives under the *More support for families and inclusion theme: Better resourcing for the Alexander Maconochie Centre; Intensive Corrections Orders; and More resources for the Director of Public Prosecutions*, offset by the transfer of the Safer Families function to the Community Services Directorate.
  - **Education Directorate –** The increase of 102 FTEs (equating to an FTE increase of 2 per cent) is primarily due to: the recruitment of additional learning professionals and support staff associated with the increase in student enrolments; and 2018-19 Budget initiatives.
  - **Chief Minister, Treasury and Economic Development Directorate –** The increase of 49 FTEs (equating to an FTE increase of 2 per cent) is primarily due to: 2018-19 Budget initiatives; the establishment of the Centre of Data Excellence within the Office of the Chief Digital Officer; and the conversion of labour hire contracts within Shared Services ICT to ACT public service employees.

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- The Health; Education; Justice and Community Safety; and Chief Minister, Treasury and Economic Development Directorates have the largest FTE impacts from new initiatives. The main initiatives for those agencies are as follows:
  - **Health Directorate:**
    - Better healthcare for a growing community – More resources for acute hospital care (+54 FTEs);
    - Better healthcare for a growing community – More surgery (+29 FTEs);
    - Better healthcare for a growing community – More mental health accommodation (+20 FTEs);
    - Better healthcare for a growing community – Expanding Hospital in the Home (+18 FTEs); and
    - Better healthcare for a growing community – ACT Health ICT upgrades (+17 FTEs).
  - **Education Directorate**
    - More schools, better schools – More resources for student growth (+66 FTEs);
    - More schools, better schools – More school psychologists (+10 FTEs); and
    - More schools, better schools – Early Childhood Strategy (+8 FTEs).
  - **Justice and Community Safety Directorate:**
    - More support for families and inclusion – Better resourcing for the Alexander Maconochie Centre (+18 FTEs);
    - More support for families and inclusion – Intensive Corrections Orders (+8 FTEs); and
    - More support for families and inclusion – More resources for the Director of Public Prosecutions (+6 FTEs).
  - **Chief Minister, Treasury and Economic Development Directorate:**
    - Better Government – Faster processing for Working with Vulnerable People checks (+10 FTEs);
    - Keeping our growing city moving – Keeping Canberrans safe on our roads (+7 FTEs); and
    - Better Government – Listening to Canberrans (+6 FTEs).
- Table 1 below presents whole of government staff levels and variations by agency, while Tables 2 to 26 contain staff levels and notes from each agency explaining its staff variations.

Table 1: Whole of government staff levels

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19[1]	Percent Variation[1]
ACT Executive	53	54	54	54	0	0
ACT Insurance Authority	18	19	18	19	0	0
ACT Public Cemeteries Authority	14	17	16	17	0	0
ACTION	868	891	871	903	12	1
Auditor-General	33	37	37	35	-2	-5
Canberra Institute of Technology	684	688	696	678	-10	-1
Chief Minister, Treasury and Economic Development Directorate	2,358	2,342	2,350	2,391	49	2
City Renewal Authority	N/A	20	26	25	5	25
Community Services Directorate	587	594	616	628	34	6
Cultural Facilities Corporation	88	90	91	92	2	2
Education Directorate	5,291	5,309	5,350	5,411	102	2
Electoral Commissioner	13	9	11	9	0	0
Environment, Planning and Sustainable Development Directorate	561	690	648	678	-12	-2
Health Directorate	6,476	6,533	6,630	6,696	163	2
Housing ACT	250	256	255	260	4	2
Independent Competition and Regulatory Commission	10	9	10	11	2	22
Justice and Community Safety Directorate	1,677	1,659	1,729	1,769	110	7
Legal Aid Commission (ACT)	76	77	83	84	7	9
Office of the Legislative Assembly	50	55	50	52	-3	-5
Public Trustee and Guardian	52	56	55	55	-1	-2
Suburban Land Agency	N/A	77	85	92	15	19
Superannuation Provision Account	4	4	4	4	0	0
Transport Canberra and City Services Directorate	830	879	897	908	29	3
Total Government Agencies	**19,993**	**20,365**	**20,582**	**20,871**	**506**	**2.5**
Government Business Enterprises						
CIT Solutions Pty Ltd	135	121	130	130	9	7
Icon Water Limited	383	419	395	418	-1	0
Total Government Business Enterprises	**518**	**540**	**525**	**548**	**8**	**1.5**
Total Government Agencies and Business Enterprises	**20,511**	**20,905**	**21,107**	**21,419**	**514**	**2.5**

Note:

1. These columns do not appear in the Budget Papers

Details of the movements for the agencies listed in Table 1 are presented below.

Table 2: ACT Executive

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)	53	54	54	54	0	0

Table 3: ACT Insurance Authority

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)	18	19	18	19	0	0

Table 4: ACT Public Cemeteries Authority

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)	14	17	16	17	0	0

Note:
The variation between the 2017-18 Budget and the 2017-18 Estimated Outcome primarily relates to the engagement of contractors to fill vacancies

Table 5: ACTION

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)	868	891	871[1]	903[2]	12	1

Notes:

1. The variation between the 2017-18 Budget and the 2017-18 Estimated Outcome in Transport Canberra Buses (ACTION) reflects an adjustment to initial forecasts and differences in recruitment timing.
2. The variation between the 2017-18 Estimated Outcome and 2018-19 Budget in Transport Canberra Buses (ACTION) is predominantly the additional 30 FTE associated with the delivery of frequent bus network in 2018-19.

Table 6: Auditor-General

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)	33	37	37	35	-2	-5

Table 7: Canberra Institute of Technology

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)	684	688	696[1]	678[2]	-10	-2

Notes:

1. The increase of 8 FTE in the 2017-18 Estimated Outcome from 2017-18 Budget is due to the extension of staff contracts associated with CIT Strategic Compass 2020 – Evolving Together projects.
2. The decrease of 18 FTE in the 2018-19 Budget from the 2017-18 Estimated Outcome is mainly due to fewer additional staff being engaged as training demand has eased throughout the year.

Table 8: Chief Minister, Treasury and Economic Development Directorate

	2016-17 Actual Outcome[1]	2017-18 Budget[2]	2017-18 Estimated Outcome[1]	2018-19 Budget[2]	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)[5]	2,358	2,342	2,350[3]	2,391[4]	49	2

Notes:

1. These figures relate to 30 June staffing levels.
2. These figures relate to estimated average annual staffing figures.
3. The difference between the 2017-18 Estimated Outcome and the 2017-18 Budget is attributed to staff turnover actions, including backfilling arrangements.
4. The difference between the 2018-19 Budget figure and the 2017-18 Estimated Outcome is primarily due to a net increase in staffing resources associated with the 2018-19 Budget.
5. All figures exclude ACT Insurance Authority, Independent Competition and Regulatory Commission, and Superannuation Provision Account staff.

Table 9: City Renewal Authority

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)	0[1]	20	26[2]	25[3]	5	25

Notes:

1. There were no employees prior to the City Renewal Authority being established on 1 July 2017 as a result of the *City Renewal Authority and Suburban Land Agency Act 2017*.
2. The increase of six FTE from the 2017-18 Budget is due to:
    a. the employment of additional personnel (five) associated with the implementation of initiative Building a better city – City Renewal Authority – Operational funding (funded in the 2017-18 Budget Review); and
    b. the employment of additional personnel on a temporary basis (one) funded by initiative Building a better city – City Renewal Authority – Initial works package.
3. The FTE decrease of one from the 2017-18 Estimated Outcome is due to the exclusion from the Budget of the additional temporary personnel funded from initiative Building a better city – City Renewal Authority – Initial works package.

Table 10: Community Services Directorate

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)	587	594	616[1]	628[2]	34	6

Notes:

1. The increase in 2017-18 Estimated Outcome from the original budget is due to the increase in employment levels as a result of the 2nd Appropriation and the transfer of the Coordinator-General for Family Safety employees from Justice and Community Safety Directorate to the Community Services Directorate.
2. The increase in 2018-19 Budget compared with 2017-18 Estimated Outcome represents the additional staff numbers relating to new initiatives less the reduction in staff numbers due to the ceasing initiatives from prior years.

Table 11: Cultural Facilities Corporation

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)	88	90	91[1]	92	2	2

Note:

1. The agency advises that the high number of casuals employed and the variations in patterns of casual employment make a definitive Full-Time Equivalent (FTE) difficult to estimate. The 2017-18 Estimated Outcome FTE and 2018-19 Budget FTE have been calculated on the basis of expectations of staffing, especially casual employment, at these times. As a result of the large numbers of casual and part-time staff employed by the Cultural Facilities Corporation, the actual headcount of employees is typically a much higher figure than the FTE figure. For example, the headcount as at 30 June 2017 was 142 employees.

Table 12: Education Directorate

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)	5,291	5,309[1]	5,350[2]	5,411[3]	102	2

Notes:

1. The increase in the 2017-18 Budget from the 2016-17 Actual Outcome is primarily due to increased enrolments in 2017 combined with new initiatives.
2. The increase in the 2017-18 Estimated Outcome from the 2017-18 Budget mainly relates to increased enrolments in 2018.
3. The increase in 2018-19 Budget from the 2017-18 Estimated Outcome primarily relates to increased enrolments in 2018 and new initiatives.

Table 13: Electoral Commissioner

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)	13	9	11[1]	9	0	0

Note:

1. The variation between the 2017-18 Budget and the 2017-18 Estimated Outcome is due to the backfilling of one employee on long service leave and the engagement of a project officer to assist in the development and testing of electoral ICT systems. The table does not include two part-time statutory office holders and election casuals employed under the *Electoral Act 1992*.

Table 14: Environment, Planning and Sustainable Development Directorate

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)[1]	561	690[2]	648[3]	678[4]	-12	-2

Notes:

1. Includes the Office of the Commissioner for Sustainability and the Environment.
2. The variation between the 2017-18 Original Budget and the 2016-17 Actual Outcome is due to the transfer of land policy and urban renewal functions on 1 July 2017.
3. The variation between the 2017-18 Estimated Outcome and the 2017-18 Original Budget is mainly due to recruitment processes still underway, or about to be completed, associated with the new Directorate structure and new programs.
4. The variation between the 2017-18 Budget and the 2018-19 Budget is due to new FTE associated with the 2018-19 Budget initiatives, offset by a reduction in the size of the Asbestos Response Taskforce and the transfer of transport planning staff to TCCS.

Table 15: Health Directorate

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)	6,476	6,533	6,630[1]	6,696	163	3

Note:

1. The increase of 163 FTEs (equating to an FTE increase of 2 per cent) is primarily due to expected growth in employment related to new initiatives, offset by efficiencies.

Table 16: Housing ACT

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)	250	256	255	260[1]	4	2

Note:

1. The increase in number of employees (FTEs) in 2018-19 is as a result of Housing ACT's additional resource to implement budget initiatives and confirmation of ongoing graduate positions.

Table 17: Independent Competition and Regulatory Commission

	2016-17 Actual Outcome[1]	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)	10	9[2]	10[2]	11[3]	2	22

Notes:

1. These figures relate to 30 June staffing levels.
2. The variation between the 2017-18 Budget and the 2017-18 Estimated Outcome is due to the Commission recruiting additional staff to monitor and report on the impact on ACT beverage prices and competition in the beverage industry following the introduction of the ACT Container Deposit Scheme on 30 June 2018.
3. The variation between the 2017-18 Estimated Outcome and the 2018-19 Budget is due to the recruitment of additional staff to review the Commission's pricing model and methodology to ensure the method used in arriving at a price direction remains current, accurate and consistent with the Commission's obligations under its Act.

Table 18: Justice and Community Safety Directorate

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)	1,677[1]	1,659[2]	1,729[3]	1,769[4]	110	7

Notes:

1. The 2016-17 -Actual Outcome of 1,677 FTE differs from the FTE disclosed in the Justice and Community Safety Directorate's 2016-17 Annual Report (1,729) as it excludes the Public Trustee for the ACT (52 FTE).
2. The decrease of 18 FTE in the 2017-18 Budget from the 2016-17 -Actual Outcome mainly reflects the additional resources funded through own sourced revenue in 2016-17.
3. The increase of 70 FTE in the 2017-18 Estimated Outcome from 2017-18 Budget is mainly due to the net increase in staffing resources associated with the 2017-18 supplementary appropriation, additional resources funded through own sourced revenue, additional staff for project activities, increased workload and to backfill staff on maternity leave, long service leave, extended personal and other leave.
4. The increase of 40 FTE in the 2018-19 Budget from the 2017-18 Estimated Outcome mainly reflects the net increase in staffing resources associated with the 2018-19 Budget and the impact of prior budget outcomes, partially offset by additional resources funded through own sourced revenue in 2017-18 Estimated Outcome.

Table 19: Legal Aid Commission (ACT)

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)	76[1]	77	83[1]	84	7	9

Note:

1. The FTE for the 2016-17 Actual Outcome and 2017-18 Estimated Outcome is the average for the full year, rather than simply at a point in time.

Table 20: Office of the Legislative Assembly

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)	50	55	50[2]	52[1]	-3	-6

Notes:

1. The variation between the 2017-18 Budget and the 2018-19 Budget is due to the budget for 2017-18 including several staff who were back filling positions during periods of long-term leave. Some of these staff who occupy full-time positions, have returned from leave on a part-time basis, which further reduced the full-time equivalent number in the 2017-18 Budget.
2. The increase from the 2016-17 Actual Outcome to the 2017-18 Estimated Outcome is the full-year impact of additional staffing in Members offices following the expansion of the Assembly to 25 Members at the October 2016 election.

Table 21: Public Trustee and Guardian

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)	52	56	55	55	-1	-2

Note:

The variation between the 2017-18 Budget and the 2018-19 Budget is due to the finalisation of some projects in relation to the implementation of the Business Transformation Project.

Table 22: Suburban Land Agency

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)	N/A	77	85[1]	92[2]	15	20

Notes:

1. The 2017-18 Estimated Outcome includes a revised FTE establishment profile. This reflects the final outcome of the agreed transfer of functions from the former Land Development Agency to the Environment, Planning and Sustainable Development Directorate, Suburban Land Agency and City Renewal Authority.
2. The staffing profile is unchanged between the 2018-19 Budget and the 2017-18 Estimated Outcome. It is expected that current vacancies will be filled in the 2018-19 financial year.

Table 23: Superannuation Provision Account

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)	4	4	4	4	0	0

Table 24: Transport Canberra and City Services Directorate

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)	830	879[1]	897[2]	908[3,4]	29	3

Notes:

1. The variation between the 2016-17 Actual Outcome and the 2017-18 Budget is mainly due to the transfer of the Sportsgrounds Facilities Management function from Chief Minister, Treasury and Economic Development Directorate (CMTEDD) 24 FTEs and additional 38 FTEs related to 2017-18 Budget initiatives, offset by ceasing initiatives 13 FTEs.
2. The variation between the 2017-18 Budget and the 2017-18 Estimated Outcome in TCCS is due to the transfer of the Transport Planning function from Environment, Planning and Sustainable Development Directorate (EPSDD) four FTEs, transfer of additional 0.5 FTE for the Sportsgrounds Facilities Management function through S16 Instrument. An additional 13.5 FTEs are funded primarily through a reallocation from the supplies and services expense category to employee expenses.
3. The variation between the 2017-18 Budget and 2018-19 Budget in TCCS is due to new initiatives 27 FTEs, offset by ceasing initiatives 33 FTEs, transfer of the Transport Planning function from EPSDD four FTEs, transfer of additional 0.5 FTE for the Sportsgrounds Facilities Management function through S16 Instrument and an additional 30 FTEs funded primarily through a reallocation from the supplies and services expense category to employee expenses.
4. The variation between the 2017-18 Estimated Outcome and 2018-19 Budget in TCCS is due to new initiatives 27 FTEs, offset by ceasing initiatives 33 FTEs, planned recruitment action to existing vacant positions seven FTEs and an additional 10 FTEs funded primarily through a reallocation from the supplies and services expense category to employee expenses.

Table 25: CIT Solutions Pty Ltd

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)	135	121[1]	130[1]	130	9	7

Note:

1. The variation between the 2017-18 Budget and the 2018-19 Budget is due to increased casual staff positions employed to assist in the analysis and design of national training projects under Commonwealth Government contracts.

Table 26: Icon Water Limited

	2016-17 Actual Outcome	2017-18 Budget	2017-18 Estimated Outcome	2018-19 Budget	Variation: 2017-18 to 2018-19	Percentage Variation
Staffing (FTE)	383	419[1]	395	418[2]	-1	0

Notes:

1. The variation between the 2017-18 Estimated Outcome and the 2017-18 Budget is due to a higher use of fixed-term technology contractors rather than non-ongoing employees.
2. The variation between 2018-19 Budget and the 2017-18 Estimated Outcome is due to increased focus on customer services, insourcing of capital works project management and graduate and trainee programs.

2018-19 BUDGET BRIEF

LIGHT RAIL NETWORK 2

H1

ISSUE: What is included in the 2018-19 Budget for Light Rail Network 2?

Key Points:

- The **2018-19 Budget** commits $12.5 million in 2018-19 to progress the next stage of delivering Canberra's city wide light rail network. This includes the following:
  - $10 million to continue planning and design of the City to Woden Light Rail route. The ACT Government has identified a preferred route and planning processes are underway with the Commonwealth Government to progress light rail to Woden.
  - $2.5 million for enabling works that will support the delivery of the project including early planning work and the preparation of detailed business cases for works on the Woden Bus Interchange and surrounding road network, Park and Ride facilities and the Yarra Glen roundabout and intersections.

Table 1: Light Rail Network 2 – City to Woden early planning

	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	**Total $'000**
Expense	12,500	0	0	0	**12,500**
Offset Provision – Expense	-2,104	0	0	0	**-2,104**
Net Expense	**10,396**	**0**	**0**	**0**	**10,396**

- In the **2017-18 Budget**, the Government invested $57 million to progress the second stage of light rail between the City and Woden (refer Table 2).
- Funding of $34.9 million ($32.6 million capital and $2.3 million expense) remains available in provision over 2018-19 and 2019-20 to further progress the second stage of light rail, should the necessary Commonwealth approvals be granted.

Table 2: Building a better city – Light Rail Stage 2 - City to Woden - Design and procurement

	2016-17 $'000	2017-18 $'000	2018-19 $'000	2019-20 $'000	**Total $'000**
Expense	3,500[a]	13,233	0	0	**16,733**
Expenses – Provision	0	0	2,104	2,342	**4,446**
Capital	0	3,267	0	0	**3,267**
Capital – Provision	0	0	15,896	16,658	**32,554**
Total	**3,500[a]**	**16,500**	**18,000**	**19,000**	**57,000**

a. Funding in 2016-17 was allocated in the 2016-17 Budget Review.

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2018-19 BUDGET BRIEF

Child Protection and Out of Home Care Investment

H2

ISSUE: Child protection and out of home care

Key Points:

2018-19 Budget investment

- The Government is investing $7.3 million in the areas of child protection and out of home care. The funding is for: a review into Aboriginal and Torres Strait Islander children and young people involved with Child and Youth Protection; continued quality assurance oversight; more adoptions and permanency; and expansion of family group conferencing.
- This investment has increased the 2018-19 annual budget for child protection and out of hom e care by $2.5 million, or 2.5 per cent.
- Total new investment over the past four budgets has increased the 2018-19 annual budget for child protection and out of home care by $19.9 million, or 27 per cent.
- The 2018-19 Budget initiatives are consistent with the findings of the review into demand management options for out of home care funded in the 2017-18 Budget; however more work is required to fully address them and subsequent budgets may include further initiatives based on the review.

Additional investment in the 2018-19 Budget

	2018-19	2019-20	2020-21	2021-22	Total
Review of Aboriginal and Torres Strait Islander children and young people involved with Child and Youth Protection	1,371	672	-	-	**2,043**
Child and Youth Protection Quality and Assurance Committee	171	174	-	-	**345**
Adoptions and Permanency	594	935	956	976	**3,461**
Family Group Conferencing	348	356	365	374	**1,443**
Total	**2,484**	**2,137**	**1,321**	**1,350**	**7,292**

Previous investment

- In 2015-16, the Government invested $39 million in the *A Step Up For Our Kids* initiative, which was designed to reduce the growth of demand for out of home care (OoHC) through increased investment in early intervention, and to reduce costs by changing to a flat fee per child or young person in OoHC.
- Due to a combination of higher than forecast demand growth and a delay in implementing the early intervention programs, Community Services Directorate (CSD) has experienced ongoing cost pressures.
- In 2016-17, the Government invested $3.3 million for additional demand and quality assurance.
- In 2017-18, the Government provided $43.5 million to account for increased demand, equal to 85 per cent of forecast demand.

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Additional investment by Budget

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
2015-16 Budget	11,987	11,944	8,927	6,089	6,241	6,397	6,557
2016-17 Budget		1,663	642	481	485	497	510
2017-18 Budget			10,263	10,832	11,156	11,295	11,668
2018-19 Budget				2,484	2,137	1,321	1,350
Total	**11,987**	**13,607**	**19,832**	**19,886**	**20,019**	**19,510**	**20,084**

2018-19 BUDGET BRIEF

H3

PUBLIC TRANSPORT INITIATIVES

ISSUE: What are the key public transport initiatives in the 2018-19 Budget?

Key Points:

Previous public transport commitments

- To date, the Government has committed $1.220 billion to the delivery of Light Rail Stage 1 (Table 1 below).

Table 1: Light Rail Stage 1

	2015-16 $,000	2016-17 $,000	2017-18 $,000	2018-19 $,000	2019-20 $,000	Total $,000
PPP Territory Retained Risk	-	49,670	34,243	2,402	190	86,505
Capital Metro - Procurement and Delivery	16,137	12,771	11,385	11,484	-	51,777
Public Private Partnerships – Capital Expenditure Schedule	84,128	357,406	249,626	15,353	190	706,703
Light Rail Stage 1 - PPP Capital Contribution (ARI)	-	-	-	375,000	-	375,000
TOTAL	**100,265**	**419,847**	**295,254**	**404,239**	**380**	**1,219,985**

- This investment is on top of $84.330 million of capital works already scheduled over the next four years. See Attachment A.

Transport Canberra 2018-19 Budget initiatives

- In addition to prior year commitment, the Government has invested a further $17.799 million in public transport in the 2018-19 Budget, including the $12.5 million investment in Light Rail Network 2. Further information on Light Rail Network 2 investment is provided in 2018-19 Budget Brief H1.

- The 2018-19 commitments will ensure that we keep our growing city moving and deliver a more flexible and efficient public transport system while improving customer satisfaction and amenity. Initiatives include:
  - priority bus stop infrastructure upgrades across Canberra ($1.082 million from 2018-19). These upgrades will facilitate the expansion of rapid bus services across the city;
  - the continuation of the flexible transport office to meet the needs of passengers who have difficulty using fixed route public transport services ($1.125 million in 2018-19); and
  - $850,000 to meet commencement costs associated with Light Rail Stage 1, including initial contract management costs.
- A number of initiatives designed to benefit public transport in Canberra are also being undertaken through the Better Infrastructure Fund (BIF). These include:

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- $800,000 for the overhaul of major bus components including driver and passenger seat refurbishment;
- $792,000 for bus depot upgrades; and
- $500,000 for Disability Discrimination Act compliant infrastructure upgrades to improve accessibility and safety of bus stops.

- The Government has committed $150,000 to undertake preliminary planning in 2018-19 with a view to constructing a light rail stop in Mitchell.
- Free off-peak travel for seniors and eligible concession card holders when using a MyWay card is to be continued for a further 12 months. This initiative is being funded internally within TCCS.
- The Government will progress the 2017-18 New Woden Bus Depot initiative, providing additional facilities to accommodate growth in the bus fleet. The new depot is expected to provide undercover bus parking, facilities for maintenance, refuelling and bus washing as well as administrative areas.

Table 1: New Public Transport Initiatives

New Public Transport Initiatives 2018-19 Budget	**2018-19 $ 000's**	**2019-20 $ 000's**	**2020-21 $ 000's**	**2021-22 $ 000's**	**Total $ 000's**
Light Rail Network 2	12,500	-	-	-	12,500
Upgrades for the Rapid Transport Network	1,050	-	11	21	1,082
Flexible public transport	1,125	-	-	-	1,125
Free off peak concession travel	-	-	-	-	-
Mitchell light rail stop	150	-	-	-	150
Light Rail Stage 1 – commencing operations	850	-	-	-	850
Bus major component overhauls (BIF)	800	-	-	-	800
Bus depot upgrades (BIF)	792	-	-	-	792
Disability Discrimination Act compliant bus stops (BIF)	500	-	-	-	500
TOTAL	**17,767**	**0**	**11**	**21**	**17,799**

Attachment A

Capital Works in Progress

Project Name	2018-19 Budgeted Financing ($'000)	2019-20 Budgeted Financing ($'000)	2020-21 Budgeted Financing ($'000)	2021-22 Budgeted Financing ($'000)	Total Budgeted Financing ($'000)
Building a better city – New Bus Depot at Woden	15,000	10,000	0	0	25,000
Improving Our City – Woden bus interchange improvements	150	0	0	0	150
Better Public Transport – Trial of electric buses	421	0	0	0	421
Expansion of the rapid bus network	37,930	0	0	0	37,930
Transport for Canberra – Business system upgrade	650	0	0	0	650
Transport for Canberra – Real Time Passenger Information System	2,250	0	0	0	2,250
Better services in your community – Integrated bus and light rail ticketing	1,690	0	0	0	1,690
Fyshwick Depot – Fuel storage tanks removal and site remediation	162	0	0	0	162
Light Rail – Stage 1 – Procurement and delivery	14,677	0	0	0	14,677
Better services in your community – Faster bus travel	900	500	0	0	1,400
Total	73,830	10,500	0	0	84,330

2018-18 BUDGET BRIEF

H4

Loose-fill Asbestos Insulation Eradication Scheme

ISSUE: Key changes in the Loose-fill Asbestos Insulation Eradication Scheme

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Key Points:

- The Asbestos Response Taskforce has identified 1,023 asbestos insulation affected houses in the ACT comprising of 1,018 private and five government-owned houses. In addition, the Taskforce also identified 15 eligible impacted properties (those connected to affected properties).
- As at 14 May 2018:
  - 991 homeowners had accepted offers to sell their properties to the Government;
  - 951 houses had been purchased totalling $680.7 million;
  - 672 owners had exercised Stamp Duty concessions with a value of $16.3 million to support homeowners;
  - $12 million had been paid in emergency financial support to homeowners;
  - 926 houses had been demolished; and
  - 33 auction events had been held. Of the 793 blocks released for sale, 655 blocks have been sold at auction.
- Auction sales prices have ranged from $248,600 to $2.750 million.
- In addition to the properties sold at auction, 45 former owners who held first refusal rights have accepted the purchase price to buy back their remediated blocks and five remediated properties have been sold to Housing ACT.

Budget Estimates

- The revised estimates for the Loose-fill Asbestos Insulation Eradication Scheme (the Asbestos Eradication Scheme) indicate that the net cash cost of the Scheme will be $295 million (excluding contingency), lower than the 2017-18 Budget estimate of $307 million. The reduction is mainly due to a $23 million increase in sales revenue, offset by increases of $9.3 million in purchase costs and $1.7 million in demolition and remediation costs.
- Total cash payments estimated over the whole life of the Scheme (excluding contingency) are $921 million. This is $10 million higher than the 2017-18 Budget estimate of $911 million, mainly due to a number of households no longer expected to withdraw from the Asbestos Eradication Scheme, partially offset by a decrease in the average costs of demolition and remediation.
- The 2018-19 Budget estimates forecast that there will be 38 property owners who will choose not to participate in the Scheme, and also one impacted property which is no longer eligible to be in the Scheme as the owner of the adjacent affected property has decided not to participate.

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  - In the 2017-18 Budget estimates, it was forecast that 50 property owners would choose to not participate in the Asbestos Eradication Scheme.

- Compared to the 2017-18 Budget, the number of sales estimated have:
  - decreased by five in 2017-18;
  - increased by 55 in 2018-19 and 22 in 2019-20; and
  - decreased by two in 2020-21.
- Net sales revenue over the life of the Asbestos Eradication Scheme is anticipated to increase to $627 million, an increase of $23 million from the 2017-18 Budget estimate of $604 million, primarily as a result of the rising market.
- Loan interest to be paid to the Commonwealth in 2018-19 is estimated to be $25.7 million.
- The tables below show the net cash flow and Headline Net Operating Balance (HNOB) movements as compared to the 2017-18 Budget.

Table 1: Asbestos Eradication Scheme cash flow impact excluding contingency

	2017-18 $'000	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000
2017-18 Budget					
Payments					
Financial Assistance Package	400	20	80	0	0
Purchase Costs[1]	6,168	824	19,238	200	0
Demolition and Remediation	61,753	889	127	3,492	0
Other Costs[2]	8,821	4,527	4,489	4,397	0
Total Payments	**77,141**	**6,260**	**23,934**	**8,089**	**0**
Receipts					
Net Sales Revenue	242,504	97,262	4,255	16,379	0
Total Receipts	**242,504**	**97,262**	**4,255**	**16,379**	**0**
Net Cash Flow	**165,363**	**91,001**	**(19,679)**	**8,290**	**0**
2018-19 Budget					
Payments					
Financial Assistance Package	400	200	482	291	0
Purchase Costs[1]	15,523	4,759	13,241	200	0
Demolition and Remediation	34,779	7,490	18,056	15,865	0
Other Costs[2]	6,705	4,230	4,166	3,931	0
Total Payments	**57,407**	**16,679**	**35,945**	**20,287**	**0**
Receipts					
Net Sales Revenue	251,268	135,559	15,336	15,756	0
Total Receipts	**251,268**	**135,559**	**15,336**	**15,756**	**0**
Net Cash Flow	**193,862**	**118,880**	**(20,610)**	**(4,531)**	**0**

Notes: Numbers may not add due to rounding.

1. Includes purchase of house and land, purchase transaction costs, board-up costs and holding costs.
2. Mainly comprises Asbestos Response Taskforce costs.

Table 2: Asbestos Eradication Scheme HNOB impact

	2017-18 $'000	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000
2017-18 Budget					
Financial Assistance Package	-400	-20	-80	0	0
Other Costs	-8,910	-4,877	-4,481	-4,488	0
Purchase Costs	-1,114	-102	-154	-200	0
Contingency	-1,265	-1,265	-1,265	-8,856	0
Total HNOB Impact (including contingency)	**-11,690**	**-6,264**	**-5,980**	**-13,545**	**0**

2018-19 Budget					
Financial Assistance Package	-400	-200	-482	-291	0
Other Costs	-6,796	-4,284	-4,267	-4,102	0
Purchase Costs	-514	-114	-131	-200	0
Contingency	0	-3,144	-3,144	-4,192	0
Total HNOB Impact (including contingency)	**-7,710**	**-7,742**	**-8,024**	**-8,785**	**0**

Notes: Numbers may not add due to rounding.

Table 3: Asbestos Eradication Scheme cumulative cash flow impact including financing costs

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	2018-19 $'000
Net Cash Flow – Cumulative	-488,822	-702,503	-582,741	-388,879	-269,999
Indicative Annual Interest Cost[1,2,3]	-6,619	-16,131	-17,402	-13,156	-8,921
Total Cost (including financing costs)	**-495,441**	**-718,634**	**-600,143**	**-402,035**	**-278,920**

	2019-20 $'000	2020-21 $'000	2021-22 $'000	2022-23 $'000	2023-24 $'000
Net Cash Flow – Cumulative	-290,609	-295,140	-295,140	-295,140	-295,140
Indicative Annual Interest Cost[1,2,3]	-7,591	-7,931	-7,992	-7,992	-7,992
Total Cost (including financing costs)	**-298,199**	**-303,071**	**-303,133**	**-303,133**	**-303,133**

Notes: Numbers may not add due to rounding.

1. The indicative interest cost is calculated on the cumulative net cash flow from the Scheme each year but interest is not cumulative. The interest cost is met from the total Territory budget not the budget for the Scheme.
2. Indicative interest cost is calculated assuming an equal spread of payments/receipts across the year.
3. The interest rate used is based on the weighted cost of the loan of 2.708 per cent.

2018-19 BUDGET BRIEF

HIB - Commonwealth Grants – GST Funding

H5

ISSUE: Commonwealth Grants – GST Funding

Key Points:

- The 2018-19 ACT Budget, reflecting the outcome of the 2018-19 Commonwealth Budget, estimates total Goods and Services Tax (GST) funding to the ACT over the 2018-19 to 2021-22 budget period to be $5.7 billion.
  - This is a $52.1 million increase when compared to the ACT Budget Review.
- The increase in the ACT's estimated GST revenue results from changes in the ACT's GST relativity; the Commonwealth Government's estimates of GST receipts; and estimates of population growth across the States and Territories through the budget period.
  - The ACT's GST relativity was reduced from 1.19496 in 2017-18 to 1.18070 in 2018-19 following the release of the Commonwealth Grants Commission's *2018 Update of GST Revenue Sharing Relativities*. This reduced the ACT's GST revenue.
  - Nationally, the Commonwealth has estimated GST receipts to increase by approximately $6 billion over the budget period compared with the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO); the single largest upward revision in GST receipts since the GST was introduced on 1 July 2000. This increased the ACT's GST revenue.
  - Between 31 December 2018 and 31 December 2020 (impacting the 2018-19 through 2020-21 financial years), the ACT's estimated share of the national population has decreased slightly compared with the 2017-18 MYEFO. This reduced the ACT's estimated GST revenue.

Table 1: ACT Estimated GST Revenue

($m)	2017-18	2018-19	2019-20	2020-21	2021-22	Total[b]
2018-19 Commonwealth Budget	1,292.4	1,328.3	1,373.1	1,450.8	1,525.1	5,677.4
2017-18 MYEFO	1,270.3	1,313.3	1,363.7	1,437.7	1,510.5	5,625.2
Variance	22.1[a]	15.1	9.4	13.1	14.6	52.1

a) The increase in estimated GST receipts resulted in a forecasted increase of $22.1 million in GST revenue to the ACT in 2017-18. This increase will be verified with the release of the Commonwealth's 2017-18 Final Budget Outcome.
b) 2018-19 to 2021-22 only.

Note(s):

a) The ACT's estimated GST revenue for 2019-20 through to 2021-22 are ACT Treasury estimates based on the Commonwealth's projections for population growth and GST receipts. They assume that the ACT's 2018-19 GST relativity remains constant through the outyears.
b) GST relativities summarise the fiscal capacity of each State relative to the average fiscal capacity of all States. It is a single figure representing each State's advantages and disadvantages in revenue raising and spending and Commonwealth Government payments. A State's GST relativity shows the proportion of the national average GST per person it should receive to give it the national average fiscal capacity. It does not measure how much of the GST raised in the State is being returned to it.

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2018-19 BUDGET BRIEF

H6

Commonwealth Grants – Impact on the ACT Budget

ISSUE: The treatment and financial impact of Commonwealth Grants in the Budget

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Key Points:

- The 2018-19 Budget includes estimated Commonwealth Grant revenue of $3.6 billion over four years[1], comprised of $3.3 billion for Specific Purpose Payments (SPPs) and $316.3 million for National Partnership Payments (NPPs). A reconciliation of funding is provided at Attachment A.
- Compared to the estimates included in the 2017-18 Budget Review, the 2018-19 Budget includes an increase in Commonwealth revenue of $175.9 million over four years.
  - The two largest drivers of this increase are Health funding ($99.2 million increase) and infrastructure projects (a net increase of $35.6 million, comprised of $40 million for the Monaro Highway duplication, offset by decreases in other project allocations). Attachment A provides further information.
- The 2018-19 Budget matches the 2018-19 Commonwealth Budget estimates for most items, but does not match Commonwealth estimates for Health funding, non-government school funding, the *Skilling Australians Fund*, or the timing of some infrastructure revenue. Key areas of difference include:
  - *National Health Reform Funding* - the estimates included in the ACT Budget are $49.8 million higher over four years than those in the 2018-19 Commonwealth Budget, primarily due to lower levels of growth than estimated by the ACT. Further detail is provided in Budget Day Brief R5.
  - *Quality Schools* - although the Commonwealth has indicated that transitional funding assistance for non-government schools will be available, the 2018-19 Commonwealth Budget removed transitional funding allocations from state and territory allocations. The ACT Budget reflects the Commonwealth's 2017-18 MYEFO estimates of the ACT funding for non-government schools.

Variance – ACT Budget to Commonwealth

Quality Schools – Non-government (excl. GST gross-up)	**2018-19 $'000**	**2019-20 $'000**	**2020-21 $'000**	**2021-22 $'000**	**Total $'000**
2018-19 ACT Budget	208.7	206.7	208.0	208.0	**831.4**
2018-19 Commonwealth Budget	200.9	201.2	203.8	205.8	**811.7**
Variance	7.8	5.5	4.2	2.2	**19.7**

  - *Skilling Australians Fund* – the 2018-19 Commonwealth Budget did not include state and territory allocations. The ACT Budget estimates include $20.4 million over four years, based on advice from Commonwealth officials.
  - *Asset Recycling Initiative* – the 2018-19 Budget includes $30.2 million of revenue in 2018-19 rather than 2017-18 as the ACT considers it unlikely that negotiations with the Commonwealth will be finalised in time to enable it to make payments in 2017-18.

[1] This amount excludes GST revenue, payment for ACT Municipal Services, Financial Assistance Grants for Local Government, and the GST gross-up for non-government schools. Inclusive of these items, the total Commonwealth revenue recognised in the 2018-19 ACT Budget is $9.7 billion over four years.

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Attachment A

Table 1: Commonwealth Grant Revenue in 2018-19 ACT Budget

	2018-19 $m	2019-20 $m	2020-21 $m	2021-22 $m	Total $m
SPPs					
National Health Reform	398.0	423.8	451.3	480.5	1,753.7
Quality Schools funding	315.8	326.3	341.1	355.1	1,338.4
National Skills and Workforce Development	25.3	25.7	26.1	26.4	103.5
National Affordable Housing	25.8	26.4	27.0	25.6	104.7
Total SPPs	*764.9*	*802.2*	*845.5*	*887.7*	*3,300.3*
NPPS					
Health	0.4	0.4	0.2	0.2	1.2
Education and Early Childhood	9.1	6.5	0.0	0.0	15.6
Skills and Workforce Development	5.0	4.9	5.6	5.0	20.5
Community Services	31.5	16.3	16.8	17.4	82.0
Affordable Housing	0.0	0.0	0.0	0.0	0.0
Infrastructure	52.3	16.8	32.2	39.0	140.3
Environment	17.5	0.3	0.0	0.0	17.8
Other	15.0	12.6	5.6	5.7	38.9
Total NPPs	*130.7*	*57.8*	*60.4*	*67.3*	*316.3*
Total Commonwealth Grant Revenue					
Health	398.4	424.2	451.5	480.7	1,754.9
Education and Early Childhood	324.9	332.9	341.1	355.1	1,354.0
Skills and Workforce Development	30.3	30.6	31.7	31.4	124.0
Community Services	31.5	16.3	16.8	17.4	82.0
Affordable Housing	25.8	26.4	27.0	25.6	104.7
Infrastructure	52.3	16.8	32.2	39.0	140.3
Environment	17.5	0.3	0.0	0.0	17.8
Other	15.0	12.6	5.6	5.7	38.9
Total Commonwealth Grant Revenue	**895.6**	**860.0**	**905.9**	**955.0**	**3,616.6**

Table 2: Change in Commonwealth Grant Revenue from 2017-18 Budget Review

	2018-19 $m	2019-20 $m	2020-21 $m	2021-22 $m	Total $m
Health	13.1	15.5	26.0	44.6	99.2
Education and Early Childhood	0.7	3.5	-4.3	9.7	9.7
Skills and Workforce Development	-0.9	-1.5	-0.4	-0.6	-3.4
Community Services	-1.1	-1.4	-1.6	-1.0	-5.2
Affordable Housing	1.1	1.4	1.6	0.2	4.4
Infrastructure	1.3	2.0	9.4	22.9	35.6
Environment	4.0	0.0	0.0	0.0	4.0
Other	30.1	1.2	0.1	0.2	31.6
Total Change	**48.3**	**20.7**	**30.9**	**76.0**	**175.9**

2018-19 BUDGET BRIEF

H7

COST OF LIVING STATEMENT

ISSUE: What are the main changes in this year's Cost of Living Statement?

Key Points:

- The Cost of Living Statement is presented in accordance with Section 11(f) of the *Financial Management Act 1996*.
  - The Cost of Living Statement provides information on the effect of ACT direct taxes and fees on ACT households, and the concessions and savings available to offset these costs.
  - It is included in every budget to illustrate the impact of cost of living changes on a number of typical households.
- The main changes across all households in the 2018-19 Cost of Living Statement include:
  - Increases in -
    - residential General Rates of around 7.75 per cent – $159 in 2018-19;
    - the Fire and Emergency Services Levy (FESL) from $294 to $336 – an increase of $42;
    - ACTION bus fares of around 2.5 per cent – around $36 for an adult and $9 for a child for a full year's travel;
    - parking fees of 6 per cent – around $161 for one year's non-premium parking in the city;
    - electricity bills by around an estimated 12 per cent – around $250 for a typical consumer of 8,000 kilowatt hours per year;
    - gas bills by around 6 per cent – around $110 for a typical consumer of 47.5 gigajoules per year; and
  - Decreases in -
    - water and sewerage bills by around 3.5 per cent – around $40 for an annual water and sewerage services bill.
    - Compulsory Third Party (CTP) insurance of around $6 per year.
  - The energy and utility concession and the water and sewerage rebate have been combined into a single Utilities Concession and will increase by $50 to $654 in 2018-19.
- The Cost of Living Statement considers concessions that the representative households may be eligible for, including:
  - the General Rates Rebate, FESL Rebate, Home Buyer Concession Scheme, and the Pensioner Duty Concession Scheme;
  - discounts on drivers licence fees and motor vehicle registration available to pensioners, and the Rewards for Safe Drivers initiative;
  - ACTION concession bus fares available to pensioners and students; and

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- the Utilities Concession.

- The Government acknowledges, however, that calculating the effects of ACT Government taxes and fees for six households can never capture the true diversity of household formations and differing patterns of consumption in the community.
  - This statement does not attempt to capture the Commonwealth Government taxes or concessions.
  - Concessions and welfare assistance programs that help offset cost of living pressures apply differently to households depending on their circumstances.

2018-19 BUDGET BRIEF

HEALTH AND PUBLIC HOSPITALS INVESTMENT

H8

ISSUE: Health and Public Hospitals Investment

Key Points:

- In 2018-19, the ACT Government will invest around $1.76 billion in the Territory's health and public hospital system. Over four years this will amount to an investment of $7.8 billion, which includes base expenditure, recurrent and capital provisions, capital investments and Territorial grants, as shown in Table 1 below.

Table 1. Total health investment

	2017-18 Est. Outcome $ million	2018-19 Budget $ million	2019-20 Estimate $ million	2020-21 Estimate $ million	2021-22 Estimate $ million
ACT Health[1] base expenditure[2]	1,373	1,417	1,450	1,485	1,509
Payments to Calvary Public Hospital	206	216	223	230	237
Health Central Provision	0	0	37	78	129
Health Funding Envelope[2]	**1,579**	**1,632**	**1,710**	**1,793**	**1,875**
Capital Investments[3]	99	129	159	239	205
Territorial capital grants	28	3	6	9	1
Total Health Expenditure	**1,706**	**1,764**	**1,874**	**2,041**	**2,081**

Notes:

1. This amount includes both ACT LHN and Health Directorate recurrent expenditure. More information is available in Budget Statements C.
2. Excludes depreciation.
3. Includes provisioned funds.

- New recurrent initiatives in the 2018-19 Budget includes some key investments as shown below in Table 2.

Table 2. New recurrent initiatives relating to health

	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	Total $'000
Expanding *Hospital in the Home*	1,173	9,850	9,850	9,850	**30,723**
More resources for acute hospital care	11,521	11,700	11,887	12,079	**47,187**
More surgeries	15,818	16,052	16,296	16,550	**64,716**
New facility for Winnunga Nimmityjah Aboriginal Health Service	1,165	2,435	7,700	0	**11,300**
More mental health accommodation[1]	2,041	1,854	2,981	3,783	**10,659**
Other 2018-19 recurrent initiatives[2]	11,917	13,555	13,162	6,075	**44,710**
Total recurrent funding for new initiatives	**43,635**	**55,446**	**61,876**	**48,337**	**209,295**

Notes:

1. Includes only the recurrent component. Associated four-year net capital amount is a further $10 million.
2. For a complete list of 2018-19 recurrent Health Directorate initiatives, refer to Budget Paper 3 – Chapter 3.2.

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- As shown in Table 2 above, The Government is investing significantly in growing the capacity of our hospitals, with additional recurrent funding to:
  - expand the Hospital in the Home service to care for around 3,000 additional patients per year;
  - provide more acute care beds to support growing demand at the Canberra Hospital Emergency Department and Intensive Care Unit; and
  - expand emergency and elective surgery capacity.
- The 2018-19 Budget also provides a further $15 million immediately in 2017-18 to improve facilities at Calvary Public Hospital. The improvements will include an expanded emergency department, refurbished mental health inpatient facilities, and replaced critical diagnostic equipment.
- New capital initiatives in the 2018-19 Budget include some of the major ones shown below in Table 3 below.

Table 3. New Capital initiatives

	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	Total $'000
ACT Pathology Laboratory information system replacement[1]	0	5,829	887	0	**6,716**
ACT Health ICT upgrades[1]	10,582	2,891	0	0	**13,474**
ACT Health critical assets upgrades[1]	12,100	12,780	0	0	**24,880**
Surgical Procedures, Interventional Radiology and Emergency Centre (SPIRE) – planning and design	13,000	0	0	0	**13,000**
Expanding Centenary Hospital – planning and design	2,500	0	0	0	**2,500**
Weston Creek Walk in Centre[2]	2,000	0	0	0	**2,000**
More mental health accommodation[1]	123	3,973	5,560	320	**9,976**
Total capital funding for new initiatives	**40,305**	**25,473**	**6,447**	**320**	**72,546**

Notes:
1. Includes only the capital component.
2. Provisioned.

- However new capital initiatives in Table 3 represent only a small portion of the overall investment in the health infrastructure program over the next four years as shown in Table 4 below.

Table 4. Health Infrastructure Program

New Works[1,2]	**45,413**	**37,886**	**19,626**	**5,913**	**108,839**
Major works-in-progress[2]					
Upgrading and maintaining ACT Health assets	*28,946*	*35,321*	*0*	*0*	*64,267*
University of Canberra Hospital	*14,984*	*20,268*	*0*	*0*	*35,252*
Improved infrastructure for acute aged care and cancer inpatients	*7,093*	*9,636*	*0*	*0*	*16,729*
Other works-in-progress	*29,196*	*8,046*	*0*	*0*	*37,242*
Sub-total works-in-progress	**80,219**	**73,271**	**0**	**0**	**153,490**
Feasibility works	**5,975**	**0**	**0**	**0**	**5,975**
Capital provisions	**6,000**	**53,500**	**228,075**	**200,000**	**487,575**
Health Infrastructure Program	**137,607**	**164,657**	**247,701**	**205,913**	**755,879**

Notes:
1. Includes the *Better Infrastructure Fund*.
2. Includes Territorial capital grants.

Future capital investment and service expansion:

- The Surgical Procedures, Interventional Radiology and Emergency Centre (SPIRE) will be a major expansion at the Canberra Hospital campus. This $500 million facility will address long-term demand growth across the Territory, and will support the continued delivery of high quality health care. The Government is progressing with delivery of this 2016 election commitment, with this budget providing $13 million towards planning and design.
- The Government is continuing to work towards the $68 million expansion of the Centenary Hospital for Women and Children, with this budget providing a further $2.5 million for planning and design. This expansion will provide additional capacity for maternity and paediatric services.
- The University of Canberra Hospital (UCH) will open in July 2018, and will be the largest rehabilitation centre in the ACT and surrounding region. The budget also allocates a further $1 million towards continued scoping works for expanded hospital services in Canberra's north.
- The Government will continue planning for a fourth Walk in Centre in the Weston Creek region, to add to the network of existing centres across Canberra. The additional Walk in Centre is expected to open in 2019.

2018-19 BUDGET BRIEF

Indicative Land Release Program and associated financial impacts

H9

ISSUE: Indicative Land Release Program and associated financial impacts

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Key Points:

The 2018-19 to 2021-22 Indicative Land Release Program:

- The 2018-19 to 2021-22 Indicative Land Release Programs (2018-19 ILRPs) include the release of land for 17,000 dwellings over the next four years, more than 4,000 new homes a year.
    - This represents an increase of 750 new dwellings from the previous four-year target (16,250 dwellings).
- The Suburban Land Agency and City Renewal Authority (the land agencies) will release residential land across the ACT, as per the below table:

Indicative Land Release Program

Region	2018-19	2019-20	2020-21	2021-22	Total
	Number of homes+				
Gungahlin	674	1,764	1,334	872	4,644
Molonglo	1,126	806	1,035	953	3,920
Belconnen	335	850	800	800	2,785
Central Canberra	1,191	350	880	1,535	3,956
Woden and Weston	704	480	150	250	1,584
Tuggeranong	30	0	50	0	80
Other	0	0	31	0	31
Total	**4,060**	**4,250**	**4,280**	**4,410**	**17,000**

- The 2018-19 IRLPs also includes the release of 117,604 sqm of commercial land; 236,990 sqm of mixed use land; 110,000 sqm of industrial land; and 333,000 sqm of community land including the release of four school sites.
- The Government has set a target of releasing land for 472 affordable homes for eligible low income buyers; 20 community homes; and 60 public houses in 2018-19.

Budget impacts of Land release Program:

- Gross revenue from land sales over the four year period 2018-19 to 2021-22 is estimated to be $2.539 billion, including Asset Recycling Initiative sales.
    - This represents a $37 million decrease from the 2017-18 Budget Review gross revenue estimates.
- The Headline Net Operating Balance (HNOB) contribution from land over the four-year period is estimated to be $1.207 billion.
    - This represents a $60 million reduction from the 2017-18 Budget Review HNOB land impact estimates.
- The General Government Sector (GGS) recognises returns from the land agencies to the extent that the returns relate to the value add component of the land agencies' activities.

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The remaining component of the land agencies' returns are recognised as a market gain in other economic flows. These impacts are detailed below.

Impact of Dividend on GGS

	2017-18 Budget $'000	2018-19 Budget $'000	2019-20 Budget $'000	2020-21 Budget $'000
2018-19 Dividend	229,734	165,488	195,312	137,975
Less: 2018-19 Market Gain	84,565	7,475	14,517	12,579
Impact of Dividend on GGS	**145,169**	**158,013**	**180,795**	**125,396**

- The impact of the land agencies' dividends outlined in the table above is reflected in the HNOB. Other items that contribute to the overall impact on the HNOB include the land agencies' Income Tax Equivalents payments, contributed asset transfers, interest payments, and stamp duty payments.
- The changes in land revenues and net operating balance forecasts between the 2017-18 Budget Review and 2018-19 Budget can be seen in the below table.

Change in Key Metrics from 2017-18 Budget Review

	2017-18 Est. Outcome $'000	2018-19 Budget $'000	2019-20 Budget $'000	2020-21 Budget $'000	2021-22 Budget $'000
Land Revenue					
2017-18 Budget	576,264	580,176	528,976	577,674	
2017-18 Budget Review	567,408	613,522	588,198	687,126	687,126
2018-19 Budget	447,280	700,646	533,657	671,163	633,646
Change from 2017-18 Budget Review	**-120,128**	**87,124**	**-54,541**	**-15,963**	**-53,480**
HNOB Impact					
2017-18 Budget	289,784	235,134	273,935	293,012	
2017-18 Budget Review	310,565	261,535	283,281	374,140	347,667
2018-19 Budget	251,393	284,673	288,996	338,396	294,591
Change from 2017-18 Budget Review	**-59,172**	**23,138**	**5,715**	**-35,744**	**-53,076**

- The 2018-19 Budget land revenues and net operating balance forecasts vary from the 2017-18 Budget Review due to a range of factors including changes in settlement timeframes, changes included in the 2018-19 ILRPs and changes in revenue/cost estimates. Movements included:
  - Taylor, Jacka 2 and Belconnen and SLA industrial estate's revenue timings adjusted in line with the 2018-19 ILRPs;
  - revaluation up and re-profiling of North Wright revenues;
  - re-profiling of settlements in Whitlam and Throsby;
  - revaluation down of revenues from Mawson developments; and
  - removal of a city site from the CRA's release program.

2018-19 BUDGET BRIEF

H10

LEASE VARIATION CHARGE

ISSUE: Lease Variation Charge Revenue

Key Points:

2017-18 estimated revenue for the Lease Variation Charge (LVC)

- The estimated LVC revenue for 2017-18 is $8.2 million and forecast to be $21.5 million in 2018-19.
- The LVC revenue expected outcome for 2017-18 is lower than estimated in the 2017-18 Budget because there has not been as many large LVC transactions as anticipated.
- LVC revenue is primarily driven by a few large transactions. It varies from year to year depending on how many significant developments require a lease variation.
  - The total number of LVCs in 2016-17 was 189 compared to the year-to-date number in April 2017 of 146, which is in line with previous years.

Extension of Environmental Sustainability LVC remission stimulus measure

- The Government announced a stimulus package in 2014 for Canberra's building and construction industry which included the Economic Stimulus Remission and the Environmental Sustainability Remission.
  - The Economic Stimulus Remission, which provided a 25 per cent LVC remission for all section 277 variations to generate additional building and construction activities, expired on 6 March 2018.
  - The Environmental Sustainability Remission (ESR), which provides a 25 per cent LVC remission for developers who incorporate sustainable design standards into their projects, was extended until 30 June 2019.
    - Feedback from industry and the Environment, Planning and Sustainable Development Directorate (EPSDD) was the ESR has been effective in encouraging energy efficient developments.
    - This ESR has resulted in revenue forgone of $10.4 million since its commencement. This represents 25 remissions for residential and commercial developments.
    - The cost of extending the ESR is estimated to be around $3 million in 2018-19 in revenue forgone based on the outcomes in previous years.
- Prior to the introduction of the LVC deferral scheme, developers were able to benefit from the remission in advance of the construction, and there was no compliance activity to monitor whether the expected environmental outcomes were achieved.

LVC Deferral Scheme

- Now, developers who wish to take up the LVC ERS must do so through the LVC deferral scheme. This will allow for an assessment of the expected environmental outcome at the end of the project before the remission is granted.

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A broad review of the LVC regime

- The Legislative Assembly passed a motion in October 2017 raised by Minister Rattenbury calling for a broad review of the LVC regime. This will include consideration of aligning the LVC with broader Government objectives.
  - Any proposed reforms will be considered as part of the 2019-20 Budget process, and it is expected this will also guide the design of any LVC remissions implemented in the future.
  - Reviews of the current environmental efficiency indicators and building codes are underway. The outcome of these reviews is likely to impact on the design of any environmental sustainability remission in the future.

2018-19 BUDGET BRIEF

National Disability Insurance Scheme and DisabilityCare Australia Fund

H11

ISSUE: National Disability Insurance Scheme and DisabilityCare Australia Fund

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Key Points:

- The National Disability Insurance Scheme (NDIS) provides lifetime care and support for eligible people who have significant and permanent disabilities. The ACT has been a trial site since July 2014 and has already transitioned all eligible participants to the NDIS (this occurred by 30 September 2016). It is expected that the NDIS will provide $1.3 billion over the next four years to support people with disability in the ACT.
- Under current arrangements, the States contribute 59.1 per cent of NDIS costs until full scheme commences in 2019-20, and 49 per cent of scheme costs from then on. The ACT's contributions as per current agreements are:

Table 1. NDIS Contributions in the ACT[1]

	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	Total $'000
ACT Contribution	137,400	167,400	173,259	179,323	657,382
Commonwealth Contribution	93,000	175,000	181,125	187,464	636,589
Total Contributions	230,400	342,400	354,384	366,787	1,293,971

- The ACT contribution is currently fully funded in the ACT Budget.
- In addition to the above, the 2018-19 Budget has funded a number of initiatives to support people with disability, including those who may not qualify for support under the NDIS and broader disability integration programs.

Table 2. Funding to support people with disability in 2018-19 ACT Budget

Initiative	2017-18 $'000	2018-19 $'000	2019-20 $'000	2020-21 $'000	Total $'000
NDIS Transition Integrated Service Response	1,598	200	-	-	**1,798**
Disability Justice Strategy	390	60	65	65	**580**
Growing the Disability Inclusion Grants program	50	50	50	50	**200**
Total	**2,038**	**310**	**115**	**115**	**2,578**

Full Scheme Multilateral Negotiations

[1] The contributions for 2020-21 and 2021-22 are based on the indexation rate of 3.5 per cent specified in the Heads of Agreement; however, based on the 2017 Productivity Commission Review on NDIS Costs, which recommended the rate be increased to four per cent, this rate is subject to ongoing negotiation with the Commonwealth.

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- Negotiations between the Commonwealth and the States and Territories (the States) on a multilateral agreement for the full scheme phase of the National Disability Insurance Scheme (NDIS) are ongoing.
- The Commonwealth is seeking an increase to the escalation rate from 3.5 per cent to four per cent, and has agreed to retain 100 per cent of the risk on the basis that the States agree to fund the reserve over time by leaving unspent contributions in the scheme, noting that these were recommendations included in the Productivity Commission review into NDIS costs released in October 2017.
- The ACT position is to retain escalation rates at 3.5 per cent and has noted the proposed funding mechanism for the reserve fund is a form of risk sharing and considers the provision of a reserve to be a Commonwealth responsibility.

DisabilityCare Australia Fund

- To assist States in meeting the additional costs associated with the transition to the NDIS, the Commonwealth established the DisabilityCare Australia Fund. In 2017-18, the ACT reached an agreement with the Commonwealth to provide a one-off payment of $42.5 million, representing all prior years' allocations from the Fund. While future notional allocations are agreed, discussions regarding ongoing access to the Fund are continuing between States and the Commonwealth and are subject to agreement on full scheme arrangements.
- The 2018-19 Commonwealth Budget includes an estimated payment of $57.7 million to the ACT in 2017-18 from the DisabilityCare Australia Fund, and approximately $15.8 million (indexed) per year thereafter. The ACT Budget does not match the Commonwealth Budget in 2017-18 or 2018-19 on the basis that further payments are subject to agreements on full scheme arrangements, which are unlikely to be finalised in 2017-18. The ACT Budget instead includes the remaining funding for 2017-18 ($15.1 million) in 2018-19.

Table 3. DCAF Funding

	2016-17 $'000	2017-18 $'000	2018-19 $'000	2019-20 $'000	2020-21 $'000
2017-18 Cwlth Budget	57,684	15,755	16,265	16,835	17,424
2017-18 ACT Budget	42,540	30,899	16,265	16,835	17,424
Variance	-15,144	15,144	-	-	-

2018-18 BUDGET BRIEF

H12

Safer Families

ISSUE: Budget initiatives for safer families

Key Points:

- Appendix J of BP3 provides details on Safer Families.
- The 2018-19 Budget allocates $24.1 million over four years for Safer Families initiatives, and includes a further $9.3 million over four years for initiatives that complement the Safer Families package.
  - The ACT Government introduced a Safer Families Levy on 1 July 2016 as part of 2016-17 Budget. The $30 annual levy is applied to all residential and rural properties.
  - In the 2018-19 Budget, the levy funds $19.7 million of the $24.1 million investment in Safer Families initiatives over four years.
- The anticipated Safer Families Levy revenue is $4.8 million in 2018-19; $4.9 million in 2019-20; and $5.0 million in 2020-21 and 2021-22.
- The $24.1 million included for Safer Families initiatives in the 2018-19 Budget includes a new initiative, *More support for families and inclusion – Delivering the Family Safety Innovation Hub,* worth $5.961 million over four years.
  - This initiative has been funded through a reprofiling and reprioritisation of other Safer Families initiatives, including the *Better support when it matters- Family Safety Hub* and *Safer Families – Integrated case management*.
  - The refined approach is the result of the findings of a co-design process with community support partners about how to provide holistic support to enable victims of domestic and family violence to achieve long-term safety.
- The complementary initiatives of $9.3 million over four years in the 2018-19 Budget include:
  - $6.524 million over four years to provide homelessness services to young pregnant women; women and children escaping domestic violence; and migrant families, and extending the operating hours of OneLink;
  - $1.680 million over four years to continue support for the Canberra Rape Crisis Centre and Domestic Violence Crisis Service; and
  - $1.106 million to strengthen the ACT Ombudsman for the Reportable Conduct Scheme over two years.
- A detailed reconciliation of Safer Families initiatives, complementary initiatives, and the offsetting levy revenue is provided at Attachment A.

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Attachment A

Table 1: Safer Families initiatives and Levy Offset in the 2018-19 Budget

Safer Families Initiatives	2018-19 Budget $'000	2019-20 Estimate $'000	2020-21 Estimate $'000	2021-22 Estimate $'000	Total $'000
More support for families and inclusion – Delivering the Family Safety Hub[1]	1,583	1,420	1,343	1,615	5,961
Safer Families – Additional resources for the Canberra Rape Crisis Centre	105	108	111	114	438
Safer Families – Additional resources for the Domestic Violence Crisis Service	210	215	220	226	871
Safer Families – Early assistance for families at risk of violence (Room for Change)	385	0	0	0	385
Safer Families – Enhanced child protection case management and coordination	481	485	497	509	1,972
Safer Families – Enhancing access to justice for non-English speakers[2]	438	446	339	347	1,570
Safer Families – Implementation of the Joint Australian Law Reform Commission and NSW Law Reform Commission Report on Family Violence	358	369	378	387	1,492
Safer Families – Improved access to Legal Aid	300	305	313	321	1,239
Safer Families – Reportable conduct scheme for employees	288	293	300	308	1,189
Safer Families – Safer families team[3]	909	746	765	784	3,204
Safer Families – Stronger criminal justice responses	318	324	332	340	1,314
Safer Families – Stronger police support for family violence victims	300	304	312	320	1,236
Safer Families – Support and referral through specialist drug and alcohol treatment services	500	500	513	526	2,039
Safer Families – Support for women and children to leave violence	100	100	103	106	409
Safer Families – Training in domestic violence for frontline workers[4]	770	0	0	0	770
Total	**7,045**	**5,615**	**5,526**	**5,903**	**24,089**
Safer Families Levy Offset	**-4,800**	**-4,900**	**-5,000**	**-5,000**	**-19,700**

Notes:

1. This initiative has been funded through the reprioritisation and reprofiling of Safer Families initiatives, including the *Better support when it matters- Family Safety Hub* and *Safer Families – Integrated case management* initiatives.
2. This initiative includes $115,000 per year in 2018-19 and 2019-20 that has been reprofiled from 2017-18.
1. This initiative includes $177,000 in 2018-19 that has been reprofiled from 2017-18.
2. This initiative includes $263,000 in 2018-19 that has been reprofiled from 2017-18.

Table 2: Complementary initiatives funded in the 2018-19 Budget

2018-19 Budget – Complementary Initiatives	2018-19 Budget $'000	2019-20 Estimate $'000	2020-21 Estimate $'000	2021-22 Estimate $'000	Total $'000
More support for families and inclusion - More frontline homelessness services	1,227	1,479	1,761	2,057	6,524
More support for families and inclusion - More frontline domestic violence and rape crisis services	420	420	420	420	1,680
More support for families and inclusion – Strengthening the Reportable Conduct Scheme	545	561	0	0	1,106
Total	**2,192**	**2,460**	**2,181**	**2,477**	**9,310**

2018-19 BUDGET BRIEF

DEFINED BENEFIT SUPERANNUATION (CSS/PSS)

H13

ISSUE: Defined Benefit Superannuation Liabilities and the Funding Plan

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Key Points:

- The Budget recognises an employer superannuation liability for over 35,000 pa t and current employees who are members of the Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS).
- The superannuation liability valuation estimates in the 2018-19 Budget are taken from the latest triennial actuarial review using salary and membership data as at 30 Jun 2017.
  - The triennial review is completed every three years and involves a comple e review of all the financial and demographic assumptions used by the actuary to e mate the superannuation liabilities, expenses and benefit payments.
- The long-term average discount rate assumption used to estimate the superannuation liability valuation and expense projections over the budget and forward years has been reduced from six per cent to five per cent.
  - This rate is consistent with the long-term discount rate assumption used by the Commonwealth Government to estimate the liability valuation for their CSS and PSS defined benefit employer superannuation liabilities in its recent 2018-19 Budget.
- Treasury consider it appropriate that the ACT's budget estimates maintain consistency with the Commonwealth's discount rate assumption on the basis that both jurisdictions are recognising and valuing liabilities associated with the same defined benefit schemes.
- The liability valuation HNOB impact, from the 2017-18 Budget Review, reflects a combination of adjustments as a result of changes to financial and demographic assumptions mainly from increased pension election by members at retirement and increased longevity of pensioners and the reduction in the discount rate.

Table 1: Superannuation Expense HNOB Impact

($000)	2018-19	2019-20	2020-21	2021-22	Total
Financial & Demographic Expense Impact	+8,200	+7,900	+7,800	+8,000	+31,900
Change to 5% Discount Rate Impact	+24,100	+20,900	+18,000	+15,200	+78,200
HNOB Impact	**(32,300)**	**(28,800)**	**(25,800)**	**(23,200)**	**(110,100)**

- The 2018-19 Budget superannuation liability and investment asset estimates are outlined below in Table 2. Fully funding the superannuation liability by 30 June 2030 remains on target.

Table 2: Liabilities/Assets/Funding Percentage

($000)	2018-19	2019-20	2020-21	2021-22
Liability	7,801,570	8,048,716	8,281,360	8,496,985
Assets	4,136,388	4,435,232	4,755,947	5,100,146
Funding	**53%**	**55%**	**57%**	**60%**

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2018-19 BUDGET BRIEF

H14

Whole of Government Staffing Levels

ISSUE: How has it changed since the last Budget?

Key Points:

- Total FTE is forecast to increase by 514 between the 2017-18 and 2018-19 Budgets, comprising an increase of 506 in agencies and eight in Public Trading Enterprises.

	2017-18 Budget	2018-19 Budget	Change from 2017-18 Budget to 2018-19 Budget
Agencies	20,365	20,871	506 (+2.5%)
PTEs	540	548	8 (+1.5%)
Total	**20,905**	**21,419**	**514 (+2.5%)**

- The most significant movements since the 2017-18 Budget are:
  - **Health Directorate –** The increase of 163 FTEs (equating to an FTE increase of 2 per cent) is primarily due to expected growth in employment related to new initiatives under the *Better healthcare for a growing city* banner including: More resources for acute care; More surgeries; and More mental health accommodation
  - **Justice and Community Safety Directorate** – The increase of 110 FTEs (equating to an FTE increase of 7 per cent) is primarily due to 2017-18 Budget Review and 2018-19 Budget initiatives, including those under the *More support for families and inclusion* theme: Better resourcing for the Alexander Maconochie Centre; Intensive Corrections Orders; and More resources for the Director of Public Prosecutions, offset by the transfer of the Safer Families function to the Community Services Directorate.
  - **Education Directorate –** The increase of 102 FTEs (equating to an FTE increase of 2 per cent) is primarily due to: the recruitment of additional learning professionals and support staff associated with the increase in student enrolments; and 2018-19 Budget initiatives.
  - **Chief Minister, Treasury and Economic Development Directorate –** The increase of 49 FTEs (equating to an FTE increase of 2 per cent) is primarily due to: 2018-19 Budget initiatives; the establishment of the Centre of Data Excellence within the Office of the Chief Digital Officer; and the conversion of labour hire contracts within Shared Services ICT to ACT public service employees.
- For further information, refer to Budget Paper 3, **Appendix M – *Whole of Government Staffing*.**
- Additional details may also be found in **Briefing O11 – *ACTPS Staffing***, contained in this briefing pack.

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Finance and Budget Division

2018-19 BUDGET BRIEF

H15

Enterprise Bargaining Agreement (EBA)

ISSUE: How EBA negotiations are reflected in the 2018-19 Budget

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Key Points:

- The estimates of employee expenses contained in the 2018-19 Budget anticipa in-principle agreement to the Government's current offer in relation to Enterprise Bargaining Agreement outcomes to occur prior to 30 June 2018.
- The Government's current offer includes:
  - salary increases of 2.25 per cent in October 2017; 0.5 per cent in June 2018, and 1.35 per cent every six months from December 2018, and
  - superannuation increases for fund of choice employees of 0.25 per cent in June 2018, 0.25 per cent in June 2019 and 0.5 per cent in June 2020.
- Expenses associated with the proposed salary increases and superannuation changes for 2017-18 have been accrued by relevant agencies in 2017-18 and the 2018-19 Budget includes capital injection funding in 2018-19 agencies eligible for full or partial supplementation to extinguish this liability and additional recurrent funding in 2018-19 and outyears to cover increases in salary costs and superannuation expenses in those years.
- The (gross) expenses relating to the EBA negotiations included in the 2018-19 Budget are $199.9 million over the five years 2017-18 to 2021-22.

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Finance and Budget Division

Attachment A

Agency EBA Adjustments – Gross Impact on Headline Net Operating Balance (HNOB)

	2017-18 $m	2018-19 $m	2019-20 $m	2020-21 $m	2021-22 $m	5-year Total $m
Office of the Legislative Assembly	0.0	-0.1	-0.2	-0.3	-0.4	**-1.0**
Auditor-General	0.0	0.0	-0.1	-0.1	-0.1	**-0.4**
Chief Minister, Treasury and Economic Development Directorate	-1.3	-2.2	-4.3	-6.3	-8.2	**-22.3**
Transport Canberra and City Services Directorate	-0.5	-1.2	-2.3	-3.4	-4.3	**-11.8**
Justice and Community Safety Directorate	-1.6	-3.1	-5.9	-8.7	-11.5	**-30.7**
Education Directorate	0.0	-0.2	-0.4	-0.9	-0.9	**-2.4**
Canberra Institute of Technology	-0.5	-1.0	-2.1	-3.3	-4.3	**-11.2**
Community Services Directorate	-0.4	-1.0	-2.0	-3.2	-4.1	**-10.8**
Legal Aid Commission (ACT)	-0.1	-0.1	-0.2	-0.2	-0.3	**-0.9**
Public Trustee and Guardian	0.0	-0.1	-0.2	-0.3	-0.3	**-0.9**
Cultural Facilities Corporation	0.0	-0.1	-0.2	-0.2	-0.3	**-0.8**
City Renewal Authority	0.0	-0.1	-0.1	0.0	0.0	**-0.2**
Cemeteries	0.0	0.0	0.0	-0.1	-0.1	**-0.2**
ACT Insurance Authority	0.0	0.0	-0.1	-0.1	-0.1	**-0.3**
Independent Competition and Regulatory Commission	0.0	0.0	0.0	0.0	0.0	**-0.1**
ACTION	0.0	-0.9	-2.2	-3.9	-5.2	**-12.2**
Environment, Planning and Sustainable Development Directorate	-0.5	-1.2	-2.3	-3.6	-4.4	**-12.0**
Electoral Commissioner	0.0	0.0	0.0	-0.1	-0.1	**-0.2**
Superannuation Provision Account	0.0	0.0	0.0	0.0	0.0	**0.0**
Health (Calvary Component)	0.0	-0.2	-1.6	-3.4	-4.6	**-9.8**
Health	-2.6	-5.0	-13.1	-22.3	-28.7	**-71.6**
Total Agency Adjustments	**-7.7**	**-16.6**	**-37.3**	**-60.4**	**-77.9**	**-199.9**

R1

PAYROLL TAX

ISSUE: Payroll tax estimates in the 2018-19 Budget

Key Points:

- In **2017-18**, estimated payroll tax revenue has been revised up by $24.2 million from the *2017-18 Budget* estimate of $494.4 million. This is largely driven by stronger employment growth (3 per cent) than anticipated at the 2017-18 Budget (1½ per cent).
- In **2018-19**, revenue from payroll tax is forecast to increase by $27.7 million (6 per cent) from the *2017-18 estimated outcome* to $522.1 million. This reflects forecast growth in employment (2 per cent) and wages (2½ per cent) as well as an increase in compliance activity.
- Over the projection period, payroll tax revenue is expected to increase in line with employment and wages growth, which are projected to increase at around their long-run trend growth rates. Payroll tax compliance activity also continues to contribute to revenue increases.
  - The payroll tax compliance initiative announced in the *2016-17 Budget* is anticipated to collect $51 million over the five years from 2017-18 to 2021-22.
  - The *2016-17 Budget* payroll tax compliance initiative is a measure to detect non-compliant payroll taxpayers. This is in addition to the 'existing' payroll tax compliance, which detects undeclared payroll.
- **Table 1** shows detailed variance of payroll tax revenue compared to the *2017-18 Budget*.

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Economic and Financial Group

Table 1: GGS Revenue – Payroll Tax, Detailed Variance from 2017-18 Budget

	2017-18	2018-19	2019-20	2020-21	2021-22
$m	**Est outcome**	**Budget**	**Estimate**	**Estimate**	**Estimate**
2017-18 Budget	**470.3**	**504.4**	**542.2**	**580.6**	**n.a.**
Policy change since Budget	0.0	0.0	0.0	0.0	n.a.
Economic parameter change					
Starting base[a)]	4.6	8.4	6.7	6.9	n.a.
Private sector employment	3.8	1.5	0.0	0.0	n.a.
Private sector WPI	-0.5	-3.5	0.0	0.0	n.a.
Total economic parameter change	*7.8*	*6.5*	6.7	*6.9*	n.a.
Total Variance	**7.8**	**6.5**	**6.7**	**6.9**	**n.a.**
2017-18 Budget Review	**478.1**	**510.9**	**548.9**	**587.5**	**n.a.**
Policy change since Budget Review	0.0	0.0	0.0	0.0	n.a.
Economic parameter change					
Starting base[b)]	0.0	0.0	0.0	0.0	n.a.
Private sector employment	15.9	11.2	12.1	13.2	n.a.
Private sector WPI	0.5	0.0	0.0	0.0	n.a.
Total economic parameter change	*16.4*	*11.2*	12.1	*13.2*	n.a.
Total Variance	**16.4**	**11.2**	**12.1**	**13.2**	**n.a.**
2018-19 Budget	**494.4**	**522.1**	**561.0**	**600.7**	**643.2**

Notes: Estimates may not add up due to rounding.

a) Starting revenue base as at 2017-18 Budget was the revenue base estimated for 2016-17 as at the 2017-18 Budget, which was around $3 million lower than the actual outcome.

b) Starting revenue base as at 2018-19 Budget is the same as starting revenue base as at 2017-18 Budget Review.

- **Table 2** below shows the components of expected revenue from payroll tax compliance. The revenue estimates from compliance are unchanged from the 2017-18 Budget. The estimates for 2021-22 are assumed to be the same as the estimates in 2020-21.
  - Estimates from 2017-18 to 2020-21 have been included in the 2017-18 Budget.

Table 2: GGS Revenue – Payroll Tax Compliance

	2017-18 Est. Outcome $'m	2018-19 Budget $'m	2019-20 Estimate $'m	2020-21 Estimate $'m	2021-22 Estimate $'m
Undeclared payroll	6.0	6.0	6.0	6.0	6.0
Non-compliant tax payers [a)]	5.0	10.0	12.0	12.0	12.0
Total	**11.0**	**16.0**	**18.0**	**18.0**	**18.0**

Note: Estimates may not add up due to rounding.

a) This initiative was announced in the 2016-17 Budget.

2018-19 BUDGET BRIEF

R2

RESIDENTIAL CONVEYANCE DUTY

ISSUE: Residential conveyance duty estimates in the 2018-19 Budget

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Key Points:

- In **2017-18**, the estimated revenue from residential conveyance duty has been revised down by $16.2 million from the *2017-18 Budget* estimate, to $178.2 million. This is mainly due to a larger than expected impact from the introduction of the Barrier Free conveyance duty reforms introduced from 18 September 2017.
- In **2018-19**, residential conveyance duty revenue is forecast to increase by $30.6 million (17 per cent) from the *2017-18 estimated outcome*, to $208.8 million. This reflects an expectation of a return to more normal transaction levels.
- These revenue estimates are underpinned by growth in the housing stock, in part, as a result of the indicative land release program of 17,000 dwellings over four years from 2018-19 to 2021-22 and the release of remediated Mr Fluffy blocks to the market.
- Somewhat offsetting these positive factors are the reductions to residential conveyance duty rates as part of the tax reform program.
- **Table 1** shows detailed variance of residential conveyance duty revenue compared to the 2017-18 Budget.

Table 1: GGS Revenue – Residential Conveyance Duty, Detailed Variance from 2017-18 Budget

	2017-18	2018-19	2019-20	2020-21	2021-22
$'m	**Est outcome**	**Budget**	**Estimate**	**Estimate**	**Estimate**
2017-18 Budget	**194.4**	**210.2**	**213.9**	**217.2**	**n.a.**
Changes	0.0	0.0	0.0	0.0	n.a.
2017-18 Budget Review (unchanged from 2017-18 Budget)	**194.4**	**210.2**	**213.9**	**217.2**	**n.a.**
Policy change since Budget Review					
Pensioner Duty Concession Scheme	0.0	-1.7	0.0	0.0	n.a.
Additional Impact of Barrier Free Conveyance Duty Reforms[a)]	-10.0	0.0	0.0	0.0	n.a.
Total policy change	*-10.0*	*-1.7*	*0.0*	*0.0*	*n.a.*
Economic parameter change					
Change in Prices	4.4	13.7	13.1	13.4	n.a.
Change in Housing Stock	0.0	0.8	1.2	0.3	n.a.
Change in Turnover Rate	-10.6	-14.2	-14.1	-13.2	n.a.
Total economic parameter change	*-6.2*	*0.3*	*0.2*	*0.5*	*n.a.*
Total Variance	**-16.2**	**-1.4**	**0.2**	**0.5**	**n.a.**
2018-19 Budget	**178.2**	**208.8**	**214.1**	**217.7**	**220.7**

Note: Estimates may not add up due to rounding.

a) This is an additional impact on top of the $20 million estimated at the 2017-18 Budget. This reform was announced in the 2017-18 Budget and has been implemented since 18 September 2017.

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- **Table 2** shows the components of revenue from residential conveyance duty, including the reduction in revenue due to the cuts to residential conveyance duty rates.

Table 2: GGS Revenue – Residential Conveyance Duty Components

	2017-18 Est. Outcome $'m	2018-19 Budget $'m	2019-20 Estimate $'m	2020-21 Estimate $'m	2021-22 Estimate $'m
Revenue Base *(Given forecast Price and Turnover at 2017-18 Conveyance Duty Rates)*	**201.0**	**220.0**	**236.5**	**253.0**	**270.8**
Implementation of Barrier Free Conveyance Duty Reforms [a)]	-30.0	-	-	-	-
Revenue Reduction due to Conveyance Duty Rate Cuts from the 2017-18 Levels [b)]	0.0	-10.4	-22.4	-35.6	-50.1
Concessions [c)]	-2.2	-1.8	-0.1	-0.1	-0.1
Sale of remediated Mr Fluffy blocks	9.3	1.0	0.1	0.4	-
Total	**178.2**	**208.8**	**214.1**	**217.7**	**220.7**

Notes: Estimates may not add up due to rounding.

a) This reform was announced in the 2017-18 Budget and has been implemented since 18 September 2017.

b) This reflects rate cuts from 2017-18 levels, not since the commencement of tax reform.

c) This consists of Pensioner Duty Concession Scheme (PDCS), which has been extended to 30 June 2019 and Disability Duty Concession Scheme (DDCS).

Tax Reform

- The Government is progressing Stage Two of the tax reform program by further reducing residential conveyance duty rates. **Table 3** below shows the residential conveyance duty threshold and rates from 2018-19 to 2021-22. The 2018-19 residential conveyance duty rates will apply from 6 June 2018.

Table 3: Residential conveyance duty rates [a)]

Value Threshold	2018-19 %	2019-20 %	2020-21 %	2021-22 %
Up to $200,000	1.3	1.2	1.1	1.0
$200,001 to $300,000	2.3	2.2	2.1	2.0
$300,001 to $500,000	3.6	3.4	3.2	3.0
$500,001 to $750,000	4.56	4.32	4.1	3.9
$750,001 to $1,000,000	6.1	5.9	5.7	5.5
$1,000,001 to $1,455,000	6.6	6.4	6.2	6.0
More than $1,455,000 [b)]	4.73	4.54	4.36	4.18

Notes:

a) These residential conveyance duty rates were announced in the 2016-17 Budget as part of the Stage Two tax reform.

b) The more than $1,455,000 rate is a flat rate on the entire value of the transaction.

- Since the commencement of the tax reform program in 2012-13, conveyance duty payable has reduced for all property values. For example, in 2018-19, as a result of taxation reform:
  - a purchaser of a property valued at $350,000 will save $5,550 or 45 per cent since taxation reform commenced;
  - a purchaser of a property valued at $420,000 will save $6,880 or 43 per cent since taxation reform commenced;
  - a purchaser of a property valued at $500,000 will save $8,400 or 41 per cent since taxation reform commenced;
  - a purchaser of a property valued at $700,000 will save $10,780 or 34 per cent since taxation reform commenced; and
  - a purchaser of a property valued at $2,000,000 will save $22,150 or 19 per cent since taxation reform commenced.

Barrier Free Conveyance Duty Reform

- The system for collecting conveyancing duty on property transactions was changed to the Barrier Free Model on 18 September 2017 and applies to all conveyance transactions executed on or after this date.
- Under this model, duty must be paid within 14 days of the lodgement of *transaction documents* with the Land Titles Office.
  - Under the previous 'traditional' conveyance duty model, the payment of duty was within 90 days of the date of exchange of contracts. However, the payment time could extend up to one year and 14 days for certain off the plan transactions.
- The *2017-18 Budget* estimated that the revenue implication in 2017-18 of moving the trigger date for payment of conveyance duty from the date of exchange of contracts to the point that a buyer acquires the title to the property (which occurs after settlement) would be $20 million. However, the year to date outcome for residential conveyance duty revenue indicates that $30 million (or $10 million higher than initially estimated) is the likely outcome.

2018-19 BUDGET BRIEF

R3

COMMERCIAL CONVEYANCE DUTY

ISSUE: Commercial conveyance duty estimates in the 2018-19 Budget

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Key Points:

- In **2017-18**, estimated commercial conveyance duty revenue has been revised down by $24.9 million from the *2017-18 Budget* estimate of $73.8 million. Turnover was lower across all segments of the market. In particular, there was no very large transaction above $10 million in duty, whereas in 2016-17 there were three such transactions.
- In **2018-19**, commercial conveyance duty revenue is forecast to increase by $16.8 million from *the 2017-18 estimated outcome*. It is expected that there will be one very large transaction above $10 million in duty in 2018-19.
- In **2019-20**, the *2018-19 Budget* expects commercial conveyance duty revenue to be boosted by an additional $5 million from compliance activity as well as improving economic conditions, slightly offset by the threshold adjustment from tax reform. The estimates for **2020-21** and **2021-22** reflect a return to more normal economic conditions and the threshold adjustment from tax reform.

Table 1: General Government Sector Revenue – Commercial Conveyance Duty

	2017-18	2018-19	2019-20	2020-21	2021-22
$ million	**Est outcome**	**Budget**	**Estimate**	**Estimate**	**Estimate**
2017-18 Budget	**73.8**	**73.3**	**72.7**	**70.5**	**n.a.**
Economic conditions	-20.0	-10.0	0.0	0.0	
2017-18 Budget Review[1]	**53.8**	**63.3**	**72.7**	**70.5**	
Economic conditions	-4.9	4.4	-2.3	2.3	
Compliance			5.0		
Threshold adjustment		-2.0	-2.0	-2.0	
2018-19 Budget	**48.9**	**65.7**	**73.4**	**70.8**	**75.5**

1. Unpublished

Table 2: General Government Sector Revenue – Commercial Conveyance Duty
Variance from Earlier Budgets to the 2018-19 Budget

$million	2017-18	2018-19	2019-20	2020-21	2021-22
2017-18 Budget Review[1]	-4.9	2.4	0.8	0.2	
2017-18 Budget	-24.9	-7.6	0.8	0.2	

1. Unpublished

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Tax Reform

- From 1 July 2018, conveyance duty for commercial property transactions of $1.5 million or below will be fully abolished. For transactions above $1.5 million, a flat rate of 5.0 per cent applies to the entire value of the transaction. This will result in about 70 per cent of all commercial property transactions paying no conveyance duty from 2018-19. The cost is estimated at $2 million per annum from 2018-19.

2018-19 BUDGET BRIEF

ASSISTANCE TO FIRST HOME OWNERS

R4

ISSUE: Outlines changes to the Home Buyer Concession Scheme and First Home Owners Grant in the 2018-19 Budget

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Key Points:

- As part of the 2018-19 Budget, changes are being made to improve access to affordable housing for first home buyers. These include removing conveyance duty for first home owners with household income less than $160,000 and ceasing the First Home Owner Grant.
- These changes will come into effect from 1 July 2019.

Removing stamp duty for first home buyers

- The Home Buyer Concession Scheme (HBCS) provides eligible purchasers of a residential property a concessional amount of conveyance duty.
- Under the current HBCS, first home buyers must meet the following eligibility criteria:
  - be purchasing a new property;
  - have a household income below $160,000; and
  - be purchasing a property with a value below $460,000 to receive a full concession, or below $609,000 for a partial concession.
- As part of the 2018-19 Budget, the HBCS will be extended to all first home buyers who meet an income test, regardless of the property value and whether it is new or established.
- An eligible first home buyer purchasing a house valued at the current ACT median price of $530,000 would receive a conveyance duty concession of $12,696 in 2019-20.

First Home Owner Grant (FHOG)

- As part of the 2018-19 Budget, to ensure assistance to first home buyers remains fiscally sustainable, the FHOG will be abolished from 1 July 2019.
- The FHOG was introduced on 1 July 2000 and provides a grant to first home buyers to purchase their first home. The current grant is $7,000 and is available for new and substantially renovated homes only.
- The FHOG is a requirement of the Intergovernmental Agreement on Federal Financial Relations.
  - The Treasurer has raised abolishing stamp duty for first home owners and the FHOG with the Treasurers of other states and with the Commonwealth. Setting the commencement of this initiative at 1 July 2019 will allow time to resolve any interjurisdictional issues.
- A range of experts and policymakers have noted the FHOG has not been effective in assisting first home buyers to enter the housing market.

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- In some cases, the grants can contribute to making housing less affordable by channelling demand into particular segments of the market where supply is relatively constrained.
- Also, as the grant is usually paid in advance of purchase, it can artificially inflate the borrowing power of buyers, putting further pressure on prices.

Impact on first home buyers with household income less than $160,000

Property type	Old scheme	New scheme
Established home – any value	– No Government assistance	– Full stamp duty concession
New home – $470,000 or less	– $7,000 FHOG – full stamp duty concession	– Full stamp duty concession
New home – $470,000 to $607,000	– $7,000 FHOG – partial stamp duty concession	– Full stamp duty concession
New home – $607,000 to $750,000	– $7,000 FHOG	– Full stamp duty concession
New home – $750,000 and above	– No Government assistance	– Full stamp duty concession

- Overall, all home buyers are expected to benefit from reduced price pressures over time as a result of the abolition of the FHOG and the extension of conveyance duty concessions to established houses.
- Based on prior years' data, approximately 800 first home owners per year will qualify for additional assistance under this proposal:
  - either because they are purchasing an established property (estimated at around 600); or
  - because they did not previously qualify due to the property value thresholds on the Home Buyer Concession Scheme (estimated at around 50); or
  - the concessional duty they would have previously paid was greater than $7,000 (estimated at around 150).
- There are approximately 1,200 first home owners per year who currently access both the First Home Owners Grant and the Home Buyer Duty Concession Scheme. While future buyers who purchase a new property may receive less support in dollar terms than under these arrangements, all of these buyers will now have the option to purchase an established property and receive a full stamp duty concession if they do so. This is not the case under the current arrangements.
- Households with an income greater than $160,000 would not be eligible for the stamp duty concession under the old or new scheme.

Number of previous FHOG and HBCS by financial year

	FHOG		HBCS	
	Number	Expense $'000	Number	Expense $'000
2013-14	1,860	14,683	1,129	9,867
2014-15	1,705	17,034	1,361	12,582
2015-16	1,406	15,357	1,434	11,742
2016-17	1,234	12,450	1,252	9,750
2017-18 YTD	1,555	14,764	1,169	6,555

- Uptake of First Home Owners Grants is difficult to determine as there can be a lag of a number of years from when a unit or town house is purchased off-the-plan and when the First Home Owners Grant payment is made, following construction of the dwelling.
- Further, the value of First Home Owners Grants has decreased over 3 years from $12,500 to $7,000. However, a significant number of unit developments completed this financial year have had First Home Owners Grant payments at the higher value.

2018-19 BUDGET BRIEF

COMMONWEALTH GRANTS – CHANGES IN FUNDING RELATING TO NATIONAL HEALTH REFORM AGREEMENT

R5

ISSUE: Commonwealth Health Funding and the Health Funding Envelope

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Key Points:

- The ACT 2018-19 Budget estimates are $49.8 million higher over four years than the estimates included in the Commonwealth 2018-19 Budget, noting these estimates relate to the combination of the hospital services funding component and the public health funding component under the National Health Reform Agreement, as set out in Table 1 below.

Table 1: Commonwealth Funding and ACT Health Estimated Budget, 2018-19

	2017-18 ($'m)	**2018-19** ($'m)	**2019-20** ($'m)	**2020-21** ($'m)	**2021-22** ($'m)	**Total** ($'m)
Commonwealth 2018-19 Budget estimates for hospital services [1]	367.3	385.7	411.4	438.8	468.0	**1,703.9**
ACT 2018-19 Budget [1]	367.3	398.0	423.8	451.3	480.5	**1,753.7**
Variance	0	12.4	12.4	12.5	12.5	**49.8**

Note 1: This amount includes both hospital services and public health components of funding with a breakdown into these components being available in Table 7.2.7 in Budget Paper No.3.

- The 2018-19 Commonwealth Budget also included a reconciliation payment of $29.2 million in National Health Reform funding for higher levels of activity than budgeted by the Commonwealth between 2015 and 2017, being paid in 2017-18.
- From 2017-18 to 2019-20, under an addendum to the National Health Reform Agreement, Commonwealth funding growth for public hospitals has been capped at 6.5 per cent per annum nationally.
- The ACT Government has recently signed a Heads of Agreement, as a precursor to the next health reform agreement relating to the Commonwealth's funding contribution towards public hospitals and public health for the period 2020-2025. Negotiations are on-going.
- In the 2018-19 Commonwealth Budget, the Commonwealth Government estimated funding to the ACT Government of $1.704 billion over four years from 2018-19. This represents an average annual growth in funding of approximately 6.25 per cent per annum.
- ACT Health is expecting a higher growth rate of 6.5 per cent per annum, based on more recent estimates and the increased ACT Government investment in services. This results in an estimated Commonwealth contribution of $1.754 billion over four years.
- For further information refer to Chapter 7 on Federal Financial Relations in Budget Paper No. 3.

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Finance and Budget Division

R6

GENERAL RATES

ISSUE: What is the increase in general rates in 2018-19

Key Points:

Commercial

- Commercial general rates on average overall will increase by around 6.45 per cent (rounded to 6 per cent) in 2018-19.
  - Some properties will experience an increase above or below the average per cent increase depending on changes in land values (Average Unimproved Values).
- The table below shows the fixed charge and marginal rates for commercial general rates in 2017-18 and 2018-19.

Table 1: Commercial General Rates – fixed charge and rating factors

2017-18		2018-19	
AUV	**Rating Factor**	**AUV**	**Rating Factor**
0 to $150,000	2.9760%	0 to $150,000	3.0800%
$150,001 to $275,000	3.4940%	$150,001 to $275,000	3.6161%
$275,001 to $600,000	4.9350%	$275,001 to $600,000	5.1074%
$600,001 +	4.9930%	$600,001 +	5.1675%
Fixed charge	$2,380	Fixed charge	$2,463

Residential

- On average overall, residential rates will increase by around 7.75 per cent in 2018-19.
- The 2017-18 and 2018-19 residential general rates marginal rating factors are shown in the table below.
  - The fixed charge for residential rates will increase by $50 to $815.

Table 2: Residential General Rates – fixed charge and rating factors

2017-18		2018-19	
AUV	**Rating Factor**	**AUV**	**Rating Factor**
0 to $150,000	0.2960%	0 to $150,000	0.3130%
$150,001 to $300,000	0.4088%	$150,001 to $300,000	0.4088%
$300,001 to $450,000	0.5130%	$300,001 to $450,000	0.5130%
$450,001 to $600,000	0.5603%	$450,001 to $600,000	0.5603%
$600,001 +	0.6013%	$600,001 +	0.5700%
Fixed charge	$765	Fixed charge	$815

- The impact on average residential general rates by district is shown in the table below.
  - The increase by district will vary depending on the change in AUVs that have occurred and also changes to the mix of houses to units.

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Economic and Financial Group **Date: May 2018**

Table 3: Residential General Rates by district

	All properties			
District	Av. Rates 2017-18 ($)	Av. Rates 2018-19 ($)	Change ($)	Change (%)
ACT	**2,048**	**2,207**	**159**	**8%**
Belconnen	1,821	1,966	145	8%
Gungahlin	1,620	1,778	158	10%
North Canberra	2,282	2,487	205	9%
South Canberra	2,955	3,163	208	7%
Tuggeranong	1,808	1,943	135	7%
Weston Creek	2,174	2,289	115	5%
Woden	2,404	2,583	179	7%
Molonglo	1,652	1,788	135	8%

- The impact on average residential general rates by property type is shown in the tables below.
- On average, rates for houses will increase by around 7 per cent and rates for units will increase by around 10 per cent.
    - **:** Increases for units are higher than houses due to the change in calculation methodology which was introduced in the 2017-18 Budget. To allow unit owners more time to adapt to this change, the transition to the new methodology has been extended a further year by adjusting the marginal rating factors.
    - **:** A rebate of $100 per unit was applied in 2017-18 which will be removed in 2018-19.
- The increase for an individual property will vary as this depends on a range of factors, including the increase (or decrease) in AUV for houses, and the impact of the change in calculation methodology on units.

Table 4: Residential General Rates by district (Houses)

	Houses			
District	Av. Rates 2017-18 ($)	Av. Rates 2018-19 ($)	Change ($)	Change (%)
ACT	**2,303**	**2,474**	**172**	**7%**
Belconnen	2,011	2,161	150	7%
Gungahlin	1,759	1,924	165	9%
North Canberra	3,370	3,645	274	8%
South Canberra	4,754	5,073	319	7%
Tuggeranong	1,899	2,033	134	7%
Weston Creek	2,275	2,387	113	5%
Woden	2,935	3,139	203	7%
Molonglo	2,204	2,341	136	6%

Table 5: Residential General Rates by district (Units)

	Units			
District	Av. Rates 2017-18 ($)	Av. Rates 2018-19 ($)	Change ($)	Change (%)
ACT	**1,337**	**1,472**	**135**	**10%**
Belconnen	1,263	1,394	131	10%
Gungahlin	1,165	1,303	137	12%
North Canberra	1,288	1,429	141	11%
South Canberra	1,585	1,708	123	8%
Tuggeranong	1,353	1,495	142	10%
Weston Creek	1,435	1,564	129	9%
Woden	1,462	1,600	138	9%
Molonglo	998	1,133	135	13%

Residential General Rates Concessions

- General rates rebates will continue to be available to offset the cost of general rates for vulnerable households.
  - The pensioner rebate of up to $700 remains unchanged in 2018-19. Pensioners in receipt of the rebate prior to 1997 will remain eligible for a 50 per cent rebate on their rates, capped at 2015-16 levels for amounts above $700.

General Rates Aged Deferral Scheme

- The General Rates Aged Deferral scheme will be expanded by removing the income and unimproved land value thresholds.
  - All property owners aged 65 and over with at least 75 per cent equity in their home will be able to access the deferral scheme from 1 July 2018.
  - The land value criteria will be removed as it had restricted the scheme to properties largely in the inner north and inner south.
- Removing the land value threshold will significantly expand access to the scheme, including to unit owners. This will include seniors with relatively low levels of wealth who would not have been eligible for the scheme due to the land value criteria.
- Removal of the income test will also mean reduced red tape for applicants as well as reduced administrative compliance for the ACT Revenue Office.

General Rates early payment discount

- The general rates early payment discount will be abolished from 1 July 2018.
  - The early payment discount was reduced from 3 to 2 per cent in the 2016-17 Budget, and reduced to 1 per cent in the 2017-18 Budget.
  - The existing discount is more likely to be accessed by property owners with the means and capacity to pay upfront, hence there are no strong grounds for continuing this discount from a social welfare perspective.

Table 6: Residential General Rates by suburb

	Houses				Units			
	2017-18	2018-19	Change($)	Change (%)	2017-18	2018-19	Change($)	Change (%)
ACT	2,303	2,474	172	7%	1,337	1,472	135	10%
Belconnen	**2,011**	**2,161**	**150**	**7%**	**1,263**	**1,394**	**131**	**10%**
Aranda	3,129	3,380	251	8%	1,777	1,937	160	9%
BELCONNEN	1,842	1,943	101	5%	1,053	1,186	133	13%
Bruce	2,670	2,878	208	8%	1,277	1,401	124	10%
Charnwood	1,622	1,739	117	7%	1,258	1,387	129	10%
Cook	2,626	2,817	191	7%	1,646	1,759	113	7%
Dunlop	1,615	1,735	120	7%	1,263	1,444	181	14%
Evatt	1,868	2,015	147	8%	1,266	1,419	153	12%
Florey	1,972	2,116	144	7%	1,495	1,615	120	8%
Flynn	1,873	2,006	133	7%	1,390	1,553	163	12%
Fraser	1,900	2,027	127	7%	1,418	1,557	139	10%
Giralang	2,007	2,189	182	9%	1,527	1,661	133	9%
Hawker	2,819	2,995	177	6%	1,565	1,681	116	7%
Higgins	1,938	2,060	121	6%	1,494	1,636	142	10%
Holt	1,704	1,829	125	7%	1,204	1,334	130	11%
Kaleen	2,156	2,334	178	8%	1,371	1,530	159	12%
Latham	1,798	1,938	140	8%	1,357	1,500	143	11%
Lawson	2,515	2,650	135	5%	1,151	1,279	129	11%
Macgregor	1,609	1,728	119	7%	1,321	1,448	127	10%
Macquarie	2,401	2,588	187	8%	1,331	1,477	146	11%
McKellar	2,021	2,191	170	8%	1,592	1,709	117	7%
Melba	2,027	2,173	146	7%	1,456	1,589	133	9%
Page	2,120	2,277	157	7%	1,470	1,600	130	9%
Scullin	1,911	2,020	109	6%	1,423	1,551	127	9%
Spence	1,824	1,952	128	7%	1,394	1,552	158	11%
Weetangera	2,914	3,143	229	8%	1,720	1,880	160	9%
Gungahlin	**1,759**	**1,924**	**165**	**9%**	**1,165**	**1,303**	**137**	**12%**
Amaroo	1,792	1,929	136	8%	1,517	1,645	128	8%
Bonner	1,534	1,693	158	10%	1,186	1,319	133	11%
Casey	1,639	1,801	162	10%	1,115	1,258	143	13%
Crace	1,744	1,936	192	11%	953	1,099	146	15%
Forde	1,863	2,095	232	12%	1,239	1,382	143	12%
Franklin	1,796	1,981	185	10%	895	1,036	141	16%
Gungahlin	1,756	1,904	148	8%	1,115	1,265	150	13%
Hall	3,454	3,583	129	4%	1,127	1,269	142	13%
Harrison	1,772	1,943	171	10%	954	1,099	145	15%
Jacka	1,562	1,713	151	10%	1,065	1,200	135	13%
Moncrieff	1,546	1,705	158	10%	1,545	1,688	143	9%
Ngunnawal	1,635	1,773	138	8%	1,262	1,400	137	11%
Nicholls	2,133	2,338	205	10%	1,605	1,721	115	7%
Palmerston	1,788	1,954	166	9%	1,632	1,750	119	7%
Taylor	1,829	1,905	75	4%				
Throsby	2,291	2,366	75	3%				

North Canberra	**3,370**	**3,645**	**274**	**8%**	**1,288**	**1,429**	**141**	**11%**
Ainslie	3,523	3,783	260	7%	2,320	2,537	217	9%
Braddon	4,186	4,503	317	8%	1,244	1,384	140	11%
Campbell	4,396	4,781	385	9%	1,580	1,712	132	8%
City					1,010	1,166	156	15%
Dickson	3,042	3,409	367	12%	1,362	1,512	150	11%
Downer	2,830	3,063	232	8%	1,532	1,687	156	10%
Hackett	3,043	3,369	326	11%	1,502	1,632	130	9%
Lyneham	2,690	2,994	304	11%	1,206	1,336	130	11%
O`Connor	3,750	3,917	167	4%	1,630	1,766	136	8%
Reid	4,952	5,255	302	6%	1,447	1,573	125	9%
Turner	5,214	5,649	435	8%	1,375	1,509	134	10%
Watson	2,515	2,746	231	9%	1,158	1,293	136	12%
South Canberra	**4,754**	**5,073**	**319**	**7%**	**1,585**	**1,708**	**123**	**8%**
Barton	6,002	6,427	425	7%	1,507	1,618	110	7%
Deakin	4,660	5,037	377	8%	1,682	1,832	150	9%
Forrest	9,540	9,603	63	1%	2,139	2,257	119	6%
Griffith	5,098	5,476	378	7%	1,435	1,564	129	9%
Kingston	3,520	3,826	306	9%	1,398	1,513	115	8%
Narrabundah	3,226	3,478	252	8%	1,474	1,605	131	9%
Red Hill	5,693	6,004	311	5%	2,553	2,712	159	6%
Yarralumla	5,235	5,652	417	8%	2,875	3,022	147	5%
Woden	**2,935**	**3,139**	**203**	**7%**	**1,462**	**1,600**	**138**	**9%**
Chifley	2,665	2,849	184	7%	1,562	1,709	148	9%
Curtin	3,019	3,268	249	8%	1,488	1,632	144	10%
Farrer	2,843	3,058	215	8%	1,599	1,738	140	9%
Garran	3,575	3,733	158	4%	1,394	1,527	134	10%
Hughes	3,121	3,342	221	7%	1,524	1,684	160	11%
Isaacs	2,591	2,737	146	6%	1,959	2,065	106	5%
Lyons	2,645	2,848	203	8%	1,308	1,444	136	10%
Mawson	2,748	2,946	199	7%	1,652	1,829	178	11%
O`Malley	4,514	4,677	163	4%	2,844	2,894	49	2%
Pearce	2,800	3,015	214	8%	1,550	1,676	126	8%
Phillip	2,398	2,500	102	4%	1,207	1,336	128	11%
Torrens	2,585	2,790	204	8%	1,599	1,745	147	9%
Tuggeranong	**1,899**	**2,033**	**134**	**7%**	**1,353**	**1,495**	**142**	**10%**
Banks	1,721	1,820	99	6%	1,453	1,623	170	12%
Bonython	1,854	1,989	134	7%	1,388	1,520	132	9%
Calwell	1,906	2,037	132	7%	1,294	1,434	140	11%
Chisholm	1,881	1,997	116	6%	1,492	1,702	210	14%
Conder	1,790	1,910	119	7%	1,300	1,451	151	12%
Fadden	2,171	2,348	177	8%	1,800	1,905	105	6%
Gilmore	1,905	2,028	124	6%	1,398	1,561	163	12%
Gordon	1,814	1,952	138	8%	1,241	1,384	143	12%
Gowrie	1,864	2,003	139	7%	1,570	1,716	145	9%
Greenway	2,099	2,274	175	8%	1,290	1,416	127	10%
Isabella Plains	1,792	1,926	134	7%	1,329	1,475	146	11%
Kambah	1,970	2,128	158	8%	1,425	1,570	144	10%

Macarthur	2,052	2,224	172	8%	1,414	1,608	194	14%
Monash	1,991	2,136	145	7%	1,359	1,502	143	10%
Oxley	2,012	2,169	157	8%	1,514	1,637	123	8%
Richardson	1,775	1,914	139	8%	1,244	1,400	156	13%
Tharwa	1,668	1,766	98	6%				
Theodore	1,777	1,903	126	7%	1,341	1,501	159	12%
Wanniassa	1,959	2,051	92	5%	1,434	1,568	134	9%
Weston Creek	**2,275**	**2,387**	**113**	**5%**	**1,435**	**1,564**	**129**	**9%**
Chapman	2,853	3,017	164	6%	1,377	1,554	177	13%
Duffy	2,250	2,365	115	5%	1,444	1,574	131	9%
Fisher	2,242	2,334	92	4%	1,266	1,406	141	11%
Holder	2,199	2,313	114	5%	1,492	1,612	120	8%
Rivett	2,066	2,162	96	5%	1,505	1,632	126	8%
Stirling	2,167	2,269	102	5%	1,446	1,564	118	8%
Waramanga	2,172	2,271	99	5%	1,482	1,615	134	9%
Weston	2,267	2,386	119	5%	1,471	1,592	120	8%
Molonglo	**2,204**	**2,341**	**136**	**6%**	**998**	**1,133**	**135**	**13%**
Coombs	2,019	2,182	164	8%	1,171	1,297	126	11%
Denman Prospect	2,604	2,680	75	3%				
Wright	2,197	2,336	138	6%	933	1,070	138	15%
Other								
Oaks Estate	1,635	1,767	132	8%	872	1,017	145	17%
Uriarra Village	1659	1813	154	9%				

Table 7 Changes to residential rates since tax reform commenced, from 2011 to 2018

	Average Rates ($)								Change (%)							Total increase over 7 years	
	2011	2012	2013	2014	2015	2016	2017	2018	2012	2013	2014	2015	2016	2017	2018	$	%
House																	
Belconnen	1,256	1,365	1,514	1,661	1,810	1,887	2,011	2,161	9%	11%	10%	9%	4%	7%	7%	905	72%
Gungahlin	1,119	1,176	1,306	1,440	1,572	1,644	1,759	1,924	5%	11%	10%	9%	5%	7%	9%	805	72%
Molonglo		1,646	1,746	1,884	2,005	1,975	2,204	2,341		6%	8%	6%	-1%	12%	6%	695	42%
North Canberra	1,741	2,073	2,260	2,504	2,767	3,001	3,370	3,645	19%	9%	11%	11%	8%	12%	8%	1,903	109%
South Canberra	2,476	3,159	3,379	3,745	4,094	4,332	4,754	5,073	28%	7%	11%	9%	6%	10%	7%	2,598	105%
Tuggeranong	1,225	1,318	1,443	1,581	1,716	1,786	1,899	2,033	8%	10%	10%	9%	4%	6%	7%	809	66%
Weston Creek	1,377	1,546	1,714	1,880	2,053	2,136	2,275	2,387	12%	11%	10%	9%	4%	6%	5%	1,010	73%
Woden	1,690	1,983	2,162	2,378	2,574	2,721	2,935	3,139	17%	9%	10%	8%	6%	8%	7%	1,449	86%
Unit																	
Belconnen	815	824	922	986	1,061	1,090	1,263	1,394	1%	12%	7%	8%	3%	16%	10%	579	71%
Gungahlin	829	836	921	969	1,039	1,053	1,165	1,303	1%	10%	5%	7%	1%	11%	12%	474	57%
Molonglo						888	998	1,133						12%	13%	245	28%
North Canberra	790	817	902	979	1,045	1,094	1,288	1,429	3%	10%	9%	7%	5%	18%	11%	640	81%
South Canberra	996	1,029	1,111	1,196	1,290	1,320	1,585	1,708	3%	8%	8%	8%	2%	20%	8%	712	71%
Tuggeranong	804	829	929	1,006	1,091	1,132	1,353	1,495	3%	12%	8%	8%	4%	20%	10%	691	86%
Weston Creek	827	856	965	1,057	1,149	1,185	1,435	1,564	4%	13%	10%	9%	3%	21%	9%	737	89%
Woden	849	881	985	1,078	1,164	1,219	1,462	1,600	4%	12%	9%	8%	5%	20%	9%	751	88%

Table 8 General Rates increases in 2018-19 ($)

$ increase in 2018-19	Houses	Units
<0	170	126
0-50	295	213
50-100	8,165	2,761
100-150	47,818	39,346
150-200	28,246	3,194
200-250	14,230	1,802
250-300	4,543	515
300-350	3,534	335
350-400	2,714	206
400-450	1,620	69
450-500	438	
500-550	150	
550-600	51	
600-650	17	
>650	20	

Note: Values less than five have been excluded.

Figure 1 Residential General Rates increases in 2018-19 ($)

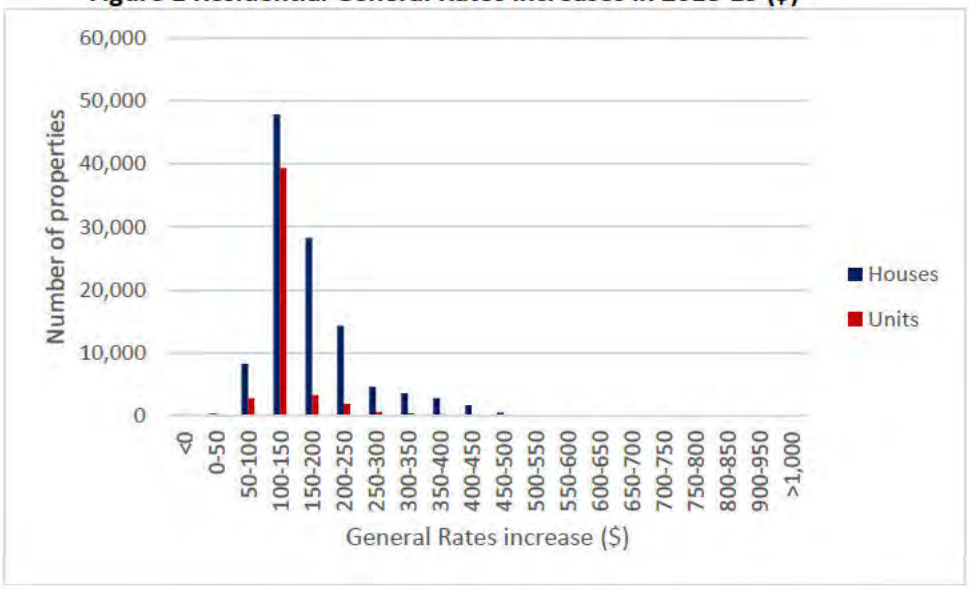
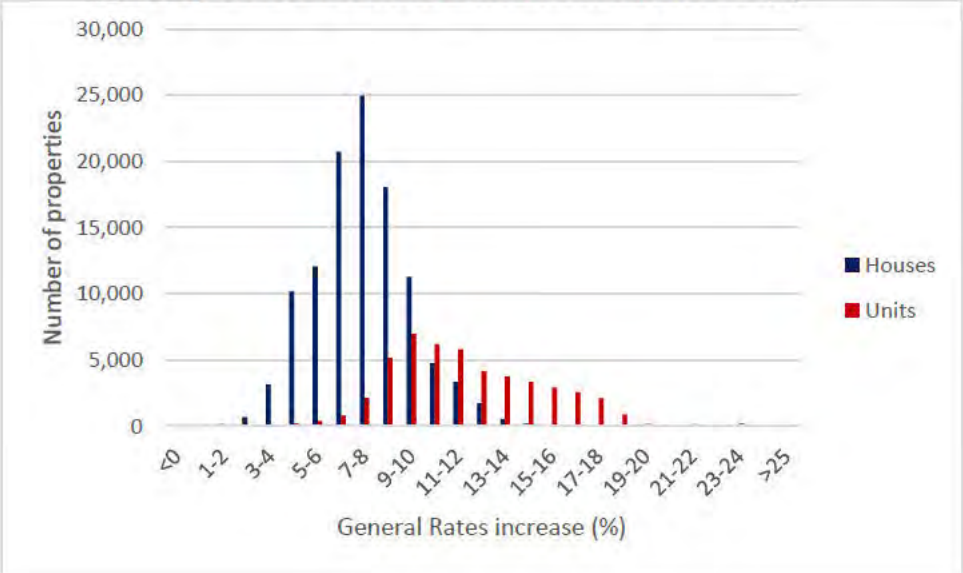


Table 9 Residential General Rates increases in 2018-19 (%)

% Increase in 2018-19	Houses	Units
<0	55	
0-1	45	
1-2	154	6
2-3	686	23
3-4	3,164	138
4-5	10,159	211
5-6	12,055	415
6-7	20,726	808
7-8	24,957	2,158
8-9	18,056	5,157
9-10	11,280	6,983
10-11	4,757	6,199
11-12	3,366	5,795
12-13	1,732	4,159
13-14	551	3,774
14-15	205	3,349
15-16	12	2,927
16-17	11	2,579
17-18	29	2,112
18-19		880
19-20		198
20-21		31
21-22		173
22-23		120
23-24		209
24-25		65
>25		99

Note: Values less than five have been excluded.

Figure 2 Residential General Rates increases in 2018-19 (%)



2018-19 BUDGET BRIEF

ICON WATER – Financial Distributions

R7

ISSUE: How has Icon Water performed and what are its dividends and tax equivalent payments

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Key Points:

- Icon Water's approved dividend and income tax equivalent expense (ITE) in the 2017-18 estimate outcome are $89.9 million and $45.6 million respectively. In total this is $35.3 million higher than the original budget, mainly due to increased energy revenues resulting from lower than expected payments to renewable generators, as wholesale prices have been higher than budgeted for under the feed-in-tariff scheme; higher energy volumes; and lower cost of sales. Icon Water also experienced higher than budgeted water sales.
- Icon Water's 2018-19 Budget approved dividend and income tax equivalent expense is $63.9 million and $32.9 million respectively. In total these are $18.9 million lower than the 2017-18 estimated outcome, mainly as a direct result of the ICRC water price determination process.
- Across the forward estimates Icon Water's financial distributions to Government decrease in the order of $19 to $25 million per annum.
    - The forward estimates have been revised down from last years' budget due to the ICRC draft water price determination issued in December 2017 (refer Table 2 on next page).
    - **Note**: The forecasts were made in advance of the ICRC final Water and Sewerage price determination issued on 1 May 2018. This is expected to further reduce the Icon Water 2018-19 budget estimates by around $6 million per annum and will be adjusted in the 2018-19 Budget review. **The impact on the Headline Net Operating Budget has been incorporated into the forward estimates in the 2018-19 Budget.**
- Icon Water maintains a strong financial position and is forecasting that its asset and equity values will steadily grow to about $3.8 billion and $1.4 billion respectively by 30 June 2022.
- Debt is projected to grow at sustainable levels, approaching $1.9 billion by 30 June 2022. The gearing ratio will increase from 55.9 per cent in the estimated outcome in 2017-18 to 57.8 per cent in 2021-22. An acceptable gearing ratio for water utility companies is generally in the range of 55 to 60 per cent (gearing ratio had previously peaked at 59.1 per cent at 30 June 2014).
- The current dividend policy is 100 per cent Net Profit after Tax (NPAT) excluding gifted assets which are a non-cash revenue item which would require Icon Water to borrow to pay that portion of the dividend.
- A summary of the key Icon Water financial statistics is shown on next page in Table 1 and dividend and ITE movements between the 2017-18 Budget and 2018-19 Budget are shown in table 2.

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Economic and Financial Group

Table 1: 2017-18 Budget Key Icon Water Financial Statistics

Icon Water	2017-18 Budget $'000's	2017-18 Est Outcome $'000	2018-19 Budget $'000	2019-20 Estimate $'000	2020-21 Estimate $'000	2021-22 Estimate $'000
Gross Operating Result	**110,160**	**150,211**	**109,704**	**124,784**	**127,878**	**135,160**
Less Income Tax Exp.	33,048	45,608	32,912	37,435	38,363	40,548
Net Operating Result	**77,112**	**104,603**	**76,792**	**87,349**	**89,515**	**94,612**
Less Gifted Assets						
Icon Water	10,000	12,500	12,886	19,311	15,749	15,893
ActewAGL(one off)		2,250				
Dividend Payable	**67,112**	**89,852**	**63,907**	**68,038**	**73,765**	**78,719**
Total Assets	**3,487,085**	**3,501,986**	**3,583,839**	**3,669,446**	**3,742,766**	**3,783,695**
Total Borrowings	**1,678,613**	**1,668,360**	**1,746,412**	**1,806,705**	**1,863,705**	**1,888,205**
Total Equity	**1,295,968**	**1,315,383**	**1,328,268**	**1,347,579**	**1,363,329**	**1,379,222**
Gearing Ratio	**56.4%**	**55.9%**	**56.8%**	**57.3%**	**57.8%**	**57.8%**

Source: 2018-19 CMTEDD Budget Papers and Icon Water 2018-19 to 2021-22 SCI.

Table 2: Movement in ITE and Dividend Distributions from the 2017-18 Budget

	2017-18 Est. Out $'000	2018-19 Budget $'000	2019-20 Estimate $'000	2020-21 Estimate $'000
Income Tax Equivalent				
2017-18 Budget	33,048	37,696	40,547	44,368
2018-19 Budget	45,608	32,912	37,435	38,363
Movement	12,560	(4,784)	(3,112)	(6,005)
Dividend Approved				
2017-18 Budget	67,112	77,957	84,609	93,525
2018-19 Budget	89,852	63,907	63,038	73,765
Movement	22,740	(14,050)	(21,571)	(19,760)
Total ITE and Dividend				
2017-18 Budget	100,160	115,653	125,156	137,893
2018-19 Budget	135,460	96,819	100,473	112,128
Total Movement	**35,300**	**(18,834)**	**(24,683)**	**(25,765)**

Source: 2018-19 and 2017-18 CMTEDD Budget Papers and Icon Water Financial Statements.

Note

The Final ICRC water price determination issued on 1 May 2018 will further reduce Icon revenues by around $6 million per annum ($4.2m Dividend and $1.8m ITE).

2018-19 BUDGET BRIEF

R8

REVENUE INITIATIVES

ISSUE: Revenue initiatives in the 2018-19 Budget

Key Points:

Drivers' Licence Fees and Safe driver discount

- The Government will increase drivers' licence fees by five per cent in 2018-19. Normal increases in line with growth in the Wage Price Index will apply from 2019-20 onwards.
- The safe driver discount will also be increased from 25 per cent to 30 per cent from 1 July 2018, meaning a qualifying driver will now save $57 on a five-year licence renewal.
  - This will offset the increased cost of the licence fee for drivers who have no relevant traffic offences recorded for the previous five years.
- In 2017-18, a full licence valid for 5 years is $183.60, reduced to $137.70 with the current 25 per cent safe driver discount. In 2018-19, a full licence valid for 5 years will be around $192.80, reduced to around $135.80 with the new discount.
- Around 40 per cent of drivers receive the safe driver discount, around 130,200 drivers out of around 325,500 ACT licenced drivers.
- Eligible licence holders do not need to apply for the discount as it will be applied automatically when the renewal is sent. Licence holders who do not qualify will be informed of this on their licence renewal.

General Rates Aged Deferral Scheme

- The General Rates Aged Deferral Scheme allows eligible property owners to defer their annual general rates payments until their property is sold.
- The Government will expand the Scheme by removing the income and unimproved land value thresholds. All property owners aged 65 and over with at least 75 per cent equity in their home will be able to access the Deferral Scheme from 1 July 2018.
  - In 2017-18, non-pensioners over 65 could only defer their rates if their household income was below $91,500 and the unimproved value of their property was above $416,000 (the 80th percentile).
- A low simple interest rate will be charged, to partially cover the cost to the Government. The current interest rate is around 1.75 per cent (the 90 day bank bill swap rate).
- General rates deferral has had very low take up rates:
  - less than five households defer their rates under the current Aged Deferral Scheme; and
  - around 17,000 are eligible to defer their rates under the General Rates Pensioner Deferral Scheme, but only around 150 do.

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General rates early payment discount

- The Government will abolish the general rates early payment discount from 1 July 2018.
- Currently, rate payers who pay in full by the first due date (rather than in quarters) receive a 1 per cent discount. For the average house general rates bill in 2018-19 (of $2,474) this would have been around $25.
- The early payment discount was reduced from 3 to 2 per cent in the 2016-17 Budget, and reduced to 1 per cent in the 2017-18 Budget.
- The number of people accessing the discount has declined in recent years, from around 32 per cent in 2004-05 to 27 per cent in 2016-17 (or a total of around 41,900 households).
- The existing discount is more likely to be accessed by property owners with the means and capacity to pay upfront, hence there are no strong grounds for continuing this discount from a social welfare perspective.

Pensioner Duty Concession Scheme

- The Pensioner Duty Concession scheme assists eligible pensioners to move to accommodation more suited to their needs by charging a nominal concessional rate of conveyance duty.
- The Government has extended the scheme until 30 June 2019.
- Eligible pensioners receive a complete concession on house purchases valued up to $680,500 and a partial concession on houses valued up to $895,000. (Lower thresholds apply for vacant land.)
- As of May, 120 concessions had been provided under this scheme in 2017-18 at an expense of around $1.4 million. Around 140 concessions were provided under this scheme in 2016-17.

Point of Consumption wagering tax

- The Government will introduce a Point of Consumption wagering tax from 1 January 2019, broadly consistent with the South Australian model.
  - The tax will be set at a rate of 15 per cent of the net wagering revenue received by betting operators for bets placed in the ACT, or bets made online by ACT residents.
  - The scheme will also incorporate a $150,000 tax free threshold for operators.
- A Point of Consumption wagering tax is being introduced to help level the playing field for all betting operators, regardless of the jurisdiction in which they are licensed. The introduction of this tax will bring the ACT into line with other Australian jurisdictions as follows:
  - South Australia's Betting Operations Tax commenced on 1 July 2017.
  - Western Australia and Queensland's Point of Consumption wagering tax schemes will commence 1 January 2019, and will be harmonised with the South Australian model.
  - Victoria's Point of Consumption wagering tax will commence on 1 January 2019, but will incorporate a lower tax rate (8 per cent of net wagering revenue) and a higher tax free threshold ($1 million).

- Tabcorp ACT is the current holder of the ACT totalisator licence. Consisten with all other betting operators providing their services to ACT residents, Tabcorp ACT will be liable to pay the Point Of Consumption wagering tax.
- At the time of the granting of the totalisator licence in 2014, the Territory and Tabcorp agreed an Industry and Community Support Deed (the deed). The deed requires Tabcorp to make significant financial contributions to the ACT racing industry, community organisations and the Problem Gambling Assistance Fund.
  - Sch 2 s2.2(a)(viii)
- Sch 2 s2.2(a)(xvi)

First home buyers assistance

- The Government will fully abolish conveyance duty for eligible first home buyers from 1 July 2019. First home buyers with a household income below $160,000 will pay no conveyancey duty, regardless of the property's value or whether they are buying a new or established property.
  - At the same time, the Government will end the payment of First Home Owner Grants.
- This initiative will deliver assistance to more first home buyers by broadening the range of properties available for purchase that attract government support, while also working to reduce upwards pressure on prices.
- A range of experts and policymakers have noted the FHOG has not been effective in assisting first home buyers to enter the housing market.
  - In some cases, the grants can contribute to making housing less affordable by channelling demand into particular segments of the market where supply is relatively constrained.
  - Also, as the grant is usually paid in advance of purchase, it can artificially inflate the borrowing power of buyers, putting further pressure on prices. At the same time, the Government will end the payment of First Home Owner Grants which have an inflationary impact on property prices.

Comparison of old and new schemes for first home purchasers earning less than $160,000

Property type	**Old scheme**	**New scheme**
Established home – any value	• No Government assistance	• Full stamp duty concession
New home – $470,000 or less	• $7,000 FHOG • full stamp duty concession	• Full stamp duty concession
New home – $470,000 to $607,000	• $7,000 FHOG • partial stamp duty concession	• Full stamp duty concession
New home – $607,000 to $750,000	• $7,000 FHOG	• Full stamp duty concession
New home – $750,000 and above	• No Government assistance	• Full stamp duty concession

Off-peak concession travel program

- The Government will continue the free off peak concession travel program for seniors and eligible concessional MyWay card holders for a further 12 months. Since introduction of the program in January 2017, Transport Canberra has provided over 1.9 million passengers with free travel during off peak periods. Free off peak concession travel increased by 10 per cent during weekend travel in April 2018 compared to the same period last year.
- In 2018-19, the reduction in revenue due to the continuation of the program will continue to be absorbed by Transport Canberra.

Landholder duty compliance

- The Government will develop a business intelligence and data analytics-led compliance program for landholder conveyance duty. Landholder duty applies to transactions where an entity (person, private company or unit trust) acquires a significant interest (more than 50% of the shares) in a corporation that owns land in the ACT—this could occur through a single transaction or be the cumulative effect of a number of separate transactions.
- A review will be undertaken in 2019-20 to evaluate the outcomes of the program.
- This is expected to raise around $5 million in 2019-20 in additional conveyance duty, and cost around $1.7 million to implement.

Penalty unit adjustment

- The Government will amend the value of a penalty unit from $150 to $160 for an individual and from $750 to $810 for a corporation. This will raise around $225,000 over four years.
- Penalty units provide the basis for determining statutory fines under a range of ACT acts. Section 133 of the Legislation Act 2001 requires the Attorney-General to review the value of a penalty unit at least once every four years. The Government last amended the value of a penalty unit in August 2014.
- Updating the real value of penalty units will ensure that their use in offence provisions continues to have a deterrent effect in the community.

2018-19 BUDGET BRIEF

R9

FEES AND CHARGERS

ISSUE: How much have fees and charges increased?

Key Points:

Summary of indexation of fees and charges

- As part of the 2015-16 Budget process, the regulatory fees and charges are to be indexed by four per cent per annum; and parking and traffic fines/fees to six per cent per annum for each financial year until 2018-19.
- In the 2015-16 Budget the Government announced an increase in motor vehicle registration fees by five per cent per year from 2015-16 to 2018-19.
- As part of the 2016-17 Budget Review, the Government agreed to retain the indexation rate for the Utilities Network Facilities Tax (UNFT) at five per cent for 2018-19 and 2019-20; and increase the indexation of the Water Abstraction Charge (WAC) to three per cent for 2017-18 to 2019-20.

Regulatory Service Fees

- Regulatory Service Fees are payable for the regulation and administration of applications and licenses by Government. This includes fees for regulatory services such as transport regulation, waste acceptance, road safety, building levies and development applications.

Parking fees and fines

- From 2017-18 to 2018-19 parking fees and fines in ACT Government car parks across Canberra will increase by six per cent.
- Parking fees vary across the ACT by location and fees are generally rounded down to nearest 10 cents. For example, the all-day maximum fee for parking at:
  - premium central city locations is expected to increase from $16.70 to $17.70.
  - other city locations is expected to increase from $11.30 to $11.90.
  - town centres (excluding Gungahlin) is expected to increase from $11.30 to $11.90.

Motor Vehicle Registration

- Motor vehicle registrations fees will increase by five per cent from 2017-18 to 2018-19.
  - For a passenger vehicle with a tare weight between 1,155 and 1,504 kilograms, the annual registration charge will increase from $366.30 to $384.64, an increase of $18.34.
  - These figures include the two per cent discount which is available to those motorists who pay their motor vehicle registration annually.

Utilities Network Facilities Tax (UNFT)

- From 2017-18 to 2018-19 the UNFT will increase by five per cent.

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- UNFT is levied on the owner of a utility network facility that is installed on or under the land in the ACT. Utilities networks include networks for transmitting and distributing electricity, gas, sewerage, water and telecommunications.

- Some utility providers such as Telstra separately reflect the UNFT on customer's bills.
  - For Telstra residential customers in 2018-19, the annual charge is expected to be around $45, while the annual charge for commercial customers are based upon the number of eligible services (see table below – issued by Telstra in April 2018).

Tier	Number of eligible services	Annual charge to commercial customers (including GST)
1	1-2 services	$43.66
2	3-10 services	$207.34
3	11-50 services	$835.54
4	51-150 services	$3,413.04
5	151-1500 services	$12,451.37
6	1501 services and above	$206,162,30

Water Abstraction Charge (WAC)

- The WAC is a charge on those licensed to take ACT water. Increases to the WAC are passed on directly by Icon Water to urban consumers.
  - Increases are treated as a pass-through event within the Independent Competition and Regulatory Commission's pricing determination for water and sewerage services.
  - The WAC is included but not separately identified in customer's water bills. In 2017-18 it was $0.578 per kl and is expected to increase to $0.595 per kl for 2018-19.
- From 2017-18 to 2018-19 the Water Abstraction Charge (WAC) will increase by three per cent.
  - For an average household using 200 kilolitres of water per year, this will result in an increase in water bills of around $3.50 in 2018-19.

Fire and Emergency Services Levy (FESL)

- From 2017-18 to 2018-19 the FESL will increase from $294 to $336 for residential and rural properties, an increase of $42.
  - This increase is due to the 2015-16 Budget measure to increase the FESL revenue to cover a greater share of the actual costs of delivering emergency services.
  - A FESL rebate of $98 is available to eligible pensioners.

Fees and Charges Indexation Summary

	Indexation				
Fees/Charges	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**
Regulatory Services Fees	4 per cent	4 per cent	WPI	WPI	WPI
Parking fees and fines	6 percent	6 percent	WPI	WPI	WPI
Motor Vehicle Registration	5 per cent	5 per cent	WPI	WPI	WPI
Utilities Network Facilities Charge	5 per cent	5 per cent	5 per cent	WPI	WPI
Water Abstraction Charge	3 per cent	3 per cent	3 per cent	-	-
Fire and Emergency Services Levy	$42	$42	-	-	-

2018-19 BUDGET BRIEF

P1

GENERAL GOVERNMENT SECTOR BALANCE SHEET

ISSUE: What are the key balance sheet estimates and ratios in the 2018-19 Budget?

Key Points:

Net Debt

Table 1: GGS Net Debt (excluding superannuation)

	2017-18 $'m	2018-19 $'m	2019-20 $'m	2020-21 $'m	2021-22 $'m
2017-18 Budget	2,001.1	2,746.9	2,866.1	2,826.9	N/A
2018-19 Budget	1,357.0	2,108.3	2,627.7	2,894.7	2,834.9
Difference	(644.1)	(638.6)	(238.4)	67.8	N/A
Net debt to GSP	3.3%	4.9%	5.7%	6.0%	5.5%

- Net debt is expected to be lower in each financial year from 2017-18 to 2019-20 compared to the 2017-18 Budget forecast. The improvement in net debt largely reflects the deferral of capital works expenditure to future years, additional revenue for GST and National Health Reform payments, as well as a return of surplus capital from the ACT Insurance Authority in accordance with its Capital Management Plan for the 2018-19 Budget.
- In 2020-21, net debt is estimated to be slightly higher than previously forecast largely due to the Government investments in infrastructure to meet the demands of a growing city, including the investments in transport, Health and education.

Major Movements in Net Debt

- Table 2 below provides information on the major movements in cash contributing to the change in net debt above.
  - A negative amount indicates an increase to net debt.

Table 2: Major Cash Movements between the 2017-18 Budget Review and the 2018-19 Budget

	2018-19 $'m	2019-20 $'m	2020-21 $'m	2021-22 $'m	Total $'m
Government Policy Decisions	(4.3)	(72.9)	(240.6)	(86.1)	**(403.9)**
Technical Adjustments	(91.2)	(366.4)	(87.5)	(72.7)	**(617.8)**
Land Agencies' Returns	36.8	(54.3)	(36.0)	40.4	**(13.1)**
Provisions	42.8	28.6	118.6	(23.5)	**166.5**
Loose-fill Asbestos Eradication Scheme (including sales)	22.4	10.9	(19.0)	-	**14.3**
Taxation Receipts	19.0	19.2	27.1	148.0	**213.4**
Commonwealth Grants	38.8	29.2	40.4	139.4	**247.9**
Total	**64.4**	**(405.6)**	**(197.0)**	**145.6**	**(392.7)**
Total Cumulative Impact	**64.4**	**(341.3)**	**(538.3)**	**(392.7)**	

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Net Financial Liabilities

Table 3: GGS Net Financial Liabilities

	2017-18 $'m	2018-19 $'m	2019-20 $'m	2020-21 $'m	2021-22 $'m
2017-18 Budget	5,107.1	5,879.6	6,057.4	6,092.3	N/A
2018-19 Budget	5,713.4	6,609.2	7,120.4	7,394.2	7,466.9
Difference	606.3	729.6	1,063.0	1,301.9	N/A
Net financial liabilities to GSP	14.0%	15.3%	15.5%	15.2%	14.5%

- Net financial liabilities are forecast to be $606.3 million higher in 2017-18, compared to the original budget. This increase is mainly due to the increase in the superannuation liability based on the latest Commonwealth Superannuation Scheme and Public Superannuation Scheme defined benefit actuarial review, as well as a reduction in the long-term discount rate assumption used to value the superannuation liability from 6 per cent to 5 per cent. This reduction in the discount rate has been adapted by the ACT to align with the Commonwealth's long-term rate as published in its 2018-19 Budget.
- In 2018-19, net financial liabilities is forecast to increase by $729.6 million. This largely reflects forecast growth in the superannuation liability and the inclusion of lease liabilities associated with public private partnerships.
- The ACT's ratio of net financial liabilities to GSP is 15.3 per cent in 2018-19 while other AAA-rated jurisdictions have 11.7 per cent (New South Wales) and 12.8 per cent (Victoria).

Net Worth

Table 4: GGS Net Worth

	2017-18 $'m	2018-19 $'m	2019-20 $'m	2020-21 $'m	2021-22 $'m
2017-18 Budget	18,002.3	18,168.7	18,344.8	18,578.1	N/A
2018-19 Budget	17,262.1	17,634.3	17,848.2	18,072.4	18,351.9
Difference	(740.2)	(534.4)	(496.6)	(505.7)	N/A
Net worth to GSP	42.3%	40.8%	39.0%	37.2%	35.6%

- Net worth is the broadest measure of the balance sheet, taking into account the value of all assets less liabilities.
- Net worth is forecast to be $740.2 million lower in 2017-18, compared to the original budget. This decrease is largely due to the variations in net debt and net financial liabilities described above.
- The ACT continues to maintain one of the strongest net worth to GSP ratios compared to other AAA-rated jurisdictions at 40.8 per cent (New South Wales is at 41.3 per cent and Victoria is at 39 per cent).

2018-19 BUDGET BRIEF

GENERAL GOVERNMENT SECTOR CASH FLOW

P2

ISSUE: What are the key cash flow forecasts?

Key Points:

Operating Cash

Table 1: GGS Net Operating Cash

	2017-18	2018-19	2019-20	2020-21	2021-22
	$m	$m	$m	$m	$m
2017-18 Budget	311.6	495.8	366.3	564.5	N/A
2018-19 Budget	476.2	435.7	425.1	593.0	645.7
Difference	164.6	-60.1	58.8	28.5	N/A

- Net operating cash remains in surplus in the 2018-19 Budget across all years.
- Net cash from operating activities for 2018-19 has decreased by $60.1 million compared to the 2017-18 Budget position mainly due to higher employee expenses associated with the impact of the Enterprise Bargaining Agreement, including the impact of 2017-18 back pay amounts expected to occur in 2018-19.
- Net cash from operating activities for 2019-20 and 2020-21 has increased compared to the 2017-18 Budget position by $58.8 million and $28.5 million respectively. This improvement is mainly due to higher Commonwealth grants relating to GST and capital grants revenue.

Cash Surplus / Deficit:

- The cash surplus/deficit measures the net cash from operations less net cash outflows related to capital works. Table 2 provide a detailed comparison of the movement in the budget cash position between the 2017-18 and 2018-19 Budgets.

Table 2: GGS Cash Surplus/Deficit Detail

	2017-18	2018-19	2019-20	2020-21	2021-22
	$'m	$'m	$'m	$'m	$'m
2017-18 Budget					
Net cash flows from operating activities	311.6	495.8	366.3	564.5	N/A
Investment in non-financial assets	-569.9	-497.9	-538.7	-456.8	N/A
Budget cash surplus / (deficit)	**-258.3**	**-2.1**	**-172.4**	**107.7**	N/A
2018-19 Budget					
Net cash flows from operating activities	476.2	435.7	425.1	593.0	645.7
Investment in non-financial assets	-422.1	-475.6	-815.8	-756.7	-479.2
Budget cash surplus / (deficit)	**54.1**	**-39.9**	**-390.7**	**-163.7**	**166.5**
Total Movement	**312.4**	**-37.8**	**-218.3**	**-271.3**	**N/A**

- The 2018-19 Budget forecasts an increase in the cash deficit of $37.8 million in 2018-19 compared with the 2017-18 Budget position. This is largely due to the variation in net operating cash mentioned above.

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- The increases in the cash deficit in 2019-20 and 2020-21 are largely due to the impact of capital initiatives for improving school facilities and the inclusion of new capital provisions such as John Gorton Drive and Molonglo River Bridge Crossing, Monaro Highway upgrade and William Slim Drive Duplication.

2018-19 BUDGET BRIEF

NET OPERATING BALANCE – SUPERANNUATION RETURN

P3

ISSUE: What is the Superannuation Return Adjustment which is made to the Net Operating Balance?

Key Points:

Table 1: General Government Sector Headline Net Operating Balance

	2017-18 Est. Outcome $m	2018-19 Budget $m	2019-20 Estimate $m	2020-21 Estimate $m	2021-22 Estimate $m
Revenue	5,424.1	5,671.3	5,854.7	6,108.3	6,335.1
Expenses	5,566.2	5,818.2	6,004.6	6,290.3	6,505.5
Superannuation return adjustment [1]	174.0	183.3	193.9	207.9	222.9
HEADLINE NET OPERATING BALANCE	**31.9**	**36.5**	**44.0**	**25.9**	**52.5**
UPF NET OPERATING BALANCE	**-142.1**	**-146.9**	**-149.9**	**-182.0**	**-170.4**

1. The Headline Net Operating Balance incorporates the impact of long-term superannuation investment earnings in order to provide an accurate assessment of the longer-term sustainability of the budget position.

- The ACT Government's key measure of public finances is the Headline Net Operating Balance (HNOB).

Superannuation Return Adjustment

- Under the Uniform Presentation Framework (UPF), any investment return from funds set aside in the Superannuation Provision Account (SPA) that is classified as capital gains is excluded from revenue. These capital gains are reflected as *other economic flows* which are not included in the UPF Net Operating Balance (NOB).
- Conversely, the superannuation expense associated with the defined benefit superannuation liability is a direct impact on the UPF NOB.
- This means that the GGS UPF NOB comprises the gross superannuation expense offset only by the interest and dividend earnings on the SPA's financial investment assets. Defined benefit superannuation expenses of $531.3 million are estimated in 2018-19.
- The total investment returns recognised in the HNOB ensures super expenses and revenue are reported on a consistent basis. This is achieved by adding back the superannuation return adjustment amount which equates to 7.25 per cent return on the financial investment assets for the budget and forward estimates.
- Treasury considers that the HNOB provides the most relevant and meaningful information for making long-term budget allocation decisions, and the inclusion of the full amount of the long-term investment earnings is necessary to provide an accurate assessment of the longer-term sustainability of the budget position.

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2018-19 BUDGET BRIEF

KEY BUDGET INDICATOR DEFINITIONS

ISSUE: What do the Government Finance Statistics (GFS) indicators mean?

Key Points:

GFS OPERATING STATEMENT TERMS

Uniform Presentation Format (UPF) Net Operating Balance = revenue less expenses (deficit of $146.9 million in 2018-19).

- GFS economic measure of a Government's performance as a result of policy decisions (controllable transactions). It indicates the sustainability of the Government's core ongoing operations.
- This is not the ACT's headline measure.

Net Lending/(Borrowing) = UPF Net Operating Balance less the net acquisition of non-financial assets (predominantly capital works and major plant and equipment) (deficit of $355.0 million in 2018-19).

- A negative figure means the Government needs to either borrow or reduce its cash reserves to fund its recurrent operations and capital works program, as there is insufficient capacity from the UPF Net Operating Balance to fund this expenditure.
- This is not a pure cash measure as it is based on the UPF Net Operating Balance which is an accrual figure. Depreciation expense is removed in the calculation because capital expenditure in its entirety for the financial year is included.

GFS BALANCE SHEET TERMS

Net Worth = Total assets less total liabilities ($17.6 billion in 2018-19).

- It is an economic measure of wealth.
- It is not a good indication of liquidity, as it includes values for property, plant and equipment that are not readily convertible to cash.

Net Financial Worth = Total financial assets (including equity investments in other public sector entities) less total liabilities ($535.5 million in 2018-19).

- Equity investments in other public sector entities = Net assets of the PTE Sector.
- It is a broader measure than net financial liabilities and net debt but is not particularly meaningful due to the inclusion of the investment in the PTE Sector.

Net Financial Liabilities = Total liabilities less financial assets (excluding equity investments in other public sector entities) ($6.6 billion in 2018-19).

- A positive figure means the Territory has net financial liabilities.
- It measures the extent to which the Territory's total liabilities exceed financial investments (including the superannuation liability and related investments).

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Net Debt (including superannuation related investments) = Debt (deposits held, advances received and borrowings) less cash and deposits, advances paid (loans receivable) and investments, loans and placements (including superannuation investments) (-$2.0 billion in 2018-19).

- A negative figure means that the assets included in the measure exceed debt.
- This measure can be misleading as it includes investments held for superannuation purposes (even though they can only be used for superannuation purposes) but does not include superannuation liabilities.

Net Debt (excluding superannuation related investments) = Debt (deposits held, advances received and borrowings) less cash and deposits, advances paid (loans receivable) and investments, loans and placements (non superannuation investments only) ($2.1 billion in 2018-19).

- Net Debt of greater than zero (i.e. positive net debt) means the Territory has net debt.
- It measures the extent to which the Territory's debt is met by or exceeds cash and investments.
- This provides a more accurate measure of net debt in the Territory because investments held for superannuation purposes are excluded (in line with superannuation liabilities not being included).

Debt = deposits held (creditors), advances received (Government borrowings) and borrowings (finance leases, debt instruments, other borrowings). Debt excludes superannuation liabilities, other employee entitlements, accounts payable and prepayments ($5.0 billion in 2018-19).

GFS CASH FLOW TERMS

Net Cash Flows from Operating Activities = operating cash receipts for the year (for example, taxes, fees and fines, and operating grants from the Commonwealth Government) less all operating cash payments (including wages and salaries, cash superannuation payments and payments for goods and services) ($435.7 million in 2018-19).

- A positive figure means there are more operating cash receipts than payments.
  - The key reason why the net cash flows from operating activities are positive and the equivalent operating statement measure, the UPF net operating balance, is negative is due to non-cash accruals. The most material non-cash accruals are depreciation and accruals associated with superannuation expenses.

Cash Surplus / Deficit = net cash from operating activities less net sales and purchases of non-financial assets (ie purchase of capital works) (a deficit of $39.9 million in 2018-19).

- Negative means a net cash outflow from the Government's operating activities and net capital works program.
- This measure is the cash equivalent measure of the net lending / borrowing measure on the operating statement.

2018-19 BUDGET BRIEF

Expenses

P5

ISSUE: What are the variations in General Government Sector expenses in the 2018-19 Budget?

Key Points:

General Government Sector (GGS) Expenses by Function

Table 1: GGS – Expenses by Function

	2017-18[1] Est. Outcome $'000	2018-19 Budget $'000	2019-20 Estimate $'000	2020-21 Estimate $'000	2021-22 Estimate $'000
General Public Services	1,225,465	1,322,986	1,401,491	1,443,562	1,496,852
Public Order and Safety	416,035	460,232	467,287	473,200	486,899
Economic Affairs	97,045	101,511	93,806	198,836	141,353
Environmental Protection	117,381	119,519	101,054	100,917	100,845
Housing and Community Amenities	90,594	92,360	89,712	90,097	91,782
Health	1,516,428	1,530,917	1,600,042	1,667,701	1,783,940
Recreation, Culture and Religion	217,289	229,911	235,799	242,298	252,091
Education	1,186,913	1,229,655	1,266,321	1,305,296	1,369,791
Social Protection	400,217	375,448	386,642	386,893	390,091
Transport	298,852	355,631	362,481	381,484	391,867
Total Expenses	**5,566,218**	**5,818,171**	**6,004,634**	**6,290,286**	**6,505,509**

Note:

1. Comparative figures for the 2017-18 Budget are not available as the 2018-19 Budget is the first year of the new Government Finance Statistics framework introduced by the Australian Bureau of Statistics.

- The 2018-19 Budget is the first time that the new Government Finance Statistics framework has been presented.
- This framework has resulted in some major classification changes including:
  - the amalgamation of *'Other Purposes'* (mostly comprising public debt transactions) with *'General Public Services'*;
  - the amalgamation of *'Fuel and 'Energy'* with *'Economic Affairs'*; and
  - the exclusion of expenses considered to be benefits to households to meet the cost of housing (for example public housing) from the previous classification of *'Housing and Community Amenities'*; the latter type of expenditure is now reflected under *the 'Social Protection'* category.

General Public Services

- This category includes functions such as executive and legislative organs, financial and fiscal affairs, general services and public debt transactions. The forecast increase in 2018-19 is mainly due to the inclusion of public debt transactions.

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Education

- The forecast increase in expenses from 2018-19 is primarily driven by enrolment growth and the operational costs of schools in line with general wage and price inflation.

Health

- The forecast increase in expenses from 2018-19 is mainly due to growth in activity and costs for general hospital expenses.

Transport

- The forecast increase in 2018-19 is largely due to the investment in Light Rail Stage 1 through a Public Private Partnership.

Public Order and Safety

- The forecast increase in 2018-19 primarily reflects new initiatives in these areas, such as the Commonwealth Redress Scheme.

- Definitions of each functional category are provided at Attachment A.

Consolidated General Government Sector Expenses

Table 2: GGS – Total Expenses by Consolidated Operating Statement

2017-18 Budget $'000		2017-18 Est. Outcome $'000	2018-19 Budget $'000	Var %	2019-20 Estimate $'000	2020-21 Estimate $'000	2021-22 Estimate $'000
	Expenses						
1,963,198	Employee Expenses	1,985,905	2,060,032	4	2,102,257	2,141,526	2,190,615
367,684	Superannuation Expenses: Superannuation Interest Cost	303,750	378,066	24	390,317	401,867	412,667
286,781	Other Superannuation Expenses	363,835	328,592	-10	326,551	330,370	330,464
379,602	Depreciation and Amortisation	394,224	435,806	11	452,783	463,294	463,694
200,728	Interest Expense	187,976	199,977	6	222,175	235,178	248,323
1,096,814	Other Operating Expenses: Supplies and Services	1,041,596	1,108,504	6	1,155,423	1,222,554	1,426,386
209,355	Other Operating Expenses	189,962	224,202	18	244,082	254,967	260,250
1,092,208	Grants and Purchased Services	1,098,970	1,082,992	-1	1,111,046	1,240,530	1,173,110
5,596,370	**Total Expenses**	**5,566,218**	**5,818,171**	**5**	**6,004,634**	**6,290,286**	**6,505,509**

Employee Expenses

- The increase of $22.7 million in the 2017-18 estimated outcome from the original budget is mainly due to the recognition of employee expenses relating to in-principle agreement to Enterprise Bargaining Agreements, expected prior to 30 June 2018. As the accounting standards specify that the Territory will therefore have a constructive obligation to meet these payments at 30 June 2018, these expenses have been accrued in 2017-18.

- Employee expenses are forecast to grow by $74.1 million, or 3.7 per cent, in 2018-19 compared to the 2017-18 estimated outcome. This increase is largely due to the impact of new initiatives, growth in wages and staffing growth due to an expected increase in school enrolment numbers.

Superannuation Expenses

- Superannuation interest costs and other superannuation expenses represent expenses in relation to the defined benefit Commonwealth Superannuation Scheme and Public Sector Superannuation Scheme superannuation liability. Other superannuation expenses also captures defined contribution superannuation arrangements, including the Public Sector Superannuation accumulation plan and choice of fund.

- Superannuation interest costs and other superannuation expenses represent expenses in relation to the defined benefit Commonwealth Superannuation Scheme and Public Sector Superannuation Scheme superannuation liability. Other superannuation expenses also captures defined contribution superannuation arrangements, including the Public Sector Superannuation accumulation plan and choice of fund.

- The ACT Government has historically mirrored the long-term discount rate assumption used by the Commonwealth (as they are the same defined benefit schemes) which, until recently, was 6 per cent. In its 2018-19 Budget, the Commonwealth reduced that rate to 5 per cent. The ACT has therefore adopted that rate as the long-term discount rate assumption in this Budget, resulting in a $24.1 million reduction in the Headline Net Operating Balance in 2018-19 and a total reduction of $78.2 million over the forward estimates.

Supplies and Services

- Supplies and services expenses comprise supplies, repairs and maintenance, consultants and contractors' expenses, as well as payments for ACT Policing.
  - This line item also includes availability payments in relation to Public Private Partnerships.

- The 2017-18 estimated outcome for supplies and services expenses is expected to be $55.2 million, or 5.0 per cent, lower than the original budget. This decrease is mainly due to the effect of reprofiling from 2017-18 to 2018-19 and the forward years.

- Supplies and services expenses are forecast to increase by $66.9 million in 2018-19, or 6.4 per cent from the 2017-18 estimated outcome. This increase is mainly due to the reprofiling described above, new policy initiatives and the impact of the availability payment for the Light Rail Stage 1 Public Private Partnership.

Other Operating Expenses

- Other operating expenses consist of cost of goods sold, insurance-related costs, concessions, school account expenses, and other miscellaneous expenses.
- The 2017-18 estimated outcome for other operating expenses is expected to be $19.4 million, or 9.2 per cent lower than original budget. This is mainly due to a decrease in insurance claims expenses as a result of continued improvement in claims experience – in particular, large claims in medical malpractice driven by decreasing numbers of reported large claims.
- In relation to the 2018-19 Budget, the increase of $34.2 million, or 18.0 per cent, from the 2017-18 estimated outcome is mainly due to insurance claim expenses returning to calculated levels for the cost of future claims.

Grants and Purchased Services

- Grants and purchased services expenses in 2017-18 are estimated to be in line with the original budget.
- Grant expenses are expected to reduce by $16 million, or 1.5 per cent, in 2018-19. This decrease is mainly due to higher capital grants to Calvary Hospital in 2017-18 following the completion of several projects including upgrades to the operating theatre and medical imaging equipment, and expanded hospital services and facilities.

Attachment A – Definition of Functional Categories

General Public Services

- Includes outlays on executive and legislative organs, financial and fiscal affairs, external affairs, foreign economic aid, general services, basic research, general public services, public debt transactions, transfers of a general character between different levels of government and general public services not elsewhere classified.
- This category is largely made up of expenditure from the Chief Minister, Treasury and Economic Development Directorate, Superannuation Provision Account, Territory Banking Account, ACT Insurance Authority, Justice and Community Safety Directorate, Office of the Legislative Assembly, the Auditor-General and the Electoral Commissioner.

Public Order and Safety

- Includes outlays on police services, civil and fire protection services, law courts, prisons, research and development and public order and safety.
- This category is made up of expenditure from the Justice and Community Safety Directorate (including the Alexander Maconochie Centre), the Community Services Directorate, the Legal Aid Commission (ACT), the Public Trustee and Guardian and some local government functions of the Transport Canberra and City Services Directorate (such as domestic animal control).

Economic Affairs

- Includes outlays on general economic, commercial, labour affairs, agriculture, forestry, fishing, hunting, fuel, energy, mining, manufacturing, construction, communication, other industries, research and development and economic affairs.
- This category is made up of tourism and promotion services, construction administration and planning, forestry services, as well as a small amount of regulatory expense of the Environment, Planning and Sustainable Development Directorate and a small amount of expenses for other economic affairs (not elsewhere classifiable) of the Transport Canberra and City Services Directorate. This category also includes the surrender expense for Large-scale Energy Generation Certificates.

Environmental Protection

- Includes outlays on waste water management, pollution abatement, protection of biodiversity and landscape, research and development and environmental protection.
- This category is made up of waste and recycling management services of the Transport Canberra and City Services Directorate and research, development and protection of biodiverse environments.

Housing and Community Amenities

- Includes outlays on housing development, community development, water supply, street lighting and research and development.
- This category is made up of water supply infrastructure and street lighting, community development activities of the Environment, Planning and Sustainable Development Directorate, the Chief Minister, Treasury and Economic Development Directorate, as well as cemetery services provided by the ACT Public Cemeteries Authority.

Health

- Includes outlays on medical products, appliances and equipment, outpatient services, hospital services, mental health institutions, community health services and public health services.
- This category is made up of services delivered by the Health Directorate, grants to Calvary Hospital and the Winnunga Nimmityjah Aboriginal Health Community Service, the central health funding provision and ambulance services delivered by the Justice and Community Safety Directorate.

Recreation, Culture and Religion

- Includes outlays on recreational and sporting services, cultural services, broadcasting and publishing services, religious and other community services and research and development.
- This category is made up of parks and wildlife services, recreation and arts services of the Chief Minister, Treasury and Economic Development Directorate, and expenses of the Community Services Directorate and the Cultural Facilities Corporation.

Education

- Includes outlays on pre-primary and primary education, secondary education, tertiary education, subsidiary services to education and research and development.
- This category is made up of primary and secondary education, tertiary education and vocational education. Also included are university education programs by the Health Directorate.

Social Protection

- Includes outlays on sickness and disability, old age, survivors, family and children, unemployment, housing and research and development.
- This category is made up of services delivered by the Community Services Directorate, including the National Disability Insurance Scheme. Expenses of the Environment, Planning and Sustainable Development Directorate, including the Public Housing Renewal Taskforce, are also included.

Transport

- Includes outlays on road, public transport (including railway and air), water, pipeline, and research and development.
- This category is made up of road maintenance and depreciation, subsidies to ACTION and the Light Rail – Stage 1 Public Private Partnership.

2018-19 BUDGET BRIEF

C1

Land Release Capital Works

ISSUE: Capital works in the 2018-19 Budget to facilitate land release

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Key Points:

- The 2018-19 Budget provides $12 million over the four years to 2021-22 for new capital works to support land release, including $1.25 million for *Keeping our growing city moving – John Gorton Drive and Molonglo River Bridge Crossing – Early design* (see Attachment 1).
    - $1.5 million in expense funding for due diligence associated with land release has also been provided in 2018-19 in the *More services for our suburbs – Due diligence for urban renewal* initiative; and
- Both the City Renewal Authority and Suburban Land Agency will also deliver significant infrastructure works through their own capital programs.
    - The combined investment program for both agencies is estimated to be $517 million over the four years to 2021-22 (see Attachment 1).
- In addition, a number of projects related to land release that were funded in previous budgets will continue to be delivered throughout 2018-19 (see Attachment 2).
- The Government will also make additional investments in education, health and urban infrastructure in the new suburbs and urban infill areas to ensure that residents in those areas have access to the services they need.
    - Some of the projects already in the pipeline include (investments include provisions and have been rounded to the nearest $million):
        - Better healthcare for a growing community – Surgical Procedures, Interventional Radiology and Emergency (SPIRE) Centre ($433 million);
        - Better healthcare for a growing community – Expanding Centenary Hospital – more services for women and children ($68 million);
        - More schools, better schools – Delivering Molonglo P-6 ($47 million);
        - More schools, better schools – More places at Gungahlin schools ($20 million); and
        - More schools, better schools – Campbell Primary School Modernisation ($19 million).

Mark Whybrow, Executive Director **Extension No: 77879**
Finance and Budget Division

Attachment 1

Capital Works to Support Land Release – 2018-19

New Capital Works to Support Land Release - 2018-19	
Budget Funding	**Four Years to 2021-22**
Projects	**$million**
More services for our suburbs – Parkwood estate rehabilitation	5.0
More services for our suburbs – Establishing the Molonglo River Reserve	3.2
Keeping our growing city moving – John Gorton Drive and Molonglo River Bridge Crossing – Early design	1.3
More jobs for our growing city – Establishing environmental offsets	2.2
More jobs for our growing city – Urban renewal in Kenny – Early planning	0.6
Total Budget Funding	**12.3**
City Renewal Authority – Own Capital Program	15.6
Suburban Land Agency – Own Capital Program	501.5
Total New Capital Works to Support Land Release	**529.4**

Attachment 2

New Capital Works to Support Land Release - 2018-19	
Budget Funding	**Four Years to 2021-22**
	$million
More services for our suburbs – Parkwood estate rehabilitation	5.0
More services for our suburbs – Establishing the Molonglo River Reserve	3.2
Keeping our growing city moving – John Gorton Drive and Molonglo River Bridge Crossing – Early design	1.3
More jobs for our growing city – Establishing environmental offsets	2.2
More jobs for our growing city – Urban renewal in Kenny – Early planning	0.6
Total Budget Funding	**12.3**
CityRenewal Authority	15.6
Suburban Land Agency	501.5
Total New Capital Works to Support Land Release	**529.4**

Works-in-Progress to Support Land Release – 2018-19

- **Gundaroo Drive Duplication (Stage 2) ($30 million)** – This project is to complete the duplication from Gungahlin Drive through to the Barton Highway. Connecting the two previous investments in the Gungahlin area (signalisation of the William Slim Drive/Barton Highway intersection and Gundaroo Drive Duplication Stage 1), the project is expected to reduce congestion and improve road conditions in response to the increases in population density of the area;

- **Better Roads for Gungahlin – Horse Park Drive duplication (Mulligans Flat Road to the Federal Highway) ($57 million)** – Horse Park Drive is a key access road to Gungahlin and the project will better manage traffic flow increases associated with Majura Parkway and new developments in Gungahlin;

- **Improving Our Suburbs – New Molonglo Valley infrastructure ($33 million)** – This project is to develop road and water infrastructure, which facilitates land releases for the new suburb of Whitlam in the Molonglo Valley;

- **Better Roads for Weston Creek – Cotter Road duplication (Tuggeranong Parkway to Yarralumla Creek) ($29 million)** – The duplication of Cotter Road between the Tuggeranong Parkway and Yarralumla Creek will improve traffic flow from the Molonglo region;

- **Molonglo East-West arterial roads early planning ($0.3 million)** – This early planning will investigate the realignment of the East-West arterial road at Molonglo from John Gorton Drive to the Tuggeranong Parkway;

- **Bindubi Street Extension Road – Early Planning ($0.3 million)** – This early planning will explore the extension of Bindubi Street from William Hovell Drive to John Gorton Drive in Molonglo; and

- **William Hovell Drive – Early Planning ($0.3 million)** – This early planning will investigate transport network improvements for West Belconnen and Molonglo. The study will include an options assessment of upgrading William Hovell Drive between Drake Brockman Drive and Coulter Drive**.**

2018-19 BUDGET BRIEF

C2

Infrastructure Investment Program

Issue: Funding for the 2018-19 Infrastructure Investment Program

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Key Points:

- The Government is delivering an Infrastructure Investment Program of $2.8 billion over the four years to 2021-22, consistent with the 2017-18 Budget Infrastructure Investment Program.
- The largest component of the Infrastructure Investment Program is the Capital Works Program with funding of $1.6 billion over four years.
  - Health and education continue to be high priorities with funding of $268 million for health and $302 million for education over four years.
  - The Government will also continue to make significant investments in our city infrastructure. Together, projects in city and urban development, transport and road infrastructure, public housing and environmental measures account for $994 million over four years.
- The Better Infrastructure Fund allocates $249 million over the four years to 2021-22 including the remaining $64 million for the *Better schools for our kids – Public school infrastructure upgrades* initiative. The total funding for this initiative was $85 million over four years from 2017-18.
- The $1.1 billion Infrastructure Investment Provisions set aside funding for significant capital works projects for which budgets are yet to be settled, or which are commercially sensitive. Some of the more significant projects include:
  - Better healthcare for a growing community – Surgical Procedures, Interventional Radiology and Emergency (SPIRE) Centre;
  - Keeping our growing city moving – John Gorton Drive and Molonglo River Bridge Crossing – Early design;
  - Better healthcare for a growing community – Expanding Centenary Hospital – More services for women and children;
  - Keeping our growing city moving – William Slim Drive Duplication;
  - Keeping our growing city moving – Monaro Highway upgrade; and
  - Building a better city – Light Rail Stage 2 – City to Woden – Design and procurement.

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Finance and Budget Division

Program Funding and Main Components

- The 2018-19 Budget provides for an Infrastructure Investment Program of $2.8 billion over the four years to 2021-22, similar to the program announced in the 2017-18 Budget.
- The Infrastructure Investment Program has three main components (see Table 1).
  - **The Capital Works Program**: includes New Capital Works, Better Infrastructure Fund (BIF) and Works-in-Progress (see Table 2).
  - **Capital Provisions**: include Infrastructure Investment Provisions and the Capital Delivery Provision. These provisions apply to the Capital Works Program (see Table 3).
  - **Public Private Partnerships** (PPPs): include the ACT Law Courts Facilities and Light Rail – Stage 1 (see Table 4).

Table 1: Summary of 2018-19 ACT Infrastructure Investment Program

	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	Four Year Investment $'000
Capital Works Program	746,405	605,172	186,981	95,977	**1,634,535**
Capital Provisions	-107,581	264,733	577,083	389,652	**1,123,887**
Public Private Partnerships	38,011	190	0	0	**38,201**
Total Infrastructure Investment Program	**676,835**	**870,095**	**764,064**	**485,629**	**2,796,623**

Capital Works Program

- The Capital Works Program is the largest component of the Infrastructure Investment Program and has three main elements (see Table 2).
  - **New Capital Works**: include projects approved in the 2018-19 Budget (see Attachment A for a list of major new capital works);
  - **Better Infrastructure Fund (BIF)**: provides funding for improvements to existing infrastructure that extend the useful life or improve the service delivery capacity of existing Territory physical infrastructure assets. Routine repairs and maintenance are funded separately.
    - The large increase in the BIF program in 2019-20 reflects re-profiling of funds from 2018-19 into that year.
    - The decrease in BIF in 2021-22 reflects the conclusion of additional investment through the *Better schools for our kids – Public school infrastructure upgrades* initiative which was introduced in the 2017-18 Budget.
    - The BIF funding allocation of $249 million over the four years to 2021-22 includes the remaining $64 million for the *Better schools for our kids – Public school infrastructure upgrades* initiative. The total funding for this initiative was $85 million over four years from 2017-18.
  - **Works-in-progress:** include projects commenced in previous years (see Attachment A for a list of major works-in-progress).

Table 2: Summary of 2018-19 Capital Works Program

	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	Four Year Investment $'000
New Capital Works	126,395	114,521	50,214	11,599	**302,729**
Better Infrastructure Fund	55,218	69,497	64,437	60,166	**249,318**
Works-in-Progress	564,792	421,154	72,330	24,212	**1,082,488**
Total Capital Works Program	**746,405**	**605,172**	**186,981**	**95,977**	**1,634,535**

Capital Provisions

- The Capital Provisions have two main elements: Infrastructure Investment Provisions and the Capital Delivery Provision (see Table 3).
  - **Infrastructure Investment Provisions**: provides for significant capital works projects for which budgets are yet to be settled, or which are commercially sensitive.
  - **Capital Delivery Provision**: forecasts the cash flow profile of the aggregate Capital Works Program within the four year period, based on past expenditure trends. This provision has a zero net impact over the four years to 2021-22. It is made at a whole of government level and does not affect the timely delivery of any project.

Table 3: Summary of 2018-19 Budget capital provisions

	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	Four Year Investment $'000
Infrastructure Investment Provisions	40,419	264,733	429,083	389,652	1,123,887
Capital Delivery Provision[1]	-148,000		148,000		0
Total Capital Provisions	**-107,581**	**264,733**	**577,083**	**389,652**	**1,123,887**

Note:

1. The Capital Delivery Provision is applied to the Capital Works Program. This provision indicatively re-profiles approximately 20 per cent of the 2018-19 Capital Works Program into 2020-21, providing forecast program expenditure based on historical trends.

Public Private Partnerships

- Both the ACT Law Courts Facilities and Light Rail – Stage 1 are expected to be completed over the course of 2018-19.
- The contracts for the projects allow for a total investment of $867 million over the five years from 2015-16.
- The Government will make service payments over the life of the contracts, intended to cover the costs incurred by the private sector provider in constructing, maintaining and/or operating the assets. At the end of the contracts, the infrastructure assets will be owned by the Territory.

Table 4: Summary of Capital Expenditure Schedule for PPPs

Project	Previous Years $'000	2018-19 Forecast $'000	2019-20 Forecast $'000	2020-21 Forecast $'000	2021-22 Forecast $'000	Total $'000
ACT Law Courts Facilities	137,575	22,658	0	0	0	**160,233**
Light Rail – Stage 1[1]	691,160	15,353	190	0	0	**706,703**
Total	**828,735**	**38,011**	**190**	**0**	**0**	**866,936**

Note:

2. The spend estimates for Light Rail – Stage 1 are derived from the original program set out in the contract. The ultimate spending profile for the project is the responsibility of the primary contractor.

Attachment A

The 2018-19 Infrastructure Investment Program
Major New Works

- More schools, better schools – Delivering Molonglo P-6 ($42 million);
- Better healthcare for a growing community – ACT Health critical assets upgrades ($25 million);
- Keeping our growing city moving – Better infrastructure for active travel ($22 million);
- More schools, better schools – More places at Gungahlin schools ($20 million);
- More schools, better schools – Roof Replacement Program ($18 million);
- Better healthcare for a growing community – ACT Health ICT upgrades ($13 million);
- Better healthcare for a growing community – Surgical Procedures, Interventional Radiology and Emergency (SPIRE) Centre ($13 million);
- Better healthcare for a growing community – More mental health accommodation ($12 million)[1]; and
- Better healthcare for a growing community – New facility for Winnunga Nimmityjah Aboriginal Health Service ($11 million).

Major Works-in-Progress

(Values shown indicate financing from 2018-19 onward)

- Better Public Housing – New public housing properties ($149 million);
- Better Health Services – Upgrading and maintaining ACT Health assets ($64 million);
- Better Roads for Gungahlin – Horse Park Drive duplication (Mulligans Flat Road to the Federal Highway) – ($39 million);
- Expansion of the rapid bus network ($38 million);
- Building a better city – City Renewal Authority – Canberra's lakeside ($36 million);
- University of Canberra Public Hospital ($35 million);
- Better Services – Weston Creek and Stromlo swimming pool and leisure centre ($32 million);
- Building a better city – Gundaroo Drive duplication – Stage 2 ($29 million);
- Better services in your community – Rehabilitating landfill sites ($28 million); and
- Improving Our Suburbs – New Molonglo Valley infrastructure ($27 million).

[1] Another $11 million has been allocated for expenses associated with this initiative, bringing total funding for the initiative to $23 million over four years.

2018-19 BUDGET BRIEF

C3

Capital Works – Major underspending projects 2017-18

ISSUE: 2017-18 Capital Works Program Performance

Key Points:

- Total financing for the Capital Works Program in 2017-18 was in excess of $1 billion. Of this, a total of $344 million was re-profiled out of 2017-18 into the budget's forward years. This re-profiling results in an estimated outcome for 2017-18 of $680 million.
- The expenditure for 14 major projects (listed in Attachment A) across government experienced significant variances from their original forecasted expenditure for 2017-18. These major projects make up approximately 60 per cent, or $204 million, of the re-profiled amount.
- The 14 major projects had a forecast expenditure of $285 million over the first three quarters of 2017-18; however, total expenditure across this period fell short of expectations, resulting in a variance of $97 million.
- Over 70 per cent of this variance relates to:
  - Better Public Housing – New public housing properties;
  - the University of Canberra Hospital;
  - the Upgrading and Maintaining Health Assets project; and
  - the expansion of the rapid bus network.

Note: Please see Attachment A for 14 key projects with significant variances and the rationale for them.

Mark Whybrow, Executive Director **Extension No: 77879**
Finance and Budget Division

Attachment A

Project	Agency	2017-18 Funds Available for Expenditure ($'000)	2017-18 Agency original forecast Expenditure YTD March ($'000)	March YTD Expenditure 2017-18 ('$000)	Variance original forecast vs YTD March expenditure	Indicative re-profiling adjustments 2017-18 as at 7/5/2018[1]	Rationale for delay
Better Public Housing – New public housing properties	ESPDD	163,383	107,845	67,752	-40,093	-69,024	Additional time was spent on both community engagement and the development of assessments for community facility zoned land.
University of Canberra Public Hospital[2]	Health	72,275	56,765	42,008	-14,757	-30,268	Funding in the out years is required to undertake post occupation evaluation changes and building tuning associated with the Design Construct Maintain delivery model. Under the Digital Solutions Program new technology is being procured and is currently in contract negotiations. The majority of milestone payments will occur in 2018-19.
Better support when it matters – Public Housing Renewal – New and better properties	ESPDD	27,295	16,502	8,783	-7,719	-4,037	Additional time was spent on both community engagement and the development assessments for community facility zoned land.

Attachment A

Project	Agency	2017-18 Funds Available for Expenditure ($'000)	2017-18 Agency original forecast Expenditure YTD March ($'000)	March YTD Expenditure 2017-18 ('$000)	Variance original forecast vs YTD March expenditure	Indicative re-profiling adjustments 2017-18 as at 7/5/2018[1]	Rationale for delay
Better Health Services – Upgrading and maintaining ACT Health assets	Health	37,556	19,794	12,234	-7,560	-25,321	The original scope used a desktop study which did not provide sufficient details on the design and construction work. Extensive design and planning work to facilitate construction activities in a live hospital environment was required prior to commencing design work causing delays in program delivery.
Expansion of the rapid bus network	TCCS	23,370	6,500	644	-5,856	-16,000	A contract with Scania for the delivery of 40 buses was signed on December 4, 2017. Deliveries are now occurring within the tendered and contracted schedules ahead of pre-tender expectation. Three buses have been delivered as at 31 May 2018 and 15 are expected to have been delivered by 30 June 2018. Program expenditure is in line with contract payment milestone requirements.

Attachment A

Project	Agency	2017-18 Funds Available for Expenditure ($'000)	2017-18 Agency original forecast Expenditure YTD March ($'000)	March YTD Expenditure 2017-18 ('$000)	Variance original forecast vs YTD March expenditure	Indicative re-profiling adjustments 2017-18 as at 7/5/2018[1]	Rationale for delay
Schools for the Future – Modernising Belconnen High	Education	16,838	11,348	6,919	-4,429	-8,075	There have been invoice delays associated with a business merger by the main contractor requiring an ACT Government pre-qualification. This has required a rescheduling of works to minimise disruption of school operations and adjusted cash flow forecasts. The work is on schedule for the commencement of the 2019 school year.
Better Roads for Gungahlin – Horse Park Drive duplication (Mulligans Flat Road to the Federal Highway)	TCCS	25,555	18,403	14,369	-4,034	-11,000	A number of projects suffered delays due to wet weather events.
University of Canberra Public Hospital Car Park	Health	14,335	10,000	6,155	-3,845	-8,180	Delays in external services supporting final commissioning of the car park is impacting on the achievement of carpark certificate of occupancy. Also delays in the commencement of the Pantowora Road extension project are contributing to the final completion of the car park in time to support the planned go-live date.

2018-19 BUDGET BRIEF

Attachment A

Project	Agency	2017-18 Funds Available for Expenditure ($'000)	2017-18 Agency original forecast Expenditure YTD March ($'000)	March YTD Expenditure 2017-18 ('$000)	Variance original forecast vs YTD March expenditure	Indicative re-profiling adjustments 2017-18 as at 7/5/2018[1]	Rationale for delay
Better Roads for Gungahlin – Gundaroo Drive duplication – Stage 1	TCCS	16,079	11,159	8,732	-2,427	-4,000	The relocation Transact utilities relocation have prolonged negotiations on the high voltage lines along Mirrabei Drive resulting in project delays. Additional scope on the signalisation of Gundaroo Drive and Mirrabei Drive, has also extended the planned completion date by three months. The project will be completed approximately 12 months behind schedule.
Better Road for Tuggeranong – Ashley Drive duplication – Stage 2	TCCS	12,417	11,992	9,597	-2,395	0	This project suffered delays through wet weather in mid-2017. The high voltage cables have been relocated, and the works on the median and new islands at the intersection of Ellerston Avenue have been completed.
Supporting our School System – Improving ICT	Education	10,114	5,772	3,605	-2,167	-2,500	System issues were discovered during the release to the first trial school, requiring a reconfiguration for implementation.
Schools for the Future – North Gungahlin and Molonglo	Education	17,073	7,112	5,857	-1,255	-6,800	The original funding was re-profiled due to the late commencement of onsite works. The project completion date remains unchanged for the start of the 2019 school year.

2018-19 BUDGET BRIEF

Attachment A

Project	Agency	2017-18 Funds Available for Expenditure ($'000)	2017-18 Agency original forecast Expenditure YTD March ($'000)	March YTD Expenditure 2017-18 ('$000)	Variance original forecast vs YTD March expenditure	Indicative re-profiling adjustments 2017-18 as at 7/5/2018[1]	Rationale for delay
Improved Infrastructure for Acute Aged Care and Cancer Inpatients	Health	10,000	1,766	761	-1,005	-9,126	A detailed project plan including procurement strategy, master schedule and cost plan analysis was completed and the design contract was recently awarded. The early works in 2017-18 will enable construction activities in the following years which is reflected in the program schedule developed by the Infrastructure Finance & Capital Works health projects master programmer.
Better Services – Weston Creek and Stromlo swimming pool and leisure centre	CMTEDD	10,990	0	80	80	-10,105	The contract for works was signed in January 2018, with planning currently underway for the development application. Construction is now expected to commence in 2018-19, resulting the majority of 2017-18 funding being re-profiled to the forward years of the budget. The facility is scheduled for opening in early 2020.
		457,280	**284,958**	**187,496**	**-97,462**	**-204,436**	

Note:

1. Indicative re-profiling as of 07 May 2018.

2018-19 BUDGET BRIEF

C4

Public Housing Renewal Program

ISSUE: Progress of the Public Housing Renewal Program

Key Points:

- As part of the public housing renewal program, the Government is investing $608 million over four years to replace 1,288 public housing dwellings at 13 sites with modern, more energy efficient accommodation spread across the city.
- Funding of $608 million has been provided in previous budgets for the replacement of 1,288 dwellings; representing the total commitment required for the program.
- Of the 1,288 dwellings, 810 are complete and transferred to Housing ACT as of June 2018, with the remaining 478 expected to be completed and transferred by June 2019.
- As of June 2018, four sales have occurred, comprising seven of the 13 public housing sites. Overall, the sales results have performed broadly in line with expectations:
  - the sale of Bega Court achieved higher than expected results;
  - the sale of Owen Flats and Lyneham, De Burgh achieved higher than expected results;
  - the sale of Allawah and Currong was in line with expectations when accounting for the transfer of responsibility for off-site works to the purchaser; and
  - the sale of Dickson and Karuah achieved below the expected results. This is partially due to the impact of heritage decisions made after the sales estimate was made and the inclusion of the visitor information centre site in the sale.
- Table 1 shows that the sales achieved to date are within three per cent of the estimates[1]; however, when the $5.8 million of off-site works at Allawah and Currong is accounted for, the variance is positive one per cent.

Table 1: Sales Achieved to Date

Site	Estimate $ millions	Actual $ millions	Variance to Estimate
Dickson Flats[2]	8.0	4.9	-39%
Karuah (Garden Flats)	33.6	26.9	-20%
Allawah[3]	30.9	25.6	-17%
Currong	17.8	17.1	-4%
Owen Flats	13.3	14.2	7%
Lyneham, De Burgh	28.9	30.8	7%
Bega Court	30.5	38.5	26%
Total	**163.0**	**158.0**	**-3%**

[1] The estimate for Bega Court is the revised valuation used in the mid-program review, which is lower than the original estimate of $35.4 million; all other estimates are based on the original valuations plus 30 per cent.
[2] Dickson Flats and Karuah were impacted by heritage decisions made after the valuations were given and were sold as a package with the visitor information centre, resulting in lower than forecast sales revenue.
[3] The sale of Allawah and Currong involved the transfer of off-site works to the purchaser, resulting in lower than forecast sales revenue and a corresponding reduction in ACT Government expenditure.

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- The development of replacement dwellings has also performed well, with innovative procurement methodologies, including the bundling of development contracts, resulting in cash efficiencies of $15 million returned to budget in 2016-17, and a further $9.6 million being returned in 2017-18.
- The Expression of Interest process is also performing favourably against budget, with the Taskforce expecting to return further cash efficiencies to budget at the end of the program.

Asset Recycling Initiative

- The 13 public housing sites are being sold under the Commonwealth's Asset Recycling Initiative (ARI) and the funds applied to light rail. Under the ARI, the ACT will receive a 15 per cent bonus from the Commonwealth.
- To date, seven sites have been sold, achieving sales revenue of $158 million[4] and associated ARI revenue of $23.7 million (noting that the ACT is yet to receive payment from the Commonwealth).
- The remaining seven sites are to be sold by the Suburban Land Agency in 2018-19, with combined sales revenue as per agreed program estimates of $247.3 million and associated ARI revenue of $37.4 million.[5]

Table 2: Public Housing Renewal Properties – Remaining Sales

Property	Forecast Revenue $ millions
Gowrie Court	14.6
Northbourne Flats – Braddon	27.4
Northbourne Flats – Turner	49.1
Red Hill	87.0
Strathgordon	21.0
Stuart Flats	48.2
Total	247.3

- Based on the information contained above, the estimated net difference between forecast sales revenue and appropriation is $116.8 million, noting that there are broader impacts and the business case for the program included a financial model to quantify whole of life costs of renewal of the identified sites compared to the base case of not renewing.
  - Treasury will work with the PHRT to update the model as additional sales data becomes available during 2018-19.

[4] This figure does not take into account factors which impacted sales revenue, ie heritage restrictions or the requirement for purchasers to undertake off-site works. If sales revenue is adjusted for these impacts, the sales revenue achieved is approximately $165 million.

[5] The estimated sales revenues above, as agreed by Cabinet as part of the mid-program review, do not match the Suburban Land Agency's (SLA) Statement of Intent as the SLA has applied a price risk adjustment. This adjustment results in budgeted revenue of $188 million for the remaining sites

Attachment A

Table 1: All Public Housing Renewal Projects

	2015-16 $'000	2016-17 $'000	2017-18 $'000	2018-19 $'000	2019-20 $'000	2020-21 $'000	Total $'000
RECURRENT FUNDING							
Better Public Housing	2,554	2,184	-	-	-	-	4,738
Public Housing Renewal (PHR) – Owen Flats	212	881	21	-	-	-	1,114
PHR – Allawah Court	357	6,325	25	-	-	-	6,707
PHR – Karuah	-	196	3,410	-	-	-	3,606
PHR – Red Hill Housing Precinct	29	9,140	592	-	-	-	9,761
Better Public Housing – New public housing properties	4,866	3,398	19,816	6,100	-	-	34,180
PHR – Taskforce	-	-	2,250	1,895	619	-	4,764
PHR – New and better properties (Gowrie Court)	-	-	93	620	1,795	-	2,508
Total Recurrent	**8,018**	**22,124**	**26,207**	**8,615**	**2,414**	-	**67,378**

	2015-16 $'000	2016-17 $'000	2017-18 $'000	2018-19 $'000	2019-20 $'000		Total $'000
CAPITAL							
Better Public Housing	870	992	-	-	-	-	1,862
PHR – Owen Flats	9,743	3,264	-	-	-	-	13,007
PHR – Allawah Court	15,727	19,111	10,273	-	-	-	45,111
PHR – Karuah	5,686	6,247	728	2,000	3,000	-	17,661
PHR – Red Hill Housing Precinct	25,747	28,036	1,031	1,189	-	-	56,003
Better Public Housing – New public housing properties	48,104	65,328	94,359	81,019	68,024	-	356,834
PHR - Taskforce	-	-	727	1,624	85	-	2,436
PHR – New and better properties (Gowrie Court)	-	-	16,258	13,853	4,008	-	34,119
PHR – New and better properties (DHA)	-	-	7,000	6,300	-	-	13,300
Total Capital	**113,895**	**122,978**	**130,376**	**105,985**	**75,117**	**-**	**540,333**
Total Funding	**113,895**	**145,102**	**156,583**	**114,600**	**77,531**	**-**	**607,711**
Total Capital Efficiencies	**-**	**(14,855)**	**(9,617)**	**-**	**-**	**-**	**(24,472)**
2018-19 Budget	**113,895**	**130,247**	**146,966**	**114,600**	**77,531**	**-**	**583,239**

2018-19 BUDGET BRIEF

S1

CLIMATE CHANGE AND SUSTAINABILITY

ISSUE: What are the key Climate Change and Sustainability initiatives in the 2018-19 Budget?

Key Points:

- The value of new initiatives relating to climate change and sustainability, either directly or indirectly, announced as part of the 2018-19 Budget is **$109.253 million** over four years.
- Significant projects with a value of **$31.165 million** over four years directly relate to climate change and sustainability are as follows:
  - **Better Government – Carbon Neutral ACT Government Program improvements** – $1.897 million will be invested to implement carbon reduction solutions across Government that will accelerate the achievement of greenhouse gas reduction targets.
  - **Better Government – Double glazing for the Legislative Assembly** – the Government will invest $952,000 to install double glazing on more external windows of the Legislative Assembly Building to improve the energy efficiency of the building.
  - **More jobs for our growing city – Helping homes be energy smart** and **More jobs for our growing city – Supporting a sustainable community** – The Government will contribute $6.661 million in total over four years to help low income households save on energy bills and reduce greenhouse emissions; and to deliver programs to reduce waste and increase recycling in businesses, schools, at public events and to promote environmentally sustainable choices in the community.
  - **More jobs for our growing city – Establishing environmental offsets** – $2.158 million over two years will be invested to protect native species and their habitats as part of the Matters of National Environmental Significance within the Eastern Broadacre Strategic Assessment zone. This will help facilitate future industrial development on Canberra's eastern edge.
  - **More jobs for our growing city – More electric vehicle charging** – The Government will invest $456,000 in the 2018 Budget to install 50 electric vehicle charging stations at Government sites across Canberra during 2018-19. This builds on the ACT Government's recently-released *Transition to Zero Emissions Vehicles Action Plan*, and will see the Territory pursue Australia's most ambitious emissions reductions efforts across the transport fleet.
  - **More jobs for our growing city – Protecting the Murrumbidgee River Corridor** – The Government will provide $175,000 to continue the Murrumbidgee River Corridor Million Trees project, allowing for the planting of up to 5,000 more trees.
  - **More services for our suburbs – Asbestos remediation for Birrigai** – The Government will provide $617,000 over two years to undertake works at Birrigai for the ongoing management of buried asbestos.
  - **More services for our suburbs – Cleaning up carp** – The Government will provide $469,000 over three years to appoint a coordinator to oversee the implementation of the national Carp Control Plan and proposed national release of the carp virus for the biological control of carp within the ACT between 2019 and 2021.

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- **More services for our suburbs – Ecotourism Woodlands Learning Centre** – The Government will support the Woodlands and Wetlands Trust by contributing $1.584 million to the construction of a nature learning centre adjacent to the Mulligans Flat Woodland Sanctuary. The Centre will enhance the tourism experience of the Mulligans Flat Woodland Sanctuary through the construction of a café, community use space, carparks and interactive displays promoting the work of the Woodlands and Wetlands Trust and the natural and cultural attractions of the Sanctuary.
- **More services for our suburbs – Establishing the Molonglo River Reserve** – The Government will invest $3.3 million over four years to protect native species and their habitats by undertaking ecological conservation works in the Molonglo River Reserve as part of the Molonglo Valley Plan for the Protection of Matters of National Environmental Significance. This will support existing and further residential development in the Molonglo Valley.
- **More services for our suburbs – Healthier catchments through better water management** – The Government will invest $120,000 to investigate the establishment of an interstate water entitlement trading scheme.
- **More services for our suburbs – Improved conservation management** – The Government will invest $1.196 million over four years in land conservation management works in the Jerrabomberra Valley which hosts a number of environmental assets.
- **More services for our suburbs – Improved energy efficiency for public housing** – The Government will invest $7.048 million over four years to deliver energy efficient upgrades to public housing properties to help tenants reduce their power bills, use energy more efficiently and cut greenhouse gas emissions.
- **More services for our suburbs – More trees** – The Government will invest $457,000 to plant 1,330 additional trees. The new trees will primarily be planted in Canberra's residential streets to help reduce the heat island effect.
- **More services for our suburbs – Protecting local catchments** – The Government will provide $352,000 in additional one-off support to the Molonglo Catchment Group, Southern ACT Catchment Group and Ginninderra Catchment Group.
- **More services for our suburbs – Protecting Mulligans Flat Woodland Sanctuary from pests** – The Government will invest $598,000 over three years to eradicate rabbits and hares from within the extended Mulligans Flat Predator Proof Sanctuary to protect the sanctuary's ecological health.
- **More services for our suburbs – Protecting native species** – The Government will invest $3.125 million to employ two additional rangers and invest in more habitat management to reduce invasive pests and plants including feral deer within the ACT.

- In addition to the above, the following initiatives with a value of **$78.088 million** include elements that also indirectly contribute to the Government's sustainability and climate change objectives:
  - **Keeping our growing city moving – Better infrastructure for active travel** – The Government will invest $21.7 million to improve and expand pedestrian and cycling infrastructure to ensure it is safe, sustainable, attractive to the community and easy to use.

- **Keeping our growing city moving – Light Rail Stage 1 – commencing operations** – The Government will provide $850,000 to support the commencement of operations for Light Rail Stage 1, including delivering passenger safety and education campaigns.
- **Keeping our growing city moving– Light Rail Network 2 – City to Woden early planning** – The Government will invest $12.5 million to progress the next stage of delivering Canberra's city wide light rail network. This initiative invests in the planning, design and enabling works for the City to Woden Light Rail route. The ACT Government has identified a preferred route and planning processes are underway with the Commonwealth Government and Parliament to also progress light rail to Woden.
- **More jobs for our growing city – Government facilities upgrades** – The Government will invest $7.5 million over four years to improve energy efficiency and undertake other upgrades to the Government-owned office building at 1 Moore Street in Civic, which houses ACT Health community health services and the ACT Civil and Administrative Tribunal.
- **More jobs for our growing city – New tracks and trails at the National Arboretum** – The Government will invest $455,000 to design and construct multi-use trails through the National Arboretum to connect it with Mount Stromlo, Molonglo and the city to help boost access to one of Canberra's premier tourist and visitor venues.
- **More schools, better schools – Roof Replacement Program** – The Government will invest $17.970 million to continue the renewal of public school facilities through roof replacement at six ACT schools. This will improve building comfort and energy efficiency by improving thermal performance, and minimise facilities damage and disruption caused by leaks. The initiative will also allow the Government to investigate additional renewable energy generation and introduction of energy storage at public schools.
- **More services for our suburbs – Better waste management** – The Government will invest $9.010 million over four years to review and further develop waste management regulatory reforms under the *Waste Management and Resource Recovery Act 2016*, including the implementation of a new waste management regulatory system. This initiative will also continue the existing bulky waste service for concession card holders for a further two years and provide new funding for GIVIT, a not-for-profit organisation that facilitates the recycling of household items to assist families in need.
- **More services for our suburbs – Parkwood estate rehabilitation** – The Government will invest $4.953 million over two years to undertake rehabilitation works at the Parkwood Road Recycling Estate to support the continued development of more housing in the Ginninderry estate.
- **More services for our suburbs – Stormwater infrastructure improvements** – The Government will invest $3 million to undertake investigative works, early planning and detailed design for stormwater infrastructure works to improve drainage capacity issues in Page and Weetangera.
- **More services for our suburbs – Sullivans Creek Flood Management Plan** – The Government will invest $150,000 to commission a review of the Southwell Park Retarding Basin to inform Sullivans Creek flood management improvements.

S1 Climate Change and Sustainability Direct initiatives

Initiative	Expense 2018-2019 $'000	Expense 2019-2020 $'000	Expense 2020-2021 $'000	Expense 2021-2022 $'000	Total Investment $'000	Capital 2018-2019 $'000	Capital 2019-2020 $'000	Capital 2020-2021 $'000	Capital 2021-2022 $'000	Total Investment $'000
Better Government – Carbon Neutral ACT Government Program improvements	1,897	0	0	0	**1,897**	0	0	0	0	**0**
Better Government – Double glazing for the Legislative Assembly	0	34	34	34	**102**	850	0	0	0	**850**
More jobs for our growing city – Establishing environmental offsets	627	816	0	0	**1,443**	226	489	0	0	**715**
More jobs for our growing city – Helping homes be energy smart	2,500	2,000	1,500	0	**6,000**	0	0	0	0	**0**
More jobs for our growing city – More electric vehicle charging	0	0	0	0	**0**	456	0	0	0	**456**
More jobs for our growing city – Protecting the Murrumbidgee River Corridor	75	0	0	0	**75**	100	0	0	0	**100**
More jobs for our growing city – Supporting a sustainable community	661	0	0	0	**661**	0	0	0	0	**0**
More services for our suburbs – Asbestos remediation for Birrigai	300	317	0	0	**617**	0	0	0	0	**0**
More services for our suburbs – Cleaning up carp	153	156	160	0	**469**	0	0	0	0	**0**
More services for our suburbs – Ecotourism Woodlands Learning Centre	200	1,238	72	74	**1,584**	0	0	0	0	**0**
More services for our suburbs – Establishing the Molonglo River Reserve	0	19	37	62	**118**	1,044	800	834	504	**3,182**
More services for our suburbs – Healthier catchments through better water management	120	0	0	0	**120**	0	0	0	0	**0**
More services for our suburbs – Improved conservation management	91	221	260	277	**849**	50	232	65	0	**347**

Initiative	Expense 2018-2019 $'000	Expense 2019-2020 $'000	Expense 2020-2021 $'000	Expense 2021-2022 $'000	Total Investment $'000	Capital 2018-2019 $'000	Capital 2019-2020 $'000	Capital 2020-2021 $'000	Capital 2021-2022 $'000	Total Investment $'000
More services for our suburbs – Improved energy efficiency for public housing	372	375	378	210	**1,335**	1,449	1,498	2,766	0	**5,713**
More services for our suburbs – More trees	90	93	114	80	**377**	26	26	28	0	**80**
More services for our suburbs – Protecting local catchments	352	0	0	0	**352**	0	0	0	0	**0**
More services for our suburbs – Protecting Mulligans Flat Woodland Sanctuary from pests	255	189	154	0	**598**	0	0	0	0	**0**
More services for our suburbs – Protecting native species	300	900	950	975	**3,125**	0	0	0	0	**0**
Total	7,993	6,358	3,659	1,712	**19,722**	4,201	3,045	3,693	504	**11,443**

* Figures represent gross initiative expenditure including items funded via appropriations and other sources.

S1 Climate Change and Sustainability Indirect Initiatives

Initiative	Expense 2018-2019 $'000	Expense 2019-2020 $'000	Expense 2020-2021 $'000	Expense 2021-2022 $'000	Total Investment $'000	Capital 2018-2019 $'000	Capital 2019-2020 $'000	Capital 2020-2021 $'000	Capital 2021-2022 $'000	Total Investment $'000
Keeping our growing city moving – Better infrastructure for active travel	50	0	0	0	**50**	7,200	11,950	2,000	500	**21,650**
Keeping our growing city moving – Light Rail Stage 1 – commencing operations	850	0	0	0	**850**	0	0	0	0	**0**
Keeping our growing city moving– Light Rail Network 2 – City to Woden early planning	12,500	0	0	0	**12,500**	0	0	0	0	**0**
More jobs for our growing city – Government facilities upgrades	0	0	0	0	**0**	950	2,700	2,550	1,300	**7,500**
More jobs for our growing city – New tracks and trails at the National Arboretum	0	0	0	5	**5**	225	225	0	0	**450**
More schools, better schools – Roof Replacement Program	0	0	0	0	**0**	898	5,375	5,464	6,233	**17,970**
More services for our suburbs – Better waste management	2,077	2,066	1,641	1,586	**7,370**	400	820	420	0	**1,640**
More services for our suburbs – Parkwood estate rehabilitation	0	0	0	0	**0**	3,453	1,500	0	0	**4,953**
More services for our suburbs – Stormwater infrastructure improvements	0	0	0	0	**0**	3,000	0	0	0	**3,000**
More services for our suburbs – Sullivans Creek Flood Management Plan	150	0	0	0	**150**	0	0	0	0	**0**
Total	15,627	2,066	1,641	1,591	**20,925**	16,126	22,570	10,434	8,033	**57,163**

* Figures represent gross initiative expenditure including items funded via appropriations and other sources.

2018-19 BUDGET BRIEF

S2

Community Sector Funding

ISSUE: Community sector funding indexation

Key Points:

- The community sector indexation rate is forecast to be 2.45 per cent in 2018-19, higher than the 2.05 per cent rate for 2017-18.
- The commitment to provide this indexation rate over CPI will cost $300,000 in 2018-19 and $2.5 million over four years.
- The rate is a hybrid indexation rate calculated as 80 per cent of the wage price index (WPI) and 20 per cent of the consumer price index (CPI).
- This indexation maintains the sector's capacity to meet increasing wage and administrative costs and reflects the underlying movement in indexation rates.
- The rate is consistent with the 2.45 per cent for 2018-19 estimated in the 2017-18 Budget, but higher than the 2.25 per cent estimated in the 2017-18 Budget Review.
- The higher rate of indexation than previously forecast reflects higher wage inflation across the economy that will flow through to higher cost pressures on organisations in the community sector.
- Estimated community sector indexation rates for the forward estimates are shown in the table below.

Table 1. Community Sector Funding Rate in 2018-19 Budget

	2017-18	2018-19	2019-20	2020-21	2021-22
	Estimate %	Budget %	Forecast %	Forecast %	Forecast %
Wage Price Increase	2.00	2.50	2.75	3.25	3.25
Consumer Price Increase	2.25	2.25	2.50	2.50	2.50
Community Sector Funding Rate (WPI * 0.8 + CPI * 0.2)	2.05	2.45	2.70	3.10	3.10

Background:

- In the 2006-07 Budget, the Government agreed to provide additional indexation funding to eligible community sector organisations to recognise that 80 per cent of their expenditure is employee related.
- Eligible community organisations are those not-for-profit non-government human services organisations that provide services that address physical or social disadvantage and/or promote the health and well-being of individuals and families.

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2018-19 BUDGET BRIEF

Supporting Aboriginal and Torres Strait Islander Peoples

S3

ISSUE: Supporting Aboriginal and Torres Strait Islander Peoples

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Key Points:

- The 2018-19 Budget includes eight new initiatives worth $21.7 million to specifically support Aboriginal and Torres Strait Islander people.
  - This amount includes $11.3 million for the Winnunga Nimityjah health centre, which has been repurposed from the 2017-18 Budget to reflect the recent decision that the health centre be wholly owned by Winnunga Nimityjah.
- 2018-19 Budget investment builds on the $13.3 million announced in the 2017-18 Budget (noting that this includes the $11.3 million for the Winnunga Nimityjah health centre repurposed in the 2018-19 Budget); the $4.1 million announced in the 2016-17 Budget, and previously funded programs worth approximately $14.8 million per annum (Attachment A), bringing the total funding to more than $85 million over four years.
- Aboriginal and Torres Strait Islanders also access a broad range of general government programs and services. The 2018-19 Budget includes numerous initiatives that will also benefit Aboriginal and Torres Strait Islander people, including significant investments to improve housing and homelessness services, justice outcomes, and strengthen mental health services.

Aboriginal and Torres Strait Islander Initiatives

Directorate	Budget Funded Initiatives	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	Total $'000
CSD	Review of Aboriginal and Torres Strait Islander children and young people involved with Child and Youth Protection	1,371	672			**2,043**
CSD	Family Group Conferencing	348	356	365	374	**1,443**
CSD	Growing the Reconciliation Day public holiday	200	200	200	200	**800**
CSD	Gugan Gulwan Youth Aboriginal Corporation accommodation	150				**150**
HACT	Better housing for Aboriginal and Torres Strait Islander older people	2,388	2,100			**4,488**
TCCS	Restoring Boomanulla Oval	796	53	54	55	**958**
	Total Budget Funded Initiatives	**5,253**	**3,381**	**619**	**629**	**9,882**

Directorate	Internally Funded Initiatives	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	Total $'000
CMTEDD	Aboriginal and Torres Strait Islander Arts Officer	119	146	149	153	**567**
Health	New facility for Winnunga Nimityjah Aboriginal Health Community Services	1,165	2,435	7,700	-	**11,300**
	Total Internally Funded Initiatives	**1,284**	**2,581**	**7,849**	**153**	**11,867**
	Total Initiatives	**6,537**	**5,962**	**8,468**	**782**	**21,749**

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Attachment A

2015-16 Indigenous Programs Summary

Agency	Program	Expenditure ($'000)
CIT	Yurauna Centre – Indigenous Targeted Programs	810
CIT	Student Support	252
CIT	CIT Indigenous Scholarships	68
CIT	Indigenous Program Enrolments	3,564
CIT	NAIDOC Week	3
CIT	ACT NAIDOC Awards	1
CMTEDD	Operational Support	16
CMTEDD	Inclusive Participation Funding Program	15
CMTEDD	Indigenous Sport Development Officer program	111
CMTEDD	Indigenous Sports Grant Program	4
CMTEDD	Indigenous Sports Partnered Program	117
CMTEDD	Boomanulla Oval Facility Condition Reports	24
CSD	Gugan Gulwan Youth Outreach Support Program	76
CSD	Aboriginal and Torres Strait Islander Administration	1,290
CSD	Aboriginal and Torres Strait Islander Affairs	1,226
CSD	Indigenous Elected Body	437
Education	Indigenous Education Commonwealth	818
Education	Literacy and Numeracy Indigenous Field Officers	939
Education	Enhanced Indigenous Support	296
Education	Indigenous Student Support	597
Education	Indigenous Education	1,312
Education	Integrated Aboriginal and Torres Strait Islander Family Support Services	150
Education	Indigenous Teachers and Teachers Assistants Attraction Scheme	222
Education	Koori Preschool	631
Education	Indigenous Early Childhood Support	84
EPD	Natural Resource Management Indigenous Facilitator	114
JACS	Indigenous Trainee Program	92
JACS	ACT Public Service Graduate Program	52
JACS	Galambany Circle Sentencing Court	128
JACS	Indigenous Programs within Alexander Maconochie Centre	196
JACS	Corrective Services Indigenous Designated Employees	529
JACS	Indigenous Community Programs	132
JACS	Aboriginal Legal Service (NSW/ACT).	103
JACS	Women's Legal Centre	129
Legal Aid	Aboriginal and Torres Strait Islander Client Support Officer	18
TAMS	Indigenous Community Bus Program	224
	Total	**$14,781**

2018-19 BUDGET BRIEF

S4

WALKING AND CYCLING INITIATIVES

ISSUE: What are the key walking and cycling initiatives in the 2018-19 Budget?

Key Points:

- The ACT Government committed to deliver an additional $30 million in active travel infrastructure over the life of this Parliamentary term. The 2018-19 Budget provides $28.670 million over four years for walking and cycling initiatives bringing the total investment to $33.2m over the last two years.

Walking and Cycling Initiatives

New Walking and Cycling (W&C) Initiatives 2018-19 Budget	2017-18 $ 000's	2018-19 $ 000's	2019-20 $ 000's	2020-21 $ 000's	2021-22 $ 000's	Total $ 000's
Belconnen Bikeway	250	-	-	-	-	250
Footpath and Cycleway Upgrades	1,220	1,000	1,010	1,030	-	4,260
Secure Bike Parking	20	-	-	-	-	20
Belconnen bikeway[(a)]		5,000	5,450	-	-	10,450
Off-road rapid bike network		500	1,500	-	-	2,000
Active streets around schools		500	500	500	500	2,000
Age friendly suburbs		-	2,000	-	-	2,000
Heysen Street cycle link		200	1,000	-	-	1,200
Tuggeranong Town Centre		1,000	1,500	1,500	-	4,000
WHOHEAT		50	-	-	-	50
Woden Town Centre		750	3,535	558	148	4,991
Pialligo safety improvements		150	-	-	-	150
Mountain bike trail network		74	300	-	-	374
National Arboretum		225	225	-	5	455
Better Infrastructure Fund – Footpath and cycle way upgrades		1,000	-	-	-	1,000
TOTAL	**1,490**	**10,449**	**17,020**	**3,588**	**653**	**33,200**

Note:

a) Includes $4.450 million in funding provisioned for this purpose in the 2017-18 Budget.

- **Keeping our growing city moving - Better infrastructure for active travel:** The Government has committed $21.7 million over four years to improve and expand pedestrian and cycling infrastructure to ensure it is safe, sustainable, attractive to the community and easy to use. Works include:
  - *Belconnen Bikeway*: constructing a fully integrated active travel loop for Belconnen which links suburbs like Florey with the Lake Ginninderra foreshore and major sport and study institutions in Bruce at $10.450 million in capital funding over two years;
  - *Off-road rapid bike network:* constructing Stage 1 of the off road rapid bike route to improve travel time and improve safety at $2 million in capital funding over two years;

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- *Active Streets around Schools*: expanding the Active Streets around Schools program with an investment of $2 million in capital funding over four years to make the environment around schools safer to walk, ride or scooter;
- *Age friendly suburbs:* improving footpaths to encourage more people to walk and cycle and improve safety at $2 million in capital funding in 2019-20;
- *Heysen Street missing link:* constructing a vital link in the active travel network from Lyons to Weston Creek along Heysen Street to connect suburbs in Weston Creek and Molonglo with suburbs, commercial centres and amenities in the Woden Valley at $1.2 million in capital funding over two years;
- *Active travel and streetscape improvement for Tuggeranong Town Centre:* revitalising the Tuggeranong Town Centre at $4 million in capital funding over three years, including: constructing a cycling and pedestrian connection from Anketell Street to Lake Tuggeranong via the Town Square; converting paved areas around the Tuggeranong Arts Centre to grass to help green the precinct; and new path connections to link the Lakeside Leisure Centre and Tuggeranong Town Park with the Lake Tuggeranong shared path; and
- *WHOHEAT:* The Government has also committed $50,000 to develop a World Health Organisation Health Economic Assessment Tool (WHOHEAT) for the ACT to assess the viability of active travel projects. The WHOHEAT assessment model is a tool that assists in estimating the value of reduced mortality that results from specified amounts of regular walking or cycling.

- **More jobs for our growing city - Better Town Centres:** investing in active travel for the Woden Town Centre, with a new separated cycleway and verge improvements along Corinna Street from Furzer Street to Callam Street, widening the cycle paths on Melrose Drive and Ball Street and other priority works to activate the streetscape at $4.991 million over three years;
- **Keeping our growing city moving - Pialligo pedestrian upgrades:** early planning to review safety issues associated with pedestrians and parking on Beltana and Kallaroo Roads in Pialligo at $150,000;
- **Best of Canberra mountain bike experience:** designing a new mountain bike trail network for Canberra that expands on the existing key mountain bike destinations in Canberra at $374,000 over two years, delivering on the Cycle Tourism Strategy for the ACT; and
- **More jobs for our growing city – New tracks and trails at the National Arboretum:** design and construction of multi-use trails through the National Arboretum at $455,000 over two years, to connect it with Mount Stromlo, Molonglo and the City to ensure it remains one of Canberra's premier tourist and visitor destinations.
- A footpath and cycleway upgrades initiative of $1 million is being undertaken through the *Better Infrastructure Fund.* This initiative will deliver age friendly community infrastructure for one suburb per year, including new community path missing links, pedestrian refuges, pram crossings and cycleway improvements linked to the Strategic Cycle Network plan.

2018-19 BUDGET BRIEF

S5

Expenditure Reviews

ISSUE: Future and Past Reviews - Accountability Indicators

Key Points:

- Past and future Expenditure Reviews are detailed in accountability indicators in CMTEDD's Budget Paper 4, Output 4.2.
- For 2018-19 two reviews are planned to commence and be completed, namely:
    - The **Property Services Financial Sustainability Review** which is in response to ACT Property Group's revenue base reducing following recent asset sales and pressures it faces in managing a diverse portfolio. A Review would consider opportunities to improve efficiency, pricing and funding models for property services.
    - The **Repairs and Maintenance Expenditure Review** which will consider financially sustainable options to manage repairs and maintenance across government into the future. The Review seeks to address a growing requirement for repairs and maintenance from an expanding and ageing asset portfolio and will consider future needs, the adequacy of current approaches, and if there are more effective ways to manage and prioritise spending.
- In addition the Expenditure Review branch will continue to undertake a range of other projects to support the government as priorities are identified throughout the year.
- For 2017-18 two reviews were commenced and completed, namely:
    - The **Review of Demand Management Options for Child Protection and Out of Home Care** was undertaken in the context of increased child concern reports and demand for Out of Home Care. The review considered future demand pressures and identified a number of demand management options that would build on work already underway within the Community Services Directorate. This work is currently being considered further by CSD and Treasury to develop a financially sustainable response to demand pressures that optimises service outcomes.
    - The **Review of ACT Libraries** considered base pressures and presented options to support the efficient management and operation of library services in the ACT. Overall the review found Libraries ACT performs favourably when benchmarked with other jurisdictions on a range of metrics. In the 2018-19 Budget the Government has provided funding to address the base pressure, ensuring high quality services continue to be provided, and has asked Libraries ACT to investigate options to increase utilisation of library services.

Mark Whybrow, Executive Director **Extension No: 77879**
Finance and Budget Division

BUDGET ESTIMATES BRIEF

1

Portfolio/s: Treasurer

Treasurer

ISSUE: COMPLIANCE ACTIVITY 2017-18

Talking points:

- For the 11 months to the end of May 2018, ACT Revenue Office Compliance activities have detected $17.5 million in undeclared revenues; $4.2 million more than in 2016-17.
- The additional revenue has been driven by a near doubling of land tax assessments reflecting the complete reengineering of compliance activities.
- The table below details revenue detected under each revenue line.

Revenue Line	2015-16 Assessments issued	2015-16 Compliance revenue	2016-17 Assessments issued	2016-17 Compliance revenue	2017-18 Assessments issued	2017-18 Compliance revenue
Payroll Tax	67	$8,980,136	112	$7,513,738	70	$6,042,235
Land Tax	1,016	$8,426,635	547	$5,655,690	1,003	$11,297,138
FHOG	23	$299,294	2	$29,182	2	$41,699
Home Buyer Concession	17	$261,736	3	$58,146	3	$39,190
Landholder duty			1	$89,792	4	$129,662
Conveyance duty	1	$17,900			1	$4,281
Motor Vehicles	4	$25,893	2	$2,061		
Total	**1,128**	**$18,011,594**	**667**	**$13,348,609**	**1,083**	**$17,554,205**

- In 2017-18 Compliance had 22 FTE's each with a revenue target of $650,000 per inspector under accountability indicator 6.1(d). Total target $14.3m.

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.

Cleared as complete and accurate: 08/06/2018
Cleared by: Executive Director Ext: 70010
Information Officer name: Kim Salisbury
Contact Officer name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref:

- 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 – may not be suitable for public disclosure

- 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 $1.753m 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 2019-20 to evaluate the outcomes of the program.
- Typical examples of a land holder transaction where duty is triggered are:
  - A corporation owing one or more parcels of land in the ACT. Shares in that company are bought and sold with a person (or entity) now owning more than 50 per cent of the interests in that corporation.
  - A unit trust owning one or more parcels of land in the ACT. The trust arrangements change with a beneficiary now entitled to more than 50 per cent of the trust assets.

Cleared as complete and accurate: 08/06/2018
Cleared by: Executive Director Ext: 70010
Information Officer name: Kim Salisbury
Contact Officer name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref:

BUDGET ESTIMATES BRIEF

2

Portfolio/s: Treasurer

Treasurer

ISSUE: TAXATION DEBT LEVEL

Talking points:

- The overall level of debt as at 31 May 2018 for the main tax lines in comparison to 30 June 2017 is provided in the following table.

Major Revenue Lines	30 June 2017 $million	31 May 2018 $million	Change $million	2016-17 Average collectable debt % of total tax revenue	2017-18 Average collectable debt % of total tax revenue as at 31 May 2018
Payroll tax	12.4	14.3	+1.9	1.0	1.5
Rates and levies	39.1	52.0	+12.9	5.2	6.6
Land tax	8.0	12.8	+4.8	6.6	7.8
Duty	3.5	8.1	+4.6	1.8	1.95
TOTAL	**67.4**	**93.1**	**+25.7**	**3.2**	**3.8**
Less uncollectable debt	20.9	19.7	-1.2		
Collectable Debt	**46.6**	**73.3**	**+26.7**		
Total Revenue Budget	**1,577.2**	**1,679.1**	**+101.9**		

Key Information

- The performance of ACT Revenue Office's taxation debt recovery function is measured and reported as the average level of collectable debt for the year against budgeted taxation revenue.
    - Collectable debt does not include debts in dispute (under objection, before ACAT or in Court) and/or owned by companies in liquidation.
- 2.5 per cent has been the historical debt target for the ACT Revenue Office. This target has not been achieved in recent years (3.2 per cent last year).

Cleared as complete and accurate: 08/06/2018
Cleared by: Executive Director Ext: 70010
Information Officer name: Kim Salisbury
Contact Officer name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref:

- The higher outcomes are primarily because rates (with a higher debt to revenue ratio than other tax lines) has become a greater proportion of total tax revenue (See 2nd table).
- Rates debt is secured by property so there is little prospect of non-collection and interest of 9.72 per cent applies.
- From 2018-19 the accountability indictors for debt collection will be identified for rates and non-rates debt separately to provide greater transparency (see 41 of the Budget Statements B).

Property taxes as a proportion of total revenue

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Property taxes (rates and land tax)	$302m	$325m	$357m	$411m	$467m	$518m	$557m	$617m
Property taxes as a proportion of total tax	32%	32%	36%	39%	41%	41%	43%	44%

- All tax lines are actively managed by ACTRO. Key elements of our debt recovery program include: final notices, letters of demand, garnishees, windup orders for companies, and where necessary sale of land property processes.
- ACTRO is implementing a number of new programs to reduce rates arrears including:
  - New styles of correspondence and SMS text messaging is being trialed to encourage taxpayer responsiveness.
  - the use of debt collection agencies as appropriate.
  - debtor profiles are being developed to target debt recovery strategies.
- Payment plans are available where taxpayers experience genuine difficulty.

Background Information – may not be suitable for public disclosure

- N/a.

Cleared as complete and accurate: 08/06/2018
Cleared by: Executive Director Ext: 70010
Information Officer name: Kim Salisbury
Contact Officer name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref:

BUDGET ESTIMATES BRIEF

3

Portfolio/s: Treasurer

Treasurer

ISSUE: OBJECTIONS AND APPEALS TO THE ACAT

Talking points:

Table 1: Objections Received

	2015-16	2016-17	2017-18 (to 25 May 2018)
UV	61	77	83
Other	252	194	339 (257 Land Tax)
Total	313	271	422
Ave/month	26	23	38

In relation to the change in calculation methodology for units from 2017-18: there has been two objections to the rates calculation, one objection to the land tax calculation and one objection to the UV from a unit body corporate. All of these have been disallowed and have not been appealed.

Table 2: Objections Decided

	2015-16	2016-17	2017-18 (to 25 May 2018)
Allowed	31	24	20
Disallowed/ part allowed/ withdrawn	303	251	275
Total	334	275	295

Table 3: Appeals lodged in the ACAT or courts

	2015-16	2016-17	2017-18 (to 25 May 2018)
Appeals allowed or part allowed*	6	4	2

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Cleared by: Executive Director Ext: 70010
Information Officer name: Kim Salisbury
Contact Officer name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref:

Settled by Mutual Agreement*	9	6	8
Appeals dismissed or withdrawn*	20	14	9
Total Appeals lodged	25	20	21

*This includes appeals which commenced in previous years.

BUDGET ESTIMATES BRIEF

4

Portfolio/s: Treasurer

Treasurer

ISSUE: OBJECTIONS TIMELINE

Talking points:

- The completion rate of objections, received from 1 July 2015, became a performance target 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.

Key Information

Table 1: Objections per tax: completed late

	2015-16	2016-17	2017-18 (25 May 2018)
Total completed	334	275	295
Taken 6+ months (less than 12 months)	8 (2.4%)	0 (0%)	4 (1.4%)

- 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.

Cleared as complete and accurate: 13/06/2018
Cleared by: Executive Director Ext: 70010
Information Officer name: Kim Salisbury
Contact Officer name: Sch 2 s2.2(a)(ii)
Lead Directorate: Economic Development

TRIM Ref:

BUDGET ESTIMATES BRIEF

5

Portfolio/s: Treasurer

Treasurer

ISSUE: UNIMPROVED VALUE OBJECTIONS BY SUBURB

Talking points:

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

SUBURB	RESIDENTIAL	COMMERCIAL et al	TOTAL
Ainslie	3	0	3
Amaroo	0	1	1
Aranda	2	0	2
Bonner	2	0	2
Braddon	1	4	5
Bruce	1	1	2
Chapman	2	0	2
Chifley	1	0	1
Chisholm	1	0	1
City	0	6	6
Coombs	2	0	2
Curtin	3	0	3
Deakin	0	1	1
Evatt	1	0	1
Forde	1	0	1
Franklin	1	2	3
Fyshwick	0	2	2
Giralang	2	0	2
Greenway	0	1	1
Griffith	2	1	3

Cleared as complete and accurate: 12/06/2018
Cleared by: Executive Director Ext: 70010
Information Officer name: Kim Salisbury
Contact Officer name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref:

Hackett	2	0	2
Harrison	1	0	1
Holt	1	0	1
Hughes	1	0	1
Hume	0	2	2
Isaacs	1	0	1
Jacka	1	0	1
Kingston	0	1	1
Majura	0	1	1
Moncrieff	3	0	3
Nicholls	1	0	1
Pearce	1	0	1
Phillip	0	14	14
Red Hill	2	0	2
Reid	1	0	1
Richardson	1	0	1
Spence	1	0	1
Throsby	1	0	1
Watson	1	0	1
Yarralumla	1	1	2
Total	**45**	**38**	**83**

Cleared as complete and accurate: 12/06/2018
Cleared by: Executive Director Ext: 70010
Information Officer name: Kim Salisbury
Contact Officer name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref:

BUDGET ESTIMATES BRIEF

6

Portfolio/s: Treasurer

Treasurer

ISSUE: OBJECTIONS AND ACAT APPEALS; DISPUTED AMOUNTS BY TAX TYPE

Talking points:

Table 1: Objections outstanding and disputed amounts

	As at 25 May 2018	$
UV	12	859,100
Payroll tax	6	90,387
Land tax	142	1,430,584
Duty	11	231,161
HBC	15	143,551
FHOG	6	51,107
Other	10	641,379
Total	202	3,447,272

Table 2: ACAT Appeals outstanding and disputed amounts

	As at 25 May 2018	$
UV	2	274,532
Payroll tax	4	4,934,109
Land tax	3	130,628
Duty	0	0
HBC	1	7,476
FHOG	0	0
Other	1	882,812
Total	11	6,229,558

Cleared as complete and accurate: 12/06/2018
Cleared by: Executive Director Ext: 70010
Information Officer name: Kim Salisbury
Contact Officer name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref:

TREASURER'S PORTFOLIO

COMMERCIAL SERVICES AND INFRASTRUCTURE

BUDGET ESTIMATES BRIEF – 2018-19

Brief Number	Brief Title	Responsible Officer
	ACT INSURANCE AUTHORITY (ACTIA)	
1.	ACT Insurance Authority – Statement of Intent 2018-19	John Fletcher
2.	ACT Insurance Authority – Insurance Management System	John Fletcher
3.	ACT Insurance Authority – Capital Transfer to the Budget	John Fletcher
	SHARED SERVICES (OUTPUT CLASS 7)	
4.	Debt Management Software Solution	Graham Tanton
5.	Implementation of Accounts Payable Invoice Automation Solution	Graham Tanton
6.	Automation of Long Service Leave calculations with enhanced functionality for ACT Government Employees	Graham Tanton
7.	Human Resources Information Management System Program	Graham Tanton
8.	ICT Cloud Security Strategy [redacted]	Gary Davis
9.	Cloud Adoption and Data Centres	Gary Davis/ Graham Tanton
10.	Desktop Modernisation Program	Gary Davis
11.	Cyber Security	Gary Davis
12.	Shared Services Operating result by Output (2017-18 Actual v 2016-17 budget)	Ross Burton/ Graham Tanton
13.	Shared Services Accountability Indicators by Output (2017-18 results)	Graham Tanton
14.	Shared Services Controlled Recurrent Payments	Ross Burton/ Graham Tanton
15.	Digital Records for Digital Government Initiative	Graham Tanton
16.	Shared Services Operating Result 2017-18 Estimated Outcome v 2018-19 Budget	Ross Burton/ Graham Tanton
17.	Staffing/Contractor Numbers	Graham Tanton
	INFRASTRUCTURE, FINANCE AND CAPITAL WORKS (OUTPUT CLASS 8.1)	
18.	Infrastructure in ACT – Facts & Figures – Capital Works Table	Peter Murray
19.	Major Projects	Peter Murray
20.	Notifiable Invoices & Contracts Register (being tabled 1st June)	Glenn Bain
	PROPERTY SERVICES, VENUES AND PROCUREMENT (OUTPUT CLASS 9)	
21.	Capital Works – General	Daniel Bailey
22.	Community Facilities (including Community Rents, Community Halls & Men's Sheds)	Garry Gordon
23.	Implementation of the Centralisation of Property Services/Custodianship	Daniel Bailey

24.	Government Office Accommodation Occupancy	Daniel Bailey
25.	Parkwood Estate	Daniel Bailey
26.	Yarralumla Brickworks & Thor's Hammer	Daniel Bailey
27.	Civic Office Project	Daniel Bailey
28.	Dickson Office Project	Daniel Bailey
29.	Temporary Car Park – Constitution Place	Daniel Bailey
30.	Venues Canberra – number of major events	Liz Clarke
31.	Venues Canberra – own source revenue	Daniel Bailey
32.	National Arboretum Canberra – level of customer satisfaction	Daniel Bailey
33.	GIO Stadium - lease update	Daniel Bailey
34.	Manuka Oval media and broadcast centre	Daniel Bailey
35.	National Arboretum Canberra - Master Plan	Liz Clarke
36.	Stromlo Forest Park – Master Plan (including accommodation) update	Liz Clarke
37.	Indigenous Procurement Policy	Dave Purser
38.	Local Industry Participation Policy	Dave Purser
39.	Contract Register	Dave Purser
40.	Sustainable Procurement Policy	Dave Purser
41.	SMS Procurement Reform	Dave Purser
42.	Renewable Energy	Daniel Bailey

BUDGET ESTIMATES BRIEF

Brief Number: 1
Output Class: NA
BUDGET STATEMENT B
Pages: 123

Portfolio/s Treasurer

ISSUE: ACT INSURANCE AUTHORITY - STATEMENT OF INTENT 2018-19

Talking points:

The following is a summary of variances detailed in the ACTIA Budget Statement 2018-19:

Operating Statement (Page:136)

- claims expense:
    - the decrease of $23.873 million in the 2017-18 estimated outcome from the original budget is due to the movement in actuarial forecasts for the Authority's claims expense. The movement is due to a reduction in liabilities as the result of continued improvement in claims experience, in particular large claims in medical malpractice driven by decreasing numbers of reported large claims and claims settling earlier than expected; and
    - the increase of $25.222 million in the 2018-19 Budget from the 2017-18 estimated outcome is due to the claims expense returning to normal actuarial calculated levels for the cost of future claims.

Key Information

Balance Sheet (Page:137)

- cash and equivalents:
    - the decrease of $10.375 million in the 2017-18 estimated outcome from the original budget is mainly due to a decrease in the opening cash balance being lower than the previous budget and additional surplus funds being moved to the Authority's investments; and
    - the increase of $6.421 million in the 2018-19 Budget from the 2017-18 estimated outcome is due to less funds being advanced to the Authority's investments.
- current investments: the decrease of $50.571 million in the 2018-19 Budget from the 2017-18 estimated outcome is predominately due to the return of $70 million capital. This is partially offset by the investment of funds from premium income.

Cleared as complete and accurate:	25/05/2018	
Cleared by: Shaun Strachan	Deputy Under Treasurer	Ext: 71001
Information Officer name:	John Fletcher	
Contact Officer name:	Sch 2 s2.2(a)(ii)	
Lead Directorate:	Chief Minister, Treasury and Economic Development	

- current payables: the decrease of $42.302 million in the 2017-18 estimated outcome from the original budget is due to a change in the classification of liabilities between payables, other provisions and other liabilities.
- current other provision:
    - the increase of $33.715 million in 2017-18 estimated outcome from the original budget is due to a change in the classification of the Authority's outstanding claims liabilities from payables; and
    - the increase of $3.665 million in the 2018-19 Budget from the 2017-18 estimated outcome is due to the anticipated growth in the cost of future claims.
- current other liabilities: the increase of $11.540 million in 2017-18 estimated outcome from the original budget is due to a change in the classification of workers' compensation funds held on behalf of the ACT Government from payables.
- non-current payables: the decrease of $241.877 million in the 2017-18 estimated outcome from the original budget is due to a change in the classification of liabilities between payables and other provisions.
- non-current other provision:
    - the increase of $203.715 million in 2017-18 estimated outcome from the original budget is due to a change in the classification of the Authority's outstanding claims liabilities from payables; and
    - the increase of $22.147 million in the 2018-19 Budget from the 2017-18 estimated outcome is due to the anticipated growth in the cost of future claims.

Statement of Changes in Equity (Page:138)

- operating result:
    - the increase of $24.596 million in the 2017-18 estimated outcome from the original budget is predominately due to an expected decrease in the Authority's claims expenses that results from a reduction in the Authority's expected outstanding claims liabilities; and
    - the decrease of $27.044 million in the 2018-19 Budget from the 2017-18 estimated outcome is predominately due to the claims expense returning to normal actuarial calculated levels for the cost of future claims.
- capital distributions to Government: the Authority has estimated a return of $70 million in the 2018-19 Budget. This is consistent with the Authority's Capital Management Plan to maintain its funding ratio to within the targeted range.

Cash Flow Statement (Page:139)

- proceeds from sale/maturity of investments: the increase of $70.567 million in the 2018-19 Budget from the 2017-18 estimated outcome is predominately due to the withdrawal of funds required for the return of capital.
- purchase of investments:
    - the increase of $5 million in the 2017-18 estimated outcome from the original budget is predominately due to additional funds from the Authority's operating activities being transferred to the Authority's investment fund; and
    - the decrease of $10 million in the 2018-19 Budget from the 2017-18 estimated outcome is due to less funds being transferred to investments.
- distributions to Government: the increase of $70 million in the 2018-19 Budget from the 2017-18 estimated outcome is due to the forecasted return of capital, this is consistent with the Authority's Capital Management Plan.

Background Information – may not be suitable for public disclosure

- Not Applicable.

BUDGET ESTIMATES BRIEF

Brief Number: 2
Output Class: NA
BUDGET STATEMENT B
Pages: 126

Portfolio/s Treasurer

ISSUE: ACT INSURANCE AUTHORITY - INSURANCE MANAGEMENT SYSTEM

Talking points:

- During 2018-19 ACT Insurance Authority (ACTIA) will implement a new insurance management system.
- The first stage of the system will be operational by the end of 2018-19.
- The new system will be a secure, cloud hosted, software as a service solution.
- It will provide enhanced reporting and improved access to data for directorates.
- The cost will be met from the ACTIA budget.

Key Information

- ACTIA went to market in 2017 to identify a provider to implement, supply, support and maintain a system to meet its specified business requirements.
- ACTIA has consulted closely with Shared Services ICT Security, Goods and Services Procurement and ACT Government Solicitors Office throughout the tender process.
- The tender evaluation team has identified a preferred tenderer and ACTIA is currently negotiating with that tenderer, with the intention of entering into a contract with them shortly.

Background Information

- Since 2001 ACTIA has been using a suite of Microsoft ACCESS databases, on which it records details of its claims and renewal information.
- Over time these systems have become complex and inefficient and they no longer meet security requirements.

Cleared as complete and accurate:	25/05/2018	
Cleared by: Shaun Strachan	Deputy Under Treasurer	Ext: 71001
Information Officer name:	John Fletcher	
Contact Officer name:	John Fletcher	Ext: 70268
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref: CMTEDD2018/2545

BUDGET ESTIMATES BRIEF

Brief Number: 3
Output Class: NA
BUDGET STATEMENT B
Pages: 142

Portfolio/s Treasurer

ISSUE: ACT INSURANCE AUTHORITY - CAPITAL TRANSFER TO THE BUDGET

Talking points:

- ACT Insurance Authority (ACTIA) proposes returning surplus capital of $70 million to the budget in 2018-19.
- The surplus arises because of decreases in ACTIA's outstanding claims liabilities.

Key Information

- The principal reason for the decrease in liabilities is that the number and cost of claims is lower than anticipated and that claims have been resolved quicker.
- Following the return of capital, ACTIA's funding ratio is projected to be 119% on 30 June 2019. Prior to the return it would be 144%.
- ACTIA's funding ratio has exceeded 130% each year since 2015 and the Authority is confident that a return of surplus capital is justified.

Background Information

- Insurance events are inherently unpredictable and so premiums cannot be guaranteed to reflect the claim payments that will ultimately arise.
- Public liability and medical malpractice claims typically take a long-time (4 to 7 years) to be reported by the claimant and then to be resolved.
- ACTIA engages actuaries to calculate the estimated value of its total outstanding claims liabilities, using assumptions based on its current and past experience.
- ACTIA needs to hold a prudent amount of capital to ensure that it is able to meet the cost of claims as they arise.
- ACTIA's funding ratio is the percentage by which its assets exceed its liabilities.
- Last year comparative State Government insurers reported funding ratios between 103% and 157%.

Cleared as complete and accurate:	25/05/2018	
Cleared by: Shaun Strachan	Deputy Under Treasurer	Ext: 71001
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TRIM Ref: CMTEDD2018/2545

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 4
Output Class: 7
BUDGET STATEMENT B
Pages: 42 & 82

Portfolio/s Treasurer

ISSUE: DEBT MANAGEMENT SOFTWARE SOLUTION

Talking points:

- The current external debt landscape is less than optimal, highly manual, and requires information to be maintained in multiple systems that are not joined up.
- The acquisition of a Commercial-Off-The-Shelf (COTS) debt management and debt recovery system will enable directorate external debt to be pursued on an end-to-end basis by Shared Services.
- This is a 'cornerstone' sytem in dealing with debt and debtors to the Territory in order to accommodate existing and future demands for centralised debtor services. Such a system is an opportunity to enable and facilitate fundamental change in the way that external debt is managed by directorates.
- The current approach will be replaced with a solution that serves as an end-to-end collections and recovery system, supporting the process from the moment a debt is raised, including first contact with the customer, tracking account history, automated notifications, enhanced client reporting (including the management of debt hierarchy and payment plans), right through to the point of resolution.
- The initial 'one off' set up costs associated with implementing this solution is estimated at $592,000.

Key Information

- The objective of this software solution is to improve process efficiencies in dealing with external debt management and debt recovery outcomes of Government for those ACT entities who choose to use Shared Services to manage debt and debtors on an end-to-end basis. Increased touchpoints with debtors will improve debt recovery results for directorates.
- The software solution will allow for more common processes and work-flow arrangements, reducing the cost to support existing bespoke arrangements.
- Further benefits to Government will derive from more consistent and efficiently produced management information, enabling faster and better decision making for directorates, as well as a more consistent service through a single centralised customer services management and reporting structure.

Cleared as complete and accurate:	23/05/2018	
Cleared by: Shaun Strachan	Deputy Director-General	Ext: 71001
Contact Officer Name:	Calvin Robinson	Ext: 53819
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref: CMTEDD2018/2545

Background Information – may not be suitable for public disclosure

- Since the Territory's inception, successive ACT Government's have relied on a number of arrangements to manage debt and arrears recovery across its Directorates and other entities.
- The current arrangements for debt management include:
    - Full responsibility for debt management administrative procedures (end-to-end) being undertaken by some ACT Government entities.
    - A mix of different practices within a single entity, depending on different business unit practices.
    - The use of Shared Services Finance to manage the recovery of debts up to 60-90 days overdue before responsibility is transferred to the individual entity, with some limited end-to-end debt management arrangements also in place.
- The Auditor-General highlighted in his 2015 Report on the effectiveness of debt management within ACT Government Agencies that there is no one-size-fits-all model for debt management operating currently in the ACT. Much of our current resources appear to be geared to maintaining the status quo; they do very little to improve the management of the Territory's administration of its debt issue.
- In February 2016 the Standing Committee on Public Accounts Report 22, titled, 'Review of the Auditor General's Report No.1: Debt Management' recommended the ACT Government should give further consideration to a whole-of-government approach to debt management—specifically, in the first instance, it should undertake a strategic whole-of-government review of debt management arrangements as a means of determining a framework for such an approach and its subsequent implementation.
- Since March 2017 a significant amount of work has been undertaken to understand the requirements to move to an arrangement whereby external debt may be managed by Shared Services on an end-to-end basis.

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 5
Output Class: 7
BUDGET STATEMENT B
Pages: 42 & 82

Portfolio/s Treasurer

ISSUE: IMPLEMENTATION OF ACCOUNTS PAYABLE INVOICE AUTOMATION SOLUTION (APIAS)

Talking points:

- The full rollout of APIAS (Stage 1 – Tax Invoices) was completed in September 2017 with the majority of the ACT Government now using APIAS.
- There are currently over 3,500 users with over 112,000 invoices processed up to April 2018.
- In April 2018 95% of invoices processed through APIAS were paid on time (paid within 28 days of the date of receipt).
- In April 2018 78% of all invoices that would have otherwise been processed manually were processed through APIAS.

Key Information

- Shared Services has the opportunity to extend APIAS and Finance functions to agencies currently not serviced by Shared Services Finance.
- APIAS has improved the overall governance and financial controls for Accounts Payable transactions. Shared Services has automated supplier registration which will further reduce the potential of fraud. Shared Services will implement an Expense Management System for credit/purchase cards and is currently working with a Directorate to expand the use of purchase orders. APIAS has the capability of introducing e-Invoicing, which could be utilised by the ACT Government in the future.
- Shared Services is currently engaging with Converga (software vendor) for Stage 2 to automate 'request for payments' (payments that are not Tax Invoices, e.g. refunds, staff reimbursements, study assistance, rebates and community payments).
- Shared Services is continuing to embed the new process and improve the system performance by having targeted communication to suppliers to improve information placed on invoices. Shared Services is also working with the software vendor to improve system matching of invoices and is currently improving the quality of documentation available for Directorates.

Cleared as complete and accurate:	23/05/2018	
Cleared by: Shaun Strachan	Deputy Director-General	Ext: 71001
Contact Officer Name:	Calvin Robinson	Ext: 53819
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref: CMTEDD2018/2545

Background Information – may not be suitable for public disclosure

- The APIAS project is a Whole of Government initiative aimed at transforming and improving the current paper based Accounts Payable process. This initiative was recommended as part of the Feasibility Study in Automating Accounts Payable.
- In September 2017, Shared Services Finance completed Stage 1 of APIAS by implementing the Converga Procure-to-Pay (P2) palette system which automated the processing of tax invoices.
- Ongoing work is currently being done to streamline payment terms across the ACT Government in line with ACT Government's expectation to pay suppliers in a timely manner.

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 6
Output Class: 7
BUDGET STATEMENT B
Pages: 42 & 82

Portfolio/s Treasurer

ISSUE: AUTOMATION OF LONG SERVICE LEAVE CALCULATIONS WITH ENHANCED FUNCTIONALITY FOR ACT GOVERNMENT EMPLOYEES

Talking points:

- As announced in the 2016-17 ACT Government Budget, the Government provided $1.883m in capital expenditure to automate the process of calculating the Long Service Leave (LSL) entitlements.
- Automated LSL functionality was not implemented when Chris21, (the current system used for managing employee details and processing payroll), was implemented in 2005 as it did not meet the Territory's requirements at that time.
- Project implementation has been delayed due to a number of software and data integrity issues as well as a large body of work being conducted to address the complexity of the Territory's LSL legislation and broad employee base. It is expected that the go-live date will be early 2019.
- A successful implementation of LSL solution within Chris21 will ensure a smoother transition to the new Human Resource Information Management System (HRIMS).
- The project is expected to exceed the budget. Additional funding of $0.459m obtained from the unspent budget relating to the De-Risking of the Rators will be transferred to complete the project.

Key Information

- Currently, the process of calculating LSL is performed manually and there is no employee self service functionality for staff to view their LSL balances, nor an on-line application process to access their leave entitlement.

Background Information – may not be suitable for public disclosure

- LSL entitlements for employees of the ACT Government are calculated manually by Shared Services consolidating data from a number of separate sources.
- The benefits expected to be achieved from the LSL project include reduced costs incurred by Shared Services due to the reduction in manual processes, and in addition improved consistency of the calculation of long service leave entitlements and enhanced processes and increased employee satisfaction.

Cleared as complete and accurate:	23/05/2018	
Cleared by: Shaun Strachan	Deputy Director-General	Ext: 71001
Contact Officer Name:	Calvin Robinson	Ext: 53819
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref: CMTEDD2018/2545

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 7
Output Class: 7.1
BUDGET STATEMENT B
Pages: 42 & 82

Portfolio/s Treasurer

ISSUE: HUMAN RESOURCES INFORMATION MANAGEMENT SYSTEM PROGRAM

Talking points:

- The Human Resource Information Management System (HRIMS) Program has been established to provide a Whole of Government (WhoG) solution for Payroll and Human Capital Management (HCM).
- A budget of $11m over three years was approved by Cabinet in June 2017.
- A two phase approach to market commenced in August 2017 to achieve the selection of a preferred software product and implementation partner.
- The approach to market has included the conduct of a comprehensive Request for Expression of Interest (REOI) and subsequent Request for Proposal (RFP).
- The approach to market has generated significant interest, to which Industry has respondend well.
- The procurement process is progressing well and will culminate in the Program returning to Government later in 2018 to present a Stage Gate submission to validate the Program's assumptions, costs and timeline.
- The business transformation and change management to achieve a WhoG outcome will be significant and as such, a comprehensive change management program will be tightly integrated into all program phases.
- The Program has undertaken a number of quality assurance activities including the conduct of an independent Health Check to ensure that the Prorgam is set up for success.

Key Information - not be suitable for public disclosure

- [Sensitive] The HRIMS Program REOI was submitted to the market in August 2017. The REOI resulted in a total of 18 compliant responses.
- [Sensitive] A shortlist of 8 potential solutions and partners was achieved. The Evaluation was approved by the Under Treasurer in October 2017.
- [Sensitive] An RFP was issued to the shortlisted respondents in December 2017 and is nearing its final stages.

Cleared as complete and accurate:	23/05/2018
Cleared by: Shaun Strachan	Deputy Director-General Ext: 71001
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CMTEDD2018/2545

- [Sensitive] Tender quality cost estimates for the total cost of ownership for the solution will be developed during the second phase of the market approach (RFP) and presented to Government as part of a Stage Gate process.

Background Information – may not be suitable for public disclosure

- The Budget Statement 2017-2018 advised the replacement of Chris21, with a new Payroll and Human Capital Management solution for WhoG.
- The approach is aligned and consistent with the ACT Government's long-term strategic interests in leading the digital transition in Canberra and supporting a more agile Public Service, as articulated in the Digital Canberra Action Plan 2014-2018; and the ACT Government's Digital Strategy 2016-2019 for fully digitised services and technology platform renovation.
- Based on a managed Software as a Service (SaaS) platform, the system sought, is an integrated Payroll and HCM system including; talent planning and strategy, recruitment, learning and development, performance management, career planning, compensation and human resource analytics and reporting.
- The Program will undergo a Gateway 3 – System Under Development Review, conducted as part of the Territory's annual audit program in the coming months.

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 8
Output Class: 7.1
BUDGET STATEMENT B
Pages: 42 & 82

Portfolio/s Treasurer

ISSUE: **CLOUD SECURITY STRATEGY –** Sch 2 s2.2(a)(iii) [redacted]

Sch 2 s2.2(a)(iii) [redacted]

Cleared as complete and accurate:	23/05/2018	
Cleared by: Shaun Strachan	Deputy Director-General	Ext: 71001
Contact Officer Name:	Jonathan Owen	Ext: 75969
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref: CMTEDD2018/2545

2018-19 BUDGET ESTIMATES BRIEF

Sch 2 s2.2(a)(iii)

[redacted]

Cleared as complete and accurate:	23/05/2018	
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Contact Officer Name:	Jonathan Owen	Ext: 75969
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref: CMTEDD2018/2545

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 9
Output Class: 7.1
BUDGET STATEMENT B
Pages: 42 & 82

Portfolio/s Treasurer

ISSUE: CLOUD ADOPTION AND DATA CENTRES

Talking points:

- The Cloud Adoption Program is due to be completed in June 2019.
- The ACT Government is currently hosting around 50 business system servers on Microsoft Azure. The second cloud provider (Amazon Web Services – AWS) has been engaged and utilisation of their cloud services will commence in July 2018. Early adopters will include: Chief Minister, Treasury and Economic Development Directorate (CMTEDD), Environment, Planning and Sustainable Development Directorate (EPSDD) and the Shared Services ICT Business Applications and Strategy team.
- Cloud service options will include:
    - Infrastructure as a Service (IaaS);
    - Platform as a Service (PaaS); and
    - Software as a Service (SaaS).
- IaaS hosting is now the standard offering for hosting services..
- The final phases of this program will focus on a Cloud Management Platform (CMP) which will provide streamlined access to cloud capabilities to Directorates. Vendor demonstrations of their CMP, via a Proof of Concept (POC), will run from June 2018 through to September 2018.
- Shared Services is undertaking activities around change management, skills training, and business enablement to bolster its brokerage capabilities to deliver cloud services to Directorates.

Key Information

- The 'Cloud First' strategy has seen a significant reduction in capital spending on new hardware and ICT equipment.
- Over 50 business systems have already been migrated to a cloud hosting service.
- Over 4000 Microsoft Exchange archived mailboxes have been moved to the Cloud, and this number continues to grow by over 500 each month.

Cleared as complete and accurate: 23/05/2018
Cleared by: Shaun Strachan
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CMTEDD2018/2545

2018-19 BUDGET ESTIMATES BRIEF

Background Information – may not be suitable for public disclosure

- The Program is a $8.950m four year initiative that was announced as part of the 2014-15 budget; project benefits include direct savings (lower data storage and management costs), future cost avoidance (infrastructure refresh costs) and significant benefits including system uptime, productivity and agility benefits.
- The final phase of the program, which runs through to 30 June 2019 has an expected cost of $4.2m.

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 10
Output Class: 7.1
BUDGET STATEMENT B
Pages: 42 & 82

Portfolio/s Treasurer

ISSUE: DESKTOP MODERNISATION PROGRAM (DMP)

Talking points:

- After the successful pilot of Windows 10 Standard Operating Environment (SOE) to over 150 devices, the project has now entered into production phase. This phase will see the progressive rollout across government to over 16,000 devices between May 2018 and June 2019.
- Shared Services is working closely with Directorates to reduce the size of the ACT Government application fleet. This work will reduce project implementation costs and ongoing costs and business risk across government. Significant work is ongoing to package, test and deploy applications on the new SOE.
- The Office 2007 Upgrade project has now been closed, as 99% of the Territory's fleet has been upgraded from Office 2007 to Office 2013. Only 42 devices remain on Office 2007 being managed through Business as Usual (BAU) upgrades.

Key Information

- To date, 247 applications have been reviewed by the Desktop Modernisation Program (DMP) Team. 25 are in production and 66 are undergoing User Acceptance Testing (UAT).
- Over 200 assets now have the new Windows 10 SOE.
- The first production deployment is scheduled to commence June 2018, and is targeting over 900 assets.

Background Information – may not be suitable for public disclosure

- Budget funding of $8.46m over four years has been provided to upgrade the desktop environment to the latest supported versions of Microsoft Windows and Microsoft Office.
- The Program is conducting the upgrade in two parts, an initial upgrade to Office 2013 and a subsequent upgrade to Windows 10 and Office 365.
- The program will deliver a modern and secure Desktop Operating System, including the latest version of the Office Productivity Suite. This will provide the Territory with a shared common capability to better meet the needs of the ACT Government into the future, including initiatives such as Activity Based Working.

Cleared as complete and accurate: 23/05/2018
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Lead Directorate: Chief Minister, Treasury and Economic Development

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 11
Output Class: 7.1
BUDGET STATEMENT B
Pages: 42 & 82

Portfolio/s Treasurer

ISSUE: CYBER SECURITY

Talking points:

- The ACT Government continues to see growth of attempted malicious cyber activity. A Cyber Strategy has been initiated by the Chief Information Security Officer (CISO) to articulate the cyber risks and recommend mitigation strategies and intiatives.
- The Australian Cyber Security Centre (ACSC) has developed prioritised mitigation strategies to Mitigate Cyber Security Incidents. The ACT Government has self-assessed its maturity for these strategies with the view to continuing to increase its maturity.
- The primary area of cyber risk to the ACT Government continues to be through user initiated activity, through a combination of phishing emails, malicious attachments and internet links. These threats are targeted at data and productivity loss and occur most often through poor user behaviours through clicking unknown emails.
- To support the increasing cloud strategy and uptake, a Cloud Security Strategy is being delivered by Shared Services to provide the technologies, process improvements and workforce development needed to enable risk-based cloud decisions by directorates.

Key Information

- Current Cyber Security Initiatives – Shared Services has commenced the following projects:
    - Cyber Strategy – A Cyber Strategy has been initiated by the CISO with input from the Office of the Chief Digital Officer (OCDO) and directorate Chief Information Officers (CIOs).
    - Friendly Phishing – A Friendly Phishing campaign has commenced within the ACT Government. The campaign sends false emails to staff; if they accidently click on these emails they are provided with direct training information how to avoid this in the future.

Cleared as complete and accurate:	23/05/2018	
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Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref: CMTEDD2018/2545

- Security Awareness Training – Shared Services is in final stages of partnering with the Commonwealth Bank to provide Cyber Security Awareness Training for ACT Government Employees.
- Email Authentication – Shared Services has commenced procurement for partnership services to further secure its email through purchasing services to reduce email impersonation (spoofing).

- Auditor-General's Report 4/2018 - 2016-17 Financial Audits, Computer Information Systems – Management of Access to the ACT Government Network:
  - Shared Services Security continues to facilitate directorates with better awareness and approval processes for:
    - unused accounts;
    - privileged accounts; and
    - generic accounts.
- Cloud Security Assessments:

Sch 2 s2.2(a)(iii) [redacted]

Background Information – may not be suitable for public disclosure

- Not Applicable.

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 12
Output Class: 7.1
BUDGET STATEMENT B
Pages: 42 & 82

Portfolio/s Treasurer

ISSUE: SHARED SERVICES OPERATING RESULT - 2017-18 ESTIMATED OUTCOME V 2017-18 BUDGET

Talking points:

- Shared Services Operating Result for 2017-18 Estimated Outcome was a loss of $6.068 million against a budgeted loss of $1.002 million, a worse than budgeted result by $5.066 million due mainly to a decrease in User Charges from Community Services Directorate to align with supplementary funding received.
- The $5.066 million supplementary funding was budgeted at the top level for CMTEDD and when taken into account Shared Services is estimated to meet its 2017-18 Budgeted result.
- Shared Services is budgeted annually for an operating loss equal to depreciation on government funded initiatives and movement in employee entitlements as these items are not recovered through Shared Services User charges as per Shared Services agreed recovery model.

Key Information

- Total Revenue decrease of $13.956 million is mainly due to decreased User Charges $11.166 million as a result of internal trading elimination within Shared Services ($9.5m) and reduction of charges to Community Services Directorate to align with supplementary funding received ($5.0m); and decreased Controlled Recurrent Payments $2.790 million due to the rollover of funding for Whole of Government Software Upgrade ($1.5m) and Hybrid Cloud ($0.9m).
- Total Expenses decrease of $8.890 million is mainly as a result of decreased Supplies and Services expenses $9.885 million due to the rollover of funding for Whole of Government Software Upgrade ($1.5m) and Hybrid Cloud ($0.9m), and internal trading elimination within Shared Services ($9.5m). This was partially offset by increased Employee and Superannuation expenses $1.372 million due to a technical budget adjustment.

Background Information – may not be suitable for public disclosure

- Not Applicable

Cleared as complete and accurate:	23/05/2018
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Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CMTEDD2018/2545

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 13
Output Class: 7.1
BUDGET STATEMENT B
Pages: 42 & 82

Portfolio/s Treasurer

ISSUE: SHARED SERVICES ACCOUNTABILITY INDICATORS RESULTS FOR 2017-18

Talking points:

- Shared Services' 2017-18 Estimated Outcome is to meet 10 of its 11 performance accountability indicators.
- All 2018-19 Targets remain the same as 2017-18 Targets except for 7.1a as the independent benchmarking is undertaken every two years. No other changes were made due to the exceptional nature of the variance for the 1 initiative with variance of 5 percent greater.

Key Information

- Shared Services is estimating for 2017-18 a variance from 2017-18 target for 1 indicator with variance greater than 5 percent due to the following reasons:
    - The average time taken for telephone ICT service requests to be answered by a Service Desk officer is estimated at 45 seconds (original target 30 seconds) due to a significant increase in call volumes as a result of the government-wide roll out of a major Microsoft Office upgrade, introduction of invoice automation and a greater focus on first time resolution.

Background Information – may not be suitable for public disclosure

- Not Applicable

Cleared as complete and accurate: 23/05/2018
Cleared by: Shaun Strachan Deputy Director-General Ext: 71001
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CMTEDD2018/2545

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 14
Output Class: 7.1
BUDGET STATEMENT B
Pages: 42 & 82

Portfolio/s Treasurer

ISSUE: SHARED SERVICES CONTROLLED RECURRENT PAYMENTS

Talking points:

- $28.125 million Controlled Recurrent Payments (CRP) were allocated to Shared Services in the 2018-19 Budget.

Key Information

- Shared Services Controlled Recurrent Payments is recurrent appropriation allocated for approved initiatives, Shared Services contribution to CMTED overheads, and supplementary funding for the non-payment of User Charges by Community Services Directorate (CSD).
- The difference between the CRP estimated outcome for 2017-18 ($25.642 million) and the 2018-19 Budget for CRP ($28.125 million) is due mainly to reduction in CRP for the Macarthur House decommissioning project which was completed in 2017-18 partially offset by new funding for the 2018-19 Digital Records for Digital Government initiative.
- The difference between the CRP estimated outcome for 2017-18 ($25.642 million) and the 2017-18 Budget for CRP ($28.432 million) is due mainly to the rollover of funding for the Whole of Government Software Upgrade initiative ($1.525 million), Hybrid Cloud initiative ($1 million) and an adjustment to the CMTEDD overhead allocation ($0.346 million).

Background Information – may not be suitable for public disclosure

- Not Applicable

Cleared as complete and accurate: 23/05/2018
Cleared by: Shaun Strachan Deputy Director-General Ext: 71001
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Economic Development

TRIM Ref: CMTEDD2018/2545

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 15
Output Class: 7.1
BUDGET STATEMENT B
Pages: 42 & 82

Portfolio/s Treasurer

ISSUE: DIGITAL RECORDS FOR DIGITAL GOVERNMENT INITIATIVE

Talking points:

- This Initiative totals recurrent funding of $26.157 million over 4 years and will:
    - Complete the rollout of digital record keeping functionality to 5,200 ACT public servants over three years;
    - Centralise recurrent funding for record-keeping services across government within Shared Services;
    - Develop an integrated strategy to connect the two separate ACT Public Service digital record-keeping system (TRIM and Objective);
    - Establish a temporary team to assist agencies to address issues with their legacy paper records in transition to the new office block; and
    - Digitise approximately 161,000 Community Services Directorate case files.

Key Information

- This is a Territory Records Services initiative and funding will be centralised within Shared Services for record keeping services.
- This initiative will support more efficient access to information for compliance with the new Freedom of Information legislation, which commenced 1 July 2018.

Background Information – may not be suitable for public disclosure

- Savings and offsets from this initiative total $22.048 million over 4 years and will mainly be delivered through productivity savings.
- The savings and offsets have not been allocated to Directorates and agencies in the 2018-19 Budget.
- The savings and offsets are expected to be allocated in 2019-20 as part of the Budget Review process once Shared Services has established the basis for allocation.

Cleared as complete and accurate: 23/05/2018
Cleared by: Shaun Strachan Deputy Director-General Ext: 71001
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 16
Output Class: 7.1
BUDGET STATEMENT B
Pages: 42 & 82

Portfolio/s Treasurer

ISSUE: Shared Services Operating result - 2017-18 Estimated Outcome v 2018-19 Budget

Talking points:

- Shared Services Operating Result for 2017-18 Estimated Outcome was a loss of $6.068m against a budgeted loss of $1.002m, a worse than budgeted result by $5.066m due mainly to a decrease in User Charges from Community Services Directorate (CSD) to align with supplementary funding received ($5.006m).

Key Information

- The Total Revenue decrease of $13.956m is mainly as a result of the 2017-18 budget incorrectly including Shared Services internal trading activity ($9.5m noting this has been corrected for 2018-19), the rollover of funding for the Whole of Government Software Upgrade ($1.5m) and Hybrid Cloud ($0.9m) initiatives and reducing User charges for the CSD supplementation ($5.006m). This has been partially offset by an increase in User charges through increased consumption of services by Directorates and agencies ($3.357m).
- The Total Expenses decrease of $8.890m is mainly as a result of the 2017-18 budget incorrectly including Shared Services internal trading activity ($9.5m – noting this has been corrected for 2018-19) and the rollover of expenditure relating to the Whole of Government Software Upgrade ($1.5m) and Hybrid Cloud ($0.9m) initiatives partially offset by an increase in telecommunications, project and Business systems expenditure ($1.605m) from increased consumption and the removal of the impact of Superannuation round robin from 2017-18 onwards ($1.372m).

Background Information – may not be suitable for public disclosure

- The 5.006m supplementary funding was provided by Government to assist in meeting the cost of services provided to CSD.

Cleared as complete and accurate: 29/05/2018
Cleared by: Shaun Strachan Deputy Director-General Ext: 71001
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 17
Output Class: 7.1
BUDGET STATEMENT B
Pages: 42 & 82

Portfolio/s Treasurer

ISSUE: STAFFING/CONTRACTOR NUMBERS

Talking points:

- Shared Services relies on contractors where it is difficult to attract or retain specialists in direct employment roles.
- Shared Services' focus is to support our directorate partners to enable a majority of their systems to be provided through the cloud environment in the forward years.
- Migrating infrastructure and workloads into an approved ACT government Azure tenancy, with a view to reducing the infrastructure footprint by some 80 per cent over the next few years.

Key Information

- As at 21 May 2018 Shared Services had approximately 805 employees and 130 contractors for a total head count of 935;
- The average daily rate contractors are paid is $708.00;
- There are 14 contractors currently paid $1,000 per day or more, which equates to approximately 10.7% of contractors.

Background Information – may not be suitable for public disclosure

- Currently, there is a high demand for ICT roles such as Cloud Security Specialists, Identify Access Management Specialists and Java Analysts and Programmers, testers, developers and project management.
- Shared Services was part of the Smart Modern Strategic (SMS) Procurement Reform Program that has seen us move to the new ACT Contractor Central labour hire business solution in April 2017.
- This solution was proposed to assist Shared Services to improve the selection of the contractor with the right skills at the best rate.

Cleared as complete and accurate:	23/05/2018	
Cleared by: Shaun Strachan	Deputy Director-General	Ext: 71001
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Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref: CMTEDD2018/2545

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 18
Output Class: 8.1
5.2 THE 2018-19 INFRASTRUCTURE INVESTMENT PROGRAM
Pages: 199-212

Treasurer

ISSUE: INFRASTRUCTURE IN THE ACT 2018-19 BUDGET - FACTS & FIGURES

Key Information

- The 2018-19 Budget continues to provide a significant targeted and integrated Infrastructure Investment Program. A total of $2.8 billion will be invested in infrastructure for Canberra over the four years to 2021-22 which includes $0.7 billion under the 2018-19 Infrastructure Investment Program, $1.1 billion in capital provisions and $38 million of remaining capital investment funded through public private partnerships payments.

Table 5.2.1: Summary of 2018-19 Infrastructure Investment Program

	2018-19 Allocation $'000	2019-20 Allocation $'000	2020-21 Allocation $'000	2021-22 Allocation $'000	Total Investment $'000
New Capital Works					
Early Planning	32,646	1,200	125	0	**33,971**
Forward Design	2,000	0	0	0	**2,000**
Construction	61,379	93,975	40,854	11,247	**207,455**
Information Communications Technology	22,003	11,858	1,307	252	**35,420**
Plant and Equipment	7,202	5,053	228	100	**12,583**
Capital Grants	1,165	2,435	7,700	0	**11,300**
Sub-Total New Capital Works	**126,395**	**114,521**	**50,214**	**11,599**	**302,729**
Better Infrastructure Fund[1]	**55,218**	**69,497**	**64,437**	**60,166**	**249,318**
TOTAL NEW WORKS	**181,613**	**184,018**	**114,651**	**71,765**	**552,047**
Works-in-Progress	**564,792**	**421,154**	**72,330**	**24,212**	**1,082,488**
TOTAL CAPITAL WORKS PROGRAM	**746,405**	**605,172**	**186,981**	**95,977**	**1,634,535**
Infrastructure Investment Provisions	40,419	264,733	429,083	389,652	**1,123,887**
Capital Delivery Provision[2]	-148,000		148,000		**0**
CAPITAL WORKS PROGRAM FORECAST	**638,824**	**869,905**	**764,064**	**485,629**	**2,758,422**
Public Private Partnerships					
ACT Law Courts Facilities	22,658	0	0	0	22,658
Light Rail – Stage 1[3]	15,353	190	0	0	15,543
TOTAL PUBLIC PRIVATE PARTNERSHIPS	**38,011**	**190**	**0**	**0**	**38,201**
TOTAL INFRASTRUCTURE INVESTMENT PROGRAM INCLUDING PROVISIONS[4]	**676,835**	**870,095**	**764,064**	**485,629**	**2,796,623**

Cleared as complete and accurate: 18/01/2018
Cleared by: Under Treasurer Ext: 70260
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref:

Notes:
1. The large increase in Better Infrastructure Fund (BIF) in 2019-20 reflects the re-profiling of funds from 2018-19 into that year. The decrease in BIF in 2021-22 reflects the conclusion of additional investment through the *Better schools for our kids – Public school infrastructure upgrades* initiative which was introduced in the 2017-18 Budget.
2. The Capital Delivery Provision is applied to the Capital Works Program. This provision indicatively re-profiles approximately 20 per cent of the 2018-19 Capital Works Program into 2020-21, providing forecast program expenditure based on historical trends.
3. The spend estimates for Light Rail – Stage 1 are derived from the original program set out in the contract. The ultimate spending profile for the project is the responsibility of the primary contractor.
4. Numbers may not add due to rounding.

Table 5.2.2: Summary of the 2018-19 Budget Capital Works Program

Agency	Financing 2018-19 $'000	Financing 2019-20 $'000	Financing 2020-21 $'000	Financing 2021-22 $'000	Total Investment $'000
Canberra Institute of Technology	4,964	4,033	4,103	4,174	17,274
Chief Minister, Treasury and Economic Development	83,462	95,606	31,283	11,984	222,335
City Renewal Authority	18,661	22,508	5,888	0	47,057
Community Services	3,675	415	426	436	4,952
Cultural Facilities Corporation	2,203	758	803	439	4,203
Education	84,861	99,184	64,252	36,527	284,824
Elections ACT	196	240	0	0	436
Environment, Planning and Sustainable Development	139,565	80,211	2,147	1,653	223,576
Health	131,606	111,156	19,627	5,915	268,304
Housing ACT	9,510	9,043	7,766	5,000	31,319
Justice and Community Safety	25,447	32,407	2,913	4,077	64,844
Office of the Legislative Assembly	993	313	320	327	1,953
Transport Canberra and City Services	241,262	149,298	47,453	25,445	463,458
TOTAL CAPITAL WORKS PROGRAM	**746,405**	**605,172**	**186,981**	**95,977**	**1,634,535**
Total All Agencies					
New Capital Works	126,395	114,521	50,214	11,599	302,729
Better Infrastructure Fund	55,218	69,497	64,437	60,166	249,318
Works-in-Progress	564,792	421,154	72,330	24,212	1,082,488
TOTAL CAPITAL WORKS PROGRAM	**746,405**	**605,172**	**186,981**	**95,977**	**1,634,535**

Notes:
1. Numbers may not add due to rounding.

Cleared as complete and accurate: 18/01/2018
Cleared by: Under Treasurer Ext: 70260
Contact Officer Name: Sch 2 s2.2(a)(ii) [redacted]
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref:

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 19
Output Class: 8.1
BUDGET STATEMENT N/A
Pages: N/A

Portfolio/s Treasurer

ISSUE: MAJOR PROJECTS

Public Private Partnerships and Unsolicted Proposals

ACT Law Courts PPP

- The Government executed financial close on 17 December 2015
    - JACS is the Directorate responsible for the delivery of the construction project
    - The construction cost is $160 million
    - Total Net Present Cost (NPC) $250.4 million including Operations
    - Public Sector Comparator (PSC) was estimated at $266.3million
    - This represents value for money of $15.9m (6.0%) to the Territory
    - Construction of the project has been delayed and the Juris PPP consortium now expects to complete Stage 1 at or around September 2018, and to complete Stage 2 in mid 2019.

Light Rail Stage 1 PPP

- The Government executed financial close on 24 May 2016
    - TCCS is the Directorate responsible for the delivery of the construction project
    - The construction cost is $599 million
    - Total Net Present Cost (NPC) $939 million including operations
    - Public Sector Comparator (PSC) was estimated at $1,052 million
    - This represents value for money of $113m (10.7%) to the Territory
    - The Canberra Metro PPP consortium expects to commence operations by the end of 2018

Light Rail Stage 2

- The Government funded TCCS to advance the second stage of light rail between the City and Woden, by developing a business case that would be prepared following investigations into route selection, design and procurement methodology, along with an urban renewal strategy.

Cleared as complete and accurate:	23/05/2018	
Cleared by: Shaun Strachan	Deputy Director-General	Ext: 71001
Contact Officer Name:	David Asteraki	Ext: 55198
Lead Directorate:	Chief Minister, Treasury and Economic Development	

- Construction costs of the project will be formally considered by the Government following completion of the business case.
- The Government has deferred finalising the business case until it has worked through the approval process with relevant Australian Government authorities.

Unsolicited Proposals

- The Division published a Third Edition of the Guidelines for Unsolicited Proposals in March 2018, which introduced a requirement for limited public disclosure of proposals that the Government deems worthy of preliminary consideration.
- As at 16 May 2017, the Government had received 16 proposals under the Treasury administrative framework, of which only one proposal had progressed to Phase 2 (Detailed Business Case). The Government subsequently rejected this proposal.

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 20
Output Class: 8.1
BUDGET STATEMENT N/A
Pages: N/A

Portfolio Treasurer

ISSUE: ASSEMBLY RESOLUTION – LINKING INVOICES WITH CONTRACTS

Talking points:

- On 5 June 2018 the Treasurer tabled a response to the Assembly Resolution on Financial Integrity and Compliance (Attachment A).
- A high-level analysis of the possible systems and process solutions that could enable linking of notifiable invoices with their associated contracts has been undertaken.
- The analysis indicates that it would be feasible to improve the systems and processes across Government such that better reporting of the linkages between invoices and underlying contracts would be possible. There are five accounts payable and finance systems that would need to be changed.
- The next step is for the Directorate to lead the work to develop options for the Government to consider, including scope, cost and implementation timelines for each option. Options would include:
    - low ICT cost and relatively early implementation solutions that would require greater manual processing;
    - moderate changes to improve coordination between existing systems and processes; and
    - high ICT dependent options such as establishing a single solution across the whole of Government to capture and report on the totality of the data required to select, engage and pay suppliers.
- Whatever option the Government chooses, no single directorate would be capable of implementing the changes on its own; a whole of government response would be needed.
- A considerable consultation engagement with the business community would be needed and this would likely take several months. In the absence of a large integrated ICT solution, the Territory would be reliant on suppliers to include contract references on their invoices in order to avoid substantial back-office administrative work. Small businesses would likely be the most affected by a new requirement to include a contract reference on their invoice, as it is more likely that their current systems and processes do not enable this.

Cleared as complete and accurate:	23/05/2018	
Cleared by: Shaun Strachan	Deputy Director-General Glenn Bain	Ext: 71001
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TRIM Ref: CMTEDD2018/2545

- Where a supplier does not include a contract reference, the Territory would need to source it for inclusion on the Notifiable Invoices Register.
- Smaller Territory entities, which manage the receipt and payment of their invoices without using the Whole of Government (Oracle) e-Business System, have previously indicated that it may be relatively straightforward for them to link their notifiable invoices to the associated contracts due to their smaller number of invoice payments.

Key Information

- The Territory pays approximately 350,000 invoices annually. Under current thresholds, about 15,000 of these are notifiable.

Background Information – may not be suitable for public disclosure

- On 2 November 2017, the Legislative Assembly resolved to investigate the feasibility of improving the linkages between the Territory's contract and financial management systems and processes to enable reporting on contracts associated with invoices on the notifiable invoices register, for reporting back to the Assembly no later than the first sitting day of June 2018.
- This followed passage, with amendments, of the *Government Procurement (Financial Integrity) Amendment Bill 2017* (PMB) presented by Mr Alistair Coe MLA, which, among other things, proposed including a contract reference for each notifiable invoice when Notifiable Invoice reports are published. This amendment did not pass, largely because the Territory's systems are not currently configured for invoices to be automatically linked to their related contract.

Cleared as complete and accurate:	23/05/2018	
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TRIM Ref: CMTEDD2018/2545

2018-19 BUDGET ESTIMATES BRIEF

Attachment A

2018

THE LEGISLATIVE ASSEMBLY FOR THE

AUSTRALIAN CAPITAL TERRITORY

Report to the Legislative Assembly on Resolution of 2 November 2017

Financial Integrity and Compliance

Presented by
Andrew Barr MLA
Treasurer

June 2018

Cleared as complete and accurate:	23/05/2018	
Cleared by: Shaun Strachan	Deputy Director-General Glenn Bain	Ext: 71001
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Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref: CMTEDD2018/2545

On 2 November 2017, the Legislative Assembly resolved to investigate the feasibility of improving the linkages between the Territory's contract and financial management systems and processes to enable reporting on contracts associated with invoices on the notifiable invoices register, for reporting back to the Assembly no later than the first sitting day of June 2018.

My Directorate has undertaken a high level analysis of the current situation and the possible systems and process solutions that might lead to a better linkage of notifiable invoices with their underlying contractual arrangements. In order to inform that analysis, officers have identified the numerous ICT systems and work processes currently used across Government to capture the various data elements required to manage payments to suppliers.

Ultimately, the analysis indicates that it would be feasible to improve the systems and processes across Government such that better reporting of the linkages between invoices and underlying contracts would be possible.

Given the preliminary indication of feasibility, I have asked my Directorate to lead the work involved in scoping, costing and developing implementation timelines for a range of options to be presented for Government consideration. That range of options would include the low ICT cost, labour intensive, and relatively early implementation solutions; solutions requiring moderate changes to better coordinate current systems and processes; and high ICT dependent options, for instance, establishing across the whole of Government a single solution that captures and reports on the totality of the data required to select, engage and pay suppliers.

Further, I have asked that work be undertaken to modify existing processes where possible to ready the ACTPS and its suppliers for any change, enable incremental improvements to the reporting regime, and minimise their impact in terms of cost and red tape.

<u>Key findings of the study undertaken to date</u>

Analysis of Accounts Payable data suggests that the Government processes approximately 380,000 invoices annually, with approximately 15,000 of these being for $25,000 or more. While linking contracts and invoices sounds straightforward, certain complexities would need to be dealt with and implementation would therefore have to be undertaken in a staged manner.

Some agencies manage the entire invoice processing and payment transactions independently; however, the number of notifiable invoices managed by these agencies is estimated to be low. The task of linking invoices with their associated contracts for these agencies is therefore not expected to be onerous.

Cleared as complete and accurate:	23/05/2018	
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TRIM Ref: CMTEDD2018/2545

Implementation would require changes to multiple Government systems, and complementary changes to systems and processes of the businesses invoicing Government.

A considerable consultation engagement with the business community would be required and would likely take several months.

A key challenge is that the significant majority of invoices are submitted by third party suppliers (including capital works consultants and contractors) and, to avoid considerable back-office administrative processes, the Territory would be reliant on them to include a contract reference on their invoices. Systems and processes, both internal to government and externally operated by suppliers, would also need modifications to achieve this goal. Behaviour shifts and education of suppliers and ACT Government staff would also be required.

Although the Commercial Services and Infrastructure Group within Treasury is ideally placed to lead this work, no single directorate is capable of implementing these changes on its own; the changes would require a whole of government response.

SYSTEMS

A number of invoice receipt and payment systems would need to be modified, or in the extreme case replaced by a single new system. Initial work suggests that, in total, approximately 16 to 20 individual program changes would be needed across four major systems within Government.

The work done to date has been preliminary and costs associated with the required configuration have not been fully determined. Systems-related costs would arise, along with costs for human resources that would be needed to implement those systems changes. For each of the four systems being configured, staffing, consultants, and the appropriate governance arrangements – through steering and project control committees – would be required.

External suppliers would also need to make changes to their billing software. Some suppliers already include the relevant contract reference on their invoices; however, many do not and there would be some that we expect would need to change their systems in order to do so.

The Government would have to consult with suppliers to communicate the new direction for invoice processing and with a view to addressing any concerns suppliers might have in making any necessary adjustments to their current invoicing practices.

Small businesses are more likely to have less sophisticated financial management systems and processes than larger enterprises and may need greater support and time to move to new arrangements. Larger businesses may be more readily able respond to the challenge.

The Government is also investigating whether changes would be needed for the Contracts Register to manage a potential increase in documents being notified, as it is likely that the Government would extend the reporting of contracts regime to include purchase orders, and even work orders under panel deeds, in order to make the reporting of contracts for invoices more meaningful.

Both the Notifiable Invoices Register and the Contracts Register are public facing websites managed by Treasury. Linking notifiable invoices and their associated contracts may require changes to both of the websites and the processes that support them.

ADMINISTRATIVE PROCESSES

Systems can be modified but changes to processes would also be required within the ACT Public Service and possibly for a sizeable number of suppliers to the Territory. Some existing processes may need to adjust in response to amended systems and new processes would also be required in some cases.

Some suppliers have multiple arrangements with the Territory so there could be an additional burden for them to match the service for which an invoice applies to the correct contract. There may also be occasions where a single invoice is for a number of services provided to a directorate. Such situations might be uncommon but an administrative process would be needed to manage them. To minimise errors, Government agencies would need to verify the information they receive from contractors.

Proper consultation and an education campaign, and a reasonable transition time to change their systems and processes, would be essential to assist many contractors in making sure that the correct contract reference is included on their invoices. However, there would always be the chance of errors or gaps in the information they provide. Verification could take a couple of minutes for each invoice if the person approving payment of the invoice is the contract manager. If the contract manager is not the person approving the invoice for payment, it could take longer. In most cases, there is a not a single point within Government that approves payments on invoices and manages the related contracts (certain whole of government contracts and some panel arrangements being the main exceptions), as such, Directorates would each need to manage the additional administrative process involved in their respective supplier arrangements.

The management of panels is an area where significant behavioural change would be needed within the ACT Public Service. While panel deeds are notified on the Contracts Register, the work orders or purchase orders for individual items of work under those panel

deeds are not always published where there is no legislative requirement to do so. It would be consistent with the Government's commitment to transparency in processes and information, however, if invoices were to be linked to the relevant work order/purchase order reference as well as to the panel deed, which is usually fairly broad in its description of the goods, services or works on offer. This would be a considerable change to the way work orders and purchase orders have been managed for many years. As most of the procurements made from panels are conducted by directorates rather than the procurement division, a comprehensive communication and education campaign, as well as support and assistance, would be needed across the ACT Public Service.

TIMEFRAME

It is estimated that, if implementation were initially to be focussed on the larger systems, which handle the majority of invoices, a large proportion of notifiable invoices received after 1 July 2019 could be linked with their associated contracts. Depending upon options chosen by Government, and successful procurement and implementation of any new systems, along with requisite changes to processes across Government and the supplier base, full implementation might be possible by 1 July 2020. These estimated timings would depend to a large extent on the timing and success of affected third parties' implementation of their required system and process changes. Changes to practices (for example, establishing and implementing a whole of government policy for notification of work orders and purchase orders) would need to be made while systems changes are being implemented.

Government has asked for further work to be undertaken to identify and develop options for implementation. As part of that work, there will be a need for consultation with industry in the coming months.

Ultimately any costs associated with these issues would require consideration by Budget Cabinet and would depend on the outcome of the Budget processes

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 21
Output Class: 9.1
BUDGET STATEMENT B
Pages: 28,40,44,84

Portfolio/s Treasurer

ISSUE: 2017-18 CAPITAL WORKS PROJECTS

Talking points:

- The 2017-18 Capital Works projects are completed or progressing in accordance with funding approved.
- The North Building HVAC upgrade and Refurbishment works for the National Convention Centre have been completed.
- The ACT Property Upgrades Program for 2017-18 is focused on ensuring buildings meet workplace health and safety requirements and are effective in the delivery of government services.
- A Carry-over of $0.25m for the Baringa Childcare Centre roof replacement and a Men's Shed at Hughes Community Centre to 2018-19 is expected.

Key Information

Capital Works Summary Report May 2018

Works	Budget	Expenditure YTD	Carryover	Comment
Fyshwick Depot - Fuel storage tanks, removal and site remediation	0.873	0.503	Nil	Fuel tanks removals at: Kambah, Cook, Flynn, Mitchell, Weston, Tidbinbilla, Erindale, Curtin, Holder and Narrabundah
Government Office Accommodation and Relocation Fitout	0.288	0.288		ABW Fitout 255 Canberra Avenue cost $1.3m including this $288k.
North Building – Upgrade of HVAC System	2.895	2.895		Project completed
Refurbishment of National Convention Centre	0.744	0.744		Project completed

Cleared as complete and accurate:	23/05/2018	
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TRIM Ref: CMTEDD2018/2545

Men's Sheds	0.064	0.010	0.054	Revised scope for a Men's Shed at Hughes Community Centre being developed in line with the budget available

ACT Property Upgrades

Works	**Budget $m's**	**Expenditure $m'sYTD**	**Carryover**	**Comment**
Building and Safety Upgrades at various buildings rollover 2016-17	0.065	0.065		Works contracted in 2016-17 but incomplete at 30 June 2017.
Building renovations and extensions including modifications to amenities - various buildings- rollover 2016-17	0.185	0.185		Callam Offices refurbishment.
Fire services upgrades - various buildings – rollover 2016-17	0.027	0.027		Works contracted in 2016-17 but incomplete at 30 June 2017.
Hazardous material removal – various buildings rollover 2016-17	0.349	0.349		Parkwood Mr Fluffy asbestos material burial
Building refurbishment including roofing, energy efficiency upgrades and internal remediation – various building 2017-18	0.500	0.500		Mitchell, HVAC Chiller

Building renovations and extensions including modifications to amenities- various buildings- 2017-18	0.500	0.500		Albert Hall HVAC National Convention Centre Kitchen equipment
Childcare centre upgrades 2017-18	0.470	0.258	0.212	Carry over: Baringa Childcare Centre Spence roof replacement, work to be done in July 2018. Works at Tuggeranong, Dickson, Spence, Kambah, Flynn, Condor completed.
Fire services upgrades - various buildings 2017-18	0.155	0.154		Gungahlin, North Building, Weston Community Hub
Grounds upgrades including fencing and landscaping- various buildings 2017-18	0.150	0.150		Callam Offices grounds refurbishment
Hazardous material removal - various buildings 2017-18	0.400	0.400		Mitchell Incinerator Remediation
Upgrades to address ageing infrastructure - various buildings 2017-18	0.395	0.395		Callam Offices refurbishment

Background Information – may not be suitable for public disclosure

- Not Applicable.

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 22
Output Class: 9.1
BUDGET STATEMENT B
Pages: 28, 40, 44, 84

Portfolio/s Treasurer

ISSUE: COMMUNITY FACILITIES (INCLUDING COMMUNITY RENTS, COMMUNITY HALLS & MEN'S SHEDS)

Talking points:

- Accountability Indicator Output 9.1b Government Services, Property, 'Occupancy rate for properties designated for use by non-government tenants' sets a target of 96 per cent occupancy for 2017-18. ACT Property Groups (ACTPG) occupancy rate at May 2018 is 97.03 per cent
- 71 Peppercorn leases are currently in place with community groups across the ACTPG portfolio.
- 156 properties are made available for community use across the portfolio including former schools, depots and community halls.

Key Information

- Current vacancies include a small amount of space within Conder Community House, Cotter Road Duffy, Erindale Business Park, Flynn Community Hub, Grant Cameron Community Centre, Kippax Health Centre, Maitland House Hackett, Mannheim Centre Kambah and Weston Community Hub.
- Demand remains strong for community accommodation with several vacant sites currently under offer.
- The current community rental rate is $139.71 per square metre per annum for Net Lettable Area accommodation, and $67.52 per square metre per annum for Gross Floor Area accommodation.

Background Information – may not be suitable for public disclosure

- Not Applicable.

Cleared as complete and accurate: 23/05/2018
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Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CMTEDD2018/2545

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 23
Output Class: 9.1
BUDGET STATEMENT B
Pages: 28, 40, 44, 84

Portfolio/s Treasurer

ISSUE: IMPLEMENTATION OF THE CENTRALISATION OF PROPERTY SERVICES/CUSTODIANSHIP

To provide the status on the implementation of the 2017-18 ACT Budget savings initiative to centralise property management with ACT Property Group.

Talking points:

- As part of the Smarter Government Spending initiative, ACT Property Group (ACTPG) is being strengthened to enable it to provide property management and maintenance services to all ACT agencies. This is the single service model for property management.
- This will also enable ACT agencies to focus on their core roles of policy development and service delivery, and not get distracted in the tasks of managing properties.
- Implementation of the single service model will not affect the occupiers of ACT Government properties nor members of the ACT community using government services.
- The single service model is expected to deliver:
    - operational savings through whole-of-government procurement for building maintenance and related sevices (i.e. cleaning, waste removal, utility services and security) and better contract management; and
    - strategic advice on the use and management of the diverse portfolio of ACT Government properties.
- The implementation of the single service model is on track with the planning phase completed during the 2017-18 year. The transition of properties and services will occur over the 3 year period 2018-19 to 2020-21.

Key Information

- There are 593 non-specialist properties across all ACT agencies, including 234 already directly managed by ACTPG.
- The single service model will involve a mix of:
    - transfer of custody for properties to ACTPG for ongoing management;
    - the transfer of the planning and delivery of building maintenance and related services; or

Cleared as complete and accurate: 23/05/2018
Cleared by: Shaun Strachan Deputy Director-General Ext: 71001
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- reporting by ACT agencies on the completion of building safety compliance, property maintenance and asset management planning obligations.

The decisions around the transfers will be based on where the risks are best managed and where cost efficiencies can be best achieved.

- Specialised properties, including The Canberra Hospital precinct, correctional centres, the Law Courts, sportsgrounds, the cemeteries and the facilities held by the Cutural Facilities Corporation (CFC) and the Canberra Institute of Technology (CIT), will not transfer to ACTPG.
- ACTPG has agreed a timetable with each ACT agency for the negotiation and transition of properties and property services. The transition phase will occur over the 2018-19 and 2019-20 years. The reporting framework will be finalised in 2020-21

Background Information – may not be suitable for public disclosure

- The operational savings identified in the 2017-18 ACT Budget was $7.907m over 4 years. This was calaculated on the assumption that all non-specialist properties would transfer to ACTPG.
- [Sensitive] However, with some ACT agencies retaining responsibility for building maintenance and related services, ACTPG has recalculated the savings now likely to be achieved at $4.334m (a reduction of $3.573m). This is based on lower economy of scale outcomes.

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 24
Output Class: 9.1
BUDGET STATEMENT B
Pages: 28, 40, 44, 84

Portfolio/s Treasurer

ISSUE: GOVERNMENT OFFICE ACCOMMODATION OCCUPANCY

Talking points:

- Output 9.1 requires that the ACT Government's office accommodation portfolio achieve an average square meters of office accommodation per government employee of 15m2. The figure as at 30 April 2017 is 14.3m2. The current target square metres of office accommodation per employee have been achieved for a number of years.
- The audit for 2018 is scheduled for 30 June 2018.

Key Information

- 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.

Background Information – may not be suitable for public disclosure

- The Accountability indictor for the ACT Property Group (ACTPG) of 15m2 of office accommodation per employee reflects the current occupancies of leased and owned office accommodation managed by the ACTPG.
- 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.
- The ACT Government Office Accommodation Policy, issued in December 2015 sets the target of 12m2 of office accommodation per employee. This rate will be achieved progressively over the next four years as older buildings are retired.

Cleared as complete and accurate:	23/05/2018
Cleared by: Shaun Strachan	Deputy Director-General Ext: 71001
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CMTEDD2018/2545

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 25
Output Class: 9.1
BUDGET STATEMENT B
Pages: 28,40,44,84

Portfolio/s Treasurer

ISSUE: CLOSURE – PARKWOOD ROAD RECYCLING ESTATE

Talking points:

- Closure and remediation of the entire West Belconnen Resource Management Centre (WBRMC) including Parkwood Road Recycling Estate (PRRE) is essential for the West Belconnen Joint Venture to proceed.
- The West Belconnen Joint Venture Agreement was entered into between the Australian Capital Territory, Riverview Developments (ACT) Pty Ltd, Reid & Stevens Pty Ltd and Corkhill Bros Pty Ltd on 19 May 2016. The Ginninderry development is proposed to deliver up to 11,500 new homes over a period of 40 years.
- In February 2018 representatives from ACT Property Group (ACTPG) and the Suburban Land Agency (SLA) met one-on-one with all affected Licensees to discuss termination of their Licences and potential business impacts. All Licensees were informed of the upcoming termination notice to be issued.
- 35 termination notices were sent to short term Licensees, giving each Licensee three months from 19 March 2018 to vacate the PRRE. These termination notices are consistent with the conditions applying to the short term Licences

Key Information

- ACTPG is continuing to work with the SLA to manage the timeframes for the closure of PRRE. There is limited capacity for extensions of time however the ACT Government will negotiate with individual Licensees based on the merits of each situation.

Background Information – may not be suitable for public disclosure

- Not Applicable.

Cleared as complete and accurate: 23/05/2018
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2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 26
Output Class: 9.1
BUDGET STATEMENT B
Pages: 28, 40, 44, 84

Portfolio/s Treasurer

ISSUE: YARRALUMLA BRICKWORKS & THOR'S HAMMER

Accountability indicator: redevelopment of the Canberra Brickworks Precinct (CBP)

Talking points:

- Thor's Hammer (Thor) has requested an extension to the holding over period for his occupancy at the Brickworks until the end of September 2018.
- The Territory has considered this request and in the interests of supporting the licensee have agreed.
- Thor has agreed to assist the developer, Doma Group, by moving stock that would otherwise interfer with their testing, inspection and minor works.

Key Information

- The agreement was on the basis that certain requirements are met including: (1) a copy of an executed sublease is provided for the replacement premises that commences no later than July 2018 and (2) the removal of equipment, stock and personale to the new location is to commence no later than July 2018.

Background Information – may not be suitable for public disclosure

- Not Applicable.

Cleared as complete and accurate: 23/05/2018
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2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 27
Output Class: 9.1
BUDGET STATEMENT B
Pages: 6, 19, 30, 46, 53, 54, 60

Portfolio/s Treasurer

ISSUE: CIVIC OFFICE PROJECT

Talking points:

- On 25 January 2016 the Government announced that it would commission the development of new office buildings in Civic and Dickson (see separate brief on the Dickson office). The two buildings reflect the implementation of the ACT Government's hub and spoke whole of government office accommodation strategy and have provided an opportunity to sell and vacate aging owned office buildings.
- In relation to the Civic Office, the car park site next to the Legislative Assembly Building (Block 35 Section 100) has been sold to the Capital Property Group (CPG) with a pre-commitment to lease a new 20,000 square metre net lettable area (NLA) government office building.
- Base building construction has commenced with basement excavation and associated works. The focus for construction is now on full scale removal of earth from the site which will continue for the next 2 months.
- The Constitution Place project is an exciting and welcome project that will create a new precinct in city east, and realises part of the Government's wider vision for renewing our CBD through the delivery of design-led, people-focussed urban renewal. It supports the Government's City to the Lake and Capital Metro projects.
- Upon completion in late-2020 the new precinct will house a new private office building, boutique hotel, public gym, along with street level cafes and landscaped plazas, adding a major boost to jobs and economic activity in the currently under-utilised area.

Key Information

- During the 3 main construction phases, the numbers of workers on site are shown below, many of whom would frequent nearby businesses:
    - early works and excavation – about 100 workers (to mid-2018);
    - structure and façade - about 250 workers (mid-2018 to mid-2019); and
    - fitout and external works about 300 (mid-2019 to late-2020).

Cleared as complete and accurate:	25/05/2018	
Cleared by: Shaun Strachan	Deputy Director-General	Ext: 71001
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Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref: CMTEDD2018/2545

- While revised parking arrangements may cause short term inconvenience to some members of the public (see separate brief), nearby businesses will be the beneficiaries of additional economic activity associated with the development.
- Following the completion of the project, local businesses will benefit from activity in the Constitution Place precinct and associated with the two new buildings:
    - the government office building which provides 20,000 square metres NLA of office space and is to house 1,900 ACT public servants (noting that, approximately 600 proposed future occupants of the Civic Office building are already housed in the vicinity in Nara House and 221 London Circuit);
    - commercial office space totalling 11,550 square metres;
    - four floors of space allocated to a boutique hotel;
    - a childcare centre with a minimum of 50 places up to 90 places (depending on the age of children attending);
    - activated laneway and frontages with cafes; and
    - a 410 square metre gym.
- A contract with CPG was signed on 31 August 2016 and settlement on the land occurred on 15 November 2016. The building is to be constructed and ready for occupation by 1 October 2020.
- A major focus over recent months has been finalisation of the design and costing of the fitout. Following extensive design and cost plan meetings over many month, incorporating a substantial value management exercise, revised fitout and cost plans were approved on 23 April 2018.

Background Information – may not be suitable for public disclosure

- The Whole of Government Office Accommodation Strategy recommends the development of a Civic hub to accommodate the policy and administrative functions of government, as well as regional satellite offices to accommodate support agencies and service delivery functions. The first satellite office is Winyu House at Gungahlin, which opened in May 2015 and includes a cashless Access Canberra Service Centre.
- The ACT Government agreed to the co-location of policy and administrative functions of government in a new leased building on Block 35 Section 100 City.
- Following a Registration of Interest and Request for Tender process Capital Property Group (CPG) was chosen as the Preferred Tenderer for the sale of the land with a pre-commitment to lease a new 20,000 square metre net lettable area (NLA) government office building for a period of 20 years.
- The Territory elected to capital fund and own the fitout for the Civic building, which is **$42 million** in total (see table below). The fitout cost plan to be delivered by CPG has a total cost of $36.844 million, which is in addition to ICT costs of $4.3m which

are to be procured and delivered by Shared Services ICT (SSICT). A further $0.85m has been retained by the Project Team for direct infrastructure costs (eg Commonwealth security infrastructure).

- The table below shows the budgetary situation for the project:
    - 2017-18 funding includes a Section 16B rollover of $49,000 from 2016-17 (unspent funding from the government office accommodation project described above). The total funding of $41.593m over four years is $407,000 short of the $42 million required to complete the project. These funds will need to be found by the year 2020 to meet total project requirements.

Table: Capital Funding – Civic Office project

	2017-18	2018-19	2019-20	2020-2021	Total*
Office Accommodation - Civic	549	500	500	500	**2,049**
Building a better City - Office accommodation (Civic)	2,456	2,727	22,090	12,271	**39,544**
Total Civic	**3,005**	**3,227**	**22,590**	**12,771**	**41,593***

*$407,000 cash shortfall is to be found from within the existing resources in future years.

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 28
Output Class: 9.1
BUDGET STATEMENT B
Pages: 6, 19, 30, 46, 53, 54, 60

Portfolio/s Treasurer

ISSUE: DICKSON OFFICE PROJECT

Talking points:

- The Government continues the implementation of the government office accommodation strategy and the renewal of the Northbourne Avenue corridor through the sale of the former Motor Vehicle Registry (MVR) site and the development of new government office building.
- Doma Group Pty Ltd was selected as the preferred tenderer and existing buildings have been demolished with development applications lodged for the new mixed use precinct.
- The development of the former MVR site is to include the Government office building and mixed use development including commercial, retail, residential accommodation and a child care facility. The new Government office building will have an *Access Canberra* shopfront, a publicly accessible business centre and contain basement car parking of which the Territory will lease 40 car spaces.
- The office building will be five star Green Star, feature substantial end of trip facilities to support active travel, incorporate rain water reuse, solar PV panels and internal stair cases providing access to all floors around a central atrium. A workable solution has been identified for an all electric heating and cooling (HVAC)system.
- The new development responds well to the public transport hub in Dickson, being adjacent to the bus station on Cape Street and a light rail stop on Northbourne Avenue, and has good pedestrian linkages to the Dickson shopping precinct.
- The proposed government office building development, which will accommodate about 1,200 public servants, will further assist in the renewal of Dickson precinct and the Northbourne Avenue corridor and support the Capital Metro project.

Key Information

- On 25 January 2016 the Government announced that it would commission the development of new office buildings in Civic and Dickson. The Government has made significant progress in relation to these important city building projects (a separate brief has been prepared on the Civic Office project).
- A Request for Expression of Interest, with a pre-commitment to lease 13,000 square metres of Net Lettable Area Office space, on (the former) Block 4 Section 77 Dickson

was issued on 27 February 2016 by CMTEDD and closed on 31 March 2016. Similar to Civic, the approach taken by the Government was to lease generic A-Grade office space in Dickson.

- Doma Group Pty Ltd (Doma) was selected as the preferred tenderer on 3 April 2017. Contracts were exchanged on 20 December 2017 and settlement on the land occurred on 1 May 2018.
- Doma has undertaken the necessary consultations and work to achieve a Demolition development application (DA) on the former Motor Vehicle Registry (MVR) site and all the buildings and underground fuel tanks have now been removed. Doma submitted DAs on 1 December 2017 for two blocks on the former MVR site:
    - Block 8 Section 77 which has the government office building and another private building with serviced apartments, a childcare centre and retail space; and
    - Block 19 Section 33 which is mixed use precint and includes residential uses with retail and commercial space.
- Doma will start excavation work on the government office building in about July 2018, following approval of its DA by EPSDD. Despite some initial upfront delays, the proposed date for practical completion of the Dickson office building is still anticipated to be 13 February 2020.
- Doma's tender offer and their subsequent contract included a conventional gas fired heating, ventilation and cooling (HVAC) system. All parties agree that it is desirable that an all-electric system be incorporated into the new Dickson Building, and discussions with Doma and Bloc PL (Doma's builder) are nearing completion on the preferred HVAC system to be installed. EPSDD has been involved in the discussions on technical options and a final recommendation will be made shortly.

Background Information – may not be suitable for public disclosure

- The sale of the former Dickson MVR site was one of the sites identified under the Commonwealth's Asset Recycling Initiative (ARI), which involved the identification of identified assets and investment of the sale proceeds into an agreed infrastructure project (Transport Canberra Light Rail Project). This include a 15% bonus payment by the Commonwealth for the sale of the land.
- The Territory is to lease the building for 20 years (with options to extend) but has decided to capital fund the fitout. Funding of $26 million was provided in the 2017-18 Budget, based upon the size of the building at a generic fitout rate per square metre i.e. 13,000m^2 NLA x $2,000/$m^2$. The revised funding profile for the project ($26.0 million) is $1.2 million (2017-18); $10.5 million (2018-19); and $14.3 million (2019-20).

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 29
Output Class: 9.1
BUDGET STATEMENT B
Pages: 50, 52, 54, 55, 59, 180

Portfolio/s Treasurer

ISSUE: TEMPORARY CAR PARK - CONSTITUTION PLACE

Talking points:

- Construction on the Constitution Place precinct (including the new Civic Office block) has commenced on Block 35 Section 100 City, and as a consequence the short term public car park adjacent to the Legislative Assembly has now closed. This car park had 225 car parking spaces, with 176 spaces allocated to the public and 49 spaces allocated to MLAs and OLA staff.
- The Constitution Place project is an exciting and welcome project that will create a new precinct in city east, and realises part of the Government's wider vision for renewing our CBD through the delivery of design-led, people-focussed urban renewal. It supports the Government's City to the Lake and Capital Metro projects.
- Upon completion in late-2020 the new precinct will house a new private office building, boutique hotel, public gym, along with street level cafes and landscaped plazas, adding a major boost to jobs and economic activity in the currently under-utilised area.
- The development when completed in 2020 will include three levels of basement car parking with 560 car parks in total, including 25 secure car parking spaces for MLAs, as well as public parking and parking for government vehicles. Of the 560 car parks, 350 will be available to the public, compared to the 176 available to the public in the now closed surface car park.
- Alternative parking arrangements have been put in place to minimise disruption during the temporary closure of the Constitution Place car park with the expansion of the 'Baileys Corner' car park on Block 23 Section 19 City. The new car park works, which have been completed and will soon be open to the public, will create 124 new car parking spaces.

Key Information

- The stage 1 works on the 'Baileys Corner'car park on Block 23 Section 19 City saw the relocation of MLA parking and accessible (disability) car parking. Stage 2 works will add 124 new public car parking spaces, including 76 spaces on a new car park on the grassed area near the Canberra Theatre, and 48 additional spaces by reconfiguring the existing car park next to the North Building. Stage2 works have been completed

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TRIM Ref: CMTEDD2018/2545

and are awaiting inspection by TCCS before being handed over to the Territory and opened for use by the public.

- The cost of the temporary car park project is $1.1 million, which will be more than offset by parking revenues over the period of its operation.
- It should be noted that the opening of the new car park area could be delayed as the Speaker of the Legislative Assembly has written to the Minister for Transport and City Services seeking to relocate the MLA car parking area from their current location in the existing Baileys car park to the new (as yet unopened) car park extension.
- It is recognised that in the short term (i.e. until the new Constitution Place car park is opened in 2020) there will be a temporary loss of about 100 car parks. However, the Government will work with all stakeholders to ensure that disruption is minimised during the construction period and that appropriate parking strategies are implemented in the Civic area.
- Alternative car parking is available in the area and it is noted that the long stay car park on the corner of Constitution Avenue and London Circuit is available and operating efficiently.
- While the revised parking arrangements may cause short term inconvenience to some members of the public, nearby businesses will be the beneficiaries of additional economic activity associated with the development.
- During the 3 main construction phases, the numbers of workers on site are shown below, many of whom would frequent nearby businesses:
    - early works and excavation – about 100 workers (to mid-2018);
    - structure and façade - about 250 workers (mid-2018 to mid-2019); and
    - fitout and external works about 300 (mid-2019 to late-2020).
- Following the completion of the project, local businesses will benefit from activity in the Constitution Place precinct and associated with the two new buildings:
    - the government office building which provides 20,000 square metres NLA of office space and is to house 1,900 ACT public servants (noting that, approximately 600 proposed future occupants of the Civic Office building are already housed in the vicinity in Nara House and 221 London Circuit);
    - commercial office space totalling 11,550 square metres;
    - four floors of space allocated to a boutique hotel;
    - a childcare centre with a minimum of 50 places up to 90 places (depending on the age of children attending);
    - activated laneway and frontages with cafes; and
    - a 410 square metre gym.

Background Information – may not be suitable for public disclosure

- The ACT Government agreed to the co-location of policy and administrative functions of government in a new leased building on Block 35 Section 100 City. Following a Registration of Interest and Request for Tender process Capital Property Group (CPG) was chosen as the Preferred Tenderer for the sale of the land with a pre-commitment to lease a new 20,000 square metre net lettable area (NLA) government office building for a period of 20 years.
- A contract with CPG was signed on 31 August 2016 and settlement on the land occurred on 15 November 2016. Detailed design is almost completed on the base building and the fit-out of the building.
- Consultations have taken place with officials from the Office of the Legislative Assembly and a briefing for the Speaker and members of the Legislative Assembly was held on 5 September 2017.
    - The OLA holds weekly meeting with the developer's construction team to discuss the program and other issues of interest (e.g. noise, dust) and a protocol has been developed with the OLA and the Speaker in relation to handling complaints and managing disruptive works.

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 30
Output Class: 9.2
BUDGET STATEMENT B
Pages: 44

Portfolio/s Treasurer

ISSUE: VENUES CANBERRA – NUMBER OF MAJOR EVENTS

Talking points:

- The targets for 2018/19 measure the number of major events planned at GIO Stadium, Manuka Oval, Stromlo Forest Park and Exhibition Park in Canberra .
- Number of major events at:

	2018-19 Targets
GIO Stadium	20
Manuka Oval	5
Stromlo Forest Park	10
Exhibition Park in Canberra	85

- Venues Canberra works with government, promoters, sporting bodies and community groups to increase the number of events at our venues.
- Exhibiton Park in Canberra has a focus on marketing and high retention levels.

Key Information

- Events contracted only at current point in time are included in targets for GIO Stadium and Manuka Oval.
- Major events at Stromlo Forest Park are based on bookings of national or international events.
- Events with over 500 patrons are considered major for Exhibition Park in Canberra.
- Major hirers at GIO Stadium are Canberra Raiders and ACT Brumbies. GWS Giants are the major hirer of Manuka Oval.

Background Information – may not be suitable for public disclosure

- Sch 2 s2.2(a)(viii), Sch 2 s2.2(a)(xvi)
- [redacted]

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TRIM Ref: CMTEDD2018/2545

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 31
Output Class: 9.2
BUDGET STATEMENT B
Pages: 45

Portfolio/s Treasurer

ISSUE: VENUES CANBERRA – OWN SOURCE REVENUE

Talking points:

- Own source revenue is an accountability indicator for GIO Stadium, Manuka Oval and Exhibition Park in Canberra .
- Own source revenue targets by venue for 2018/19 are:

	2018-19 Targets
GIO Stadium	$3.0 million
Manuka Oval	$360,000
Exhibition Park in Canberra	$3.5 million

- For GIO Stadium and Manuka Oval, own source revenue is measured as gross profit, that is total revenue, less appropriation less costs incurred hosting events/game days. Pre existing hire agreements at both venues impact on own source revenue.
- Own source revenue at Exhibition Park in Canberra is measured as gross revenue.

Key Information

- Additional events and increased revenue streams at Exhibition Park in Canberra will improve profitability.
- Increased events may only result in a modest increase to own source revenue at GIO Stadium and Manuka Oval due to increased costs to host the event.

Background Information – may not be suitable for public disclosure

- Not Applicable.

Cleared as complete and accurate:	23/05/2018	
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TRIM Ref: CMTEDD2018/2545

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 32
Output Class: 9.2
BUDGET STATEMENT B
Pages: 45

Portfolio/s Treasurer

ISSUE: NATIONAL ARBORETUM CANBERRA – LEVEL OF CUSTOMER SATISFACTION

Talking points:

- The level of customer satisfaction at the National Arboretum Canberra is the accountability indicator.
- The target for 2018-19 is 85%. The most recent survey gave a satisfaction level of 91.2%. This is based on 62.2% of responses for excellent and 29% for good.
- The most recent survey was undertaken for the period 27 November 2017 – 9 January 2018.
- The results of the survey indicate that vistors 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.

Key Information

- The survey is undertaken using Qualitix software and responses are online or via an iPad in the Arboretum's Village Centre.

Background Information – may not be suitable for public disclosure

- 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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TRIM Ref: CMTEDD2018/2545

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 33
Output Class: 9.2
BUDGET STATEMENT N/A
Pages: N/A

Portfolio/s Treasurer

ISSUE: GIO STADIUM LEASE UPDATE

Talking points:

- The Territory and the Australian Sports Commission (ASC) reached an agreed position on the rental payment for the continued leasing of GIO Stadium.
- Ongoing funding of $350,000 per annum was provided through the 2017-18 Budget for the lease payments and a licence to use the AIS car park on match days.
- The stadium sub-lease expires in December 2024.
- The Territory will continue to engage with the ASC on the future of GIO Stadium and the Australian Sports Commission (AIS) precinct.

Key Information

- The ASC holds Crown leases of Territory land over a number of parcels of land in the AIS precinct. These parcels include GIO Canberra Stadium.

Background Information – may not be suitable for public disclosure

- Sch 2 s2.2(a)(viii)
- [redacted]

Cleared as complete and accurate:	23/05/2018	
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TRIM Ref: CMTEDD2018/2545

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 34
Output Class: 9.2
BUDGET STATEMENT B
Pages: 53

Portfolio/s Treasurer

ISSUE: MANUKA OVAL MEDIA AND BROADCAST CENTRE

Talking points:

- The Manuka Oval Media and Broadcast Centre is being built in time to support the first Cricket Test Match held in the ACT on 1 February 2019.
- The facility will provide the ongoing ability of the venue to host national and international level cricket in the Territory. Previous international matches were supported by costly temporary broadcast facilities that lacked the full functionality provided at other cricket venues.
- The Media Centre will be used for corporate hospitality (and some media operations) for the AFL.

Key Information

- The Media Centre is on target for completion in November 2018 for the February 2019 Test Match.

Background Information – may not be suitable for public disclosure

- The Manuka Oval capital project was provided funding of $11.6 million in the 2017-18 Budget. A subsequent appropriation of $3.7 million was approved when tenders prices received were higher than the preliminary cost estimates provided by quantity surveyors.

Cleared as complete and accurate:	23/05/2018	
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TRIM Ref: CMTEDD2018/2545

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 35
Output Class: 9.2
BUDGET STATEMENT N/A
Pages: N/A

Portfolio/s Treasurer

ISSUE: NATIONAL ARBORETUM CANBERRA – MASTER PLAN

Talking points:

- Venues Canberra has developed (draft) *National Arboretum Canberra - Master Plan 2018-2028* to guide the future evolution of the National Arboretum Canberra.
- The original '100 Forests and 100 Gardens' proposal focused on the establishment of 100 forests of rare, threatened and symbolic trees from Australia and around the world, and provided the foundation for a master plan for the National Arboretum Canberra. The Master Plan has been progressively implemented since 2005. The foundation master plan was a living document which has been periodically updated since its inception. The latest update was in 2016.
- Sch 1 s1.6 [redacted]

Key Information

- The Plan was developed in conjunction with original Arboretum architects, Taylor Cullity Lethlean. The projects identified are aimed at making the site more accessible; improving overall quality of the visitor experience; activating the landscape through new activities and events; and providing an expanded offering to a broader range of audiences.

Background Information – may not be suitable for public disclosure

- Sch 1 s1.6 [redacted]

Cleared as complete and accurate:	23/05/2018	
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TRIM Ref: CMTEDD2018/2545

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 36
Output Class: 9.2
BUDGET STATEMENT N/A
Pages: N/A

Portfolio/s Treasurer

ISSUE: STROMLO FOREST PARK MASTER PLAN UPDATE

Talking points:

- The Stromlo Forest Park Master Plan provides a far-reaching vision for the park that will facilitate its evolution into a vibrant, specialist centre for recreational and sport in Canberra.
- While cycling, equestrian, running and walking will continue to be key activities within the Park it is also becoming an integral recreation resource for the residents of Molonglo. The ACT Government is confident the final master plan balances a range of new sport and recreation opportunities at the Park, while still being considerate of traditional user groups.
- An operator has been chosen to operate a café/bike repair and hire business from the two relocated containers from the former Westside village and expects to commence operations at the end of August 2018.

Key Information

- The Stromlo Forest Park master plan process began in 2009 and established a strategy and vision for the Park, as well as aspirations for its future. Significant community consultation was undertaken at this time, and sporting bodies, the wider community, local interest groups and other stakeholders all contributed to creating the long-term outlook for the Park. The original draft master plan was released to the community in 2010.
- In 2014 the ACT Government reconfirmed its commitment to Stromlo Forest Park by commencing a review and update of the 2010 master plan. This was a timely opportunity to consider any new or emerging opportunities or impacts arising from the construction of the adjacent Molonglo residential precincts as well as broader recreational and regional trends.
- Seven written submissions and 744 online responses were received during the consultation period which ran from early December 2015 to 5 February 2016.
- The $36m Stromlo Leisure Centre is the first significant project that has been funded at the Park.

Cleared as complete and accurate:	23/05/2018	
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TRIM Ref: CMTEDD2018/2545

- In addition to the Leisure Centre, a preliminary design process is being undertaken by Active Canberra for an enclosed oval facility on the southern edge of the park. Whilst not currently funded, tourist accommodation, district playing fields, a 12km road cycling circuit and an extension of the criterium track are also included in the final master plan, and may be progressed and consulted on as need and funding is identified.
- As an aspirational document, the Stromlo Forest Park master plan may be updated in the future as needs evolve and recreational trends change. It does not commit the current ACT Government, or any future government, to provide partial or full funding for any of the identified projects.

Background Information – may not be suitable for public disclosure

- Sch 2 s2.2(a)(xvi)
- [redacted]

Cleared as complete and accurate:	23/05/2018	
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TRIM Ref: CMTEDD2018/2545

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 37
Output Class: 9.3
BUDGET STATEMENT B
Pages: 45

Portfolio/s Treasurer

ISSUE: INDIGENOUS PROCUREMENT POLICY

Talking points:

- This Government is committed to Reconciliation and promoting the relationship between Aboriginal and Torres Strait Islander and non-Indigenous Australians.
- The Territory is developing an Indigenous Procurement Policy (IPP) to better help indigenous businesses gain improved access to government business opportunities. The Territory envisions a direct and targeted policy that will bring the ACT in line with other jurisdictions.
- The Territory has established an Indigenous Procurement Policy Committee (IPPC) comprised of senior executives from across the ACT public service to deliver a draft policy by the end of the 2017-18 financial year.
- In 2017-18 the Territory has spent $3.1 million with indigenous businesses to March 2018, predominately in the construction as well as the administrative, support, professional, scientific and technical services industries.

Key Information

- The IPPC will consider the role that the Government's IPP will have in the Australian context in addition to the Territory context.
- In 2016/17 the Territory spent approximately $6.9 million through contracts with 19 local indigenous businesses. $6.5 million of this spend involved construction companies undertaking capital work projects, with the remaining $413,000 contracted to deliver goods and services.
- The Territory is a founding member of Supply Nation, an organisation that promotes Indigenous businesses. Supply Nation manages a national directory of bona fide Indigenous businesses, as either a certified supplier (i.e. at least 51 per cent Indigenous owned) or a registered supplier (i.e. at least 50 per cent Indigenous owned).
- The full Supply Nation Database is available at: www.supplynation.org.au.
- Supply Nation accredited Indigenous businesses based within the Canberra Region Joint Organisation (CBRJO) area are listed on the Territory's procurement website at www.procurement.act.gov.au.

Cleared as complete and accurate:	23/05/2018	
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TRIM Ref: CMTEDD2018/2545

- Procurements valued under $200,000 require a minimum of three quotations. Territory directorates and agencies are encouraged to seek one or more quotations from registered indigenous suppliers.
- Procurements valued at $200,000 or more are required to be advertised in the open market and are open to any Indigenous businesses to apply. On a case by case basis opportunities for Indigenous engagement is included in a tender's assessment criteria. Such opportunities assist indigenous sub contractors and employment.
- The delivery of three recent ACT Government construction projects being the Ngunnawal Bush Healing Farm, the Secure Mental Health Unit (Dhulwa) and the University of Canberra Hospital, illustrate some of the initiatives implemented to strengthen indigenous procurement outcomes.
- These initiatives have included:
    - Approaching the Territory's Aboriginal and Torres Strait Islander community to undertake smoking ceremonies and/or water ceremonies and Welcome to Country at demolition, construction commencement and project handover;
    - A commitment to the process for managing indigenous artefacts discovered on site;
    - A best endeavours commitment to the employment of Aboriginal and Torres Strait Islander trainees and apprentices on some Territory construction sites including Contractor monthly reporting and monitoring of achievement against these best endeavours targets;
    - Inclusion of Ngunnawal Elders in tender evaluation processes where the project is of particular significance to the Territory's Aboriginal and Torres Strait Islander community;
    - Involvement of an Aboriginal and Torres Strait Islander cultural liaison officer on projects during the design development stage;
    - Aboriginal and Torres Strait Islander representation on the design development or User Group committee;
    - Engagement with the relevant Aboriginal and Torres Strait Islander reference group in facility naming; and
    - A commitment to display indigenous artwork prominently in new facilities.

Background Information – may not be suitable for public disclosure

- Not Applicable.

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 38
Output Class: 9.3
BUDGET STATEMENT N/A
Pages: N/A

Portfolio/s Treasurer

ISSUE: LOCAL INDUSTRY PARTICIPATION POLICY

Talking points:

- The Local Industry Participation Policy (LIPP) commenced 1 January 2017.
- The objective of the LIPP is to ensure that competitive local businesses, including small to medium enterprises (SMEs), are given the opportunity to respond to procurement activities offered by the ACT Government.
- For Procurements with a value under $200,000, Territory Officers must where possible seek a quote from a local business and a small to medium enterprise.
- For procurements with a value of $200,000 or more there is a mandatory 10 per cent weighted (minimum) assessment criterion.

Key Information

- The LIPP is based on the following principles:
    - A Territory Entity must pursue value for money in undertaking its procurement activities;
    - No discrimination: Consistent with national and international agreements and procurement policies, providing unbiased and equal access to government procurement opportunities to all respondents; and
    - Enhancing opportunities for local businesses.
- For procurements with a value between $200,000 and $5 million, tenderers need to submit an Economic Contribution Test response, which demonstrates and assesses a tenderer's offered contribution to regional employment, local suppliers, skills, training and investment.
- For procurements with a value of $5 million or more, tenderers need to submit a Local Industry Participation Plan (Local IP Plan), which expands on the Economic Contribution Test and includes reporting requirements for suppliers to enable the Territory to measure their performance against tender comitments.

Cleared as complete and accurate:	23/05/2018	
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TRIM Ref: CMTEDD2018/2545

Background Information – may not be suitable for public disclosure

- The Local Industry Advocate (LIA) is currently reviewing the Policy as part of an overall review of the future role of the LIA and intends to deliver some recommendations for improving the Policy to the Head of Service.

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 39
Output Class: 9.3
BUDGET STATEMENT B
Pages: 45

Portfolio/s Treasurer

ISSUE: CONTRACTS REGISTER

Talking points:

- As at May 2018, the Territory's Contract Register holds some 17,536 entries, representing some $15.8b worth of actual or expected procurement activity.
- Despite this, there has been some lags in loading details for all notifiable contracts, including purchase and work orders, to the Contracts Register.
- Work is underway within each Directorate (as the responsible entities for individual procurement), and Treasury (as the entity responsible for maintaining the Contract Register), to correct delays in loading notifiable contracts to the public register.

Key Information

- The Contract Register is the tool to make available to the public, select details of notifiable contracts as outlined in the *Government Procurement ACT 2001*.

Background Information – may not be suitable for public disclosure

- Not Applicable.

Cleared as complete and accurate:	23/05/2018
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Lead Directorate:	Chief Minister, Treasury and Economic Development
TRIM Ref:	CMTEDD2018/2545

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 40
Output Class: 9.3
BUDGET STATEMENT N/A
Pages: N/A

Portfolio/s Treasurer

ISSUE: SUSTAINABLE PROCUREMENT POLICY

Talking points:

- In 2015, the Territory developed a Sustainable Procurement Policy, which is principles based and has broad applicability to procurement activity across the ACT Government.
- The policy seeks to value-add, using procurement to pursue social and environmental objectives, encourage suppliers to adopt socially responsible and ethical practices and support innovation in the market.
- A Sustainable Procurement Working Group (Working Group) has been established and first met on 1 May 2018 to update and improve the Policy in line with the International Standard ISO 20400 – Sustainable Procurement Guidance. The Working Group aims to deliver a draft 2018 Sustainable Procurement Policy in first quarter of the 2018-19 financial year.

Key Information

- The Working Group comprises of senior officers from both procurement branches of Chief Minister Treasury and Economic Development Directorate (CMTEDD) and reports to the Procurement Policy Steering Committee, which is comprised of executives and senior managers representing each procurement branch and Shared Services (SSICT).
- In 2017, the International Standards Organisation released ISO 20400 – Sustainable Procurement - Guidance (Standard). The Standard provides best practice guidance on integrating sustainability – incorporating environmental, economic, and social factors (also known as triple bottom line) – into procurement. The Standard defines Sustainable Procurement as:
    - procurement that has the most positive environmental, social and economic impacts possible over the entire life cycle and that strives to minimise adverse impacts.
- The 2018 Sustainable Procurement Policy will also reference the Territory's current procurement policies that promote positive social and economic impacts. For example:

Cleared as complete and accurate:	23/05/2018	
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TRIM Ref: CMTEDD2018/2545

- Social Procurement is conducted through the use of social enterprises and where opportunities are identified in individual procurements. The Industrial Relations and Employment (IRE) certification process also helps to ensure good industrial relations practice for construction work undertaken by the Territory.
- Economic and social impacts are promoted by the Local Industry Participation Policy (LIPP) and the upcoming Local Jobs Code.

- The Working Group will consult with the Environment, Planning and Sustainable Development Directorate (EPSDD) on the draft Policy before it is finalised for Policy Council consideration.

Background Information – may not be suitable for public disclosure

- Not Applicable.

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 41
Output Class: 9.3
BUDGET STATEMENT B
Pages: 28, 49, 50 and 67

Portfolio/s Treasurer

ISSUE: SMART, MODERN, STRATEGIC (SMS) PROCUREMENT REFORM PROGRAM

Talking points:

- The ACT Government launched the Smart Modern Strategic (SMS) Procurement Reform Program in 2015 to achieve improved procurement processes across government and better value for money in the procurement of goods and services.
- The Program comprised 19 separate procurement initiatives executed over approximately three years by CMTEDD's Procurement and Capital Works Division.
- Estimated budget savings from the initial SMS Program are $111 million over six years.
- An extension of the SMS Program stage 2 has been approved and additional savings of $2.4 million are expected.
- The majority of projects under the intial stage of the Program are now complete and the Territory continues to benefit from the savings and process maturity achieved.
- The SMS Program promotes the Territory's commitment to reducing red tape, increases our digital capabilities and helps to achieve the best government outcomes and the delivery of quality services for the community.

Key Information

- 19 separate procurement initiatives (17 delivered, 2 in-train and scheduled for completion financial year 2019).
- $111 million in budget savings over six years in the first stage of the Program.
- The SMS Extension (Stage 2) has identified additional savings opportunities that will be pursued moving forward.

Background Information – may not be suitable for public disclosure

- [Sensitive] Target savings for the SMS Program were $145.71 million over six financial years.

Cleared as complete and accurate: 16/05/2018
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Contact Officer Name: Sch 2 s2.2(a)(ii) [redacted]
Lead Directorate: Economic Development

TRIM Ref: CMTEDD2018/2545

2018-19 BUDGET ESTIMATES BRIEF

Brief Number: 42
Output Class: 9.1
BUDGET STATEMENT B
Pages: 44

Portfolio/s Treasurer

ISSUE: RENEWABLE ENERGY

The ACT Government's approach to purchase of renewable energy (GreenPower) certificates for 2018-19 and beyond.

Talking points:

- The ACT Government has been purchasing renewable electricity for use in Government operations for some time, with the agreed amount of renewable electricity peaking at 37.5% prior to 2011. The renewable electricity purchase occurs through procurement of GreenPower certificates.
- In 2011, Government agreed to a reduction in the GreenPower purchase from 37.5% to 5% of electricity consumption from 2011-12 until 2018-19, with the difference being used to fund the Carbon Neutral Government Fund and energy project officers. Procurement of GreenPower certificates covering 5% of electricity consumption for Government operations in 2017-18 is currently underway.
- In March 2018, Government considered discontinuation of GreenPower for 2018-19, and decided that GreenPower procurement will proceed for this year. The requirement to reinstate Budget indicator 9.1a Use of Renewable Energy did not reach CMTEDD in time for inclusion in the Budget Statement. This indicator is now being reinstated for the 2018-19 Financial Year.
- Going forward, the ACT Government will be reviewing its approach to the purchase of GreenPower from 2019-20 onwards given that appropriate arrangements to achieve the Government's 100% renewable electricity target in 2020 have already been put in place.

Key Information

- It is anticipated that 152,000 MWh of electricity will be used by the ACT Government in 2017-18. The 5% renewable commitment equates to a requirement to purchase 7,600 MWh of GreenPower, and this procurement is currently underway. Appropriated funding for the 2017-18 GreenPower purchase is $468,000, with the actual cost dependant on the value of GreenPower certificates at time of purchase. EPSDD will cover the shortfall.
- The same arrangements will apply for 2018-19, with the cost of GreenPower certificates depending on value at time of purchase.

Cleared as complete and accurate:	15/06/2018	
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TRIM Ref: CMTEDD2018/2545

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2.	National Partnership on the Skilling Australians Fund
3.	Australian Apprenticeships
4.	Skilled Capital
5.	Election Commitment: Support for Women in Trades
6.	Election Commitment: Support for Mature Workers
7.	ACT Government support for CIT
8.	Apprentice safety
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BUDGET ESTIMATES BRIEF

Portfolio Higher Education, Training & Research

ISSUE: ACT VOCATIONAL EDUCATION AND TRAINING (VET) SYSTEM

Talking points:

- The total vocational education and training (VET) government payment for outputs in the ACT in 2017-18 was approximately $116.4 million. This included:
    - ACT Government funding of approximately $72.3 million; and
    - Australian Government funding of approximately $44.2 million (received through various intergovernmental agreements).
- Of the total ACT VET Budget of $116.4 million in 2017-18:
    - Approximately $21.7 million was available through the two contestable initiatives administered by Skills Canberra (approximately 19 per cent of the total ACT VET Budget), including:
        - $16.1 million through the Australian Apprenticeships initiative (User Choice), and
        - $5.6 million through the Skilled Capital initiative
    - CIT received approximately $71 million through a direct budget allocation from ACT Treasury and also accessed significant funding through the contestable initiatives;
- In 2017-18, CIT was allocated approximately 85 per cent of the total ACT VET Budget (allocated for training purposes), including both contestable and non-contestable funding.

Key Information

- The ACT Government is supporting almost 7,000 students, which include apprentices and trainees, this year across 100 training providers in the ACT. This includes places for 714 Aboriginal and Torres Strait Islander students and 1,910 students with a disability.
- The Canberra Institute of Technology currently offers 362 courses for 19,932 students. This includes 3,422 apprenticeships and trainee places and vocational places for 1,500 international students.

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TRIM Ref:

- The ACT also has a substantial fee-for-service training market, with private providers delivering training to approximately 47,000 students in the 2016 calendar year, with a total of 71,079 students receiving training delivered in the ACT in 2016.
- 2,937 Aboriginal and Torres Strait Islander students participated in VET training in the 2016 calendar year compared to 2,329 in the 2015 calendar year.

Background Information – may not be suitable for public disclosure

- The ACT community has three main avenues to access government subsidised training:
    - the Australian Apprenticeships Program (contestable);
    - Skilled Capital (contestable); and
    - CIT profile delivery, funded directly by ACT Treasury and therefore non-contestable.
- The 2017-18 Skills Canberra Budget comprises the funds from the Commonwealth through the *National Agreement for Skills and Workforce Development* (SPP that is 'ongoing') and the *National Partnership Agreement on Skills Reform* (non-recurrent and ceased in 2016-17), and a funding from the ACT Government.

BUDGET ESTIMATES BRIEF

Portfolio Higher Education, Training & Research

ISSUE: National Partnership on the Skilling Australians Fund

Talking points:

- The *Skilling Australians Fund National Partnership* (the NP) was first announced in the 2017-18 Federal Budget. Intended to replace the Skills Reform National Partnership which ceased in 2016-17, new arrangements were announced in the recent Commonwealth budget, retaining its focus on support for apprenticeships and traineeships.
- The Fund is estimated to provide approximately $1.2 billion nationally over the four years from 2018-19. For the ACT this equates to approximately $20.4 million over the life of the National Partnership.
- By signing the NP on 7 June 2018, the ACT will also attract a sign up bonus from the Commonwealth (expected to be approximately $1.9m).
- While the overarching aim of the NP is to arrest the national decline in apprenticeships and traineeships in recent years, it is important to recognise that the ACT has already achieved significant recent growth in apprenticeships and traineeships.
- Our negotiations with the Commonwealth on signing up to the NP sought to ensure that the ACT would not be penalised for its recent success.
- Over the next four years, funding through the SAF NP will contribute to an additional 4000 apprenticeships, traineeships, pre-apprenticeships and higher apprenticeships over and above baseline activity.

- Projects to achieve this target will be negotiated with the Commonwealth and are likely to build on the successes the ACT has already demonstrated. They are likely to focus on:
  - further strengthening the quality of the training, systems and support available to increase commencements
  - improve the retention and completion rates of apprentices and trainees;
  - continue to support non-apprenticeship training opportunities that have a strong link to employment outcomes

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TRIM Ref:

- ensure training meets the skills needs of local industry, including new and emerging industries
- continue to support CIT as the public provider and largest provider of apprenticeships training in the ACT
- create stronger pathways from schools into employment related training; and
- promote the benefits of work-based training to students, their influencers and industry.

Key Information

- It is understood other states to sign up to the NP by 7 June 2018 included: NSW, SA, NT and Tasmania.
- The ACT Government has been working to access approximately $4.2 million of SAF funds available to the ACT outside of the National Partnership for activities already undertaken in 2017-18.
- There are a number of obligations and conditions under the *National Partnership on the Skilling Australians Fund* which states and territories need to meet to attract the funding, which will be the subject to further negotiations with the Commonwealth.
- The amount of funding that will be available in future years is reliant on the levy to be paid by employers that sponsor migrants under the new temporary skill shortage visa and certain permanent skilled visas.
- Commonwealth revenue forecasts for levy income have been proven to be optimistic, with a significant reduction in forecasted revenue between the 2017-18 and 2018-19 Federal Budgets. This creates an uncertain funding source for vocational education and training. The $50 million guaranteed funding base, announced in the 2018-19 Federal Budget, provides only some assurance to address this concern. However Commonwealth expectations regarding targets for increasing training outcomes are likely to be adjusted if there is a reduction in funding.
- Key industry stakeholders (Australian Chamber of Commerce and Industry, Australian Industry Group, Canberra Business Chamber) have welcomed the support for apprenticeships and traineeships to be provided through the Fund, but have raised concerns about the impost of the new levy on businesses employing skilled workers.
- While nationally the apprenticeship commencements have continued to decline, from 2015-15 to 2016-17, the ACT increased apprenticeship commencements by 47%.

Background Information – may not be suitable for public disclosure

Cleared as complete and accurate:	07/06/2018	
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Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref:

BUDGET ESTIMATES BRIEF

Portfolio Higher Education, Training & Research

ISSUE: AUSTRALIAN APPRENTICESHIPS

Talking points:

- Australian Apprenticeships (often referred to as apprenticeships and traineeships) combine practical work with structured learning and lead to a nationally recognised qualification. They can be full-time, part-time or school-based (ASBA) and can be undertaken by both new and existing workers.
- Australian Apprenticeships are available in over 500 occupations in an increasing range of industries. Qualifications range from Certificate II up to Advanced Diploma, from traditional trades to business and community services qualifications.
- Since 2015, the ACT has recorded the largest proportional increase in Australian Apprenticeship commencements in Australia, with commencements 47 per cent higher in 2017 than in 2015 (for the twelve month periods ending 30 June).
- This has been against a backdrop of declining commencements across Australia. There has been a steady decline in apprenticeship commencements nationally since 2012, when the Commonwealth Government withdrew a range of employer incentives for existing workers. This included a 49 per cent national decline in commencements from 2012 to 2016.
- Responding to the declining apprenticeship commencements, the ACT revised its approach to funding for training under the Australian Apprenticeships User Choice program, by significantly increasing subsidies in areas of identified skills needs.
- A range of supports are also provided to apprentices, including Skills Canberra Field Officers who visit apprentices and employers in their workplaces and on their worksites to provide support throughout their training contract.
- The ACT Quality Framework continues to underpin the delivery of government-subsidised training in the ACT, making sure our registered

training organisations provide the quality training that meets trainee and employer needs.

- The ACT committed $1 million over four years to increase female participation in traditionally male-dominated trades and help mature workers to up-skill or re-skill, and I launched the Women in Trades Grants Program earlier this year.

Key Information

- Administration and oversight of Australian Apprenticeships is shared between the Australian and State and Territory Governments. The Australian Government Department of Education and Training (DET) provides funding to support training, and develops policy and programmes to support Australian Apprenticeships, such as the Australian Apprenticeship Support Network (AASN). Three Apprenticeship Network providers (ANPs) are contracted by DET to service the ACT, which includes managing the training contract sign-up between employers and Australian Apprentices, the provision of mentoring and support services, and administration of employer incentives.
- As the State Training Authority (STA), Skills Canberra administers ACT and Australian Government funds for a variety of training initiatives, including Australian Apprenticeships. Skills Canberra is responsible for the approval and variation of training contracts for Australian Apprentices in the ACT. Skills Canberra is responsible for the legislative functions as outlined in *the Training and Tertiary Education Act 2003* (ACT) (the Act).
- By signing the National Partnership on the Skilling Australians Fund on 7 June 2018, announced initially in the 2017-18 Federal Budget, and revised through the 2018-19 Federal Budget, the ACT will attract additional funding to increase and support Australian Apprenticeship commencements in the ACT.
- There are a number of support mechanisms in place for Australian Apprentices in the ACT, including:
    - Skills Canberra Field Officer program
    - the ACT Wage Advice Service has been operational for the last three years, providing information to ACT Australian Apprentices, employers, RTOs and other stakeholders on wages, competency-based wage progression, release time for training and other entitlements under employment awards.
    - Additional support funding available to registered training organisations (RTOs) for Australian Apprentices who need extra assistance and support.
    - Providers for the Industry Specialist Mentoring for Australian Apprenticeships Programme (ISMAA) were announced by DET in March 2018. Six providers across five industry areas are contracted for service delivery in the ACT.

Background Information – may not be suitable for public disclosure

Nil.

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TRIM Ref:

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

Higher Education, Training & Research

ISSUE: Skilled Capital

Talking points:

- Skilled Capital offers an opportunity for the Canberra community to access quality training and fill critical skills needs areas across a range of industries such as community services, information technology, health and construction.
- Skilled Capital complements existing government-subsidised training options available through the Canberra Institute of Technology (CIT) and through the Australian Apprenticeships Program in the ACT.
- As at June 2018, there have been over 7,500 enrolments in Skilled Capital. The majority of enrolments have been in the areas of early childhood education and care, aged care, and hospitality.
- The program continues to adapt to the changing nature of the VET sector. For example, in August 2017, Skill Sets – shorter training products comprising one or more units of competency linked to a licensing requirement or an industry need – were offered under Skilled Capital for the first time, enabling government subsidised training outside of the traditional full qualification structure.
- Enrolments for the 2018 release opened on 21 February 2018. This release included 3,405 training places across 81 qualifications in areas of skills needs, including a strong focus on ICT to further support the Government's ambition to develop the cyber security industry in Canberra.

Key Information

- Only registered training organisations (RTOs) that hold an approved ACT Funding Agreement (ACTFA) are eligible to access Skilled Capital subsidies. Of the 106 eligible RTOs in the ACT, 50 are currently delivering Skilled Capital qualifications.
- The funding commitment that supports Skilled Capital was initially established for a three year period from 2015-2017 (with a total funding allocation of $21 million from the funds received by the ACT under the National Partnership Agreement on Skills Reform). The achievement of full reward funding under the Skills Reform National Partnership has allowed a further release of Skilled Capital training places in 2018

and 2019. The ACT Government is also exploring the possibility of future funding being supplemented through the Skilling Australians Fund (SAF).

Background Information – may not be suitable for public disclosure

- The design of Skilled Capital is underpinned by extensive research to ensure it supports training targeted to meet the needs of ACT industry, employers and students. The qualifications offered are informed by the ACT Skills Needs List. Typically, qualifications available through Skilled Capital range from Certificate III to Advanced Diploma, as well as a selection of Certificate II pathway qualifications. By targeting training to support areas of identified skills need, the ACT Government is supporting training in qualifications most likely to lead to improved employment outcomes.
- A comprehensive range of supports are available as part of the program to complement training, and ensure students can receive the support they need to complete the training that is right for them.
- Since the first release on 23 February 2015, subsequent releases of enrolment places occurred on 30 September 2015, 27 January 2016, 1 August 2016, 15 February 2017, 2 August 2017 and 21 February 2018.

BUDGET ESTIMATES BRIEF

Portfolio/s Higher Education, Training & Research

ISSUE: SUPPORT FOR WOMEN IN TRADES

Talking points:

- The ACT Labor election commitment allocated $1 million to Skills Canberra over four years, to assist women looking to take up a trade, and mature students looking to re-skill.
- Approximately $500,000 will be made available through 2018 ACT Women in Trades Grants Program on a competitive basis over three years to support a small number of highly targeted projects. Projects funded under the Grants Program will address the following:
    - Objective 1: Increase the take up of women in a male dominated trade;
    - Objective 2: Improve and expand employer-apprentice connections addressing barriers for employers and women to link and network; and
    - Objective 3: Contribute to the understanding of best practices for recruiting and retaining women in trades, and being able to promulgate findings more broadly.
- Seven applications were received for consideration and three were shortlisted. The successful projects will be announced shortly, enabling them to commence as scheduled from 1 July 2018.
- Sch 2 s2.2(a)(xvi) [redacted] With the ACT Government signing up to the National Partnership on the Skilling Australians Fund, there is potential for the funding available for this initiative to increase should the projects directly contribute to additional training outcomes.

Key Information

- The 2018 ACT Women in Trades Grants Program was launched on 29 March 2018 that sought applications from eligible organisations.
- An Evaluation Panel comprising of internal and external members is responsible for evaluating the applications against evaluation criteria set forth by the Women in Trades Grants Program.

Cleared as complete and accurate:	18/06/2018	
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Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref:

- Successful applicants are expected to commence implementations of projects from 1 July 2018. Final selections will be published on Skills Canberra website at the end of the evaluation process.

Background Information – may not be suitable for public disclosure

- This was an ACT Labor election commitment, for which funding was allocated in the 2017-18 budget.
- Applications were received from CIT (two applications received), the Master Builders Association of the ACT, UnionsACT, the Australian Training Company, the National Electrical and Communications Association, and the ACT Regional Building and Construction Industry Training Council. Summaries of the applications are on the website (http://www.cmd.act.gov.au/enterprise-canberra2/skillscanberra/2018-act-women-in-trades-grants-program).

BUDGET ESTIMATES BRIEF

Portfolio Higher Education, Training & Research

ISSUE: SUPPORT FOR MATURE WORKERS TO UP-SKILL AND RE-SKILL

Talking points:

- Last year, the Government allocated $1 million to boost the number of females in trades and upskill mature workers.
- I will be making an announcement shortly regarding a competitive grants program which is a key part of this initiative.
- Meanwhile, in response to this objective, Skills Canberra has made a number of program and policy adjustments within existing programs to improve access to upskilling opportunities for mature workers. This has included removing limits on the number of subsidised traineeships or apprenticeships a Canberran can access over their lifetime.
- The measures Skills Canberra has implemented to encourage the use of traineeships to upskill existing workers has resulted in significant increases in existing worker traineeships being undertaken.
- The ACT vocational education and training (VET) system already provides a wide range of upskilling and reskilling opportunities for mature workers seeking a new or a better job. For example:
    - government-subsidies for achieving qualifications and skill sets in areas of skills need in the ACT economy;
    - traineeships and apprenticeships which combine paid employment with study towards a nationally recognised qualification;
    - traineeship employment through a group training organisation; and
    - foundation skills development in reading, writing, numeracy and computer literacy.
- In addition, the 2018 ACT Adult Community Education (ACE) Grants program has funded a new project by the Council on the Ageing—called 'Mature in Canberra'—providing mentoring support and a job club for mature job seekers.

Key Information

- Last year the Government made available $1 million—an ACT Labor election commitment—to boost the number of females in trades and upskill mature workers.

Cleared as complete and accurate:	07/06/2018	
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Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref:

- While an announcement was made earlier this year for a program targeted to increase females in trades, specific funding from the budget commitment is yet to be allocated for upskilling mature workers. A number of options have been considered, including a grants program, case management services, and targeted support to individual cohorts such as Trashpak operators (noting this initiative is yet to be finalised).

Background Information – may not be suitable for public disclosure

- While government-subsidised upskilling and reskilling opportunities exist, many mature workers and job seekers continue to experience barriers to accessing these opportunities. These barriers include:
    - lack of knowledge of the options and services available;
    - difficulties with navigating the available options; and
    - difficulties finding an employer willing to take on a mature trade apprentice.

BUDGET ESTIMATES BRIEF

Higher Education, Training & Research

ISSUE: ACT GOVERNMENT SUPPORT FOR CIT

Talking points:

- The ACT Government continues to provide a minimum of 70 per cent of the total Annual Government funding for vocational education and training (VET) directly to the Canberra Institute of Technology (CIT). This aligns with the election commitment to guarantee CIT's place as the ACT's premier VET provider into the future.
- In addition to the direct budget allocation, CIT continues to access a significant level of contestable ACT VET funding through initiatives such as Australian Apprenticeships and Skilled Capital.
- Skills Canberra has worked closely with CIT over the period of the *Skills Reform National Partnership Agreement* and will continue to work closely with CIT to ensure the ACT Government is able to maximise funding opportunities that are available through the new *Skilling Australians Fund National Partnership Agreement* (SAF NP) which was signed on 7 June 2018.
- CIT has implemented a range of systems, tools and resources to improve the customer experience, funded through the Australian Apprenticeships project. The focus of these initiatives is to further support employers and apprentices/trainees, especially through the early stages of their Australian Apprenticeship.

Key Information

- CIT currently receives approximately $70 million annually, through a direct budget allocation from ACT Treasury, for the delivery of government subsidised training under its annual Statement of Intent.
- For 2017-18 to date, CIT has been allocated approximately 85 per cent of the total ACT VET Budget allocated for training purposes (including both contestable and non-contestable funding).
- There will be additional funding available under the new SAF NP, of around $5 million annually from 2018-19 to 2021-22, a significant proportion of which is likely to be delivered through CIT.

Cleared as complete and accurate:	07/06/2018	
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TRIM Ref:

- Skills Canberra provided over $8 million to CIT during the period of the (previous) Skills Reform NP to support reform activities and the implementation of the CIT Board's strategic directions; *CIT Strategic Compass 2020 – Evolving Together*

Background Information – may not be suitable for public disclosure

- The Australian Education Union (AEU) called on governments to guarantee a minimum of 70 per cent of government funding to TAFEs in all states and territories.
- Under the *National Partnership Agreement on Skills Reform*, the ACT Government introduced a governing board at CIT, which has been in place since 1 July 2015, to ensure it can better respond to changing circumstances in more competitive and contestable VET and higher education markets.
- It has been proposed that work for the SAF NP will include the development of a whole of government position on VET investment into the future, which will be key to maximising opportunities and VET outcomes for the public provision of VET in the ACT Region.
- CIT is expected to be a significant beneficiary of SAF funding as it attracts the majority of funding for Australians Apprenticeships training delivery.

BUDGET ESTIMATES BRIEF

Portfolio/s Workplace Safety & Industrial Relations

Higher Education, Training & Research

ISSUE: AUSTRALIAN APPRENTICE SAFETY

Talking points:

- There have been a number of concerns expressed regarding the workplace safety of Australian Apprentices.
- Safety requirements for Australian Apprentices (including Australian School-based Apprentices) are broadly the same as those for any employee at work. However, the supervision requirements for Australian Apprentices (regardless of their age) are intended to provide additional protection. These requirements are specified by WorkSafe ACT, and vary according to the year level of the Australian Apprentice.
- The ACT Government is committed to reducing the number of workplace injuries across all industries and age groups. A range of stakeholders have had input into the issue of safety of Australian Apprentices in the ACT, with WorkSafe ACT, Skills Canberra and others working cooperatively to reduce the incidence of Australian Apprentice injuries across the Territory.
- In response to the concerns about young people, Skills Canberra has introduced the following processes:
    - field officer visits for Australian School-based Apprentices have been brought forward from 'within the first year of their Australian Apprenticeship', to 'within two months of their training contract approval date,' and are prioritised over other visits; and
    - the *WorkSafe ACT Guidance Note* about the supervision of Australian Apprentices in the building and construction industry is now included with the *National Code of Good Practice for Australian Apprenticeships,* provided with training contract approval letters sent to employers and Australian Apprentices in the building and construction industry in response to the concerns of Australian Apprentices working in the construction industry.
- A Service Level Agreement (SLA) has been established between Skills Canberra and Access Canberra (WorkSafe ACT) for the ongoing provision

of data and information exchange relating to work health and safety matters.

- An inspector position at WorkSafe ACT has been established with a dedicated focus on workplaces of Australian Apprentices. An appointment to this position is expected shortly.
- Other key activities being led by other areas of government, supported by Skills Canberra, include WorkSafe ACT's Engagement, Education and Compliance Campaign and the establishment—at the request of the Minister for Workplace Safety and Industrial Relations—of the Apprentice and Young Workers Safety Advisory Committee

Key Information

- In late 2016 two serious incidents occurred involving Australian School-based Apprentices (ASBAs) employed in the construction industry. WorkSafe ACT are continuing investigations into these incidents.
- Skills Canberra emailed all organisations that employ an Australian Apprentice in the ACT construction industry on 24 January 2018, reminding them of their supervisory obligations and responsibilities. The email also included an electronic copy of the *WorkSafe ACT Guidance Note - supervision of apprentices.*
- WorkSafe ACT's Engagement, Education and Compliance Campaign, focuses on high risk industries, including electrical and construction industries. Part of this campaign is to enhance stakeholders' understanding of their roles and responsibilities with workplace health and safety. Information sessions are being coordinated between WorkSafe ACT and Skills Canberra with registered training organisations, their students and host employers expected to attend.
- An Apprentice and Young Workers Safety Advisory Committee was established on the request of Minister for Workplace Safety and Industrial Relations, to provide advice to the Work Safety Council on how best to ensure apprentices, trainees and young workers are working in safe environments and aware of their rights and responsibilities regarding workplace safety. Regular meetings commenced in November 2017, with Skills Canberra a key participant. The final meeting of this committee was held on Wednesday 15 May 2018, and a report will be provided to the Work Safety Council.
- Earlier this year, Skills Canberra convened the first of ongoing quarterly meetings with the Education Directorate, WorkSafe ACT, and Workplace Safety and Industrial Relations (CMTEDD) to discuss workplace safety issues and activity related to school students and young workers.

Background Information – may not be suitable for public disclosure

Cleared as complete and accurate:	07/06/2018	
Cleared by:	Director	Ext: 75564
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Lead Directorate:	Choose directorate:	

TRIM Ref:

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

Higher Education, Training & Research

ISSUE: VICE CHANCELLORS' FORUM

Talking points:

- The Vice Chancellors' Forum (VCs' Forum) is the key collaboration body between the ACT Government and the higher education, training and research sector to support growth and build Canberra's reputation for high quality education, research, innovation and employment outcomes.
- It is co-chaired by the Chief Minister and Minister for Higher Education, Training and Research, with membership representing the major ACT institutions (ANU, UC, UNSW Canberra, CIT, ACU, CSU and the ACT Education Directorate).
- The group aims to meet twice annually. It last met in May 2018, and prior to that in December 2017.
- A Working Group also meets intersessionally to progress key issues.

Key Information

- The Forum oversees implementation of the International Education Strategy *Canberra, Australia's Education Capital* and the Study Canberra work plan.
- There are no direct costs associated with the Forum or Working Group – secretariat support is provided by the Economic Development Division of the Chief Minister, Treasury and Economic Development Directorate.
- At its meeting on 29 May 2018, issues discussed included:
    - Measuring the economic contribution of tertiary education to the ACT
    - A shared approach to scenario planning and risk management across Canberra institutions (Canberra's share of the international student market)
    - A more integrated approach to promoting student safety between institutions and government agencies
    - The Study Canberra 2018-19 Work Plan
    - Coordinating offshore marketing and messaging for Canberra as a student destination

Cleared as complete and accurate:	07/06/2018
Cleared by:	Deputy Director-General Ext: 75564
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref:

Background Information – may not be suitable for public disclosure

- Issues discussed in December 2017 included promoting Canberra as a safe study destination, the ACT innovation ecosystem, updating sector quantification analysis, the Study Canberra 2017-18 Work Plan, Internships, and facilitating investment into key sectors/capability areas.

  The Forum will next meet in September or October 2018.

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

Higher Education, Training & Research

ISSUE: STUDY CANBERRA

Talking points:

- The Government committed $3 million over four years from 1 July 2017 for Study Canberra and its core role in implementing *Canberra: Australia's Education Capital* – the ACT international education strategy.
- Study Canberra works in partnership with universities, CIT and the Education Directorate to support the strong growth and development of the tertiary education sector.
- A range of initiatives and activities have been developed in destination marketing, enhancing the student experience, international engagement, partnerships and collaboration, and supporting reforms - overseen by the Vice-Chancellors' Forum.

Key Information

- Education is Canberra's largest export ($879 million in 2017). International enrolments have grown over 36 per cent from 2014 to number around 17,000 in 2017 (around 11 per cent growth per annum).
- In 2014, the economic contribution of the higher education and research sector to the ACT was over $2.7 billion and 16,000 jobs (Deloitte, 2015).
- Deloitte's preliminary estimates for 2017 are considerably larger at over $3.2 billion value added and over 19,000 FTE jobs.
- The Strategy seeks to build on our reputation for quality, world class research, innovation, employment outcomes, liveability and a great student experience to increase the sector's economic contribution.
- Initiatives developed to date include web and social channels, scholarships, welcome activities, guides, public events, a student ambassadors program, supporting overseas visits and market research.
- Initiatives planned for 2018-19 include: social media collaboration, tertiary open day facilitation, employability and post study work support, hosting visiting agents and influencers, accommodation planning/support, safety awareness and updated marketing collateral.

Cleared as complete and accurate:	07/06/2018
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Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref:

Background Information – may not be suitable for public disclosure

Student Ambassadors

- The 2018 Study Canberra Student Ambassador program includes 18 students from 12 countries, from diverse backgrounds, fields of study, and all major institutions representing universities, VET (CIT) and high school in the ACT.
- The Student Ambassadors tell their Canberra story and promote the many great aspects of living and studying in the ACT, and assist newly arrived students with information, referrals and advice – for example at events such as O-Weeks, a welcome desk at Canberra Airport, Tertiary Open Day, and Canberra Careers Xpo.
- The students are employed on Administrative Service Officer Class 2 contracts – currently (2017) $27.23 per hour plus 25 per cent casual loading.
- The cost of the student ambassadors program is around $20 000 per year in wages.
- This initiative has been a success story with support from institutions, the wider community and students – and has featured in *The Canberra Times*.

Scholarships Programs

- Study Canberra has developed joint scholarships programs with ANU and UC.
- Scholarship programs for 2018 are being run with ANU (for students from India and Indonesia), and University of Canberra (UC) for international ICT students.
- The scholarships provide $10,000 for up to 10 students per academic year, to assist with living costs. They are a key promotional tool for attracting the best and brightest students.
- The cost to Study Canberra for each program is $50,000 per financial year.
- Institutions provide matching funding, so the total pool in each case is $100,000.
- A scholarships program for international students undertaking higher degree research has been run with UNSW Canberra in previous years.

Other projects

- A high profile Chief/Minister's Student Welcome event, held annually in March.
- Conducting comprehensive research on perceptions, decision drivers, study experience, and alumni outcomes.
- A presence at events such as O Weeks, Careers Xpo and Tertiary Open Day.
- A welcome desk at Canberra Airport for new students at the start of Semesters.
- A web site and presence on social media channels (Facebook, Instagram).
- Marketing collateral such as the 'Top 10 Reasons to Study in Canberra' in 15 languages, and the Insiders Guide to Canberra.
- A fee waiver in Government Schools for the dependents of international research students.
- Engagement at national events such as the Council for International Students Australia conference, and the Australian International Education Conference.
- Collaboration with Brand Canberra, Visit Canberra and supporting inbound/outbound missions, the VCs Forum and Commonwealth-State Territories collaboration fora.
- Promoting and celebrating success in local media, and a quarterly stakeholder newsletter.

Cleared as complete and accurate: 07/06/2018
Cleared by: Deputy Director-General Ext: 75564
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TRIM Ref:

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

ISSUE: DATA61

Talking points:

- The ACT Government has been the most consistent state government supporter for Data61 and its predecessor NICTA. Since 2002 the ACT Government has invested $43 million in the organisation to build local digital capability, with the most recent $5 million-two year Agreement signed in 2016.
- Data61 makes a substantial contribution to Canberra's Information Technology innovation ecosystem, one of the most dynamic in Australia. Around 6 per cent of Canberrans are employed in computing services related-businesses, which is more than double that of any other state or territory.
    - There are 200 full time Data61 researchers in the ACT, that is, approximately 20 per cent of the total Data61 researchers across the country and the highest number of staff at Data61 outside of its Sydney lab.
    - Data61 is expected to spend more than $47 million in the ACT economy between September 2016 and end of June 2018, the period of operation of the latest Agreement, including $2.5 million on cyber-security.
    - Data61 has deep ties with the ANU, and supervises over 60 PhD Students in Canberra. This is around one quarter of the entire national cohort of Data61 scholarships.
- Data61 has engaged in a number of joint projects with ACT Government Directorates including: smart parking; child protection services data and analytics; analytics of education outcomes from public schools; diabetes consumer information; and analysing patient Emergency Department journeys to improve performance (National Emergency Access Target analytics).

Cleared as complete and accurate:	07/06/2018	
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TRIM Ref:

Key Information

- Data61-specific ACT Government funding will cease at the end June 2018. In the 2018-19 ACT Budget the ACT Government has committed $9.75 million base funding over three years to bring together sector development focused programs into a single program stream, the Priority Investment Program (PIP).
- Funding through PIP will be the appropriate avenue for any future funding agreement with Data61. Sch 2 s2.2(a)(xvi) [redacted] The intent of the PIP is to seed collaborative sector building projects with partner organisations – projects that are aligned to the identified priority sectors. It is anticipated that Canberra's universities and major research organisations will be the principal project proponents..
- Canberra's Data61 team leads Australia in:
  - Data Analytics –creating world class technologies including health data analytics and ethical machine learning.
  - Engineering and Design –building cutting edge software platforms and geospatial analytics.
  - Cyber Physical Systems – Computer Vision and Bionic Eye Research.

Background Information – may not be suitable for public disclosure

ACT Directorate Projects
Chief Minister, Treasury and Economic Development Directorate **Manuka smart parking data analysis to understand parking behaviours - Phase 2** In this follow-up project, further analysis will be undertaken of the causes of parking events to support government policymaking. This includes increasing the prediction resolution of parking lot occupancy rate from 1 hour to 20 minutes; extending the prediction period from 1 hour to 24 hours; and incorporating parking payment data into the model.
Community Services Directorate **Child Protection services data visualisation and analytics** This project aims to build an evidence based understanding of vulnerability in the Canberra community. The project aims to identify predictive indicators for vulnerability (e.g. through aggregated data), through data visualisation techniques, with the view to improving service planning and therefore outcomes for children.
Education Directorate **Analytics of education outcomes from public schools** Education Directorate has developed a measurement indicator to measure levels of inequity in the ACT school system. Data61 and Education Directorate are jointly analysing methods based on predictive measures of inequity of opportunity, and also measures based on matching and counterfactual analysis (data-permitting). Data61 is currently in the process of obtaining ethics approval for analysing this data, as

it is personal in nature. Education Directorate has indicated it is happy for this engagement to continue into the medium/long term, but we would like some concrete outputs by the end of the financial year.

Health Directorate
Diabetes Consumer Information Project
A school has responsibility for managing issues experienced by students with diabetes. This project aims to support a diabetic child's care team of nurses, doctors, dieticians, and social workers in filling out an electronic form to communicate a diabetes plan. Data61 is developing a prototype consumer-friendly online diabetes form to communicate a given child's diabetes plan to a teacher. During May - June 2018 the prototype form will be trialled with parents, health care workers and diabetes specialists.

Health Directorate (National Emergency Access Target analytics)
Analysing patient Emergency Department journeys to improve access performance and decision making
Analysis of patient Emergency Department journeys will be undertaken to provide evidence to support operational decision-making and data driven improvement of hospital access performance. The resulting evidence base can be used by Canberra Hospital & Health Service to better target efforts to improve patient flow and reduce delays in the delivery of health services.

Environment, Planning and Sustainable Development Directorate
Solar Battery Storage - Data visualisation and analytics.

Community Services Directorate
Feasibility Study – Scope secure data sharing and analytics across ACT agencies & ACT Policing
Potential project if new collaboration agreement is successful.

BUDGET ESTIMATES BRIEF

Portfolio: Higher Education, Training & Research

ISSUE: SUPPORTING IMPROVED INDIGENOUS EDUCATION AND EMPLOYMENT OUTCOMES

Talking points:

- The 2017 Government Funded Student Outcome Survey by National Centre for Vocational Education Research (NCVER) shows that 91% of the ACT Aboriginal and Torres Strait Islander respondents were employed after completing their course which is higher than the national figure of 67% in 2017.
- In response to a question on 'Overall satisfaction with quality of training', 89% of the ACT Aboriginal and Torres Strait Islander respondents expressed satisfaction with the quality of training in 2017 which is similar to the national figure of 91%.[1]

Australian Apprenticeships

- Australian Apprenticeships support improved Aboriginal and Torre Strait Islander education and employment outcomes because they combine paid employment with subsidised training towards a nationally recognised qualification.
- Aboriginal and Torres Strait Islanders make up approximately 4.6% of all apprentices and trainees. For employed Canberrans, a higher proportion of Aboriginal and Torres Strait Islanders are employed as apprentices and trainees, compared to non-indigenous Canberrans.
- For the twelve month period ending to 30 May 2018, almost $125k in User Choice payments were made to support the training of the 205 Aboriginal and Torres Strait Islanders who commenced an Australian Apprenticeship in that period.

Skilled Capital

[1] Source: NCVER Government-funded Student Outcomes 2008-2017, accessed on 13/06/2018.

Cleared as complete and accurate: 08/06/2018
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Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref:

- Skilled Capital has provided substantial support for Aboriginal and Torres Strait Islander people who live and/or work in the ACT to access training in areas of skills need in the economy.
- Since the commencement of the Skilled Capital program in 2015, almost $400k worth of payments have been made to support the training for 168 Aboriginal and Torres Strait adults. Aboriginal and Torres Strait Islanders make up approximately 2.4% of Skilled Capital enrolments.

Adult and Community Education (ACE) Grants program

- In 2018, the ACE Grants program provided $19,813 for 'Presenting Elders: Media production and presentation skills for Aboriginal and Torres Strait Islander Elders', a project delivered by PhotoAccess in partnership with CIT.

Key Information

- 20 Aboriginal and Torres Strait Islander Australian School-based Apprentices (ASBAs) have been funded in 2017-18.
- From 1 June 2017 to 30 May 2018, 42 Aboriginal and Torres Strait Islander people have accessed $82,000 in funding through Skilled Capital for qualifications and skills sets ranging from Certificate II to Diploma level across the Business, Community Services, Construction, ICT, Hospitality and Security sectors.
- The Education Directorate and Skills Canberra have worked collaboratively to develop an expanded ASBA Initiative that will provide opportunities for young people to gain industry experience whilst still attending secondary school. This initiative includes 10 fully subsidised positions for Aboriginal and Torres Strait Islanders students to undertake an ASBA through work at an ACT Public School and an additional 5 places that have a 50% wage subsidy for ASBAs working within ACT Government Directorates.
- An Aboriginal and Torres Strait Islander Employment Pathway Program has also been developed by CMTEDD Corporate with the support of Skills Canberra This 12 week employment pathway program will provide an opportunity for up to 12 Aboriginal and Torres Strait Islander jobseekers to undertake a mix of accredited and non-accredited training, along with paid work placements with Venues Canberra.
- Opportunities for Pre-employment initiatives for Aboriginal and Torres Strait Islander youth at risk and adult jobseekers under the Skilling Australians Fund are also currently being explored through collaborative efforts of Skills Canberra, CMTEDD Corporate, CIT, ACT Education Directorate and Australian Government Department of Small Business.

Background Information – may not be suitable for public disclosure

Cleared as complete and accurate:	08/06/2018
Cleared by:	Deputy Director-General Ext: 75564
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Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref:

- User Choice funding covers a substantial subsidy to cover the base cost of Australian Apprenticeship training, an extra loading of $500 for Aboriginal and Torres Strait Islander trainees/apprentices, additional learning support (up to $1000 for trainees and $3000 for apprentices) and a completion bonus.
- User Choice funding can be accessed by working-age (15-64 years) Aboriginal and Torres Strait Islander people who live and/or work in the ACT.
- 86 Aboriginal and Torres Strait Islander workers have been employed in the ACT Public Service via an apprenticeship or traineeship since 1 May 2015. Of these 23 were ASBAs. The majority of ASBAs (i.e. 15/23) were employed in the Education Directorate.
- Skilled Capital funding covers a substantial subsidy to cover the base cost of the qualification, an extra loading of $500 for Aboriginal and Torres Strait Islander students, additional learning support (such as mentoring), foundation skills development, and a completion bonus.

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

Economic Development

ISSUE: ACCOUNTABILITY INDICATORS – OUTPUT 3.6 HIGHER EDUCATION, TRAINING AND RESEARCH

Talking points:

- 2018-19 Accountability Indicators for Output 3.6 track Government programs to support the higher education, training and research sector. There are 13 separate indicators within this Output.
- This sector plays an integral role in Canberra's economy and our identity as a knowledge city, so the sector's growth and development is a vital part of the Government's economic diversification strategy.
- This comprises indicators which track our work with the sector to promote Canberra as Australia's education capital, indicators which support vocational education and training in the ACT, and indicators which track delivery of the Skilled Migration Program.
- From 2018-19 two indicators relating to key sector capability building have been transferred and revised from Output 3.6 into Output 3.1 Innovation, Trade and Investment to reflect the economic development priority of these programs. One indicator measuring participation in the skilled migration settlement support program has been discontinued, and replaced with an indicator tracking processing times of skilled migration applications.

Key Information

- Measure (a) *Deliver the ACT International Education Strategy* contains two indicators for 2018-19 tracking delivery of the Study Canberra program and delivery of the Student Ambassadors program. The Strategy supports our reputation for quality, world class research, innovation, employment outcomes, liveability and a great student experience to increase the sector's economic contribution, Study Canberra initiatives include web and social channels, scholarships, welcome activities, student guides, public events, the Student Ambassadors program, supporting overseas visits and market research. Student Ambassadors tell their Canberra story and promote the many great aspects of living and studying in the ACT, and assist newly arrived students with information, referrals and advice – for example at events such as Orientation Weeks, a welcome desk at Canberra Airport, Tertiary Open Day, and Canberra Careers Xpo.

Cleared as complete and accurate:	07/06/2018
Cleared by:	Deputy Director-General Ext: 75564
Contact Officer Name:	Sch 2 s2.2(a)(ii) [redacted]
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref:

- One indicator previously reported in Output 3.6 relating to the delivery of the ACT Vice Chancellors' Forum has been transferred to Output 3.1 Innovation, Trade and Investment from 2018-19. The transfer to Output 3.1 links the Vice Chancellors' Forum with overall economic development activity in conjunction with other key sector capability accountability indicators. The Vice Chancellors' Forum is a key mechanism for the government and universities to collaborate in developing a knowledge-economy in the ACT. The Vice Chancellors' Forum is Chaired by the Chief Minister, and the Minister for Higher Education, Training and Research is Co-Chair and Acting Chair if the Chief Minister is absent.
- Measure (b) *Higher Education, Training and Research sector capability building in key (identified) sectors* has been transferred to Output 3.1 Innovation, Trade and Investment from 2018-19. This measure relates to the delivery of the Key Capability Fund, but has been expanded from 2018-19 to support overall economic development activity and to link this activity with the sector development indicators comprising Output 3.1 (defence industry advocacy; the Vice Chancellor's Forum; cyber industry development; space industry development; and screen industry development).
- Measure (c) *Participation in vocational education and training (VET)* tracks student participation in government-funded Vocational Education and Training, in terms of all students' participation and participation by students which identify as Aboriginal and Torres Strait Islander. The participation rate for Aboriginal and Torres Strait Islander students is usually much higher than that of the general population. Student participation data is based on academic (calendar) years rather than financial years, and as such the results reported at 30 June 2018 reflect the 2017 academic year rather than through to June 2018. Establishing forward targets for this measure is based on using quarterly data combined with historical enrolment trends to estimate the full year outcome.
- Measure (d) *VET graduate outcomes after training* tracks the percentage of graduates with improved employment circumstances in the ACT, as defined by the state/territory of funding by year, in the National Centre for Vocational Education Research (NCVER) Student Outcomes Survey. Improved employment status after training is defined as: employment status changing from not employed before training to employed after training; OR employed at a higher skill level after training; OR received a job-related benefit. If a graduate indicates they are both employed after training AND in further study, they are only counted once.
- Measure (e) *Total number of students undertaking vocational education and training (VET) qualifications* comprises three separate indicators which track the number of students (all students; students who identify as Aboriginal and Torres Strait Islander; and students who identify as having a disability) undertaking government-funded Vocational Education and Training in the ACT. The higher than targeted 2017-18 Estimated Outcomes reflect that results fluctuate based on student enrolments. The number of students is the number of unique individuals undertaking VET training in a

given academic (calendar) year. This is not the same as the number of VET enrolments. VET spans a wide range of learning engagements from full time programs across multiple years, short 'skill set' programs, to single subject enrolments. Student participation can also be wide ranging, with some students receiving training from multiple training organisations within the same year. If a student has enrolled with more than one training provider during a collection period, it is possible for a student to be counted more than once in the number of enrolments. As with measure (c) the results reported at 30 June 2018 reflect the 2017 academic year rather than through to June 2018. Establishing forward targets for this measure is based on using quarterly data combined with historical enrolment trends to estimate the full year outcome.

- Measure (f) *Skilled Migration Attraction and Facilitation* comprises four separate indicators. Targets relating to Employer Sponsored and Skilled Independent nominations are based on achievement levels in past reporting periods, within the parameters set by the Australian Government (Department of Home Affairs). Variances against these targets reflect that results fluctuate based on awareness and interest in migration to Canberra. In addition, change implemented by Home Affairs during the 2017-18 period has seen an increase in demand by employers wanting to nominate workers for Employer Sponsored nominations. These changes have also seen an increase in demand from Canberra residents seeking ACT Skilled Independent nomination.

  One indicator within this measure has been discontinued and replaced with an alternative indicator. *Participation in settlement support program for ACT nominated migrants* has been discontinued, as there is no obligation or requirement for ACT nominated overseas migrants to engage in the initial settlement meeting that we offer and we have no control over its take-up rate. The service is primarily a courtesy which the ACT Government offers overseas migrants to assist them to better settle in Canberra. As the Skilled Migration Program has been operating for many years now, anecdotally more and more migrants who come to Canberra have family or friends living here, and therefore tend to not require settlement support. The replacement indicator *Average processing time for applications across all skilled migration program streams* is a much better reflection of performance, tracking the average time taken to process applications across the various streams of the Skilled Migration program, with a target of 45 business days.

Background Information – may not be suitable for public disclosure

- Innovate Canberra has responsibility for Output 3.6 Higher Education, Training and Research and Output 3.1 Innovation, Trade and Investment. Output 3.6 comprises 13 separate indicators and Output 3.1 comprises ten separate indicators.

  Two indicators from Output 3.6 were transferred to Output 3.1 from 2018-19 – ACT Vice Chancellors' Forum meetings; and Key Capability Area Fund. Both of these measures have been transferred to Output 3.1 to reflect to reflect the economic development priority of these programs.

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

Economic Development

ISSUE: PRIORITY INVESTMENT PROGRAM

Talking points:

- A strong, sustainable and diversified economy is essential to meet the needs of the Canberra community now and into the future. In particular, the education and research sector, and the sector specialisations and growth building assets within it, are seen as the primary driver of long term wealth creation and jobs in Canberra.
- In the 2018-19 Budget, the ACT Government has committed $9.75 million base funding over three years to bring together sector development focused programs into a single program stream that has been rebranded as the Priority Investment Program.
- This new fund strongly supports the ACT Government's commitment to Key Capability Areas and focused sector development by co-investing in stimulus and innovation infrastructure projects across identified key sectors.

Key Information

- Funding through PIP will be the appropriation avenue for any future funding agreement with Data61. Sch 2 s2.2(a)(xvi) [redacted]
- The intent of the PIP is to seed collaborative sector building projects with partner organisations – projects that are aligned to the identified priority sectors. It is anticipated that Canberra's universities and major research organisations will be the principal project proponents.
- Specifically the projects will:
    - clearly identify how they will catalyse the development of the priority sectors;
    - develop national and international competitiveness in the identified priority sectors;
    - contribute towards attracting and facilitating high quality investment to Canberra;

Cleared as complete and accurate:	07/06/2018	
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TRIM Ref:

- promote collaboration between government, industry and Canberra's higher education and research institutions;
- leverage co-investment of ACT Government funding; and
- demonstrate clearly defined and measurable outcomes.

- In each case, any government funding will need to be matched or bettered by non-Government contributed funding and resources. All applications for funding will be assessed by an independent assessment panel consisting of ACT Government officials and leading innovation and industry experts.

Background Information – may not be suitable for public disclosure

- The aim of the Key Capability Area funding program was to support the higher education and research institutions' goal of developing the KCAs identified in *Confident & Business Ready: Building on Our Strengths* which offer enormous potential to increase the contribution of the sector to Canberra's economy and to position Canberra as Australia's higher education and research capital.
- While the development of the KCAs is the responsibility of the institutions and their industry partners, the KCA funding program provided an opportunity for the ACT Government to influence and accelerate the development of the KCAs in ways consistent with the Government's diversification and growth objectives.
- $750,000 was provided in both the 2016-17 and 2017-18 Budgets to support projects that make a major contribution to the development of Key Capability Areas.
- Following a competitive application process funding was allocated to the following projects:

<u>2016-17 (funding announced November 2016)</u>

- *UNSW Canberra's Space Mission Design Facility* was awarded $375,000. Now known as the Australian National Concurrent Design Facility (ANCDF), the ACT Government's KCA funding helped to establish the facility which houses a specialised suite of design software tools and IT infrastructure to bring together industry, agencies and the research sector to rapidly determine the technical and economic viability of proposed space missions. The facility is the first of its kind in Australia. Combined with the Advanced Instrumentation Technology Centre at Mount Stromlo, the ACT now has the capability for the design, assembly and testing of spacecraft and components for future space missions. In May 2018 UNSW Canberra signed an agreement with the French Space Agency (CNES) to conduct a breakthrough study on satellite design at the Australian National Concurrent Design Facility.
- *UNSW Canberra/ANU Space-Based Quantum Communications Project* was awarded $375,000 to a consortium comprising QuintessenceLabs, Liquid Instruments, ANU and UNSW Canberra. The funding brings together Canberra research teams with industry partners to deliver secure satellite communication technologies for use by government and industry. The project has already established the ACT as a lead region in the rapidly growing field of global secure space communications, and has generated interest from US Air Force Research Laboratories.

2017-18 (funding announced May 2018)

- *ANU – Enabling Industry Access to Australian National Space Test Facilities* was awarded $250,000 funding support. The ANU sought co-funding from the ACT Government for a project to provide industry access to the National Space Test Facility, which comprises state of the art infrastructure to serve national needs and currently operates as a pay per use facility. Start-ups, SMEs and university research groups have expressed strong interest in using the facility only to find the cost prohibitive. This support will showcase the potential of this ACT based facility to grow the nation's space industry and solidify a case for federal funding as a national facility for industry and the research communities from 2019-20 onwards.
- *ANU – ACT Centre for Entrepreneurial Agri-technology* was awarded $500,000 funding support. The anticipated benefit to Canberra is the creation of a unique Agri-tech and Environmental Sciences hub that is one of a kind in the Asia-Pacific region. Such a hub will drive Territory, regional, national and international industry innovation, competiveness and productivity in agriculture. It will also provide benefit to the local economy through job creation, attraction of high quality investment from national and international companies as well as high quality researchers, academics and students.

- Data61 (formerly NICTA) has been a cornerstone of the ICT industry development strategy supported by the ACT Government. Sch 2 s2.2(a)(xvi) [redacted].
- Data61 has engaged in a number of joint projects with ACT Government Directorates including: smart parking; child protection services data and analytics; analytics of education outcomes from public schools; diabetes consumer information; and analysing patient Emergency Department journeys to improve performance (National Emergency Access Target analytics). Detailed information is contained in the separate Data61 Estimates brief.

Cleared as complete and accurate:	07/06/2018	
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TRIM Ref:

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

Higher Education, Training & Research

ISSUE: ACT SKILLED MIGRATION PROGRAM

Talking points:

- The ACT Skilled Migration Program is a significant contributor to the ACT's population growth and the economy. In the last three years 2,079 Skilled Nominated and 1,489 Employer Nominated migrants and their families settled permanently in Canberra.
- As well as bringing essential skills in demand into the Territory, there is a potential economic benefit of $249 million in nominated settlement assets being transferred into the ACT (as declared by the ACT nominated applicants).
- The ACT Skilled Migration Program operates within the policy framework set by the Australian Government. The Territory Migration Agreement between the Australian Government and the ACT Government provides short term flexibility to address skills shortages and labour market needs through the following visa pathways:
    - **Skilled Nominated 190 migration**: the ACT nominates migrants, with skills that are identified as in demand in the Territory, to migrate and work in Canberra.
    - **Employer Nomination**: the ACT supports employers that are unable to fill a skilled vacancy from the local labour market and wish to nominate overseas skilled workers for permanent residency. As a Commonwealth-approved Regional Certifying Body, the ACT Government provides advice to the Department of Home Affairs about employer nominations validating specific migration requirements, including genuine need, labour market and employment conditions.

Key Information

- Under the terms of the Territory Migration Agreement the 2017-18 ACT target for Skilled Nominated subclass 190 nominations is set at 750. However in 2017-18 period the demand has increased sharply with over 1,250 applications either approved or pending in the system.

Cleared as complete and accurate:	07/06/2018	
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TRIM Ref:

- The Regional Sponsored Migration Scheme is a demand driven program by employers. Nominations have also increased in 2017-18 with over 650 applications received, versus a 2017-18 accountability indicator target of 350.
- One of the reasons for the increased demand is recent policy changes by the Department of Home Affairs restricting eligibility criteria for permanent visa pathways for temporary residents and international students.
- The reduction in access to permanent visa pathways is placing increasing pressure on the ACT Skilled Migration program, and consideration is currently being given to revising our management of the Skilled Nominated program stream.
- The levy costs associated with the Skilling Australians Fund are also expected to reduce demand for employer nominated permanent visas. For example, ACT Health was facing a $5,000 levy per nomination, however has implemented a policy to cease nominating staff and direct them to apply under the Skilled Nominated 190 stream.

Background Information – may not be suitable for public disclosure

- More than 1,250 applications for Skilled Nominated 190 migration have been received in the 2017-18 period. On request, the 2017-18 allocation by the Department of Home Affairs was increased to 900, however there remains approximately 350 applications in the system which will need to be continued into the 2018-19 program year.
- In addition, the pressure on the Skilled Nominated 190 stream is expected to increase in 2018-19. There are well over 17,000 international students and temporary residents living in Canberra. Anecdotal advice from agents indicates more than 900 interstate students have moved to Canberra since July 2017 to access the Skilled Nominated 190 pathway.
- The sharp increase in the number of applications received in the 2017-18 period led to the closure the ACT Skilled Migration Program to overseas applicants in August 2017, six weeks after reopening (the program remained open to Canberra residents and close family members). The resulting backlog of applications also led to long processing times.
- As a result of the increasing demand, two migration agents lodged complaints in 2017 about the abrupt program closure and delays in processing times. The Chief Minister was briefed regarding both complaints and the Directorate met with the agents to address their concerns.
- Options are currently being developed for a revised process for Skilled Nominated program stream that will more effectively manage the number of applications lodged and the associated processing times, and allow the ACT to select and invite the most qualified, skilled applicants who are most aligned to our skills needs. These options are expected to go to cabinet for consideration in June or July 2018.

BUDGET ESTIMATES BRIEF

Higher Education, Training & Research

ISSUE: CIT GOVERNANCE REVIEW

Talking points:

- The CIT Board has been operating for nearly three years and during this time has made a significant strategic impact on CIT.
- Key achievements include releasing and implementing the Strategic Compass 2020, endorsing a Board charter, recruiting a CEO, progressing the campus modernisation strategy, defining CIT business development priorities, locally, nationally and internationally, establishing an Audit, Risk and Finance Committee and a Business Development and Cultural Change Subcommittee and approving collaborative projects for working with CIT Solutions.
- The ACT reviewed the new governance arrangements in 2016-17. The outcomes of the review were very positive in relation to the operation of the CIT Board, and the achievements of the CIT Board since its establishment.
- There were three broad areas identified for potential improvement in the report, which related to: Board Membership, a Skills Matrix for the Board as a whole and for each of the Board's sub-committees, and more formal interaction between CIT and ACT Government.
- Many of the matters raised relate to internal processes within CIT, and were already the subject of activity being undertaken.
- Matters relating to Board membership are currently under consideration by the Government.

Key Information

- The CIT Board was established in 2015, replacing the CIT Advisory Council with the intent of bringing private sector expertise and a stronger commercial focus to its direction setting and decision making.
- The establishment of the CIT Board identified the need to enable CIT to meet its twin objectives of '*operating as a public provider of vocational education and training and operating with a greater commercial and entrepreneurial focus in an increasingly contestable training marketplace*'.

Background Information – may not be suitable for public disclosure

Cleared as complete and accurate:	12/06/2018	
Cleared by:	Deputy Director-General	Ext: 75564
Contact Officer Name:	David Miller	Ext: x74791
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref:

- During the consultations undertaken by Derwent Executive, the consultants engaged to undertake the review, there was broad agreement that 'representative' member appointments (student, staff and ACT Government Directors-General) were no longer critical, as the Board had settled and evolved as a strategic decision making entity. It was identified that the Board may be better informed through alternate means (e.g. regular attendance of ACT Government, staff and student representatives at Board meetings to help dialogue and information sharing).
- The review recommends the development and use of skills matrices to recruit new Members, develop the skills of existing Members, and to ensure the duty of individual Board Members can be met and performed to a sufficient standard.
- The review also identified that developing more formal interaction between CIT and ACT Government would support improved policy and decision making, and facilitate CIT's strategic vision. Decision making responsibility around policy setting for VET in the ACT and the flow-on decision making attached to funding, also needs to be more clearly articulated, and the scope and consultation around decision making for critical areas (such as property and funding) understood and agreed.

BUDGET ESTIMATES BRIEF

Higher Education, Training & Research

ISSUE: CIT Campus Modernisation

Talking points:

- The ACT Government aims to ensure that CIT is a modern, innovative and dynamic Institute that will be able to respond to the changing needs of the community and the business sector; and easily adapt to changing teaching techniques, new technologies and new courses.
- The 2018-19 Budget allocated $1 million to allow CIT to undertake planning, concept design and to investigate options for the Reid campus.
- The budget allocation will support planning and concept design for a state of the art, multi-level training facility designed to respond to the needs of contemporary adult learning and industry expectations.
- CIT is committed to investing in upgrading and updating its physical footprint to provide better training opportunities for industry, business and community and attract and retain talented people for an energetic, innovative workplace.
- The single, multi-story campus envisioned for CIT Reid would incorporate new, flexible teaching and learning technologies and encourage academic collaboration. It would ensure CIT could respond swiftly to changes to teaching and learning methods, new technologies and demand for new training programs.
- Significantly reducing CIT Reid's footprint would also open the way for the ACT Government to realise its vision for the University of NSW to establish a campus in the city east education precinct. CIT is working closely with the University and representatives of CMTEDD on sharing campus facilities, academic collaboration and service delivery partnerships.
- The redevelopment of the Reid campus is in line with CIT's long term plan to progressively upgrade its campuses, reduce its environmental footprint and ensure it is not weighed down with the costs of maintaining an asset base that it no longer needs for the effective delivery of quality teaching and learning.

Cleared as complete and accurate: 07/06/2018
Cleared by: Deputy Director-General Ext: 75564
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref:

- Benefits of redeveloping the CIT Reid campus includes:
    - allowing CIT to establish a modern student-centric campus and a collaborative environment with functional and stimulating teaching spaces that support innovative teaching practices;
    - creation of new flexible teaching spaces that will allow CIT to easily adapt to changing teaching techniques, new technologies and accommodate new courses; and
    - significantly reducing the footprint of the current CIT Reid campus which could facilitate UNSW to establish a university campus in the city east education precinct alongside the CIT Reid campus.

Key Information

- Community consultation will occur prior to any redevelopment or disposal of surplus properties as community interest is anticipated.
- The current spread of course delivery across many campuses is impacting on CIT's operational and financial efficiency and its ability to attract and retain students.
- Campus modernisation seeks to address this by consolidating activities, reducing the build footprint and expanding campus opportunities which should improve operational efficiency and financial sustainability by reducing recurrent operational and maintenance costs.

Background Information – may not be suitable for public disclosure

- Campus Modernisation is CIT's approach to creating modern learning spaces and facilities to meet the needs of contemporary learners and the community. Campus Modernisation will result in:
    - ensuring that changing delivery styles, technological advances and industry/community integration concepts are maximised;
    - modern learning spaces and facilities specifically designed to meet the needs of contemporary learners and the broader community;
    - creating centres of excellence and investing in digital infrastructure;
    - improved financial sustainability for CIT through reducing recurrent operational and maintenance costs; and
    - financial return to the ACT Government from the sale of surplus properties.
- The ACT Goverment has appointed a CIT Campus Modernisation Sub-committee to commence planning and provide technical advice.
- Membership of the subcommittee include the Under Treasurer, a delegate of the Director-General, Environment, Planning and Sustainable Development Directorate (EPSDD), the CIT Board Chair and CIT CEO. The sub-committee reports to the CIT Board.

Cleared as complete and accurate:	07/06/2018
Cleared by:	Deputy Director-General Ext: 75564
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref:

BUDGET ESTIMATES BRIEF

Higher Education, Training & Research

ISSUE: FUTURE OF THE CIT WODEN CAMPUS

Talking points:

- The Woden CIT campus buildings are no longer fit for purpose and do not meet the needs of an educational facility. CIT relocated the majority of courses from the Woden campus during 2015 and 2016 and the majority of the buildings remain vacant.
- CIT is embarking on a strategy to centralise its facilities and reduce its high maintainence costs. Work is underway to relocate the Music Program from the Woden campus to the Reid campus. This will be the last CIT Department to be relocated from the Woden Campus.
- Despite CIT no longer having a formal teaching presence at Woden, CIT students will continue to be trained at multiple workplaces throughout the Woden Valley, particularly at the Canberra Hospital.
- The ACT Government has no current plans for the reuse of the site. EPSDD will undertake initial site investigations and will engage the community regarding the future use of the site.

Key Information

- The ACT Government continues to invest heavily in the Woden Valley with major upgrades to the Canberra Hospital and a commitment to extending the light rail to the Woden Town Centre.
- The existing tenants will continue to occupy the buildings in the short term.

Background Information – may not be suitable for public disclosure

- Development of CIT Tuggeranong prompted significant community discussion around the future of the Woden Campus. Courses previously offered at Woden were moved to Reid, Bruce, Tuggeranong and Fyshwick.
- Modern, quality learning spaces and facilities were established at CIT Reid and CIT Bruce for some program areas that were moved from CIT Woden in 2016.

Cleared as complete and accurate:	07/06/2018
Cleared by:	Deputy Director-General Ext: 75564
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref:

- These new facilities includes a state of the art nursing facility and new aged care and disability training environments that replicate real work settings at CIT Bruce, upgrades made possible with a $1.8 million funding boost from the ACT Budget 2015-16.
- The CIT Media, Music and Sound Department delivers four qualifications at the Woden campus aimed at music performance and sound production.
- Sound and music facilities at the CIT Woden campus include a performance venue, recording studios and an audio lab.

BUDGET ESTIMATES BRIEF

Higher Education, Training & Research

ISSUE: CIT Governing Board – operation

Talking points:

- The CIT Board currently has nine members who, with the exception of the CEO, are appointed by the Minister. Members have significant knowledge and expertise in areas including industry, business, higher education, social policy, governance and the law.
- A key Board achievement in 2017 was the significant progress made under the Strategic Compass 2020 – Evolving Together and the Government approval on the Campus Modernisation Strategy. The Board has provided strategic direction in driving a strong business performance culture and the role CIT needs to play in the broader economic and social drivers in the ACT.

  In 2017 Board members participated in a governance review of the Board led by ACT Government.

Key Information

- The Board has been working effectively both within CIT and with the ACT Government in preparing for the future.
- The Board has been driving a new strategic direction for CIT including the Strategic Compass nine projects. Under the Evolving Together project CIT is expecting to achieve significant changes to its business operations and culture which support CIT to expand its market share in a competitive VET sector. The Board will continue to guide the implementation of the Campus Modernisation Strategy now that it has been approved by ACT Government in May 2018.

Background Information – may not be suitable for public disclosure

- The CIT Board has been operating for nearly three years and during this time has made a significant strategic impact on CIT in releasing and implementing the Strategic Compass 2020, endorsing a Board charter, recruiting a CEO, progressing the campus modernisation strategy, defining CIT business development priorities, locally, nationally and internationally, establishing an Audit, Risk and Finance Committee and a Business Development and Cultural Change Subcommittee and approving collaborative projects for working with CIT Solutions.
- To support the CIT Board to achieve the vision outlined in the Strategic Compass 2020, CIT has received National Partnership on Skills Reform funding of $8m to deliver nine projects.

Cleared as complete and accurate:	01/06/2018	
Cleared by:	CEO	Ext:
Contact Officer Name:	Leanne Cover	Ext: 73107
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref:

- The CIT Board has been communicating these projects and the new direction of CIT to both internal and external stakeholders and in some cases the projects are well advanced. These projects have seen an increase in the level of community expectation placed on CIT.
- Current Membership of the Board is:
    - Craig Sloan (Chair)
    - Michelle Melbourne (Deputy Chair)
    - Peter McGrath
    - Raymond Garrand
    - Anita Wesney (Staff Member)
    - Brendan Moore (Student Member) Kareena Arthy – DDG Enterprise Canberra
    - Natalie Howson - DG Education Directorate
    - Leanne Cover (CIT CEO)
- The Board has scheduled meetings 5 times per year and also conducts business out of session when required. Following Board meetings, the Chair generally meets with the Minister to discuss any relevant matters.
- The Board establishes subcommittees when required. There are currently two subcommittees; Audit, Risk and Finance Subcommittee and the Campus Modernisation Subcommittee, with members appointed by the Minister.

BUDGET ESTIMATES BRIEF

Portfolio/s Higher Education, Training & Research

ISSUE: STATEMENT OF INTENT – ACCOUNTABILITY INDICATORS

Talking points:

- CIT will be delivering 3.23 million Nominal Hours of Profile training to students in the 2018 calendar year.
- CIT is growing its offerings in the new markets of renewable energy, cyber security, data analytics and digital forensics; and in the existing markets of health care (aged care) and early childhood education.
- CIT is continuing its development along the new direction set by the CIT Board, through the CIT Strategic Compass 2020 – Evolving Together
- CIT is dedicated to providing a quality training experience as the ACT public provider of vocational education and training.

Key Information

- CIT's accountability indicators in the budget papers for Nominal Hours, Program Enrolments and Program Completions at 31 December 2017 were lower than target due to significant loss of market share in 2016. The 2017 performance is nevertheless a material increase on the 2016 lows as CIT responded to the significant market disruption effected by the Commonwealth VET FEE-HELP program.
- Program Enrolment and Program Completion targets have been reduced to reflect changes in student demand (including increasing demand for specific skillsets instead of complete qualifications).
- Government Payment per Nominal Hour was greater than budget due to lower than budgeted Nominal Hours.
- Module pass rates were above target due to CIT's continued focus on high-quality and relevant training and support for CIT's students, as reflected in CIT's 2016 Learner Engagement Survey results.
- The 2017 surveys of learner engagement and employer satisfaction were above target showing overall levels of satisfaction with the training of 91 and 87 per cent respectively, reflecting employers' and students' positive view of their experience of CIT training.

Cleared as complete and accurate:	01/06/2018	
Cleared by:	Executive Director	Ext: 78960
Contact Officer Name:	Karl Caig	Ext: 73363
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref:

- Learner Satisfaction Rate results were based on the survey of students enrolled in nationally accredited programs. CIT has continued to improve its effectiveness and responsiveness in skilling students with contemporary training methods which have been positively received by industry and students alike.

Background Information – may not be suitable for public disclosure

- CIT is still recovering from market disruption experienced in 2016 as a result of:
    - an increase in competition for students from low-cost providers taking advantage of the Commonwealth's VET FEE HELP deferred payment program; and
    - the introduction of the competitive ACT Skilled Capital program which attracted students that otherwise would have enrolled under the existing Profile scheme.

BUDGET ESTIMATES BRIEF

Portfolio/s Higher Education, Training & Research

ISSUE: CIT Strategic Compass Project Update (Annual Report pp 29-39)

Talking points:

- CIT's *Strategic Compass 2020 - Evolving Together* was launched by the Minister and the CIT Board Chair in August 2016, setting CIT's new direction and priorities to 2020. Its goal is to further strengthen CIT's position as a quality VET leader.
- The ACT Government committed an additional $8.1 million of National Partnership Funding to CIT to support the implementation of the Strategic Compass Projects to the end of 2017.
- The outcomes of the projects will bring improvements for students, staff, industry and the community through enhanced teaching and learning, enhanced digital experiences, improved student experiences and expanded employer and industry partnerships.
- The Board has prioritised ongoing support for Strategic Compass project work in 2018 including a greater focus on the fourth pillar of the *Strategic Compass: Transforming our Business – investing in our business for viability and value*. This includes increasing the investment in CIT's staff as part of a learning and growth organisation. This investment will build CIT's capacity to understand and work in contemporary ways to meet new and emerging business and industry training needs.

Background

- The projects are: Evolve Together; CIT Digitalisation Project; Australian Apprenticeship II Project; Evolving Teacher Project; Innovative Learning Resources Project; CIT Customer Experience Journey Project; Business Development and Industry Partnerships; Product Innovation Project; and CIT Centres of Excellence – Campus Modernisation. Two other estimates briefs provide details on Campus Modernisation.

Cleared as complete and accurate:	01/06/2018	
Cleared by:	Leanne Cover	Ext: 73107
Contact Officer Name:	Leanne Cover	Ext: 73107
Lead Directorate:	Canberra Institute of Technology	

TRIM Ref:

BUDGET ESTIMATES BRIEF

Higher Education, Training & Research

ISSUE: Critical Skill Development/New Training Courses

Talking points

Cybersecurity

- Responding to this national critical skills shortage CIT now delivers a Graduate Certificate in Cybersecurity, Certificate IV in Cyber security and has developed an integrated 'cybersecurity ecosystem' that connects the programs to work integrated solutions, industry partnerships, virtual internships, customised training and training needs analysis.
- Since developing programs in 2016 CIT has identified capacity to deliver additional programs in 2018. CIT has identified pathways to university sector and is working with industry to design and implement a standalone cyber range for the trialling of start-up cybersecurity technology.
- Online/blended resource development has been prioritised by the Innovative Learning Resources (ILR) project for 2018 to further open up flexible learning opportunities for people in the workplace.
- CIT is addressing cybersecurity skills development through the Cyber security competitiveness plan key goals. This plan which was developed by Austcyber, the Australian Cyber Security Growth Sector in April 2017 documents;
    - Australia aims to be the international leader in skills development and education of cybersecurity. (Goal number 3)
    - Growing an Australian Cybersecurity ecosystem which enables start-ups to research, work with learning institutions, government and find their first customers. (Goal number 1). CIT facility development in cybersecurity aims to create a secure environment where CIT students can uptake learning on start-up 'technology infrastructure'.

Cleared as complete and accurate:	29/05/2018	
Cleared by:	Executive Director	Ext: x74955
Contact Officer Name:	Jayne Miller/ Sch [redacted]	Ext: x53515 / Sch 2
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref:

Renewable Energy

- Renewable energy skills development is complex due to regulations with the electro-technology industry, complexity of the large scale wind industry and associated WHS considerations across the sector. CIT is developing new skills in the Wind Industry and in 2017 CIT secured Global Wind Organisation (GWO) accreditation making it the exclusive provider of GWO certified training in the southern hemisphere. CIT offers two wind safety and technical training courses, helping position the ACT as a national leader in renewable and clean energy.
- As a part of its Next Generation Energy Storage program, the current ACT Government roll-out of household batteries trial which began in early 2016, has illustrated a critical skill need for the region.
- In response to this Skills Canberra need CIT plans to expand its renewable skills training to upskill licenced electricians for Photovoltaic (PV) installation and domestic battery storage.
- The first PV course is expected in early June 2018 with battery storage soon to follow. Participants who complete the programs will be eligible to apply for Clean Energy Council PV Accreditation and Battery Storage Endorsement. These courses will also be offered to CIT electrical trade apprentices as an elective unit of competency. CIT is currently training teachers in this new sector to undertake training of electro technical graduates.

Future skills across trades

- Future skills across Vocational Education and Training (VET) include the adoption of innovation skills. CIT is addressing this through the introduction of innovation and collaboration on industry problems for students and industry. CIT as an early adopter of innovation in VET is enabling students to work on real world problems in cross sector/discipline teams that are led and facilitated by industry.
- Digitalisation and work integrated learning are key to the flexibility in learning as well as an economic enabler of SME's in the ACT and region. CIT practical research projects support the development of

program resources that capture learning in the workplace and allow students to complete learning in the workplace.

- To enable this CIT has developed a makerspace at CIT Reid and is undertaking innovative work skill development and facilitator programs for CIT teachers.

Early Childhood Education and Care

- To address skills shortages in the Early Childhood Education and Care sector CIT is working in partnership with key government, university and industry sectors.
- The CIT Department of Children's Education and Care continue to have a long-standing and successful partnership delivering the Certificate III in Early Childhood Education and Care to Year 11 and 12 students within the ACT. Successful graduates are able to seek employment when they complete their schooling, supporting the sector's employment shortage needs.

Increased Nursing Program Cohorts

- To meet the ACT community needs and to support the workforce requirements of new hospitals and health services, CIT nursing department has increased intake numbers into the Diploma of Nursing.
- To meet the ACT community needs and to support the development of new hospitals and health services, the Nursing Department have increased their intake numbers into the Diploma of Nursing supporting an increase of 100 per cent in student numbers from 2016 to 2018. This provides twice as many enrolled Nurses to the ACT Community.

Key Information

- CIT has increased student numbers in 2018 to 77 enrolments across cyber security with a further 160 places open for semester 2 for 2018. These places can be undertaken flexibly (day/night/online/workplace) to cater for workforce skills development requirements of industry.

- CIT has also developed and delivered a program for training workers for wind farm maintenance (leading to international accreditation by Global Wind Organisation).
- The development of these programs has been funded through the first renewable energy reverse auction run by the ACT Government. One of the successful proponents was the Hornsdale Wind Farm, developed by NEOEN.

Background Information – may not be suitable for public disclosure

Cleared as complete and accurate:	29/05/2018	
Cleared by:	Executive Director	Ext: x74955
Contact Officer Name:	Jayne Miller/ Sch [redacted]	Ext: x53515 / Sch 2
Lead Directorate:	Chief Minister, Treasury and Economic Development	
TRIM Ref:		

BUDGET ESTIMATES BRIEF

Higher Education, Training & Research

ISSUE: Australian Apprenticeships (CIT)

Talking points:

- CIT remains committed to working with industry to increase Australian Apprenticeships in the ACT. There has been a 5 per cent increase from 2016 to 2017 in apprentices and trainees enrolled at CIT. This is against the national trend were apprenticeships and traineeships have declined by 5.6 per cent over the same period.
- As of April 2018, there are 2,824 apprentices and trainees enrolled across a range of 84 qualifications at CIT.
- These qualifications include areas CIT is traditionally known for such as construction, plumping and electrical, but also traineeship areas including business, government, information technology and leadership and management.
- Areas with increased enrolments include plumbing, electrical and carpentry. Whilst areas such as hairdressing and childhood education and care are experiencing a decline in enrolments.

Key Information

- CIT is the largest provider of Australian Apprenticeships in the ACT. CIT is the registered training provider for nearly half of all ACT apprentices and trainees.
- Apprentices and trainees 2015 -2017:

2015	2016	2017
3,286	3,256	3,422

- Overall there has been an increase in enrolments of 5 per cent from 2016 to 2017.
- CIT also supports the regional areas that surround the ACT by training approximately 700 apprentice and trainees employed by NSW businesses. Approximately 30 per cent of these people also live in the ACT.
- Female apprentices and trainees in traditional male trades of electrical, plumbing, carpentry and automotive have remained steady from 2015-2017 as a percentage of total Australian Apprenticeship enrolments.

	2015	2016	2017
Total females apprentices/trainees	610 (18.6 per cent)	667 (20 per cent)	715 (20.9 per cent)

Cleared as complete and accurate: 29/05/2018
Cleared by: Executive Director Ext: x74955
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Economic Development

TRIM Ref: CIT2018/1475

Total female apprentices in traditional male trades	39 (1.8 per cent)	40 (2 per cent)	42 (1.9 per cent)

- In 2017, 72 per cent of apprentices and trainees at CIT were in trades skills and vocational learning, 13 per cent in technology and design, 8 per cent in business, tourism and accounting and 7 per cent in health, community and science.
- Through the Australian Apprenticeships project CIT has implemented systems, tools and resources to improve the customer experience. The focus of these initiatives is to further support employers and apprentices/trainees, especially through the early stages of their Australian Apprenticeship.
- The Australian Apprenticeships project has also implemented a central area to manage Australian Apprenticeships issues and referrals to Skills Canberra, the state training authority.

Background Information – may not be suitable for public disclosure

- The focus of the Australian Apprenticeships project is on improving customer service processes that will support:
  - enhanced learning engagement for apprentices and trainees
  - client engagement and transparency with employers; and
  - securing the full allocation of funds through improved compliance.
- The outcomes of this project will also enable CIT to operate more effectively in an environment of greater competition while ensuring quality of delivery in high risk and licensed trades. This will also ensure that CIT continues to meet the needs of the ACT economy.
- CIT is focussed on increasing numbers in Australian Apprenticeship numbers in traineeship areas. Private training providers hold the current market share in this space and there is a perception that CIT is not as flexible as these providers. CIT is working with stakeholders such as Apprenticeship Network Providers to ensure industry and the ACT community are aware of CIT's flexible delivery options and extensive range of support services.
- CIT trains the majority of apprentices in high risk industry areas. CIT is committed to ensuring apprentices are safe whilst at CIT and in the workplace. CIT works with a range of stakeholders such as Construction Charity Works, CIT Student Association (CITSA) and Skills Canberra to assist apprentices in understanding what they should do and who they should contact if they require support or are feeling unsafe.

BUDGET ESTIMATES BRIEF

Portfolio/s Higher Education, Training & Research

ISSUE: SURVEY RESULTS—LEARNER ENGAGEMENT, EMPLOYER SATISFACTION AND STUDENT OUTCOMES

Talking points:

- As a Registered Training Organisation (RTO) CIT is required to report annually to the Australian Skills Quality Authority (ASQA) on the quality indicators of Learner Engagement and Employer Satisfaction and Student Outcomes.
- The Learner Engagement Survey (LES) collects feedback from students on their experiences about their learning and training and assessment quality at CIT. A total of 1,690 eligible students responded to the survey between 22 August and 16 September 2017 (compared to 1,603 in 2016). Overall 91.4% of respondents were satisfied with the training at CIT in 2017 (compared to 91.6% in 2016).
- The Employer Satisfaction Survey (ESS) collects feedback from employers of CIT apprentices and trainees on competency development and training and assessment quality. A total of 500 employers responded to the survey between 22 August and 16 September 2017 (compared to 560 in 2016). Overall 87.4% of respondents were satisfied with the training at CIT in 2017 (compared to 85.1% in 2016).
- The survey results demonstrate that Learners and Employers are satisfied with CIT services. While percentages may vary insignificantly year to year, satisfaction with CIT consistently rates higher than the national average (NCVER data).
- 2017 Learner Engagement and Employer Satisfaction Survey results are at **Table 1**.
- The National Student Outcomes Survey (SOS) is conducted by NCVER and collects feedback from students on their reasons for training, their employment outcomes, further study outcomes and satisfaction with training. Data on the main reason for not continuing with the training are available for subject completers.

Cleared as complete and accurate:	01/06/2018	
Cleared by:	Executive Director	Ext: 73106
Contact Officer Name:	Elizabeth Tomaras	Ext: 74831
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref:

- The focus is on students awarded a qualification and those who successfully completed part of a course and then left the VET system (subject completers) and aims to improve the social and economic outcomes of students who undertake vocational training, help students make informed training decisions, and assist training providers and governments to improve the quality and relevance of the training.
- The next cohort of students will be invited to complete the 2018 Student Outcomes Survey from 25 May to 6 August 2018.
- 2016 Student Outcomes Survey results are at **Table 2**.
- CIT uses the survey results as part of its continuous quality improvement strategies and innovative learning resources projects to help develop improvement actions for related issues.

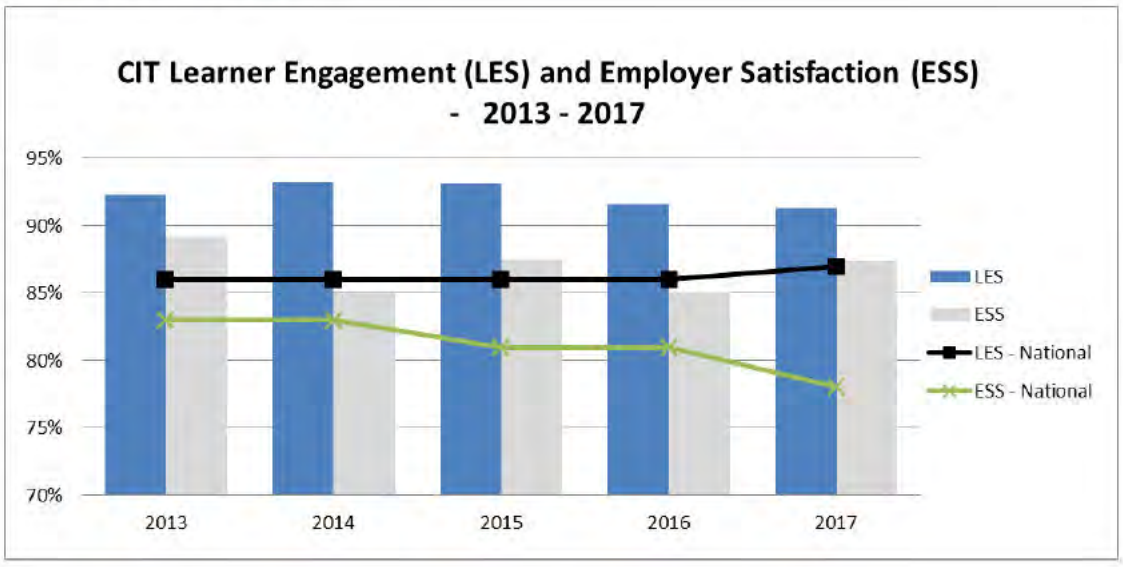
Key Information

- Rates of student and employer satisfaction (2014 to 2017):

Survey	% (2014)	% (2015)	% (2016)	% (2017)
Learner Engagement	93.3	93.1	91.6	91.4
Employer Satisfaction	85.0	87.5	85.1	87.4

Table 1: Learner Engagement and Employer Satisfaction Survey Results (2014 – 2017)

- National comparison:



Cleared as complete and accurate:	01/06/2018	
Cleared by:	Executive Director	Ext: 73106
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Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref:

- The LES overall rate of satisfaction dropped slightly compared to 2016. 2017 results show increased rates of agreement with statements about trainers' knowledge, accessibility and effectiveness in delivering training, respecting students' individuality and supporting them as active learners.
- Decreased rates of agreement occurred for statements about students' understanding of training and assessment expectations and study workloads, developing competencies to work and collaborate with others, access to quality and appropriate facilities and resources, and supporting students as life-long learners.
- The slight decrease in the overall rate of agreement is possibly related to the temporary focus on rigorous quality assurance processes that CIT implemented from 2015 to successfully meet the 2017 re-registration audit.
- The ESS overall rate of satisfaction increased compared to 2016. 2017 results show increased rates of agreement with statements relating to assessment standards, the appropriateness and condition of training resources, trainer quality, integration of training to the workplace and effectiveness in helping students build on their existing knowledge and skills.
- Decreased rates of agreement occurred in statements about CITs effectiveness in delivering customised training that develops specific competencies and CITs effectiveness in acting on employer feedback.
- CIT's recent emphasis on validation to meet its five-year ASQA cycle has involved significant liaison with industry and collection of feedback on training and assessment and was most likely responsible for this year's increased satisfaction rates. CIT is in the third year of its five-year cycle for validation and anticipates addressing remaining discord with industry in this second half of validation activities. CIT's current projects—Australian Apprenticeship Project and Customer Experience Journey Project—are expected to support better liaison and ongoing dialogue with industry both in connection with collecting industry feedback and communicating when this is addressed.
- Student Outcomes Survey (2013 to 2016):

Item (* denotes CIT results)	**% (2013)**	**% (2014)**	**% (2015)**	**% (2016)**
*Training was relevant to current job	77.1	76.9	78.5	83.5
Australia	*80.7*	*77.9*	*78.8*	*77.6*
*Employed after training	83.2	85.7	81.0	85.2
Australia	*74.8*	*74.9*	*72.3*	*73.8*
*Employed or in further study after training	92.7	92.9	92.1	92.8
Australia	*87.5*	*87.8*	*85.8*	*86.0*
*Unemployed before training, employed after training	52.2	65.0	46.6	59.4
Australia	*40.9*	*42.9*	*39.1*	*42.0*

Cleared as complete and accurate: 01/06/2018
Cleared by: Executive Director Ext: 73106
Contact Officer Name: Elizabeth Tomaras Ext: 74831
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref:

Item (* denotes CIT results)	% (2013)	% (2014)	% (2015)	% (2016)
*Enrolled in further study after training	42.2	38.2	43.2	38.2
Australia	*37.6*	*38.1*	*36.8*	*35.7*
*Achieved main reason for training	82.4	86.1	83.0	85.8
Australia	*83.0*	*82.0*	*81.5*	*83.3*

Table 2: Student Outcomes Survey Results

- The ACTs Qualification completions has been relatively static over the past 6 years whilst other states have increased significantly, CIT has focussed on providing graduates with training that is relevant to their aspirational occupation. CIT has historically lagged behind the national average for training relevance, but in 2016 made a significant increase to 83.5% compared to the national average of 77.6%. This is the key strategic indicator used by CIT to measure its success in student's employment outcomes.
- Respondents may have either completed a whole course and been awarded a qualification (i.e. graduates) or completed only part of a course and then left the VET system (i.e. module completers).

Background Information – may not be suitable for public disclosure

- The Learner Engagement Survey and Employer Satisfaction Survey tools were designed by the Australian Council for Educational Research (ACER) to collect feedback from students relating to learner engagement and employers relating to service satisfaction.
- Survey results are used to help improve the services and facilities.

BUDGET ESTIMATES BRIEF

Portfolio/s Higher Education, Training & Research

ISSUE: COURSE ENROLMENT STATISTICS AND TRENDS

Talking points:

- CIT and CIT Solutions provide training to approximately 30,000 students annually. In 2017 this included:
    - 13,451 students enrolled in vocational programs;
    - 9,532 students enrolled in commercial vocational programs (including international students); and
    - 8,186 students in adult and community education (ACE) programs.
- In 2017 – 67.2% of students were from the ACT, 18.7% from NSW, 8.3% came from other states and 5.8% from overseas.
- Student activity per College as at May 2018 is:

College	2018 YTD	2017 Actuals
Health, Community and Science	35%	29%
Technology and Design	23%	22%
Trade Skills and Vocational Learning	20%	19%
Business, Tourism and Accounting	13%	12%
Pathways College	7%	6%

Note: a small percentage of courses are delivered outside of these Colleges such as Yurauna Centre and CIT Solutions.

Key Information

- From 2014 to 2016 there was a steady decline in CIT (excluding CIT Solutions) Student Activity numbers, with recovery commencing in 2017:
    - 2014 - 5,672,390
    - 2015 - 5,221,662
    - 2016 - 4,535,844
    - 2017 - 4,765,756

Cleared as complete and accurate: 01/06/2018
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Lead Directorate: Canberra Institute of Technology

TRIM Ref:

- Compared to the 2016 lows, in 2017 CIT's Profile Student activity was up 3.4% and User Choice (Apprentice) activity was up 21%.

By College since 2014:

  - In Business, there has been a slight increase in accounting and business admin with a move away from management programs
  - In Health, Community and Science, an increase in health sciences with a move away from animal and lab sciences
  - In Technology and Design, an increase in information technology and horticulture and floristry.

Background Information – may not be suitable for public disclosure

- CIT is still recovering from market disruption experienced in 2016 as a result of:
  - an increase in competition for students from low-cost providers taking advantage of the Commonwealth's VET FEE HELP deferred payment program; and
  - the introduction of the competitive ACT Skilled Capital program which attracted students that otherwise would have enrolled under the existing Profile scheme.

BUDGET ESTIMATES BRIEF

Portfolio/s Higher Education, Training & Research

ISSUE: Aboriginal and Torres Strait Islander Students

Talking points:

- CIT is committed to reconciliation with a Reconciliation Action Plan (RAP) in place since 2012 and in 2016 a stretch RAP was developed for the period 2016-19.
- CIT plays an important role in providing qualifications to increase opportunities in closing the education and employment gap for Aboriginal and Torres Strait Islander peoples.
- Aboriginal and Torres Strait Islander students enrolled at CIT are supported by the CIT Yurauna Centre through a range of strategies designed to overcome barriers and support completions including:
    - individual contact through phone calls, messaging SMS, face to face meetings for early identification of students who may require additional support
    - staff assisting with access to identification documents
    - ensuring equity through mediation and advocacy
    - practical support in other areas such as housing and justice, travel, or study support.
- In addition CIT provides financial support to Aboriginal and Torres Strait students to close the gap in educational outcomes. Fee support includes:
    - fee assistance for those on low incomes
    - payment plans
    - the Indigenous Scholarship program for 2017 was funded to a total of $86,000 which equated to 131 Scholarships.
- In 2017 the CIT Yurauna Centre had great success in supporting school leavers who are disengaged with education, to complete their Year 12 Certificate. Of the seven students enrolled 43% (3 of 7) achieved over 93% in Maths and similarly high results in English. The remaining students in this cohort achieved results were over 83%.

Cleared as complete and accurate:	01/06/2018	
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Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref:

Key Information

- Staffing Levels in Yurauna remain consistent with three permanent trainers appointed in 2017.
- Table 1: Aboriginal and Torres Strait Islander student enrolments 2010 to 2016 (excludes Year 12 students)

Aboriginal and Torres Strait Islander Students	2010	2011	2012	2013	2014	2015	2016	2017	2018 To date
Total students (headcount)	388	521	534	663	531	748	906	795	644
Total enrolments	602	830	922	1084	916	1024	1080	1024	739
Enrolments in non-awards/ statement of attainment	263	395	443	420	129	71	135	178	71
Enrolments in certificate I and certificate II	126	101	129	158	351	210	112	71	53
Enrolments in certificate III and certificate IV	124	214	273	413	373	492	703	609	474
Enrolments in diploma, advanced diploma and degrees	89	120	77	93	62	82	130	166	141

Background Information – may not be suitable for public disclosure

- Through the ConnXtions Program, CIT is in partnership with Northside Community Services offering a Certificate III in Community Development with a pathway to the Certificate IV in Alcohol & Other Drugs.
- Participants were able to access Child Care support on premises whilst they studied. This program was first delivered in 2015 and has had major success in supporting students to finish their study. In addition the program provides opportunity for work placements.
- Funding for the child care support program ceases end of June 2018.

Cleared as complete and accurate:	01/06/2018	
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TRIM Ref:

- The program included wraparound support such as transport and academic support and was the only one of its kind in the ACT.
- The program was highly successful and engaged Aboriginal students in a Certificate III Community Services program
- There is a risk that if funding is not continued that students in this program will not be able to fulfil their training requirements. This is a risk for CIT in supporting the closing the educational and employment skills gaps for Aboriginal and Torres Strait Islander peoples.

BUDGET ESTIMATES BRIEF

Portfolio/s Higher Education, Training & Research

ISSUE: VET Reform

Talking points:

- The Australian Government is currently reforming the national Vocational Education and Training (VET) system with the aim of improving the quality of job outcomes for students, and ensuring VET is able to respond and adapt to future skill demand.
- The key themes are industry responsiveness, quality and regulation, funding and governance of data and consumer information.
- National VET funding continues to reduce with the discontinuation of programs such as the industry skills fund, the national workforce development fund and English language and literacy for the workplace.
- The May federal budget identified that the VET regulator, Australian Skills Quality Authority (ASQA), is to be fully self-funded by 2020. CIT is concerned that the self-funded model this may lead ASQA to increase RTO registration fees and/or move towards a regulatory model with punitive cost attribution model.
- The Government sought consultations relating to VET reform and CIT was generally supportive of the proposals, however, CIT remains wary of increasing compliance and the administrative burden on public providers.
- CIT actively promotes alternative fee assistance and payment options that in many cases are more beneficial to students than a VET Student Loan.

  CIT is awaiting the outcomes of Professor Valerie Braithwaite's review of the *National Vocational Education and Training Regulator Act 2011* (NVETR Act) on behalf of the Australian Government. CIT would welcome a more consultative VET regulator that works collaboratively with RTOs to secure positive outcomes for students and industry.

Cleared as complete and accurate:	01/06/2018	
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TRIM Ref:

Key Information

The introduction of VET Student Loans has seen a reduction in CIT students accessing Australian Government fee assistance. This is due in part to the onerous administration and the continuation from VET FEE-HELP of the additional 20% fee, administered by the Australian Tax Office, for VET Student Loans applications for qualifications without government subsidiary.

- ASQA briefings advise that more RTOs are failing to assess students to the require standards and less RTOs are able to rectify identified concerns within audit timelines. CIT is continuing to focus on internal quality improvements to maintain levels achieved prior to the successful re-registration audit.
- CIT responded to the Australian Government's consultation request for unduly short courses by suggesting that while fully supportive of ASQA's aim to remove RTOs that present insufficient training for students to achieve competency, increasing the regulatory burden directs RTO's resources away from student support and learning and towards additional administration. It also further restricts the flexibility, responsiveness and innovation of those student-focused RTOs already meeting the requirements by providing learning options and information to support qualification selection, achievement and compliance.
- CIT responded to the Australian Government's consultation on Training Package reform suggesting that increased consistency in outcomes and competencies would be beneficial as would the opportunities for increased specialist qualification development outside Training Packages. CIT was concerned that increased requirements for foundation skills within competencies would make the learning and assessment requirements unwieldy without enhancing student outcomes. CIT suggested that these could be better achieved by including existing competencies from the Foundation Skills Training Package within qualification requirements.
- CIT responded to the Australian Government's consultation on the AQF by highlighting the difficulties within the VET sector to meet volume of learning requirements. The focus in VET is competency achievement rather than time served. CIT also noted that level summaries, learning outcomes criteria and qualification type learning outcome descriptors fail to adequately differentiate between trade qualifications and non-trade qualifications, particular at the Certificate III and IV levels. CIT considered that the national qualification system is valuable to Australia internally and attractive for international students and needs to be preserved.
- VET Student Loans continue to place an administrative burden on RTOs to meet ever increasing Australian Government requirements.
- The *Standards for RTOs 2015* were amended in late 2017 to reference the updated TAE Training and Assessment Training Package. All VET trainers and assessors are required to have additional assessment and literacy competencies as well as the *Certificate IV in Training and Assessment TAE40116*. For CIT, this will impact about

400 trainers and assessors. CIT is arranging training and assessment for these staff which is expected to be completed by the end of 2018.

Background Information – may not be suitable for public disclosure

- [Sensitive]
  While CIT maintains a positive relationship with ASQA, the introduction of new English Language Intensive Courses for Overseas Students (ELICOS) Standards from the start of 2018 saw a re-interpretation of RTOs providing ELICOS tuition via VET-accredited courses. RTOs, including CIT, were advised early 2018 by ASQA to immediately cease accepting new ELICOS students into VET qualifications as ASQA considered RTOs were unable to meet both RTO Standards and ELICOS Standards simultaneously. While ASQA had repeatedly promoted the introduction of the ELICOS Standards in 2017, there was no warning or advice of this unexpected interpretation that did not seem substantiated from an education perspective. This caused significant disruption to CIT's international student business.
- CIT worked with TAFE Directors Australia and collaborated with other TAFEs to seek a review of this interpretation which adversely affects international students who now are unable to gain an accredited VET qualification for English study. The outcome of the review was unsuccessful. CIT submitted a suite of non-accredited courses that were approved by ASQA as meeting the ELICOS Standards and these are now available to new students. CIT is leading collaboration with other TAFE providers and offering to share these curriculum and promote sharing of assessment task banks and moderation activities.

BUDGET ESTIMATES BRIEF

Portfolio/s Higher Education, Training & Research

ISSUE: TESQA requirements for Sexual Harassment and Safety

Talking points:

- CIT made it a priority to respond to the National Report on Sexual Assault and Sexual Harassment in universities when it was released in 2017.
- Each year out of 20,000 enrolments, CIT receives approximately ten reports of sexual harassment from students. This rate is considerably lower than universities at 26% of enrolments according to the Australian Human Rights Commission report (*Change The Course: National Report on Sexual Assault and Sexual Harassment at Australian Universities (2017))*.
- CIT established a Working Group to drive and develop responses and actions to prevent and respond to sexual harassment.
- CIT has a dedicated Student Support Unit with five qualified counsellors (psychologists or social workers) along with other student support services.

Key Information

- CIT does not have the same risk factors as universities:
  - very low accommodation numbers
  - smaller campuses
  - less young people
  - less student socialising.
- CIT is committed to the RESPECT NOW ALWAYS campaign, through awareness raising, data collection and evidence based approaches.
- Sexual harassment has been included in CIT policy for a number of years. , CIT have recently reviewed this document and have developed an explicit protocol to support the intent of the policy. The protocol ensures CIT staff members are appropriately addressing student complaints and further serves to emphasise the commitment of CIT to the prevention of harassment.
- CIT has commenced awareness and training programs on sexual harassment which includes advice on: the appropriate manner to respond to allegations, undertaking interventions, how to develop prevention strategies. The protocol serves to further ensure our culture is reflective of our commitment to protect students from unwanted sexual behaviours.
- CIT further promotes our stance on preventing sexual harassment through utilising public communication channels to reinforce the message to students. This occurs through orientation sessions, posters, online information available through the CIT website, mandatory training for staff and CIT providing further contacts for students for other related services if required.

Cleared as complete and accurate: 01/06/2018
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Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref:

Background Information – may not be suitable for public disclosure

- It should be noted that while CIT receives a small amount of complaints of sexual harassment there has only been one instance of reported sexual assault which occurred last year between two CIT students at an off campus location out of training hours. This matter was dealt with via the proper channels and reported to the right authorities.
- The CIT Working Group will continue to meet at end of every six months and more regularly as required, to review and analyse data collected to identify emerging trends and ensure strategies and future actions are addressing identified risks, are effective and implemented in a timely manner.
- CIT has provided a written response to TESQA on how it is responding to the Sexual Assault/Harassment Report, including the adopted approach to reducing and preventing incidents.

BUDGET ESTIMATES BRIEF

Portfolio/s Higher Education, Training & Research

ISSUE: Heart Health Program Concerns

Talking points:

- Changes to class sizes were made solely due to Workplace Health and Safety (WHS) requirements. CIT WHS risk assessment highlighted that Heart Health participants were high risk clients with a variety of conditions with associated health risks.
- To ensure safety, increased supervision with lower ratio of participants to instructors is required. Smaller class sizes have also increased the physical space to allow for special programming for clients of moderate to high risk.
- Only 12.5 per cent of the Heart Health Program members wish to have class sizes of 40 to 50. The majority of members are happy with class sizes of 25.
- CIT Fit & Well has increased the number of Heart Health Program classes, as well as introducing additional new classes to their members, including: Osteocyte, Yoga and Lungs in Action.
- CIT are the only provider who continues to offer a program similar to Heartmoves which ceased in 2009.
- CIT acknowledge and support the importance of social interaction for senior members. Additional support to members has been implemented with added social events, name badges and space provided for morning teas.
- CIT Fit & Well membership costs only $245.00 per year (inclusive of all classes), or $5.00 per casual visit to Heart Health Program/classes.

Cleared as complete and accurate: 01/06/2018
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Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref:

Key Information

- Client safety and WHS is the most important consideration for the Heart Health Program. Risk of incident for people of moderate to high risk increases dramatically with larger class sizes. Trips and falls are common for this age group and therefore exercise needs to be prescribed, safe and well-monitored.
- CIT Fit & Well classes and programs, including the Heart Health Program, provide underlying support to Canberra's health and wellbeing system, by offering health related classes for people with specific conditions. Currently CIT Fit & Well has established strong stakeholder/industry relationships with the Woden Hospital (Cardiac Clinic), Calvary Hospital (Cardiac Hospital) and UC Clinic (Physio Clinic and UC Health Hub), with an established referral system.

Background Information – may not be suitable for public disclosure

- CIT has been conducting the Australian Heart Foundation Heart Moves Program since 2009. The Heart Foundation ceased running the program on 31 December 2016.
- The Australian Heart Foundation Heart Moves Program transitioned to CIT Heart Health Program in January 2017 and undertook a risk assessment of the program with CIT WHS advisors. Recommendations were to decrease class size from 40 to 50 to 25 clients per instructor.
- CIT Fit & Well implemented changes to classes in January 2017 and received a letter from Ms Swan on behalf of a small delegation of Heart Health Program members (approximately 6 members), outlining concerns regarding the reduction of participants in classes. It should be noted that in response to Ms Swan's letter, a number of Heart Health Program members emailed very positive feedback, commending CIT for the Heart Health Program and new class size.
- Ms Swan sent a copy of the letter to Minister Gordon Ramsey. CIT drafted a letter on behalf of the Minister, responding to Ms Swan, and also referred the matter to Minister Megan Fitzharris.
- CIT Fit & Well conducted a meeting between Heart Health Program members, Sport & Fitness Head of Department (HOD), CIT Fit & Well Manager, Health, Community and Science (HCS) Director and the CIT WHS Advisor. This meeting was conducted on the 14 August 2017 and highlighted risk assessment findings on best practice for Heart Health Program. For client safety and to reduce risk, classes would stay at 20 to 25 participants. A representative from Minister Fitzharris's office was scheduled to attend this meeting but was unable to attend due to a last minute conflict. The Ministers office was kept well informed of the outcomes of the meeting.
- It was agreed that CIT would conducted a survey of all Heart Health Program members. The survey was jointly created by members and CIT Fit & Well Manager. CIT Fit & Well received 97 responses from the 120 (approx.) Heart Health Program members, with only 12.5 per cent wishing to increase the size of classes to the original size of 40 to 50 participants.
- A second meeting was held on the 10 October 2017 between Heart Health Program members, Sport & Fitness HOD, CIT Fit & Well Manager and HCS Director. At this meeting

the survey results were presented to Heart Health Program members. All parties appeared to be happy with the outcomes.

BUDGET ESTIMATES 2018-19
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Minister for Economic Development, Tourism and Major Events Briefing Pack

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2	Priority Investment Program
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6	Future Use of Canberra Technology Park
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BUDGET ESTIMATES 2018-19
BRIEF INDEX
Minister for Economic Development, Tourism and Major Events Briefing Pack

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3	Canberra Innovation Festival
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5	ACT Event Fund (for info)
6	ACT Events Policy (ACT Events Framework and Community Events Strategy) (for info)
7	Community Events Summary (for info)
8	Reconciliation Day Event 2018 (for info)

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

Economic Development

ISSUE: SECTOR POLICY DIRECTIONS

Talking points:

- It is essential that the ACT grows its economy by diversifying the non-public service sector including the education and research sector as well as the private sector. This will create new jobs and opportunities.
- $9.75 million under the 2018-19 Budget is allocated to sector development program support over the next four years under the new Priority Investment Program and a further $1.6 million to support major project facilitation.
- This will continue the momentum on collaborative sector building projects in partnership with our higher education and research institutions across key sectors.
- It also builds on the $1.6 million allocated for Defence Industry Advocacy in last year's budget to support the growth of the defence sector in Canberra.
- Our approach reflects the strategy work done in 2017 in partnership with the education institutions to focus on areas where the Government could work effectively with our major institutions to attract investment and to create jobs.
- The key 'shared interest' areas and sectors that have been identified are:-
    - Plant and Agricultural Sciences.
    - Health, Sports and Active living.
    - Cyber Security.
    - Space Industries and Spatial Information.
    - Education pathways.
    - New energy.
- What these sectors have in common in the ACT are:-

Cleared as complete and accurate:	21/05/2018
Cleared by:	Executive Director Ext: 72004
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref:

- Unique capacity and capability, and critical mass inside the institutions.
- Alignment with the development pathways the institutions are pursuing.
- International standing and international connectivity in in sector fields.
- The presence of clusters of important SMEs in the ACT economy, and indeed MNCs that are looking to leverage local research capacity *and* innovation embedded in our SMEs.
- And finally, strong leadership from the institutions.

- Bringing those together, creates a quite compelling narrative to attract investment and jobs to Canberra.

Key Information

Short sector activity examples

- In **space**, for example, the ACT and region has very unique and concentrated space sector assets – in our institutions and universities, among MNCs located in the ACT, among SMEs, and among Australian Government agencies (both Defence and organisations like Geoscience Australia).
- [Note: public announcement not yet made] In **agri-tech** we are co-funding an entrepreneurship centre between ANU and CSIRO which among other things, will act as a beacon to attract agri-tech companies to participate in collaborative research projects;
- In the area of **cyber**, we are also playing our part to build an industry in partnership with AustCyber and we have been active in working with ANU in attracting cyber focused company and institution partners onto campus to build unique capability.
- In **allied health**, the ACT Government has just completed the building of a major new sub-acute hospital on the UC campus which is highly integrated with UC's allied health programs and aspirations. This investment will significantly bolster UCs capacity to attract other new players on campus.

Further policy context

- The 2017-18 Budget funding continued the delivery of the 2016 election commitments for phase two of the implementation of the Government's business development strategy *Confident and Business Ready: Building on Our Strengths*

which supports key directions outlined in C*anberra: A Statement of Ambition,* builds on the *Digital Canberra Action Plan*, and funds initiatives under *Canberra: Australia's Education Capital,* and integrates skills development with the Government's economic development objectives.

- *Confident &* Business *Ready: Building on Our Strengths* strategy committed to adopting an economic development focus in its relationship with the Higher Education and Research sector and to promote Canberra as Australia's higher education and research capital. In particular, the following Key Capability Areas were agreed as priority areas for development with the sector and business community:
    - Space and Spatial Technology (ANU/UNSW Canberra);
    - Cyber Security (ANU/UNSW Canberra/UC/Data61 and CIT);
    - ICT and eGovernment (ANU/Data61);
    - Sports Technology (UC/CIT);
    - Health Innovation (UC/ANU/CIT); and
    - Agriculture and Environmental Sciences (ANU/CSIRO).
- *Canberra: A Statement of Ambition* released by the Chief Minister in March 2016 committed the ACT Government to:
    - Attracting and retaining talent through support for business, education and research, innovation and becoming a world leader in science and technology;
    - Continuing to open and diversify the local economy through branding Canberra and a commitment of attracting investment; and
    - Embracing the digital mindset and continuing to develop smart city opportunities.
- The *Digital Canberra Action Plan* released by former Chief Minister Katy Gallagher in March 2014 committed the ACT Government to the rollout of free Wi-Fi across Canberra town centres, public spaces and transport hubs.
- *Canberra: Australia's Education Capital* released by the Chief Minister in September 2016 commits the Government to fund Study Canberra to promote Canberra as an education destination of choice, to enhance the student experience and to strengthen partnerships and collaboration between the ACT Government and the education institutions.

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

Economic Development

ISSUE: PRIORITY INVESTMENT PROGRAM

Talking points:

- A more diversified economy is a major objective of Government policy.
- The 2018-19 Budget has committed $9.75 million in funding to establish the Priority Investment Program (PIP).
- It brings together sector development focused programs into a single program stream with three years funding.
- The PIP strongly supports the ACT Government's commitment to Key Capability Areas and focused sector development by co-investing in stimulus and innovation infrastructure projects across identified key sectors.
- In particular, the higher education and research sector, and the sector specialisations and growth building assets within it, are seen as the primary driver of long term wealth creation and jobs in Canberra.
- We anticipate the sector will bring forward major project proposals.

Key Information

- The Priority Investment Program (PIP) provides continued funding for sector development focused activities previously supported through the Key Capability Areas ($0.75 million) program and Data61 ($2.5 million) which both ceased in 2017-18.
- The majority of the funding through this program will be provided on a competitive basis to projects or initiatives that make a major contribution to the development of the identified priority sectors.
- Specifically the projects will:
    - clearly identify how they will catalyse the development of the priority sectors;
    - develop national and international competitiveness in the identified priority sectors;

Cleared as complete and accurate:	07/06/2018	
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Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref:

- contribute towards attracting and facilitating high quality investment to Canberra;
- promote collaboration between government, industry and Canberra's higher education and research institutions;
- leverage co-investment of ACT Government funding; and
- demonstrate clearly defined and measurable outcomes.

- In each case, any government funding will need to be matched or bettered by non-Government contributed funding and resources. All applications for funding will be assessed by an independent assessment panel consisting of leading innovation and industry experts supported by ACT Government officials.

Future of Data61 funding (within PIP)

- The PIP will be the appropriation avenue for any future funding agreement with Data61. Sch 2 s2.2(a)(xvi) [redacted]
- The intent of the PIP is to seed collaborative sector building projects with partner organisations – projects that are aligned to the identified priority sectors. It is anticipated that Canberra's universities and major research organisations (including Data61) will be the principal project proponents.

Background Information – may not be suitable for public disclosure

- The aim of the Key Capability Area funding program was to support the higher education and research institutions' goal of developing the KCAs identified in *Confident & Business Ready: Building on Our Strengths* which offer enormous potential to increase the contribution of the sector to Canberra's economy and to position Canberra as Australia's higher education and research capital.
- While the development of the KCAs is the responsibility of the institutions and their industry partners, the KCA funding program provided an opportunity for the ACT Government to influence and accelerate the development of the KCAs in ways consistent with the Government's diversification and growth objectives.
- $750,000 was provided in both the 2016-17 and 2017-18 Budgets to support projects that make a major contribution to the development of Key Capability Areas.

Projects examples

<u>2016-17 (Key Capability Areas funding announced November 2016)</u>

- *UNSW Canberra's Space Mission Design Facility* was awarded $375,000. Now known as the Australian National Concurrent Design Facility (ANCDF), the ACT Government's KCA funding helped to establish the facility which houses a specialised suite of design software tools and IT infrastructure to bring together industry, agencies and the research sector to rapidly determine the technical and

economic viability of proposed space missions. The facility is the first of its kind in Australia. Combined with the Advanced Instrumentation Technology Centre at Mount Stromlo, the ACT now has the capability for the design, assembly and testing of spacecraft and components for future space missions. In May 2018 UNSW Canberra signed an agreement with the French Space Agency (CNES) to conduct a breakthrough study on satellite design at the Australian National Concurrent Design Facility.

- *UNSW Canberra/ANU Space-Based Quantum Communications Project* was awarded $375,000 to a consortium comprising QuintessenceLabs, Liquid Instruments, ANU and UNSW Canberra. The funding brings together Canberra research teams with industry partners to deliver secure satellite communication technologies for use by government and industry. The project has already established the ACT as a lead region in the rapidly growing field of global secure space communications, and has generated interest from US Air Force Research Laboratories.

2017-18 (funding announced May 2018)

- *ANU – Enabling Industry Access to Australian National Space Test Facilities* was awarded $250,000 funding support. The ANU sought co-funding from the ACT Government for a project to provide industry access to the National Space Test Facility, which comprises state of the art infrastructure to serve national needs and currently operates as a pay per use facility. Start-ups, SMEs and university research groups have expressed strong interest in using the facility only to find the cost prohibitive. This support will showcase the potential of this ACT based facility to grow the nation's space industry and solidify a case for federal funding as a national facility for industry and the research communities from 2019-20 onwards.
- *ANU – ACT Centre for Entrepreneurial Agri-technology* was awarded $500,000 funding support. The anticipated benefit to Canberra is the creation of a unique Agri-tech and Environmental Sciences hub that is one of a kind in the Asia-Pacific region. Such a hub will drive Territory, regional, national and international industry innovation, competiveness and productivity in agriculture. It will also provide benefit to the local economy through job creation, attraction of high quality investment from national and international companies as well as high quality researchers, academics and students.

- Data61 (formerly NICTA) has been a cornerstone of the ICT industry development strategy supported by the ACT Government. Sch 2 s2.2(a)(xvi) [redacted].
- Data61 has engaged in a number of joint projects with ACT Government Directorates including: smart parking; child protection services data and analytics; analytics of education outcomes from public schools; diabetes consumer information; and analysing patient Emergency Department journeys to improve performance (National Emergency Access Target analytics). Detailed information is contained in the separate Data61 Estimates brief.

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

ISSUE: KEY SECTORS

Talking points:

- The ACT Government's business development strategy *Confident and Business Ready: Building on Our Strengths* outlines the following key sectors which were agreed as priority areas for development with the ACT Higher Education and Research sector and the business community:
    - Space and Spatial Technology (ANU/UNSW Canberra);
    - Cyber Security (ANU/UNSW Canberra/UC/Data61/CIT);
    - ICT and e-Government (ANU/Data61);
    - Sport Technology (UC/CIT);
    - Health Innovation (UC/ANU/CIT); and
    - Agriculture and Environmental Sciences (ANU/CSIRO).
- Building on this, in July 2016, Vice Chancellors' Forum members agreed to a proposal from ANU Vice Chancellor Professor Brian Schmidt that the institutions and the ACT Government should develop a three to five year investment attraction strategy based on the research strengths of each of the institutions.
- This culminated in a report, 'New Frontiers: ACT Investment Attraction Framework (IAF)', which was presented at the Forum meeting in April 2017.
- The IAF identified six short and medium-term opportunities for attracting investment to Canberra:
    - Cyber Security;
    - Renewable Energy;
    - Space and Spatial Information;
    - Plant and Agricultural Science;
    - Healthy and Active Living; and
    - Further Education Partnerships.
- An implementation strategy for the IAF was discussed and finalised at the December 2017 Vice Chancellor's Forum. This included an

agreement to realign existing resources to meet the objectives contained within the framework.

- Throughout 2017-18, the ACT Government has continued to progress the development of these key sectors and opportunities in partnership with the ACT Vice Chancellor's Forum, the CBR Innovation Network, the ACT Defence Industry Advisory Board, the Canberra Space Sector Development Working Group and the Canberra Node of AustCyber (The Australian Cyber Security Growth Network).

Key Information

Highlights from the development of key sectors in 2017-18 include:

Space and Spatial Technologies

- Canberra has played an integral role in the development and progression of Australia's space and spatial economy.
- In 2017-18, the ACT Government has worked hard to bring a national focus to the space debate, including formal representations to the COAG Industry and Skills Council, direct advocacy to the Prime Minister and portfolio Ministers, and the development of a state-based MOU to advocate for a national approach to sector development.
- The ACT space and spatial stakeholders have continued to strengthen their industry presence in 2017-18, particularly in a year when the Australian Government announced the establishment of an Australian Space Agency.
- While a permanent home for the Australian Space Agency is yet to be announced, the ACT Government and local space stakeholders have been advocating for the Australian Government to take a rational approach to locating the Agency in Canberra whereby the Agency can easily meet with space-related government agencies, industry, higher education and research institutions, and the diplomatic community.
- In May 2018 the ACT Government, in partnership with Geoscience Australia, hosted a post-Federal Budget briefing for 80 local space sector representatives from businesses, industry associations and the higher education and research sectors. The event provided a timely opportunity for the Canberra Region space industry to learn more about the business opportunities arising from the $300 million space sector initiatives announced in the 2018-19 Federal Budget, including the Australian Space Agency, Digital Earth Australia, National Positioning Infrastructure Capability, and Satellite Based Augmentation System initiatives.

- The International Astronautical Congress, held in Adelaide in September 2017, was an ideal forum to showcase Canberra's space industry capabilities. The ACT Government coordinated a 'Team Canberra' stand at the international conference, raising the region's profile and promoting investment opportunities.
- Building on the Australian Government's Expert Review Group Inquiry into the space industry, the ACT Government convened a National Conversation at Mount Stromlo on 28 November 2017. The event brought together more than 90 key stakeholders to discuss collaboration opportunities and a shared vision for the sector.

Key Capability Area Funding Program

- $750,000 was provided in both the 2016-17 and 2017-18 Budgets to support projects that make a major contribution to the development of Key Capability Areas.
- For a detailed overview of projects, please refer to the Priority Investment Program brief.

Cyber Security

- Working with the Canberra Node of AustCyber (the Australian Cyber Security Growth Network) the ACT Government delivered a 'Team Canberra' stand at the Australian Cyber Security Centre's 2018 conference.
- Held in Canberra and featuring key sector exhibitors, stakeholders commented that the stand was highly successful and showcased the collaboration opportunities in the Canberra sector.

Preventive Health

- The ACT Government is providing $4 million from 2017-18 for four years to develop a healthy and active living strategy focused on prevention of chronic health conditions.

Background Information – may not be suitable for public disclosure

Australian Government Defence White Paper

- Since the release of C&BR the economic development landscape has been significantly affected by the release of the Defence White Paper (DWP).
- The DWP commits the Commonwealth Government to increase Defence expenditure to 2 per cent of GDP over the next ten years –from $32.4 billion in 2016-17 to $58.7 billion in 2025-26.
- This includes $195 billion in capital expenditure over the period of which approximately $17 billion is earmarked for intelligence, surveillance and reconnaissance, space, electronic warfare and cyber security - areas in which Canberra has significant advantages.

Australia's Space Agency

- In the 2018-19 Federal Budget the Australian Government announced it will provide $41 million over the next four years towards the establishment of an Australian Space Agency. That announcement also identified Dr Megan Clark AC, former CSIRO Chief Executive, as the interim Head of the Australian Space Agency.

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Cleared by:	Deputy Director-General Ext: 72004
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Lead Directorate:	Economic Development

- At this stage, Canberra has been identified as the interim location for the Australian Space Agency, to be housed within the Commonwealth Department of Industry, Innovation and Science. While a permanent home for the Australian Space Agency is yet to be announced, The ACT Government is advocating the Australian Government take a rational approach to where Agency activities are based.

Healthy and Active Living and Preventive Health

- On 10 April 2017 the Government hosted an initial stakeholder forum to assist refocussing prevention efforts. Participants included public health experts, practitioners, business owners, academics, non-government organisations and peak bodies.
- On 6 November 2017 at the *Preventive Health Launch,* the Government announced the CBR Innovation Network collaborative innovation session, funding to the University of Canberra for the living lab, and the *Health Promotion Grants*.
- Funding from *Healthy and Active Living* will be provided to support *It's Your Move* (aimed at high school students developing creative solutions to improving school health) and *Fresh Tastes* (aimed at making healthy food and drinks a bigger part of everyday life at primary schools).

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

Higher Education, Training & Research

ISSUE: PROJECT FACILITATION UNIT (STRATEGIC PROJECTS)

Talking points:

- The ACT Government has committed $800,000 per annum over the next two years to expand the Territory's capacity to pursue the delivery of identified projects and investment proposals that support local jobs, economic growth and industry diversification.
- There will be an emphasis on the facilitation of well-considered and timely outcomes, supported by a small team with skill sets in critical analysis, project governance and whole-of-government coordination.
- Initial areas of focus will include work to support and facilitate the:
    - investigation of an opportunity for the University of New South Wales (UNSW) to expand its operations in the Territory through the establishment of a significant new campus in the City's East; and
    - conclusion of a number of key projects such as the future use, including potential sale, of Canberra Technology Park in Watson.
- Other new projects may come into scope over the two years.

If Asked:

- The proposal by Aquis Entertainment for redevelopment of Canberra Casino is among key projects receiving attention.

Key Information

Proposed UNSW city campus

- Higher education and research is already among Canberra's economic strengths. The sector contributes $2.7 billion each year and supports around 16,000 jobs.
- International education is the ACT's largest export, with approximately 17,000 international students currently studying here. Per capita, we're Australia's largest exporter of international education.

Cleared as complete and accurate:	16/06/2018
Cleared by:	Deputy Director-General Ext: 75564
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2660

Future use of Canberra Technology Park site (Block 1 Section 13 Watson)

- Community consultation on the future use of the Canberra Technology Park site took place between 5 February and 16 March 2018.
- Among other things, the feedback received shows overall support of 85 per cent for the use of Canberra Technology Park as a higher education and community precinct, including student accommodation. This sentiment was reinforced by a separate phone survey of over 500 respondents (85 per cent).
- A 'What We Heard' report was uploaded to the ACT Government's YourSay website in June. Once a decision has been made on the future of the site, a final report will be made available on YourSay that outlines the Government's decision and responds to matters raised during consultation.

Background Information – may not be suitable for public disclosure

- Co-ordination and implementation of a Communications Strategy for Boomanulla Oval is also being managed by the core business unit in association with:
    - interim works being undertaken by Transport Canberra and City Services to restore Boomanulla Oval for informal recreation and community use later in 2018; and
    - the current request for tender process, which has the objective of returning Boomanulla Oval to sustainable Indigenous management over the longer term.

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

Higher Education, Training & Research

ISSUE: POSSIBLE UNSW CITY CAMPUS

Talking points:

- A Memorandum of Understanding was signed in December 2017 by the ACT Government and the University of New South Wales (UNSW) to guide exploration of the possibility of opening a major new campus and innovation precinct in Canberra.
- The construction of a major new campus has the potential to serve many of our ambitions as a city: urban renewal, diversifying our economy, attracting and retaining talented people and making the ACT an even better place to live, study and invest.
- The ACT Government and UNSW are working together to investigate and develop a shared understanding of the proposal, including the potential use of the land, the description and overall urban design principles for the campus, and the nature of the services to be provided on campus.
- A community engagement plan is being developed.
- The information generated through the current phase will inform a future decision UNSW may make to bring forward a formal proposal for consideration by Government.
- The Canberra Institute of Technology (CIT) is involved as part of a project working group and CIT campus priorities will be taken into account in any proposed development.
- CIT would remain a separate entity within the broader academic precinct.
- The proposed education precinct would be home to teaching facilities, research facilities, collaborative industry activities and facilities to support the campus population, such as parking, student accommodation, retail and child care.

Cleared as complete and accurate:	05/06/2018	
Cleared by:	Director	Ext: 72070
Contact Officer Name:	Sch 2 s2.2(a)(ii)	
Lead Directorate:	Chief Minister, Treasury and Economic Development	
TRIM Ref:		

BUDGET ESTIMATES BRIEF

Key Information

- Higher education and research is already among Canberra's economic strengths. The sector contributes $2.7 billion each year and supports around 16,000 jobs.
- International education is the ACT's largest export, with 17,000 international students currently studying here. Per capita, we're Australia's largest exporter of international education.

Background Information – may not be suitable for public disclosure

- The original timeframes under schedule 3 of the MoU were aspirational and are currently under review.
- Sch 2 s2.2(a)(xvi) [redacted]
- The CIT campus modernisation program provides opportunities to redevelop parts of the existing site as CIT consolidates and improves its facilities.
- The ACT Government is focussed on helping to grow the education sector, given these institutions play such a pivotal role in our economy and in city building.
- A new UNSW campus would bring another Group of Eight leading Australian university to the city centre.

Cleared as complete and accurate:	05/06/2018
Cleared by:	Director Ext: 72070
Contact Officer Name:	Sch 2 s2.2(a)(ii) [redacted]
Lead Directorate:	Chief Minister, Treasury and Economic Development
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BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

Higher Education, Training & Research

ISSUE: FUTURE USE OF CANBERRA TECHNOLOGY PARK SITE (BLOCK 1, SECTION 13 FORMER WATSON HIGH SCHOOL)

Talking points:

- The Government instigated a community consultation process for the Canberra Technology Park site (Block 1, Section 13 former Watson High School), a proposal received from the Academy of Interactive Entertainment (AIE), a tenant at the site since 1997, but also the need to renew ageing site infrastructure.
- Community consultation was held over six weeks (5 February - 16 March) and asked local residents and the wider community for their views on upgrading and modernising the site, and in particular:
    - whether redevelopment and revitalisation of the site as a higher education and enhanced community precinct is supported;
    - how they currently use the site;
    - how the public space should be developed or maintained;
    - what improvements they would like to see made to available public space;
    - how student accommodation could be built if the site is redeveloped.
- A range of events were held throughout the consultation including Watson, Hackett, Downer and Dickson pop up stalls, stakeholder and community meetings (by invitation) and a community picnic on the site on Sunday 4 March 2018 between 11am and 2.00pm.
- The community was also able to participate through an online quick poll, online survey or through the interactive map on the Government's YourSay website.
- The current tenancies on the site, including the Canberra City Band, will be addressed as part of a final decision by Government regarding the future sale of the site.

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BUDGET ESTIMATES BRIEF

Current status

- Feedback received during consultation and results of the site investigation process are currently being considered prior to Government making a final decision on whether to proceed with a competitive sale of the site for use as a higher education and community precinct, including student accommodation.
- The AIE will have the opportunity to participate in a future sale process.
- A 'What We Heard' report was released in June 2018 on the ACT Government's YourSay website. This is an interim report that provides a snapshot of what people said during the consultation, while Government considers feedback received and the outcome of site investigations before determining the next steps.
- Once a decision has been made on the future of the site, a final report will be made available on YourSay that outlines the Government's decision and responds to matters raised during consultation. This can be expected within the next few months.

Key Information

Key insights from the community

1. There was overall support (over 85 per cent) across the different engagement activities for the redevelopment and revitalisation of this site as a higher education and enhanced community precinct, including student accommodation.

GREEN SPACE/COMMUNITY FACILITIES

2. There was general agreement amongst responders that improved community facilities would attract more people to use the site.
3. There was strong interest in the type, locations and scale of future community facilities on the site.
4. There was strong support for green space and outdoor activities, and moderate support for built structures such as community meeting rooms.
5. There was strong support for higher multi-level student accommodation if this meant that more green space would be preserved.
6. There were some concerns about the potential loss of community facilities and a keen interest in community facilities.

USE OF THE SITE

7. There was opposition to the site being used for other purposes such as aged care, public housing or private accommodation developments.
8. There was support for musical performance spaces to be included and for the continuation of accommodation for Canberra City Band.
9. Traffic and parking was a major concern for residents with the potential impact on surrounding residential streets considered to be a significant issue.

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BUDGET ESTIMATES BRIEF

PHONE SURVEY
Separate to the insights gained from the engagement activities, a phone survey showed either full or moderate support of 85% by over 500 respondents for the use of this site as a higher education and enhanced community precinct, with student accommodation.

Background Information

- Elton Consulting was appointed, following a competitive request for quotation process, as the facilitator to assist the ACT Government with the community consultation.
- The ACT recently upgraded the Watson Neighbourhood Oval, which is only 200 metres away from Canberra Technology Park on the other side of Watson local shops. This sporting oval is irrigated, on land zoned urban open space and is available for the community to access and use when it is not formally booked for sporting use.

Cleared as complete and accurate:	05/06/2018
Cleared by:	Director Ext: 72070
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BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

ISSUE: AQUIS ENTERTAINMENT UNSOLICITED BID

Talking points:

- On 13 April 2018 Head of Service Kathy Leigh wrote to Aquis Entertainment Chairman Tony Fung and provided the company 30 days to provide key financial information to progress the proposal. This information was first requested from Aquis in writing in June 2017.
- On 30 April 2018 the ACT Government received interim correspondence, dated 26 April, from Aquis requesting an extension and clarification on certain matters related to its proposal. An extension has been granted and is considered reasonable in the circumstances. There will be ongoing dialogue with Aquis on these matters over coming weeks.
- The Government has not made a final decision nor formally committed to any aspect of the proposed development.
- Until such time as a final decision is made, the process remains Cabinet and Commercial in Confidence.
- The Government's progression of the *Casino (Electronic Gaming) Act 2017* (the Act) is a separate legislative process to the Aquis Entertainment Unsolicited Bid proposal.
- The framework established by the Act applies to any proposal for the introduction of electronic gaming machines (EGMs) and/or fully automated table game terminals (FATGs) in the casino, as part of any casino redevelopment proposal, by any entity.

Key Information

- Aquis Entertainment proposed a $307 million redevelopment of Casino Canberra, involving overhauling and up-scaling the casino, new high-end restaurants, bars, retail boutiques and entertainment options, and two new luxury hotels.
- The proposed redevelopment offers the potential to contribute positively to city rejuvenation and social outcomes.

Cleared as complete and accurate:	16/06/2018
Cleared by:	Deputy Director-General Ext: 72070
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development
TRIM Ref:	

- As per the Participation Agreement between Aquis Entertainment and the ACT Government, either party can discontinue progression of the proposal/process at its discretion.

Background Information – may not be suitable for public disclosure

- The company has also made a brief statement to the ASX expressing its desire to continue to work with the ACT Government to deliver the project, in response to the position of the ACT Government being made public.
- Aquis submitted its proposal under the Investment Proposal Guidelines process for unsolicited bids from private sector proponents.
- On 5 May 2016 the Government advised Aquis its proposal had met Phase 1 requirements of the unsolicited bid process, and invited submission of a detailed business case to enable Phase 2 assessment.
- ***[Sensitive]*** Aquis submitted its Phase 2 detailed business case on 17 June 2016. Aquis based its business case on 200 EGMs instead of the 500 proposed in its Phase 1 proposal.
- The Government has now legislated a cap of 200 EGM and 60 FATG authorisations to a casino license, with authorisations needing to be purchased from clubs and hotels under the trading scheme.
- Sch 2 s2.2(a)(viii) [redacted]
- ***[Sensitive]*** The Government formally notified Aquis of the passage of the *Casino (Electronic Gaming) Act 2017*, bringing attention to the requirement for a Social Impact Statement; the maximum number of EGM and FATG authorisations permitted; the mechanism for acquisition of authorisations; the relationship between conversion of authorisations and completion of prescribed development stages and milestones; and the requirement to implement harm minimisation measures ($2 maximum bet limit, mandatory pre-commitment systems, and a central monitoring system); in writing by the Head of Service on 16 January 2018.
-

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

Economic Development

ISSUE: CBRFREE

Talking points:

- CBRfree WiFi (CBRfree) is supplied to the ACT Government under the WiFi Services Agreement with iiNet.
- The Government will continue to support CBRfree through its service agreement with iiNet to deliver and maintain free public Wi-Fi in town centres and key public places.
- The $120,000 allocated in the 2018-19 Budget funds an annual 'network maintenance fee' which commences on completion of the full network, which will occur shortly.
- iiNet has now largely delivered the agreed rollout of CBRfree to the town centres specified in the WiFi Services Agreement, with minor works pending completion of Light Rail related infrastructure in Gungahlin. There is a further 20 per cent of funds remaining in the contract to cover unspecified work to fill gaps in the original design or address new areas. Cost engineering design work is being undertaken to optimise the value of the remaining rollout.
- CBRfree is one of the largest public free WiFi networks in Australia, and the only rollout among the capital cities to have a significant coverage beyond an Australian city's Central Business District.
- It is used by around 45,000 Canberrans and visitors per month.
- CBRfree has a wide spectrum of users; students, tourists, business people and disadvantaged community members as a means to communicate, live and learn.
- CBRfree provides users with access up to 250 megabytes per day over a fast broadband connection. This equates to around an hour of video content, or 50 photographs at 5 megabytes each, or 50 songs at 5 megabytes each.
- The CBRfree WiFi network, being built in partnership with iiNet, is one of Australia's largest free outdoor public WiFi networks. With 375

operating Access Points it is similar in size to the AdelaideFree WiFi network that Internode/iiNet has built in Adelaide CBD and North Adelaide, and VicFreeWiFi built by TPG in the Melbourne CBD.

Key Information

What has been completed?

- CBRfree public WiFi is now live around the town centres in Belconnen, Dickson, Kingston, Manuka, Weston Creek, Woden, Tuggeranong and Gungahlin. In the CBD it is live in Civic East – from Garema Place to the Convention Centre, round to Gorman House and up to Girrahween Street in Braddon, and Civic West – Northbourne Avenue to Barry Drive across to the ANU and around to New Acton. It is also available at the Australian Botanic Gardens.
- As at June 2018 there were 375 Wireless Access Points installed, including 277 outdoor WAPs. Covering the outdoor areas of many of Canberra's town centres, CBRfree is the only major deployment in Australia of free, public WiFi outside of a major city's Central Business District.
- CBRfree is also available via 98 indoor WiFi hotspots installed at many business and community locations, including at Canberra Theatre, Belconnen Arts Centre, EPIC, Tuggeranong Basketball Stadium and the Criterion Cycling Stadium at Stromlo Forest Park.
- CBRfree is an important source of broadband services for many Canberrans and visitors who don't have access to reliable fast broadband. CBRfree is attracting over 45,000 individual users per month.
- The CBRfree WiFi network is also capable of supporting a range of smart city initiatives which will benefit the ACT community. For example, the CBRfree WiFi network provides a communications network for the ACT Government's Smart Parking trial in Manuka, and a trial of using CBRfree infrastructure to expand the reach of the city's CCTV network is being undertaken.
- Canberra's public schools are leading users of digital technologies with all students using a digital backpack to access timetables, assignments, textbooks and collaborative workspaces. By providing internet access in many locations out of school grounds, CBRfree complements the schools' investment in digital technologies.

When will the rollout be finished?

- There is a further 20 per cent of funds remaining in the contract to cover unspecified work to fill gaps in the original design, including the work delayed around the Gungahlin Town Centre or address new areas.
- The remaining work under the WiFi Services Agreement will be undertaken as part of a 'bank' of around 70 Wireless Access Points (WAPs). The final selection of 'bank' locations will depend on a value-for-money assessment within the constraints of the remaining CBRfree budget. $683,000 has been re-profiled to 2018-19 to cover this expected expenditure under the agreement.
- Note, the installation of a number of WAPs has been delayed by construction work for the light rail network. CBRfree will be fully available in Gungahlin once the light rail network site works in Gungahlin have been completed.
- It is difficult to provide a precise timeframe for when the additional rollout of CBRfree can be undertaken, as WAP deployments are co-ordinated with the work program for the upgrading of ACT streetlights to more energy efficient lighting. The supply of power is an ACT Government responsibility under the WiFi Services Agreement.
- Electrix commenced the scheduling work for the streetlight upgrade in May 2018 and will take several months to complete. Electrix has not provided Innovate Canberra with a timeframe when its engineering cost estimates will be available.

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

ISSUE: STRATEGIC INDICATORS

Talking points:

- These are high level indicators which provide a 'helicopter view' on how the Government is tracking with its private sector diversification task. (They are not 'cause and effect' indicators associated with particular programs.)
  - *ACT active businesses* shows 27,369 active businesses registered in the ACT at 30 June 2017 – a net rise of 1,191 businesses, which is an increase of 4.5 per cent on the previous year.
    - The ACT had the highest growth rate nationally (NSW was second at 3.6 per cent).
    - The ACT was well ahead of the national increase of 3.1 per cent for the period.
  - *Private sector value added change* is a proxy indicator of the growth in the ACT's private sector from year to year. It measures the value added contribution and growth of the 'non-government' part of the ACT economy.
    - In nominal terms, private sector value added grew by 8 per cent in the 12 months to June 2017.
    - The non-government (private sector) share of value added represents 71 per cent of total value added.
    - The five year rolling average growth is in non-government value added at 3.5 per cent per annum.
    - The three year rolling average growth is 5.1 per cent indicating an increasing trend.
  - *ACT international goods and services exports* shows the total value of ACT exports at 30 June 2017 at $1.95 billion, up from $1.85 billion, which is an increase of 5.6 per cent on the previous year. Nationally, exports of goods and services rose by 5.4 per cent.

Cleared as complete and accurate: 16/06/2018
Cleared by: Deputy Director-General Ext: 75564
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

BUDGET ESTIMATES BRIEF

Key Information

These indicators only show data until 2016-17 as that is the latest data available from the ABS at the time of publishing the Budget. The out year projections reflect growth occurring at or above trend levels.

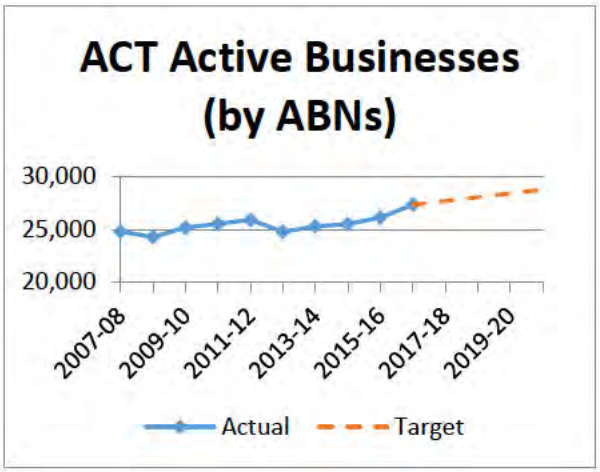
Background Information

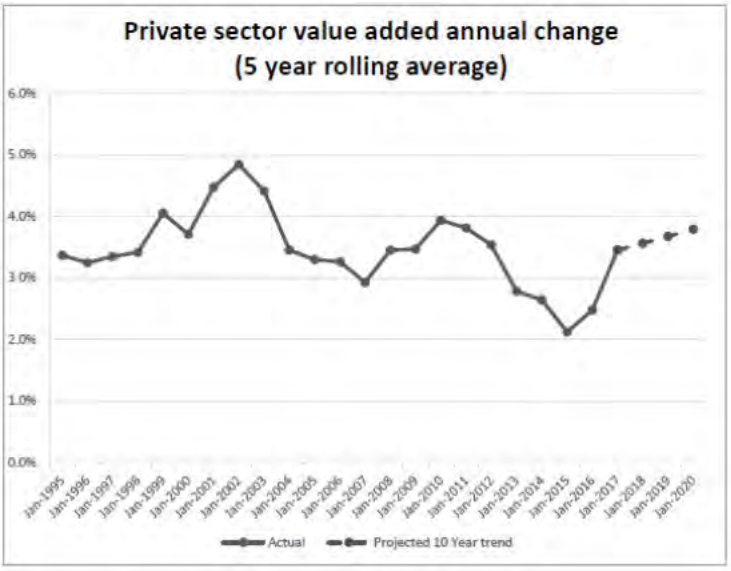
- ACT active businesses data is sourced from the ABS and captures actively trading businesses (as recorded activity against an Australian Business Number) with primary operations in the ACT. During 2016-17 the ACT had a net increase of 1,191 active businesses, or 4.5 per cent, taking the total number to 27,639 at June 2017.The ACT had the highest percentage increase across Australia, followed by New South Wales (3.6 per cent) and Victoria (3.6 per cent).
- Nationally, the ACT had both the highest entry (17.6 per cent) and exit (12.9 per cent) rate for businesses in 2016-17. A high exit rate has sometimes been conflated as a possible weakness, however, having a high entry and exit rate is more likely to reflect unique industry structure characteristics in the ACT. That is, a higher rate of churn is a sign of relatively low entry and exits costs for the type of industry the ACT has, and also a dynamic business sector.
- Private sector value added data is based on the sum of value added across all industries in the ACT, minus the 'public administration and safety' industry classification.
- ACT international goods and services data is sourced from the ABS and captures the ACT's international goods and services exports. State calculations are based on DFAT calculations (http://dfat.gov.au/about-us/publications/Documents/australias-trade-by-state-and-territory-2016-17.pdf, p. 11).
- During 2016-17 the ACT had a net increase of $103 million in international exports, or 5.6 per cent, taking the total number to $1.953 million at June 2017. The ACT had the fourth highest percentage increase across Australia, behind Victoria (7.8 percent) Queensland (6.8 per cent) and Western Australia (6.7 per cent). The ACT was above the national increase of 5.4 per cent.
- International education exports from the ACT increased 24 per cent in 2016-17 to $786 million, making it our largest discrete service export. Per capita the ACT now exports more education than any other Australian state or territory.

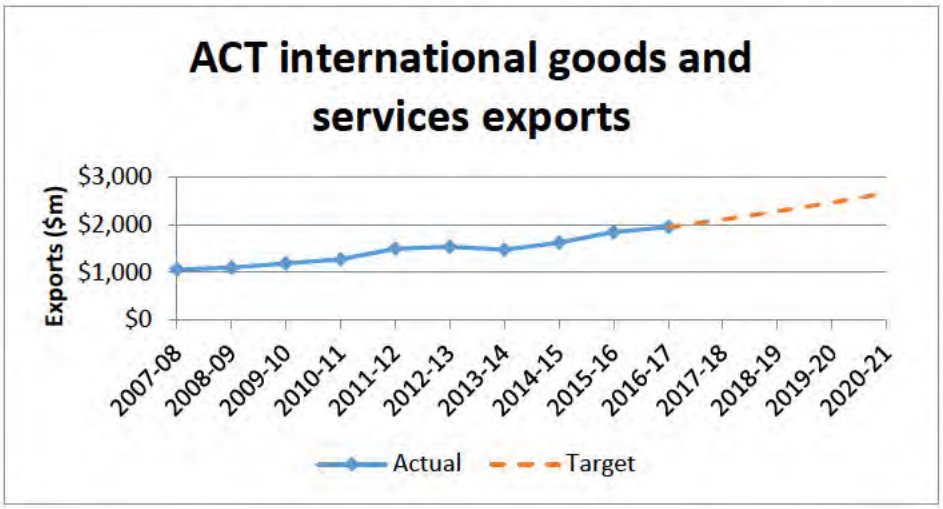
Cleared as complete and accurate:	16/06/2018
Cleared by:	Deputy Director-General Ext: 75564
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2660

BUDGET ESTIMATES BRIEF







Cleared as complete and accurate: 16/06/2018
Cleared by: Deputy Director-General Ext: 75564
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2660

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

Economic Development

ISSUE: ACCOUNTABILITY INDICATORS – OUTPUT 3.1 INNOVATION TRADE AND INVESTMENT

Talking points:

- 2018-19 Accountability Indicators for Output 3.1 track the mix of programs delivered by Output 3.1 to support the Government's economic diversification agenda.
- This includes key sector capability building, trade and investment activities, supporting the growth of the local innovation eco-system, and private sector investment facilitation across ten separate measures.
- Indicators relating to key sector capability building have been transferred and revised from Output 3.6 Higher Education, Training and Research into Output 3.1 to reflect the economic development priority of these programs.

Key Information

Measure (a) Sector capability building

	2017-18 Targets	2017-18 Estimated Outcome	2018-19 Targets
a. Sector capability building			
Key Capability Area Fund		n/a	1
Defence industry advocacy		n/a	1
ACT Vice Chancellors' Forum		n/a	1
Cyber industry development		n/a	1
Space industry development		n/a	1
Screen industry through Screen Canberra		n/a	1

- *Measure (a) Sector capability building* was previously reported in Output 3.6 Higher Education and Training, tracking only the delivery of the Key Capability Area Fund recipients. This measure has been transferred to Output 3.1 to support overall economic development activity and expanded to include the Key Capability Fund program; Defence industry advocacy (in partnership with the Defence Industry Advisory Board and the Defence Industry Advocate); the ACT Vice Chancellor's Forum (in partnership with the region's higher education institutions and chaired by the Chief Minister); cyber industry development (in partnership with the Canberra node of AustCyber); space industry development (in partnership with industry, education institutions and the Canberra Space Development Working Group); and screen industry development (in partnership with Screen Canberra).

Measure (b) Trade and investment

	2017-18 Targets	2017-18 Estimated Outcome	2018-19 Targets
b. Trade and investment			
Number of international trade and investment campaigns and delegations	3	4	4
Number of lead responses generated from investment support activity	30	30	30

- Measure (b) *Trade and investment* continues from the previous year and tracks the delivery of ministerially-led trade and investment delegations, and lead responses generated from investment support activity.

  Regarding trade delegations: this indicator tracks ministerially-led international campaigns and delegations delivered by Enterprise Canberra only, and not trade mission activity that does not include participation by a Minister. The 2018-19 Target has been set at 4, an increase from past YTD Targets of 3, given the ACT Government's recent focus on international engagement such as direct flights, increased sister city activity, and the appointment of a Commissioner for International Engagement. The Commissioner for International Engagement's current International Engagement Program identifies five international destinations for the 2018-19 period (Singapore/Hong Kong/Korea; India/Japan; New Zealand; China; and Singapore/Asia/Middle East).

  Regarding investment support activity: this indicator tracks the provision of support and information to attract and retain entities (external to government) which have expressed interest in operating in the ACT. The target of 30 reflects the scope of enquires received, both via Austrade and direct to the ACT Government. Priority consideration is given to entities that fall within the scope of the ACT Government's key capability areas.

Measure (c) Support for innovation eco-system building

	2017-18 Targets	2017-18 Estimated Outcome	2018-19 Targets
c. Support for innovation eco-system building			
CBR Innovation Network and associated programs	n/a	n/a	1

- Measure (c) *Support for innovation eco-system building* is a new indicator introduced for the 2018-19 reporting period and tracks support for innovation and entrepreneurs through programs delivered by the CBR Innovation Network, including programs such as the GRIFFIN Accelerator, KILN Incubator, Entry29, Millhouse Social Enterprise as well as participation in CBRIN-hosted events and workshops. These are deliverables that comprise the work plan agreed between CBR Innovation Network and the ACT Government. This indicator replaces previous indicators which tracked *support for innovation start-ups* and *support for the development of key industry capability in the ACT innovation ecosystem*.

Cleared as complete and accurate: 29/05/2018
Cleared by: Executive Director Ext: 72004
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref:

Measure (d) Private sector investment facilitation

	2017-18 Targets	2017-18 Estimated Outcome	2018-19 Targets
d. Private sector investment facilitation			
Major projects under facilitation management	n/a	n/a	2

- Measure (d) *Private sector investment facilitation* is a new indicator introduced for the 2018-19 reporting period with a Target of 2. It has been established to track the number of projects supported during the period via the newly established Strategic Projects.

Discontinued measures

Measure (e) Support for innovation start-ups and entrepreneurs

	2017-18 Targets	2017-18 Estimated Outcome	2018-19 Targets
e. Support for innovation start-ups and entrepreneurs			
Innovation Connect (ICon) new client connections	50	61	n/a
Innovation Connect (ICon) successful grant applications	15	12	n/a
Deliver targeted programs to support innovative start-ups	3	3	n/a
Satisfaction on the effectiveness of ACT Government programs and initiatives to support innovative start-ups through surveys of the CBR Innovation Network Board and the Innovation Community Forum	>75%	75%	n/a

- Measure (e) *Support for innovation start-ups and entrepreneurs* has been discontinued at the end of the 2017-18 reporting period as part of the revision of accountability indicators across Output 3.1 and the inclusion of a significantly greater focus on sector capability building, however the scope of work relating to support for innovation start-ups and entrepreneurs remains in focus through Measure (c) *Support for innovation eco-system building* (as detailed above).

  The discontinued measure contained four separate indicators - two tracking the Innovation Connect grant program and two tracking surveys of the ACT Government's support for innovation capability. The 2017-18 target of 15 for *Innovation Connect (ICon) successful grant applications* was not achieved – the year end result is 12. This is due to budget management across the reporting period and due diligence when assessing applications. The full quantum of Innovation Connect budget allocation has been allocated to the 12 strongest applications (prescribed at table 2 of Attachment B), rather than stretching the funding out to meet the indicator target of 15. The indicator has been discontinued at the end of the 2017-18 reporting period with the realignment of funding support from individual grants to overall innovation sector activity, and an increased focus on sector capability building.

Measure (f) Support development of key industry capability in the ACT innovation ecosystem

	2017-18 Targets	2017-18 Estimated Outcome	2018-19 Targets
f. Support development of key industry capability in the ACT innovation ecosystem			
Deliver targeted programs to support development of key industry capability in the ACT Innovation ecosystem[15]	4	4	n/a
Satisfaction on the effectiveness of ACT Government programs and initiatives to support development of key industry capability in the ACT Innovation ecosystem through surveys of the CBR Innovation Network Board and Community Forum[16]	>75%	75%	n/a

- Measure (f) *Support development of key industry capability in the ACT innovation ecosystem* has been discontinued, however the scope of work relating to development of key industry capability in the ACT innovation ecosystem remains in focus through Measure (a) *Sector capability building* and Measure (c) *Support for innovation eco-system building*.

Measure (g) Invest Canberra

	2017-18 Targets	2017-18 Estimated Outcome	2018-19 Targets
g. Invest Canberra			
Trade Connect grants delivered	30	3	n/a
Number of investment facilitation projects supported	2	2	n/a

- Measure (g) *Invest Canberra* has been discontinued.

  Trade Connect grants delivered is discontinued to reflect that funding previously provided towards individual exporter grants has been realigned to support company participation in international delegation activity. With the reorganisation of Economic Development division the Trade Connect grant program has been discontinued. As such this measure can no longer track that program and was discontinued from Output 3.1 at the end of the 2017-18 period. Output 3.1 still contains an indicator which tracks delivery of international trade and investment campaigns and delegations, and support for participation by Canberra businesses will be channelled through third party organisations with involvement in trade mission activity (eg. CBR Innovation Network, Screen Canberra, Canberra Business Chamber).

  Number of investment facilitation projects supported is discontinued to reflect the cessation of Output 3.1's carriage of unsolicited bids (which are now administered by Treasury).

BUDGET ESTIMATES BRIEF

Background Information –

Innovate Canberra has responsibility for Output 3.1 Innovation, Trade and Investment, and Output 3.6 Higher Education, Training and Research.

- For 2018-19 Output 3.1 comprises ten separate indicators, and Output 3.6 comprises 13 separate indicators.
- Two indicators from Output 3.6 were transferred to Output 3.1 from 2018-19 – ACT Vice Chancellors' Forum meetings; and Key Capability Area Fund. Both of these measures have been transferred to Output 3.1 to reflect to reflect the economic development priority of these programs.

Trade Connect grants delivered:

Company	Amount	Activity
1. Cogito Group	$739.10	CBR Wellington Trade Mission
2. SignOnSite	$5,466.15	CBR Wellington Trade Mission
3. Stir	$1,000	CBR Wellington Trade Mission

Cleared as complete and accurate: 29/05/2018
Cleared by: Executive Director Ext: 72004
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Economic Development

TRIM Ref:

Output Class 3: Economic Development[1]

Output 3.1: Innovation, Trade and Investment[2]

Innovate Canberra delivers programs, initiatives and business policy advice that promote the economic development of the broader capital region, including universities, research organisations, commercialisation entities, business organisations and other government agencies. Innovate Canberra's activities are aimed at accelerating the commercialisation of locally generated intellectual property, programs to encourage internationalisation of ACT businesses through trade and investment, and a range of activities that enhance the innovation capability of the private sector and its relationship with key institutions. Innovate Canberra delivers the Skilled and Business Migration Program and participates in business and innovation policy forums, including Ministerial Councils and other national business, innovation and science infrastructure forums.

Note(s):
1. This Output Class was previously Output Class.9 Economic Development.
2. This Output was previously Output 9.2 Innovation, Trade and Investment.

Accountability Indicators

Output 3.1: Innovation Trade and Investment[1]

Table X: Accountability Indicators Output 3.1

	2016-17 Targets	2016-17 Estimated Outcome	2017-18 Targets
a. Support for innovation start-ups and entrepreneurs			
– Innovation Connect (ICon) new client connections[2]	50	50	50
– Innovation Connect (ICon) successful grant applications[3]	15	15	15
– Deliver targeted programs to support innovative start-ups[4]	3	3	3
– Satisfaction on the effectiveness of ACT Government programs and initiatives to support innovative start-ups through surveys of the CBR Innovation Network Board and the Innovation Community Forum[5]	>75%	>75%	>75%
b. Support development of key industry capability in the ACT innovation ecosystem			
– Deliver targeted programs to support development of key industry capability in the ACT Innovation ecosystem[6]	4	4	4
– Satisfaction on the effectiveness of ACT Government programs and initiatives to support development of key industry capability in the ACT Innovation ecosystem through surveys of the CBR Innovation Network Board and Community Forum[7]	>75%	>75%	>75%
c. Invest Canberra			
– Trade Connect grants delivered[8]	30	40	30
– Number of international trade and investment campaigns and delegations[9]	3	3	3
– Number of lead responses generated from Invest Canberra program activity[10]	30	30	30
– Number of investment facilitation projects supported[11]	2	2	2
d. Skilled Migration Attraction and Facilitation			
- Employer Sponsored Nominated[12]	330	450	n/a
- Skilled Independent Nominated[13]	500	720	n/a
- Participation in the settlement support program for ACT nominated migrants[14]	>70%	>70%	n/a
- Average number of monthly visits to *Canberra. Create Your Future* website[15]	12,000	20,000	n/a
e. Funded training initiative administered within published timeframes[16]	100%	90.9%	n/a
f. Registered training organisation audit reports provided within 30 days of completion of on-site audit[17]	100%	100%	n/a
g. Total number of students undertaking vocational qualifications[18]			
– All students	30,100	23,224	n/a
– Aboriginal and Torres Strait Islander students	755	933	n/a
– Students with a disability	1,940	1,972	n/a
h. Participation in vocational education and training[19]			
– All students (percentage)	8.2%	5.9%	n/a
– Aboriginal and Torres Strait Islander students (percentage)	15.5%	13.5%	n/a

Note(s):
1. This Output was previously Output 9.2 Innovation, Trade and Investment.
2. This accountability indicator tracks the number of new client connections engaging with the Innovation Connect grant program. This is an ongoing program and the indicator is considered complete at the end of the reporting period.
3. This accountability indicator tracks the number of successful applications to the Innovation Connect grant program, i.e. applications that the Innovation Connect Assessment Panel approve for funding support. This is an ongoing program and the indicator is considered complete at the end of the reporting period.
4. Delivery of ACT Government programs to support start-ups (ie. newly created businesses, business intenders, business models that propose innovative products or services that can demonstrate future growth potential). Target refers to CBR Innovation Network, ICon and Small Business Innovation Partnership (SBIP) programs. These are ongoing programs and the indicator is considered complete at the end of the reporting period.
5. Surveys of ACT Government programs to support start-ups. Surveys seek comment and views on the impact and effectiveness of ACT Government programs and initiatives to assist innovative start-ups within the ACT economy. Stakeholders surveyed are CBR Innovation Network Board and Innovation Community Forum. This indicator is considered complete at the end of the reporting period.
6. Delivery of ACT Government programs to support key industry capability in the innovation ecosystem. Target refers to CBR Innovation Network, Data61, CollabIT and Screen Industry Support programs. These are ongoing programs and the indicator is considered complete at the end of the reporting period.
7. Surveys of ACT Government programs to support key industry capability in the innovation ecosystem. Surveys seek comment on the impact and effectiveness of ACT Government programs and initiatives to build capacity in key capability areas within the ACT economy. Stakeholders surveyed are CBR Innovation Network Board and Innovation Community Forum. This indicator is considered complete at the end of the reporting period.
8. Number of Trade Connect grants awarded. This is an ongoing program and the indicator is considered complete at the end of the reporting period. The 2016-17 Estimated Outcome is expected to be 33% above Target which reflects an increased profile following the launch of the International Engagement Strategy.

9. Tracks the number of international trade and investment campaigns and delegations. This is an ongoing program and the indicator is considered complete at the end of the reporting period.
10. Tracks the number of trade and investment lead responses identified and qualified. A lead is defined as the identification of an entity that has expressed an interest and has the authority and capacity to invest in the ACT. This is an ongoing program and the indicator is considered complete at the end of the reporting period.
11. Tracks the number of investment facilitation projects supported (ie. leads that develop into supported projects). Year end outcome of 2 demonstrates 2 proposals were supported in providing a detailed business case for Government to consider. Many of the facilitated leads are projects that have taken significant resources and due diligence to progress to Government consideration. A decision by an investor to respond to an opportunity and have that realised as a development can take several years. This is an ongoing program and the indicator is considered complete at the end of the reporting period.
12. Tracks ongoing program delivery within Commonwealth Government (Department of Immigration and Border Protection) policy parameters based on a three-year average. The 2016-17 Estimated Outcome is higher than the Target as employers drive demand for this measure, and there has been greater than expected interest from employers seeking to nominate overseas skilled workers which coincides with other signs of a strengthening economy and low unemployment figures. This is an ongoing program and the indicator is considered complete at the end of the reporting period. In 2017-18 this accountability indicator will be reported in Output 3.6 Higher Education, Training and Research. The 2017-18 Target is based on an estimated outcome for this activity based on achievement levels in past reporting periods.
13. Skilled Independent Nominated target is within the quota set by the Commonwealth Government (Department of Immigration and Border Protection). The 2016-17 Estimated Outcome is higher than the Target as there was an increase in overseas applicants applying for ACT nomination when the ACT Occupation List was updated in September 2016. This led to the program closing to overseas applicants on 13 September 2016. The program remains open to Canberra temporary residents/students wanting to stay permanently in Canberra. This is an ongoing program and the indicator is considered complete at the end of the reporting period. In 2017-18 this accountability indicator will be reported in Output 3.6 Higher Education, Training and Research. The 2017-18 Target is based on an estimated outcome for this activity based on achievement levels in past reporting periods.
14. Percentage of ACT nominated skilled migrants that participate in settlement support program. This is an ongoing program and the indicator is considered complete at the end of the reporting period. In 2017-18 this accountability indicator will be reported in Output 3.6 Higher Education, Training and Research.
15. Average number of monthly visits to *Canberra. Create Your Future* website (www.canberrayourfuture.com.au), promoting the competitive advantages of Canberra to skilled workers. The greater number of monthly visits than anticipated shows a higher than expected number of users of the *Canberra. Create Your Future* website, indicating the resource is valuable and well used. The release of an updated ACT Occupation List in September 2016 may contribute in-part to increased visitation to the website, as well as the Federal Government's announcement in April 2017 of changes to the Skilled Occupation List (SOL) being replaced by the Medium and Long term Strategic Skills List (MLTSSL). This is an ongoing program and the indicator is considered complete at the end of the reporting period. In 2017-18 this accountability indicator will be reported in Output 3.6 Higher Education, Training and Research.
16. Discontinued accountability indicator. This indicator measured the percentage of key published dates regarding administration of funded training initiatives. The lower than Target 2016-17 Estimated Outcome was due to one published date not being met (Australian Apprenticeships (User Choice) Qualification Subsidy Amounts List). The finalisation of this List was impacted by the extended public consultation period for the ACT Skills Needs List, which informs the Australian Apprenticeships (User Choice) qualification subsidy amounts. Stakeholders were advised of the revised publication date.
17. Discontinued accountability indicator. This indicator measured the percentage of registered training organisation (RTO) audit reports provided within 30 days of the completion of an on-site audit.
18. This accountability indicator measures the number of students (all; Aboriginal and Torres Strait Islander; students with a disability) undertaking government funded Vocational Education and Training in the ACT. The result relates to the 2015 calendar year and the result reported at 31 December 2016 completes this measure. In 2017-18 this accountability indicator will be reported in Output 3.6 Higher Education, Training and Research.
19. This accountability indicator measures the participation rate for students (all; Aboriginal and Torres Strait Islander) undertaking government funded Vocational Education and Training in the ACT. The result relates to the 2015 calendar year and the result reported at 31 December 2016 completes this measure. The data used to calculate the population for the Aboriginal and Torres Strait Islander target changed for this reporting period which impacted on the participation rate. In 2017-18 this accountability indicator will be reported in Output 3.6 Higher Education, Training and Research.

ATTACHMENT B

Table 1 – Number of lead responses generated from investment support activity

Date	Company Name	Country of Origin	Sector
31/01/2018	Austrade Mission	Australia/multiple international invitees	Food Agritech
27/12/2017	Fluidtime	Austria	Transport
07/01/2018	Po Lun Group Holdings	China	Food Agritech
04/07/2017	Alibaba	China	Retail
15/11/2017	China Shineway Pharmaceutical	China	Health Sciences
11/10/2017	Linuo Group Holdings	China	Renewables
30/05/2018	Zhengzhou Yutong Bus Co	China	Transport
02/11/2017	GENSUN	France	Renewables
26/02/2018	Decathlon	France	Retail
23/10/2017	BayWa	Germany	Agritech
11/10/2017	SUSI	Germany	Renewables
30/08/2017	TUV Rhineland	Germany	Renewables
20/02/2018	ANI Technologies (Ola Cabs)	India	Transport
14/06/2018	Better of Cann Pharmaceuticals	Israel	Health Sciences
16/02/2018	Enel Greenpower	Italy/Australia	Renewables
21/02/2018	KAIST Korea	Korea	Other
12/09/2017	PMW Industries Sdn Bhd	Malaysia	Construction
30/10/2017	BioCarbon Engineering	UK	Agritech
20/12/2017	Devenish Nutrition	UK/Ireland	Agritech
01/03/2018	Driscolls	USA	Agritech
12/12/2017	NVIDIA	USA	ICT
07/07/2017	OpenGov	USA	ICT
19/04/2018	HelloAlex	USA	ICT
22/05/2018	Remix	USA	ICT
23/05/2018	Terminal	USA	ICT
05/06/2018	Trinity	USA	ICT
20/12/2017	Kisensum	USA	Renewables
21/09/2017	Firefly	USA	Space
01/12/2017	Doosan Gridtech	USA/Korea	Renewables
01/06/2018	Infosys	India	ICT

Table 2 – Innovation Connect grant recipients

Company	Project title	Funding Amount (GST Exclusive)
Flex-G Pty Ltd	Nanofluid coolant for electrified systems	$30,000
Cingulan Pty Ltd	Satellite tracking solution	$30,000
Mr Dennis Levy	Early detection of bush fires and electrical power line faults	$30,000
Emudent Technologies Pty Ltd	Dental automation	$30,000
GC Precision Development Pty Ltd	Firearm suppressor	$30,000
This is Plumbing	Toilet siphon	$5,000
Safrican Pty Ltd	VR ADHD therapy	$20,000
Fillearth Pty Ltd	Solar cooker	$10,000
Serious Futures	C02peration climate science game	$30,000
Energy Storage Rights	One lake pumped hydro	$30,000
Re:Start Charging Services Pty Ltd	On demand EV charging service	$27,000
Smart Blox Pty Ltd	Solar blox	$20,000

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

Higher Education, Training & Research

ISSUE: VICE CHANCELLORS' FORUM

Talking points:

- The Vice Chancellors' Forum is the key forum body between and among the Government and the higher education, training and research sector institutions.
- It works to support sector growth and promote and position Canberra as the nation's leading education and research city.
- The VC Forum is co-chaired by the Chief Minister and Minister for Higher Education, Training and Research, with other members drawn from the major ACT institutions (ANU, UC, UNSW Canberra, CIT, ACU and CSU).
- The Vice Chancellors' Forum aims to meet twice annually. It last met in May 2018, and prior to that in December 2017.
- A Working Group of the Forum, comprising senior officials of each of the member organisations, also meets intersessionally.

Key Information

- The Vice Chancellors' Forum oversees implementation of the International Education Strategy *Canberra, Australia's Education Capital* and the Study Canberra work plan.
- There are no direct costs associated with the Vice Chancellors' Forum or Working Group – secretariat support is provided by the Economic Development Division of the Chief Minister, Treasury and Economic Development Directorate.

Background Information – may not be suitable for public disclosure

- At its meeting on 29 May 2018 issues discussed included:
    - a project to measure the economic contribution of tertiary education to the ACT;
    - scenario and risk planning approaches;
    - a coordinated approach to supporting and promoting student safety;
    - major national policy issues impacting on the sector and local effects;
    - the Study Canberra 2018-19 Work Plan; and,
    - shared international activities to support student recruitment.
- The Vice Chancellors' Forum will next meet in September or October 2018.

Cleared as complete and accurate:	15/06/2018
Cleared by:	Deputy Director-General Ext: 75564
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2660

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

Higher Education, Training & Research

ISSUE: STUDY CANBERRA

Talking points:

- The Government committed $3 million over four years from 1 July 2017 for Study Canberra and its core role in implementing *Canberra: Australia's Education Capital* – the ACT international education strategy.
- Study Canberra works in partnership with universities, CIT and the Education Directorate to support the growth and development of the tertiary education sector.
- A range of initiatives and activities have been developed in destination marketing, enhancing the student experience, international engagement, partnerships and collaboration, and supporting reforms - overseen by the Vice-Chancellors' Forum.

Key Information

- Education is Canberra's largest export ($879 million in 2017). International enrolments have grown over 36 per cent from 2014 to number around 17,000 in 2017 (around 11 per cent growth per annum).
- In 2014 the economic contribution of the higher education and research sector to the ACT was over $2.7 billion and 16,000 jobs (Deloitte, 2015).
- Deloitte's preliminary estimates for 2017 are considerably larger at over $3.2 billion value added and over 19,000 FTE jobs. The report will be finalised in late June 2018.
- The ACT International Education Strategy seeks to build on our reputation for quality, world class research, innovation, employment outcomes, liveability and a great student experience to increase the sector's economic contribution.
- Initiatives developed to date include web and social channels, scholarships, welcome activities, guides, public events, a student ambassadors program, supporting overseas visits and market research.
- Initiatives planned for 2018-19 include: social media collaboration, tertiary open day facilitation, employability and post study work support, hosting visiting agents and influencers, accommodation planning/support, safety awareness and updated marketing collateral.

Cleared as complete and accurate:	16/06/2018
Cleared by:	Deputy Director-General Ext: 75564
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2660

BUDGET ESTIMATES BRIEF

Background Information – may not be suitable for public disclosure

Student Ambassadors

- The 2018 Study Canberra Student Ambassador program includes 18 students from 12 countries, from diverse backgrounds, fields of study, and all major institutions representing universities, VET (CIT) and high school in the ACT.
- The Student Ambassadors tell their Canberra story and promote the many great aspects of living and studying in the ACT, and assist newly arrived students with information, referrals and advice – for example at events such as O-Weeks, a welcome desk at Canberra Airport, Tertiary Open Day, and Canberra Careers Xpo.
- The students are employed on Administrative Service Officer Class 2 contracts – currently (2017) $27.23 per hour plus 25 per cent casual loading.
- The cost of the Student Ambassador program is around $20,000 per year in wages.
- This initiative has been a success story with support from institutions, the wider community and students – and has featured in *The Canberra Times*.

Scholarships Programs

- Study Canberra has developed joint scholarships programs with ANU and University of Canberra.
- Scholarship programs for 2018 are being run with ANU (for students from India and Indonesia), and University of Canberra (UC) for international ICT students.
- The scholarships provide $10,000 for up to 10 students per academic year, to assist with living costs. They are a key promotional tool for attracting the best and brightest students.
- The cost to Study Canberra for each program is $50,000 per financial year.
- Institutions provide matching funding, so the total pool in each case is $100,000.
- A scholarships program for international students undertaking higher degree research has been run with UNSW Canberra in previous years.

Other projects

- A high profile Chief/Minister's Student Welcome event, held annually in March.
- Conducting comprehensive research on perceptions, decision drivers, study experience, and alumni outcomes.
- A presence at events such as Orientation Weeks, Careers Xpo and Tertiary Open Day.
- A welcome desk at Canberra Airport for new students at the start of Semesters.
- A web site and presence on social media channels (Facebook, Instagram).
- Marketing collateral such as the 'Top 10 Reasons to Study in Canberra' in 15 languages, and the Insider Guide to Canberra.
- A fee waiver in Government Schools for the dependents of international research students.
- Engagement at national events such as the Council for International Students Australia conference, and the Australian International Education Conference.

Cleared as complete and accurate:	16/06/2018
Cleared by:	Deputy Director-General Ext: 75564
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2660

- Collaboration with Brand Canberra, Visit Canberra and supporting inbound/outbound missions, the Vice Chancellors' Forum and Commonwealth-State Territories collaboration fora.
- Promoting and celebrating success in local media, and a quarterly stakeholder newsletter.

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

ISSUE: SCREEN CANBERRA

Talking points:

- Screen ACT was allocated $1.077 million over three years in the 2017-18 Budget.
- In July 2017 Screen ACT rebranded to Screen Canberra in order to facilitate easier recognition of the local screen industry at both national and international levels.
- The ACT Government's business development strategy *Confident and Ready: Building on Our Strengths* identifies the creative industries as a future growth area for the Territory, and support to Screen Canberra is a key part of the strategy to develop the creative sector.

Key Information

- Screen Canberra is the primary partner organisation the ACT Government uses to support the development and growth of the screen industry in the ACT.
- Screen Canberra delivers commercially-focused screen industry development services and activities including location marketing, promotion and facilitation, professional development and industry development.
- Screen Canberra is delivered by the ACT Screen Industry Association on behalf of Government under an outsourced arrangement.

Background Information – may not be suitable for public disclosure

- Screen Canberra has a proven track record of building local screen industry capability and supporting the ACT Government's Screen Production Fund to attract and support high profile screen productions in Canberra. In 2017 it supported the production of *Secret City* series 2.
- It also plays an effective role in positioning Canberra as a preferred location for low-budget feature films through its Screen Accelerator, which develops the pipeline of screen projects developed for the Film Distillery.
- Screen Canberra supported the 2017 Canberra Week in Wellington by hosting the screening of two Canberra film productions, *Rip Tide* and *Blue World Order* to stakeholders in Wellington. The screenings are also a part of the strategy to broaden collaboration between Wellington and Canberra screen industries.

Cleared as complete and accurate:	16/06/2018
Cleared by:	Deputy Director-General Ext: 75564
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2660

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

ISSUE: SCREEN PRODUCTION FUND

Talking points:

- The ACT Government has committed $5 million towards the establishment of a new Screen Production Fund. This new Fund will be delivered by the ACT Screen Industry Association (trading as Screen Canberra) against a formal funding agreement with the Government.
- The Fund, alongside other financial partners, will contribute funding to eligible commercial screen productions that are undertaken partly or wholly in Canberra.
- While the ACT Government has contributed project funding to a number of recent high profile films and series partly shot in Canberra, this new dedicated funding arrangement will allow for greater flexibility and responsiveness to potential opportunities.
- A dedicated Fund will also provide greater certainty to the market and clearer points of engagement for potential investors.

Key Information

- The Screen Production Fund is an initiative that aims to encourage the undertaking of significant screen projects in the ACT, grow our creative skills base and stimulate cultural and economic development. The Fund aims to develop and grow the screen industry in the ACT through co-funding commercial screen productions that are undertaken in Canberra.
- In 2017-18 the Screen Production Fund supported only one project, the television series *Secret City Series 2*, with a $150,000 contribution towards the production's budget of $8.69 million. Each dollar invested by the Fund triggered an expenditure of $5.60 by the project in the Territory. Since the original Screen Production Fund was established during 2010-11, it has supported a total of 21 screen projects from the total funding allocation of $2.4 million.

Background Information – may not be suitable for public disclosure

- Alongside the Screen Production Fund, Screen Canberra works with industry stakeholders to implement the Screen Accelerator and Film Distillery to develop and produce commercial low-budget feature films in Canberra. The first production from the pipeline of low-budget commercial screen projects, *The Furies*, went into production during the year and is now in post-production. This film was taken to Cannes in 2018 where it received significant initial market interest. The Film Distillery plans to produce at least four screen projects per year.

Cleared as complete and accurate:	15/06/2018
Cleared by:	Deputy Director-General Ext: 75564
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2661

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

ISSUE: AUTOMATED VEHICLE TRIAL – CAN DRIVE

Talking points:

- The ACT Government entered a two-year research partnership with Canberra company Seeing Machines on the signing of a $1.2 million Deed of Grant in December 2017 to initiate **CAN Drive**.
- The key goals of the CAN Drive trial are to:
  - drive improvements in vehicle technology and road safety strategy;
  - drive community interest and acceptance of new vehicle technologies;
  - assess the potential for automated vehicle technologies to address social mobility challenges; and
  - build Canberra's reputation as Australia's technology testbed.
- Seeing Machines commenced Phase 1 of the trial in April 2018. This involves testing driver engagement/preparedness for transitions from automated to manual driving in semi-automated vehicles.
  - A key policy issue being addressed through the trial is the value of driver monitoring systems (Seeing Machines technology) within semi-automated vehicles, and whether they should be recognised in safety rating systems, insurance premiums and regulation.
  - If driver monitoring equipment is shown to be required for a semi-autonomous vehicle to achieve 5 Star safety rating, this would improve vehicle safety and save lives by avoiding accidents due to driver inattention.
  - Already the information gathered in the CAN Drive trial has helped Seeing Machines market a new 'driver awareness' product to vehicle manufacturers, directly resulting in increased employment in Canberra.
- This trial is also unique and will fill a critical information gap internationally.

Cleared as complete and accurate:	16/06/2018
Cleared by:	Deputy Director-General Ext: 75564
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2660

- The Australian National University and University of Canberra have also developed Automated Vehicle trial projects associated with CAN Drive which will be supported with ACT Government research grants up to $75,000 for each of the two universities, demonstrating the Government's ongoing commitment to supporting the growth of our universities.

Key Information

- Seeing Machines is a global company based in Canberra, leading the world in driver monitoring technologies. It employs over 200 Canberrans, is adding 1-2 new job hires every week, has won numerous ACT Chief Minister's Export Awards, and is an outstanding example of an innovative company taking full advantage of the opportunities on offer in our city.
- The ACT Government has established the Automated Vehicle Trial Committee, co-chaired by Kate Lundy and Glenn Keys, to provide governance for the trials and to ensure focus on the Government's objectives, delivery of outcomes and the discharge of public monies. Transport Canberra and City Services and Environment, Planning and Sustainable Development Directorates are also represented on the Committee.
- Minister Rachel Stephen-Smith launched CAN Drive Phase 1 in April 2018 at the Sutton Road Driving Training Centre. Community interest in participating is very strong, and ten participants are engaged in data collection as part of the trial. The data collection for Phase 1 will be completed before end July 2018.
- Phase 2 of CAN Drive will involve on-road testing. Seeing Machines met with the Australian Federal Police in May 2018 to discuss driving behaviour for any on-road data collection. Discussions on options continue with a deadline for final decision by July 2018.
- The transition from manual to semi-autonomous driving, and vice versa, is one of the primary safety concerns with the introduction of automated vehicles. CAN Drive will probe the following:
    - What is the relationship between driver engagement and the quality (e.g. efficiency and safety) of transitions in automated driving?
    - How does driving mode (manual vs. automated) affect driver performance with respect to distraction?
- In the Phase 1 CAN Drive trial currently participants are asked to drive the test car in accordance with instructions provided. The test vehicle is a Tesla Model S with the autopilot function. A range of sensors are fitted inside the vehicle.
- Before data collection, participants are given a training session to become familiar with the Autopilot function of the Tesla Model S, the sensing technologies inside the

vehicle, and the secondary tasks used to manipulate their engagement level during driving.

Background Information – may not be suitable for public disclosure

- The ANU has submitted a proposal to Automated Vehicle Trial Committee which has been approved. The research work involves use of the ANU's automated vehicle simulator equipped with Seeing Machines technology. A technology agreement between the ANU and Seeing Machines needs to be finalised before the research work can commence.
- The University of Canberra has submitted a proposal to the Automated Vehicle Trial Committee which has been approved. The research work involves monitoring passenger behaviour and reactions to an automated shuttle bus operating on the University of Canberra campus. Shuttle bus supplier Easymile has put a proposal to the University of Canberra that provides a subsidy and support for running the trial. Further sponsorship is necessary and confirmation in writing of a verbal agreement by a potential major sponsor is needed for the trial to progress.

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

Economic Development

ISSUE: INTERNATIONAL ENGAGEMENT

Talking points:

- The Commissioner for International Engagement plays an important role in advising, coordinating, and adding value to the ACT Government's existing international development and engagement activities across the spectrum of government.
- In particular, the Commissioner will focus on underpinning the success of new direct air route links, Canberra's sister city relationships, emerging export markets and inward investment opportunities.
- The ACT Government's 2016 International Engagement Strategy demonstrates a clear commitment to building enduring international relationships for the economic, cultural and social benefit of the ACT.
- The Commissioner provides a central point within Government to manage the International Engagement Strategy, and provides a clear access point for external stakeholders such as the business community and our regional partner organisations.

Key Information

- The Commissioner, working alongside other ACT Government line areas and initiatives (Innovate Canberra, Visit Canberra, Brand CBR, Study Canberra), is building new and deeper linkages with priority offshore markets and cities.
- The Commissioner's high level objectives are to::
  - Provide strategic leadership to Canberra's international engagement, including in areas related to tourism, trade and investment attraction.
  - Add value to existing activities to grow Canberra's international reputation and brand profile in key markets.
  - Support a targeted program of ACT Government, Ministerial and industry trade and tourism missions to priority markets.
  - Build deeper relationships with Canberra's diplomatic community.
  - Work with local business organisations to connect with like-minded organisations in key markets and to utilise their networks and market knowledge.
  - Make recommendations for ACT representation (either at an official level or through the Canberra business and research community) at international conferences and trade shows relevant to Canberra's key capability areas.

Cleared as complete and accurate:	21/05/2018	
Cleared by:	Executive Director	Ext: 72004
Contact Officer Name:	Sch 2 s2.2(a)(ii)	
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref:

  - Add value to the ACT Government's policy agenda in aligned areas such as trade, investment, tourism, international education, sports diplomacy and skilled migration.
  - Ensure future city-to-city relationships align with ACT Government priorities, share a common economic vision and be proactively resourced and managed to realise economic and cultural benefits for the city.

- The Commissioner's major achievements since appointment include:
  - Establishing the Office of International Engagement.
  - Developing and releasing Canberra's International Engagement Strategy.
  - Working to deliver on the ground activities on our Sister City Agreements, in particular Wellington.
  - Developing relationships between the ACT Government and the Diplomatic Community.
  - Working closely with local governments across the wider ACT region to support regional freight development.
  - Developing and leading trade missions to the strategic markets identified in the International Engagement Strategy.

- The Commissioner for International Engagement is delivered from within existing appropriation from Output 3.1.
  - The Office of International Engagement currently comprises the Commissioner and one FTE.
  - Funding for all international delegations and activity is contained within the appropriation of Output Class 3.1 which the Commissioner draws upon as agreed.

Background Information – may not be suitable for public disclosure

- The Commissioner for International Engagement was appointed in August 2016.
- The work program for the Commissioner for International Engagement is supported by resources and program funding from across the economic development portfolio.
- Enterprise Canberra provides support to the Commissioner in a structured and on-going way.

BUDGET ESTIMATES BRIEF

International Travel Undertaken by the Commissioner for International Engagement

INTL	Flights	Accommodation	Other	TOTAL
JUNE 2017 - Singapore	1427.85	2517.60	237.01	4182.46
JUL 2017 - Hong Kong	1899.00	924.35	0.00	2823.35
JUL 2017 - China	18.44*	313.69	3199.62	3531.75
JUL 2017 - Japan	6559.77	2359.42	291.09	9210.28
AUG 2017 - India	6324.43	1853.76	334.43	8512.62
SEP 2017 - USA	14740.48	3317.75	1818.93	19877.16
NOV 2017 - WLG	631.88	866.86	392.47	1891.21
MAR 2018 - WLG	1064.36	630.00	227.49	1921.85
TOTAL				**$51,950.68**

* Cost of train ticket from Hong Kong to China mainland.

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Cleared by: Executive Director Ext: 72004
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref:

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

Economic Development

ISSUE: EXPORTS AND INVESTMENT

Talking points:

- The ACT Government is committed to the internationalisation of our economy. There are a range of linked policies and initiatives in place to support this commitment:
    - An annual trade mission program;
    - The broad work program of the Commissioner for International Engagement, including supporting our Sister City agreements and working with inbound missions;
    - Enterprise focused initiatives, including Canberra Business Chamber International Business Engagement Program delivered by the Canberra Business Chamber;
    - Study Canberra
    - Brand Canberra
    - Visit Canberra's offshore promotion activities
    - Our support for Skilled Migration
    - The Government's strong working relationship with Austrade, which has both investment facilitation and trade development elements.
- The key policy documents that underpin this work are:
    - *Confident and Business Ready: Building on Our Strengths*
    - *Canberra's International Engagement Strategy*
    - *Canberra: Australia's Education Capital*
    - *Investment Attraction Framework*
- This collective effort is bearing results:
    - The total value of exports have grown by 41%, from $1,389 million in 2011-12 to $1,963 million in 2016-17.

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TRIM Ref:

- Within this, education exports have grown 79 per cent from $438 million in 2011-12 to $786 million in 2016-17.
- International student enrolments have grown 55 per cent from 10,296 students in 2012 to 16,910 students in 2017.
- Service exports per capita in the ACT have grown 41 per cent from $1,377 per person in 2011-12 to $1,942 per person in 2016-17.
- Over the past three years, service exports have grown by 19 per cent which is just above the national growth of 17 per cent.

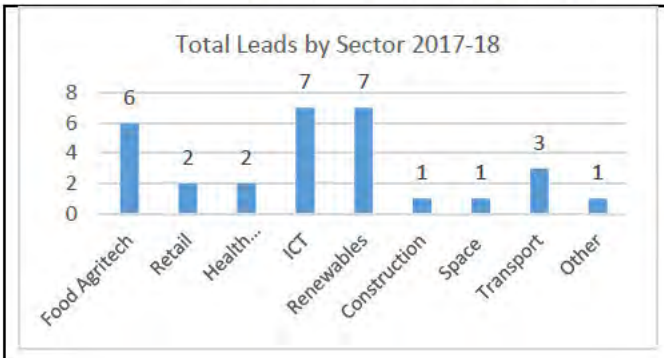
Key Information

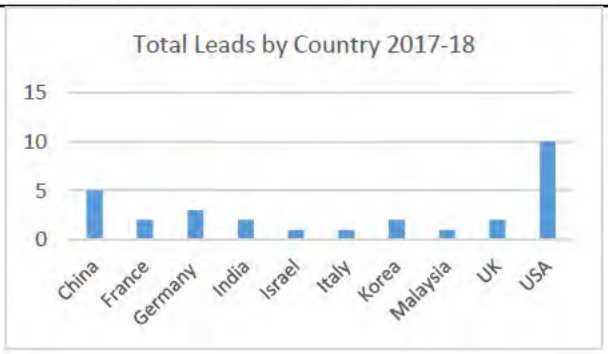
- In 2017-18 exports and investment activities included:
  - supporting business participation in the New Zealand Trade Mission;
  - the ACT Chief Minister's Export Awards;
  - the international trade mission programs to the United States, New Zealand, China, Japan, Singapore and Hong Kong; and
  - investment facilitation, marketing and investment promotion activity around our key capability areas.
- Funding support for company participation in trade delegation activity will increasingly be managed by third party partners like CBR Innovation Network, the Canberra Business Chamber, Screen Canberra and other industry partners, replacing the micro-grant Trade Connect program and ACT Government facilitation of company program development for trade delegations.
- We are currently implementing a new Investment Attraction Framework (IAF) that has been endorsed by the ACT Vice Chancellors' Forum, developed by Rod Glover which outlines the priority investment sectors.
- The key 'shared interest' areas and sectors that have been identified are:-
  - Plant and Agricultural Sciences.
  - Health, Sports and Active living.
  - Cyber Security.
  - Space Industries and Spatial Information.
  - Education pathways.
  - New energy.

BUDGET ESTIMATES BRIEF

Background Information – may not be suitable for public disclosure

- Trade and export development programs focus on:
  - building small to medium enterprise capability to access international markets through export and trade development initiatives.
  - expanding our collaborative work with ACT tertiary organisations to provide export market development services to local small/medium enterprises as well as delivering work-ready skills and knowledge to students.
  - ensuring trade and investment priorities are supported and furthered through activities led by the Commissioner for International Engagement and supporting the delivery of key priorities of the ACT Government's International Engagement Strategy; and
  - supporting entrepreneurship and connectivity within the innovation ecosystem through collaboration with the CBR Innovation Network and by leveraging the Australian 'Landing Pads' through Austrade.
- Investment attraction and facilitation activities include:
  - partnering with key stakeholders to develop targeted investment attraction strategies that support commercialisation of opportunities linked to the higher education and research sector; and
  - supporting the Commissioner for International Engagement's implementation of the International Engagement Strategy and developing programs that support investment attraction.
- In 2017-18 Innovate Canberra responded to 30 investment leads, meeting the accountability indicator target for the year. The following graphs outline the investment leads into sectors and country of origin.





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Cleared by: Executive Director Ext: 72004
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref:

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

Economic Development

ISSUE: INDIGENOUS BUSINESS DEVELOPMENT

Talking points:

- The Aboriginal and Torres Strait Islander Business Development and Entrepreneurship Program (the Program) is provided with $200,000 funding over two years (2018 and 2019) to deliver:
    - targeted business, product and finance workshops;
    - an Aboriginal and Torres Strait Islander Business Trade Show (in the second year);
    - individual business mentoring;
    - specialist business advice sessions;
    - employability training sessions;
    - internship opportunities; and
    - referrals to existing vocational training courses.
- The Program is being delivered under a Service Funding Agreement with local indigenous business, Yerra Pty Ltd, which is owned by Mr Dion Devow.
- Mr Devow is a Canberra based Indigenous entrepreneur who was named 2018 ACT Australian of the Year. Mr Devow has also been awarded ACT NAIDOC Business and Person of the Year in previous years.
- Yerra Pty Ltd has submitted the first progress report on the Program. Highlights include:-
    - Held the first Yarning Circle with 35 attendees from the established Canberra Indigenous Business Community, new business owners, entrepreneurs and intending business people.
    - Delivered a Digital Marketing seminar for 10 participants.
    - Three entrepreneurs and an established business are working with University of Canberra MBA students to redevelop their business plans.

Cleared as complete and accurate:	21/05/2018	
Cleared by:	Executive Director	Ext: 72004
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TRIM Ref:

BUDGET ESTIMATES BRIEF

Key Information

- Yerra Pty Ltd approached the ACT Government with a proposal to deliver a new approach to program delivery, based on the program it had delivered previously in partnership with the CBR Innovation Network (CBRIN).
- Economic Development provided the Yerra proposal to the Aboriginal and Torres Strait Islander Elected Body (ATSIEB) for comment and appraisal. ATSIEB expressed support for the proposal.
- Following the advice of ATSIEB the ACT Government entered into an Agreement with Yerra Pty Ltd In December 2017 for the delivery of the Program for one year with the option of a further year at a cost of $100,000 per annum.
- The intent of the Program is to:
    - build on the momentum generated by previous programs to support and develop local Aboriginal and Torres Strait Islander business and entrepreneurship;
    - trial a new, more sustainable model for delivery of the Program, building on the successes of the 2016 program delivered by CBRIN;
    - integrate formal training and education from the Canberra Institute of Technology into the Program, introducing local Aboriginal and Torres Strait Islander businesses to existing business support programs, and
- An independent evaluation of the Program will be conducted after the first year to inform future program design and funding.

Background Information – may not be suitable for public disclosure

- During 2015-16 the ACT Government contracted CBR Innovation Network to deliver a one-year Indigenous Business Development Program. Components of that program were subcontracted to Mr Dion Devow as Yerra Pty Ltd. The ACT Aboriginal and Torres Strait Islander Business Development and Entrepreneurship Support Model (the Support Model) concluded at the end of June 2016.

Cleared as complete and accurate:	21/05/2018	
Cleared by:	Executive Director	Ext: 72004
Contact Officer Name:	Glen Hassett	Ext: 55346
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref:

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

Economic Development

ISSUE: DATA61

Talking points:

- The ACT Government has been a committed government supporter for Data61 and its predecessor NICTA, and since 2002 it has invested $43 million in the organisations to build local digital capability.
- The most recent $5 million, two year agreement, concludes at the end of June 2018.
    - Future arrangements will be discussed with Data61 in the context of the Government's new Priority Investment Program (PIP).
- Data61 makes a substantial contribution to Canberra's Information Technology innovation ecosystem, one of the most dynamic in Australia. Around 6 per cent of Canberrans are employed in computing services related-businesses, which is more than double that of any other state or territory.
    - There are 200 full time Data61 researchers in the ACT, that is, approximately 20 per cent of the total Data61 researchers across the country and the highest number of staff at Data61 outside of its Sydney laboratory.
    - Data61 will expend around $47 million in the ACT economy between September 2016 and end of June 2018, the period of operation of the latest agreement, including $2.5 million on cyber-security capability development.
    - Data61 has deep ties with the ANU, and supervises over 60 PhD students in Canberra. This is around one quarter of the entire national cohort of Data61 scholarships.
- Data61 has engaged in a number of joint projects with ACT Government Directorates including: smart parking; child protection services data and analytics; analytics of education outcomes from public schools; diabetes consumer information; and analysing patient Emergency Department journeys to improve performance (National Emergency Access Target analytics).

Cleared as complete and accurate:	07/06/2018	
Cleared by:	Deputy Director-General	Ext: 75564
Contact Officer Name:	Glen Hassett	Ext: 55346
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref:

BUDGET ESTIMATES BRIEF

Key Information

- Direct funding by the ACT Government to Data61 will cease at the end June 2018. In the 2018-19 ACT Budget the ACT Government has committed $9.75 million base funding over three years to bring together sector development focused programs into a single program stream, the Priority Investment Program (PIP).
- Funding through PIP will be the appropriation avenue for any future funding agreement with Data61. Sch 2 s2.2(a)(xvi) [redacted]
- Sch 2 s2.2(a)(xvi) [redacted]
- The intent of the PIP is to seed collaborative sector building projects with partner organisations – projects that are aligned to the identified priority sectors. It is anticipated that Canberra's universities and major research organisations will be the principal project proponents.
- Canberra's Data61 team leads Australia in:-
  - Data Analytics –creating world class technologies including health data analytics and ethical machine learning.
  - Engineering and Design –building cutting edge software platforms and geospatial analytics.
  - Cyber Physical Systems – Computer Vision and Bionic Eye Research.

Background Information – may not be suitable for public disclosure

ACT Directorate Projects 2017-18 (note Project work is undertaken on the basis of mutually beneficial in-kind project activity as approved by the ACT Government Data61 project committee, ie there is no budget)
Chief Minister, Treasury and Economic Development Directorate **Manuka smart parking data analysis to understand parking behaviours - Phase 2** In this follow-up project, further analysis will be undertaken of the causes of parking events to support government policymaking. This includes increasing the prediction resolution of parking lot occupancy rate from 1 hour to 20 minutes; extending the prediction period from 1 hour to 24 hours; and incorporating parking payment data into the model. Status: On track for completion August 2018; Data61 resources allocated - One full time staff member over six months
Community Services Directorate **Child Protection services data visualisation and analytics**

Cleared as complete and accurate:	07/06/2018	
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TRIM Ref:		

BUDGET ESTIMATES BRIEF

This project aims to build an evidence based understanding of vulnerability in the Canberra community. The project aims to identify predictive indicators for vulnerability (e.g. through aggregated data), through data visualisation techniques, with the view to improving service planning and therefore outcomes for children.

Status: On track for completion July 2018; Data61 resources allocated - Two full time staff over 4 months

Education Directorate

Analytics of education outcomes from public schools

Education Directorate has developed a measurement indicator to measure levels of inequity in the ACT school system. Data61 and Education Directorate are jointly analysing methods based on predictive measures of inequity of opportunity, and also measures based on matching and counterfactual analysis (data-permitting). Data61 is currently in the process of obtaining ethics approval for analysing this data, as it is personal in nature. Education Directorate has indicated it is happy for this engagement to continue into the medium/long term, but we would like some concrete outputs by the end of the financial year.

Status: On track for completion June 2018; Data61 resources allocated - One staff member half-time over 30 days

Health Directorate

Diabetes Consumer Information Project

A school has responsibility for managing issues experienced by students with diabetes. This project aims to support a diabetic child's care team of nurses, doctors, dieticians, and social workers in filling out an electronic form to communicate a diabetes plan. Data61 is developing a prototype consumer-friendly online diabetes form to communicate a given child's diabetes plan to a teacher. During May - June 2018 the prototype form will be trialled with parents, health care workers and diabetes specialists.

Status: On track for completion June 2018; Data61 resources allocated - One staff member half-time over 30 days Two full time staff over 3 months

Health Directorate (National Emergency Access Target analytics)

Analysing patient Emergency Department journeys to improve access performance and decision making

Analysis of patient Emergency Department journeys will be undertaken to provide evidence to support operational decision-making and data driven improvement of hospital access performance. The resulting evidence base can be used by Canberra Hospital & Health Service to better target efforts to improve patient flow and reduce delays in the delivery of health services.

Status: On track for completion October 2018; Resources allocated - 2 CSIRO Research Scientists, 1 data manager at Canberra Hospital, 1 clinical champion

Environment, Planning and Sustainable Development Directorate

Solar Battery Storage - Data visualisation and analytics.

Status - In discussion

Community Services Directorate

Feasibility Study – Scope secure data sharing and analytics across ACT agencies & ACT Policing

Potential project if new collaboration agreement is successful.

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Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref:

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Status - In discussion

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TRIM Ref:

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

Economic Development

ISSUE: CANBERRA BUSINESS CHAMBER FUNDED PROGRAMS

Talking points:

- Following the 2015-16 Budget, the Canberra Business Chamber (CBC) was engaged under Deeds of Agreement to deliver a number of programs to support the key strategic initiatives that align with the ACT Government's *Confident and Business Ready: Building on Our Strengths* business development strategy, as well as programs supporting business engagement with light rail, business environmental sustainability, and healthy work initiatives.
- The total contract value of the programs delivered by the CBC from 2015-16 to 2017-18 amounted to just over $4.20 million.
- The 2018-19 programs to be delivered by the CBC are currently under negotiation.

Key Information

- Funded programs delivered by Canberra Business Chamber 2015-16 to 2017-18

Program	2015-16	2016-17	2017-18	2018-19 Forecast
Trade and Export Development	125,000	-	200,000	Sch 2 s2.2(a) (xvi)
ACT Chief Minister's Export Awards	135,000	135,000	135,000	
Healthy Weight Initiative	93,500	134,500	165,000	
Brand Canberra	500,000	500,000	500,000	
Light Rail Business Link	500,000	500,000	275,000	
ACT Wage Advice Service	40,000	40,000	40,000	
Actsmart Business Energy and Water Program	26,675	-	-	
Actsmart Business Recycling Program	36,575	-	-	
Climate Change and Energy Waste Program	-	14,300	-	
Actsmart Business Sustainability Expo Partnership	-	14,575	6,135	
Healthier Work Program	100,000	7,500	-	
Total	**1,556,750**	**1,345,875**	**1,321,135**	

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BUDGET ESTIMATES BRIEF

Background Information – may not be suitable for public disclosure

- CBC recently met with the Chief Minister to table *a Proposal for the extension of capacity and capability growth program for ACT Exports Business July 2018 to June 20*19. The CBC proposal seeks additional funding of $200,000 for the 2018-19 financial year to refine and build on existing trade and export development programs delivered by CBC and to partner with the ACT Government on its international engagement strategy.
- CBC's proposed programs for 2018-19 include:

Sch 2 s2.2(a)(xvi)

- The program proposal will be reviewed against:
    - alignment with Government priorities;
    - alignment with other support provided by governments and the private sector;
    - whether an outsourced delivery format is most effective;
    - potential impact, ROI and value for money; and
    - Budget capacity.
- The $200,000 provided to CBC under contract in 2017-18 was negotiated by CBC as a one-off commitment.

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TRIM Ref:

BUDGET ESTIMATES BRIEF

Portfolio/s Economic Development

Economic Development

ISSUE: INNOVATION CO-INVESTMENT GRANTS

Talking points:

- The 2017-18 Budget committed $5 million over four years towards innovation co-investment grants.
- This commitment has supported a range of entrepreneurship and commercialisation initiatives to support and enable innovative start-ups and SMEs.
- Innovation co-investment grants have supported programs including:
    - Innovation Connect early-stage commercialisation grants;
    - The CBR Innovation Development Fund;
    - Screen Production projects; and
    - The Aboriginal and Torres Strait Islander Business Development and Entrepreneurship Program.
- The co-investment approach is part of a broader program of work to build a connected innovation ecosystem that supports and enables entrepreneurs and high growth potential businesses to succeed.
- An over-arching initiative is the Government's funding partnership with the CBR Innovation Network which brings together Canberra's leading innovation institutions including the Australian National University, the University of Canberra, UNSW Canberra, Data61 and CSIRO to partner with business and accelerate innovation and the commercialisation of new ideas.
- The Government works with the CBR Innovation Network to support and enable entrepreneurs to turn ideas into businesses and to commercialise new intellectual property.

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TRIM Ref:

Key Information

Innovation Connect

- Since commencement of the Innovation Connect program in 2008, 588 applications have been received describing innovative and disruptive projects seeking over $17 million in funding. Of these, 200 have been awarded funding totalling over $5 million.
- In 2017 a Renewable Energy Innovation Connect funding stream was introduced with funds sourced from the Environment, Planning and Sustainable Development Directorate (EPSDD) Renewable Energy Innovation Fund. EPSDD has committed $120,000 per annum for three years. This is a dedicated funding stream designed to support commercial opportunities within the renewable energy and clean tech sectors.
- In 2017-18 Innovation Connect attracted 61 Expressions of Interest (EOI) seeking over $1.5 million in total co-funding. 21 of these EOIs went through to proposal consideration by an Independent Assessment Panel recommending seven projects for a funding total of $175,000.
- An additional five renewable projects for a funding value of $117,000 have been approved by EPSDD.

CBR Innovation Development Fund (CBRIDF)

- The CBRIDF co-invested with industry and the higher education and research sectors to build capability and capacity ('innovation infrastructure') in areas of competitive advantage.
- The priority of the CBRIDF is to address gaps in Canberra's innovation ecosystem.
- To date, the CBRIDF has invested in 17 projects with total funding of $1.647 million.

Screen Production Fund

- In 2017-18 the Screen Production Fund supported the television series *Secret City Series 2* with a $150,000 contribution towards the production's budget of $8.69 million. Every dollar invested by the Fund triggered an expenditure of $5.60 by the project in the Territory.
- Alongside the Screen Production Fund, Screen Canberra has worked with key industry stakeholders to implement the Screen Accelerator and Film Distillery which jointly aim to develop and produce commercial low-budget feature films in Canberra.
- The first production from the pipeline of low-budget commercial screen projects, *The Furies*, went into production during the year and is now in post-production. This

film was taken to Cannes in 2018 where it received significant initial market interest. The Film Distillery plans to produce at least four screen projects per year.

- The ACT Government announced in the 2018-19 Budget it will commit $5 million towards the establishment of a new Screen Production Fund that will be delivered by the ACT Screen Industry Association under an outsourced arrangement. The Fund is being established from 2017-18 revenues.
- The new Fund will allow for greater flexibility and responsiveness to potential opportunities. The Fund will also provide greater certainty to the market and clearer points of engagement for potential investors.

Aboriginal and Torres Strait Islander Business Development and Entrepreneurship Program

- The Aboriginal and Torres Strait Islander Business Development and Entrepreneurship Program (the Program) is provided with $200,000 funding over two years (2018 and 2019) to deliver:
    - targeted business, product and finance workshops;
    - an Aboriginal and Torres Strait Islander Business Trade Show (in the second year);
    - individual business mentoring;
    - specialist business advice sessions;
    - employability training sessions;
    - internship opportunities; and
    - referrals to existing vocational training courses.
- The Program is being delivered under a Service Funding Agreement with local Indigenous business, Yerra Pty Ltd, which is owned by Mr Dion Devow.

BUDGET ESTIMATES BRIEF

Economic Development

Tourism & Major Events

ISSUE: AVIATION – AIRLINE ACCESS DEVELOPMENT

Talking points:

- The Government's airline strategy is to open access and make it easier for visitors to travel to Canberra from around Australia and internationally.
- Canberra is now a globally connected city. We currently have 14 international flights per week landing at Canberra Airport. Eighteen months ago, there were none.
- The new Singapore Airlines daily service provides both Canberrans and visitors alike with a greater choice of cabin class and better connections with Asia and Europe.
- It is disappointing that Singapore Airlines delinked its service to Wellington, however it will remain a priority of the Government to pursue connections with New Zealand.
- The cancellation of the Wellington service was not a reflection of the viability of the route. The upgrade of aircraft and move to daily services did not allow for Singapore Airlines to continue the onward connection to Wellington.
- On 12 February 2018, Canberra welcomed the arrival of the second international airline to service the capital. Qatar Airways commenced daily flights from Doha to Canberra, via Sydney. This service represents an opportunity to grow awareness of Canberra and the region to a number of connecting destinations throughout Europe and the United Kingdom.
- In all, Qatar Airways connects Canberra to 150 destinations around the world.
- Access to Canberra has been further enhanced with low cost carrier Tigerair Australia's entry into the market. Tigerair operates eight services

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between Melbourne and Canberra and three services between Brisbane and Canberra per week.

- Tigerair provides approximately 4000 seats weekly through Canberra and over 200,000 seats annually. This provides unprecedented access for domestic leisure visitors to Canberra.
- Off the back Tigerair's successful entry into the Canberra market, the ACT Government is looking to continue to grow low cost carriers servicing the Capital.
- The ACT Government is actively pursuing opportunities to grow new domestic and international routes.
- The ACT Government in consultation with Canberra Airport is discussing the issue of flight cancellations on the Canberra – Sydney route with Qantas, with a view to establishing more reliability and enhanced service on the route.

Key Information

Election Commitment – Aviation development

- Under ECLAB 038a $770,000 was committed to attract new airlines, including marketing support to establish new routes.
- Investment has already been made to support the successful entry of Tigerair Australia services that commenced in December 2016 between Canberra and Melbourne.
- Investment has also been made to develop new business cases for domestic and international routes. This includes commissioning research and the services of a specialist aviation consultant.

Singapore Airlines operations

- On 24 January 2018, Singapore Airlines announced a number of changes to its Australian operations, effective from 1 May 2018:
    - the de-linking of its Canberra and Wellington service;
    - the increase to daily flights into Canberra;
    - the deployment of a new Boeing 777-300ER aircraft on its Canberra route which includes first class, business class and premium economy offerings; and
    - the addition of a 1 hour Sydney stop on its inbound Canberra service.
- The increase in frequency to Singapore provides an additional 40,768 additional seats annually.

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Qatar Airlines operations

- Qatar Airways commenced daily services connecting Canberra to Doha on 12 February 2018:
    - Qatar Airways operates a 358 seater Boeing 777-300;
    - The service will stop in Sydney in both directions operating Doha-Sydney-Canberra and Canberra-Sydney-Doha;
    - The transit time in Sydney in both directions is approximately 1 hour.

Cancellation rates

1. Data provided by Canberra Airport and reported in the media has highlighted significant issues with cancellation rates by Qantas between Canberra and Sydney.
2. The annual cancellation rates for flights between Canberra and Sydney have averaged between 4.5-5.3 per cent over the last few years. The national long term cancellation rate is 1.4 per cent.
3. Cancellation rates have reduced in recent months however it remains an issue for customers. The cancellation issue affects destination reputation where consumers expect high quality service on a route where premium fares are charged due to high business demand.

Background Information – may not be suitable for public disclosure

- Sch 2 s2.2(a)(xvi)
- [redacted]
- Following the Singapore Airlines' announcement on 24 January, the Government is developing a business case to present to airlines outlining the opportunity associated with a Canberra-Auckland service (with potential for onward connections to the West Coast of the USA) and a Canberra-Wellington service. The services of an aviation consultant have been secured to support development of the business cases.
- The Chief Minister met with Air New Zealand on 21 November 2017 to discuss potential for direct flights between Canberra and Auckland with possible connections to the west coast of the USA. As a follow up, Jonathan Kobus, of VisitCanberra and Canberra Airport attended meetings with Auckland Airport and Wellington Airport on 21 and 22 May 2018 to progress the business case for Trans-Tasman services.
- The Chief Minister met with Jetstar Australia and New Zealand on 24 May to discuss potential for new domestic services, as well international services to New Zealand.
- VisitCanberra undertakes cooperative marketing activity with Singapore Airlines in the key markets of: China, Hong Kong, Singapore, Malaysia, India and the UK.
- VisitCanberra supported the Qatar Airways service through provision of image and video assets for marketing campaigns, and hosted a familiarisation visit for 8 international media

on the inaugural flight. In addition, VisitCanberra is engaging with trade through the Aussie Specialist Program and attendance at key onshore and offshore travel events such as ATEC Meeting Place (November 2017) and ATE (April 2018).

- On 8 December 2016, Tigerair Australia commenced low cost daily services between Melbourne and Canberra. On 15 September 2017 an additional weekly service was added on Fridays between the two cities.
- On 14 September 2017, Tigerair commenced low cost services between Brisbane and Canberra three times per week. Services operate on Tuesdays, Thursdays and Sundays.
- Options for connecting Canberra directly to Hobart are being explored as well as other domestic routes that would support additional low cost carrier services.

BUDGET ESTIMATES BRIEF

Chief Minister

Tourism & Major Events

ISSUE: MAJOR EVENT FUND

Talking points:

- The 2018 budget committed an additional $2 million over two years to the Major Event Fund from 2020/21.
- Since the Major Event Fund (MEF) opened in 2011, $8.54 million in funding has been approved to support events being held in Canberra.
- The 24 completed and acquitted exhibitions and events have attracted over 3.24 million attendees, delivering approximately $678.5 million in economic return to the ACT.
- Exhibitions at the National Gallery of Australia (NGA) have been the major contributor to this success. The ACT Government has committed $5.0 million in funding to bring major exhibitions to the NGA. Completed major exhibitions at the NGA have generated $340.1 million in economic return to the Territory.
- The Major Event Fund provides dedicated funding of $100,000 per annum to support theatre productions. *Mamma Mia*! the musical at the Canberra Theatre is an example of a major theatre event which enabled strong marketing reach and delivered a sell-out season with more than 20 per cent of the audience travelling from interstate.
- *Centenary of Anzac* was another highlight of recently funded events. A 12 month program of activity contributed an estimated $133 million to the ACT economy.
- With around 55 per cent of attendees to funded events coming from interstate or overseas, the Major Event Fund is a critical component of the ACT Government's tourism strategy.
- The Major Event Fund delivers against the ACT Government's Strategic Priority to grow the visitor economy. It does this by supporting the attraction, acquisition, development and promotion of major events that

demonstrate the capacity to drive overnight visitation from interstate and/or international audiences/consumers and event participants.

- There is strong demand for the Major Event Fund and several applications for major events are currently being assessed.

Key Information

- The 2017/18 budget committed $1 million per annum over 3 years for the Major Event Fund.
- $4.15 million in funding requests have been received for the current 3 year program budget of $3 million.
- $2.65 million in funding requests have been approved for the current 3 year program.

Background Information – may not be suitable for public disclosure

- The ACT Government and the National Gallery of Australia (NGA) recently signed an MOU to enable the parties to collaborate effectively to host several major events and exhibitions to enhance the Territory's event calendar and to position the Territory as a progressive, modern, dynamic, globally relevant and internationally connected region.
- The NGA aims to deliver:
  - Five major blockbuster exhibitions (at least one per financial year)
  - Contribute content to Territory run events such as Floriade and the Enlighten Festival.
- The Major Event Fund is a contestable, co-operative fund aimed at major attractions, cultural institutions, event organisations, event promoters, businesses, companies or associations who seek to proactively acquire, create or develop tourism events that have the capacity to drive significant interstate and/or international visitation to the ACT.
- The cooperative nature of the Major Event Fund requires supplementary financial investment from event partners to fund the necessary acquisition, creation, development and operational delivery of proposed events. Funding is not to be available to underwrite events.

Table 1. Summary of results for completed exhibitions and events since the SEF opened in 2011

Exhibition	Proponent	Investment	Attendance	Interstate	Economic Benefit
Masterpieces *	NGA	$500,000	476,000	80 per cent	$94 million
Renaissance	NGA	$525,000	212,920	80 per cent	$75 million
Toulouse-Lautrec	NGA	$525,000	170,201	80 per cent	$37 million
Gold and the Incas	NGA	$300,000	160,647	68 per cent	$34 million

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Turner from the Tate	NGA	$500,000	153,627	70 per cent	$34 million
Mapping our World	NLA	$150,000	118,264	48 per cent	$24 million
Handwritten	NLA	$200,000	73,000	49 per cent	$19 million
Elvis @21	NPG	$140,000	20,422	55 per cent	$3.9 million
James Turrell	NGA	$500,000	74,412	70 per cent	$10 million
Night Noodle Markets 2015	Fairfax Events	$200,000	156,510	7 per cent	$1.1 million
ICC Cricket World Cup	ACT Gov	$100,000	25,347	Unknown	$25 million
AFC Asian Cup	ACT Gov	$100,000	82,452	Unknown	$14.4 million
Encounters	NMA	$200,000	98,392	64 per cent	$19.5 million
Tom Roberts	NGA	$200,000	131,878	54 per cent	$22 million
Centenary of ANZAC	AWM	$450,000	335,775	23 per cent	$133 million
Celestial Empire	NLA	$200,000	80,000	43 per cent	$26.4 million
World Cup Masters	Hockey Australia	$50,000	1,396	Unknown	$1.9 million
Night Noodle Markets 2016	Fairfax Events	$200,000	109,699	40 per cent	$6.1 million
Versailles: Treasures from the Palace	NGA	$500,000	176,270	50 per cent	$29.4 million
A History of the World in 100 Objects	NMA	$200,000	178,220	63 per cent	$19.4 million
Night Noodle Markets 2017	Fairfax Events	$150,000	121,296	14 per cent	$7.2 million
Songlines	NMA	$100,000	98,855	64 per cent	$13.7 million
Summernats 2018	Out There Productions	$200,000	105,247	N/A	$23 million
Hyper Real	NGA (MOU)	$500,000***	83,473	27 per cent	$5.5 million
TOTALS		**$6.690 million**	**3,244,303**		**$678.5 million**

**Supported prior to formal establishment of the Major Event Fund*

***Event participation only - not including spectator attendance*

****Investment covers both NGA exhibitions Hyper Real and Cartier*

Table 2. Summary of current and future approved exhibitions and events of the 2017/18; 2018/19 and 2019/20 Major Event Fund

Exhibition/Event	Proponent	Date	Investment	Status
2017/18				
Hyper Real	NGA (MOU)	20 Oct 2017 – 18 Feb 2018	*$500,000	Approved
Cartier	NGA (MOU)	30 Mar 2018 – 22 July 2018		Approved

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Songlines: Tracking the Seven Sisters	NMA	15 Sept 2017 – 28 Jan 2018	$100,000	Approved
Summernats 2018	Summernats	4 Jan – 7 Jan 2018	$200,000	Approved
Rome: Empire and City	NMA	20 Sept 2018 – 3 Feb 2019	$100,000	Approved
Enlighten Night Noodle Markets	Fairfax	2 Mar – 11 Mar 2018	$100,000	Approved
		TOTAL	**$1,000,000**	
2018/19				
Centenary of Armistice	AWM	5 Oct – 11 Nov 2018	$150,000	Approved
Rome: City and Empire	NMA	20 Sept 2018 – 3 Feb 2019	$100,000	Approved
Pacific Stories: James Cook	NLA	19 Sept 2018 – 10 Feb 2019	$100,000	Application received
Exhibition tbc	NGA	-	$500,000	Approved under MOU
Summernats 2019	Summernats	-	$200,000	Approved
Major Theatre Fund			$100,000	Application pending
		TOTAL	**$1,150,00**	
2019/20				
Exhibition tbc	NGA	-	$500,000	Approved, pending application
Summernats 2020	Summernats	-	$200,000	Approved
		TOTAL	**$700,000**	

** Investment covers both NGA exhibitions Hyper Real and Cartier*

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BUDGET ESTIMATES BRIEF

Economic Development

Tourism & Major Events

ISSUE: VALUE OF TOURISM – STATE TOURISM SATELLITE ACCOUNT (State TSA), INTERNATIONAL VISITOR SURVEY (IVS), NATIONAL VISITOR SURVEY (NVS), TOURISM 2020 STRATEGY

Talking points:

- The State Tourism Satellite Accounts (State TSA) were released by Tourism Research Australia (TRA) on Wednesday 4 April 2018. Results show Tourism's total contribution to the ACT's Gross State Product (GSP) for 2016-2017 was estimated to be $2.26 billion, and supported an estimated 16,800 jobs.
- Tourism's contribution to the ACT's GSP grew 9.5 per cent between 2015-16 and 2016-17, the second highest nationally behind Tasmania and ahead of the national average of 5.6 per cent.
- Of the 217,000 jobs in the ACT for the 2016-17 financial year, tourism generated 16,800 jobs – an estimated 1,100 more than the previous financial year. This represents a 7.1 per cent increase for tourism growth when compared to the 3.1 per cent general ACT employment growth.
- National Visitor Survey (NVS) Results for the year ending December 2017 confirm record domestic overnight visitation, driven by those coming for a holiday. A total of 2.75 million visitors travelled for the purpose of holiday, an increase of 10.6 per for cent on the previous year. The result is well ahead of the national average of 7.1 per cent.
- These visitors spent $1,573 billion while here – up 8.3 per cent on the same period last year.
- The increase in visitors was led by Australians coming here for a holiday or to visit their friends and relatives (up 17.5 per cent to 1.8 million) with each spending an estimated $165.91 per night.
- Domestic visitor night growth for the period was 11.8 per cent and equated to an additional 744,000 nights for year ending December 2017.

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Visitor night growth for the ACT was ahead of the national average of 4.8 per cent.

- International Visitor Survey (IVS) results show international visitors to Canberra jumped by 16.9 per cent in the year ending December 2017, and contributed an additional $105.5 million to the ACT economy.
- Significantly, the record international visitor increase to 242,975 for the year ending December 2017 was driven by people coming to the capital to holiday, visit their friends and relatives and for education purposes.
- The money spent by our international visitors increased by 23.3 per cent up to a new record level of $558.4 million, well ahead of the national average of 9.0 per cent.
- The ACT 2020 Tourism Strategy (T2020), aims to grow the value of overnight visitor expenditure in the ACT to $2.5 billion by 2020.
- The ACT is currently on track to achieve this target with the value of domestic and international combined overnight visitor expenditure at $2.13 billion (year ending December 2017). This represents 85 per cent of the $2.5 billion target.
- Improved access through increased aviation, destination marketing initiatives, and investment in major events and new hotel infrastructure are supporting growth of the visitor economy and progress towards the T2020 target.
- A review is currently being undertaken on the Tourism 2020 Strategy for the ACT. This project will ensure a continued focus on investment in and implementation of initiatives that contribute to, and surpass, the Tourism 2020 stretch goal for the ACT.

Key Information

- Latest results from the 2016-2017 State TSA show:
    - Tourism's GSP contribution recorded a growth of 9.5 per cent over the previous year, and was the second highest GSP growth nationally, behind Tasmania. National GSP growth was 5.6 per cent.
    - GSP for the Australian Capital Territory as a whole, grew to an estimated $38.19 billion, representing a growth of 6.4 per cent over the previous year.

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With a higher rate of GSP growth, Tourism is driving the positive performance of the wider ACT economy. In 2016-2017, tourism generated an estimated total of 16,800 jobs in the ACT economy - an estimated 1,100 new jobs since the previous year. This represents a growth of 7.1 per cent and the third highest growth in tourism employment nationally.

  - Nationally, tourism generates around 924,600 jobs, a figure which grew 3.9 per cent since the 2015-2016 TSA report.
- Latest results for the year ending December 2017 confirm:
  - 242,975 international visitors, an increase of 16.9 per cent compared with the previous year (a rise of 6.5 per cent was experienced nationally).
  - International holiday visitor numbers grew by 24.6 per cent.
  - International visitor expenditure in the ACT totalled a record $558.4 million, up by 23.3 per cent and higher than the national average of 9.0 per cent.
  - Domestic overnight visitation grew 10.6 per cent to 2.75 million overnight visitors, ahead of the 7.1 per cent growth experienced nationally. Domestic overnight visitor expenditure totalled $1.573 billion growing by 8.3 per cent, higher than the national average of 5.8 per cent.
  - Growth in the domestic leisure market (Holiday and Visiting Friends and Relatives combined) has driven the positive leisure sector performance. Domestic Leisure visitor numbers increased by 17.5 per cent, and domestic leisure visitor nights were up by 15.5 per cent.
- With an 18.9 per cent share of international overnight visitation, to the ACT, China continues to be the ACT's largest international visitor source market. China is followed by the United States of America (9.7 per cent share), the United Kingdom (9.2 per cent), New Zealand (6.1 per cent), India (4.7 per cent) and Indonesia (4.3 per cent).
- Overall, there were 797,000 domestic overnight visitors who came to Canberra for business purposes in the year ending September 2017, a slight growth of 0.8 per cent over the previous year. Business nights increased by 8.6 per cent for the period.

Background Information – may not be suitable for public disclosure

- IVS interviewing commenced at Canberra International Airport in early November 2017. The inclusion of samples taken from Canberra International Airport has had a small (minimal) positive impact on results.
- Overnight expenditure is measured using the NVS and IVS conducted by Tourism Research Australia (TRA). Survey results are released each March, June, September and December and report 'year ending' results.

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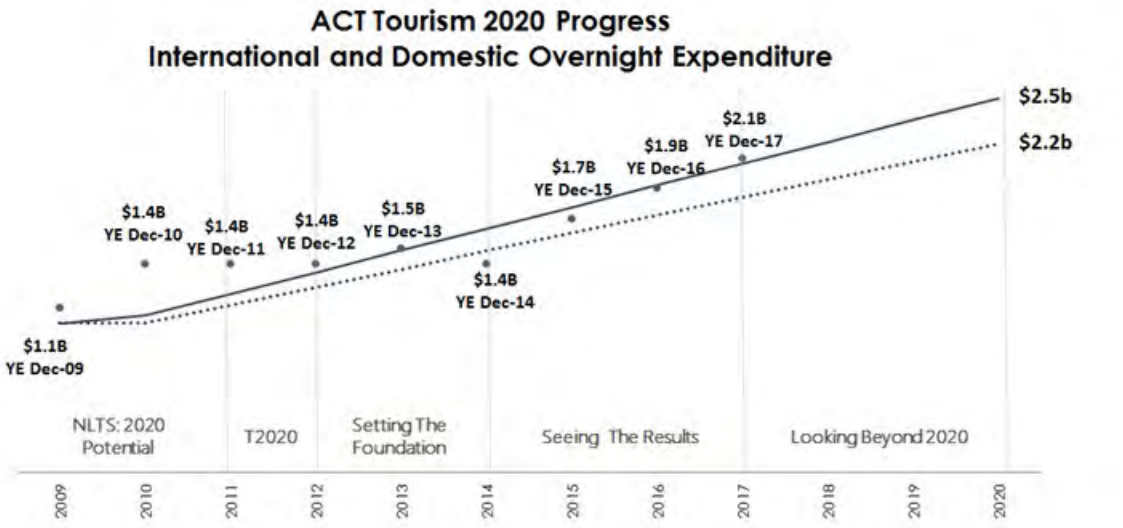
- The IVS release for the year ending March 2018 has been delayed and is unlikely to be released before the pre-embargo release of the NVS which is due 8 June, 2018.

Tourism 2020 Strategy

- The ACT Tourism 2020 Strategy was launched in December 2013.
- In *the Tourism 2020 Strategy* the ACT reports overnight visitation and expenditure data only which excludes day trip information. Currently the value of domestic and international combined overnight visitor expenditure (year ending December 2017) is $2.13 billion which represents 85 per cent of the $2.5 billion target.
- A number of T2020 milestones have already been achieved:
    - As at December 2017, the ACT has over 7,000 available rooms (of establishments with 10+ rooms) with an average 12 month occupancy rate of 77 per cent (compared with the national average of 76 per cent). With more accommodation properties in the pipeline, the ACT has overachieved the 5930 occupancy target identified to support future market demand.
    - As at 12 February 2018, the ACT has 680,624 new aviation seats per annum following commencement of new services from Qatar. Taking into consideration the change in Singapore Airlines' services from 1 May, the ACT will have achieved 653,344 new aviation seats which is 99 per cent of the 660,000 new aviation seat target.
- The current areas of focus identified to assist in realising the ACT's 2020 tourism potential include:
    - access initiatives including growing direct international flight services;
    - investment in destination marketing activities that drive visitation from domestic and international target markets;
    - growing the digital capability of the industry;
    - new product and experience development;
    - investment, support and leveraging key drivers to the visitor economy including major events, business events and education tourism; and
    - creating the right business environment by encouraging investment, reducing regulatory burdens and addressing labour and skills shortages.

BUDGET ESTIMATES BRIEF



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BUDGET ESTIMATES BRIEF

Economic Development

Tourism & Major Events

ISSUE: DESTINATION MARKETING

Talking points:

- Destination marketing activities delivered by VistCanberra are sustained throughout the year via an 'always-on' approach. Activity and messaging is updated seasonally in line with the key pillars: *arts and culture, food and wine, events, outdoors and nature, and family fun*.
- Paid advertising activity appears throughout the year within target markets on a variety of media channels and through partnerships.
- In conjunction, public relations activities are a key part of promoting the destination. Activities include media promotion to domestic and international travel and trade outlets and hosting journalists.
- A variety of cooperative campaigns are also implemented, including with aviation partners, Tigerair and Singapore Airlines, and content marketing activities with national publishers.
- The *One Good Thing After Another* (OGTAA) marketing platform, underpins VisitCanberra's ongoing approach to market the destination both domestically and internationally.
- This marketing platform is utilised to promote the destination to leisure visitors, and the strategy is based on a simple premise: no other destination offers the diversity of tourism experiences so close together.
- On 25 October 2017, Lonely Planet announced that Canberra was ranked 3rd in their top cities to visit in 2018. The Lonely Planet accolade is now included on all VisitCanberra marketing materials and will be incorporated into ongoing marketing campaigns for the duration that the accolade is held.

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BUDGET ESTIMATES BRIEF

Key Information

- $7.3 million was committed over four years in the 2016-17 Budget to support aviation partnerships and for the expansion of the OGTAA marketing platform.
- $5.3 million of this commitment was invested in 2016/17 and 2017/18. $1.0 million per annum is available in 2018/19 and 2019/20.
- The major domestic campaign initiative of 2017/18 was 'Canberra in a Can'. Four activation sites positioned in areas of high-volume foot traffic in Sydney and Melbourne. Vending machines dispensing Canberra vouchers were on offer:
    - Just under 1,500 gifts were given away provided from over 40 industry partners;
    - Total prize pool provided by Industry was worth more than $76,000; and
    - The campaign was supported by a PR outreach campaign and a youtube and social media ad buy.
- Aviation partnerships are key to reaching international markets.
- International co-operative marketing campaigns have been delivered in partnership with Singapore Airlines in Singapore, Malaysia, India, Hong Kong and UK.
- Campaign activity in India was particularly successful resulting in a total of 328 bookings, exceeding the target of 290.
- VisitCanberra has supported the arrival of Qatar Airways'service through the provision of image and video assets for their marketing campaigns and by hosting a familiarisation visit for a number of international and domestic media on the inaugural flight.
- The visitcanberra.com.au website and social media channels are key digital entry points, and continue to see significant growth. In 2017/18 VisitCanberra Facebook has grown by 226.35 per cent to reach 256,000 followers. Twitter has grown by 17 per cent to 23,400 followers and Instagram grew by 22.23 per cent to 47,000 followers.

Background Information – may not be suitable for public disclosure

- VisitCanberra Destination Marketing Strategy 2015-20 provides a framework that informs and supports VisitCanberra's integrated marketing approach.
- Following is a summary of the main destination marketing activity for 2017/18:

Lonely Planet Accolade

- Significant media coverage was generated as a result of the announcement of Canberra's number three spot in Lonely Planet's 'Best in Travel' list for 2018. Highlights included:
    - Global mentions of 'Canberra' doubled on 25 October.

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- Traffic to **visitcanberra.com.au** doubled on announcement day and social media sentiment was over 55 per cent positive.
- 436 total pieces of coverage were generated that delivered over 47 million 'Opportunities to See' across broadcast, national news, radio and online.
- A content partnership with lonelyplanet.com globally saw, among other results, 4.2 million page views to the "Australia' pages during the two months following the announcement.

Lonely Planet campaign boost to leverage the Lonely Planet accolade

- The game-style quiz *Canberra Can'tberra* launched in March 2018. It asked viewers to 'see what the judges' saw by guessing the experiences that can be enjoyed in Canberra.
  - Highly targeted to our key domestic audience;
  - More than 3 million impressions were delivered;
  - A total of 6,434 entries were received, and of those 3,361 were unique. This data will be used in future marketing campaigns.

Tripadvisor campaign 27 February – July 2018

- Involves digital advertising across the Tripadvisor network, which drives viewers to the Canberra tourism pages, where refreshed content, articles, listing and galleries have been created.
- Industry stakeholders were provided with the opportunity to participate in the campaign and uptake was positive with eight partners coming on board.
- The awareness component of the campaign has seen positive results, with approximately 1,000,000 impressions from audiences in Sydney, regional NSW, Melbourne and Brisbane.
- The top performing content consistently appears to be family-friendly messaging – the 'family funster' creative has the strongest interaction rates, and top performing article page is '30 cool Canberra ideas for kids'.

Singapore Airlines cooperative campaign investment

- $500,000 invested in cooperative marketing activity with Singapore Airlines that was matched with $250 cash and remainder in-kind.
- In the 2017/2018 financial year campaigns were developed and run in:
  - India – including print and digital assets which leveraged the Tourism Australia campaign running in market concurrently.
  - Malaysia – including a mix of outdoor, radio, print, digital and television ads.
  - Hong Kong – included a key opinion leader (influencer), Jessica Ho, visiting Canberra and sharing social content through her own and travel-specific partner channels. The campaign also included trade and distribution partner, SIA Holidays, promoting Canberra travel packages through print, digital, social and owned channels.
  - UK & Ireland – included a content partnership with Lonely Planet (print and digital) and additional digital and social advertising that will drive the audience to more dedicated content.
  - Singapore – will include a mix of articles, print, radio, video, digital and social assets and will commence on 6 August 2018.

Visiting Journalists and Influencer Program (VJIP)

- In 2017-18 VisitCanberra hosted and supported a number of media familiarisation visits to Canberra to create an ongoing stream of Canberra travel and destination news.
- Hosted 10 domestic media/influencer visits costing $4977 (average of $497pp).

- Hosted 15 international visits costing $14,103 (average of $940 per visit).
- Industry contributed an additional $14,478 in hosting costs.
- The program is integral to raising the profile of the destination and is a main component of VisitCanberra's marketing efforts.
- Media and influencer visits are initiated in the following ways:
    - Journalists and influencers often approach VisitCanberra directly to seek story advice and on occasion support to visit.
    - Journalists and influencers may be invited to visit (pitching a story) by VisitCanberra, in conjunction with particular campaign efforts (such as the Lonely Planet announcement).
    - Journalists and influencers may visit as a result of Tourism Australia's International Media Hosting Program.
- The level of VisitCanberra's assistance in all scenarios is determined based on the journalist or influencer's relevance to our target market and their potential reach.
- Assistance ranges from providing product/story ideas or access to imagery through to an offer to visit the destination to experience it first-hand, with travel and accommodation paid for on some occasions (provided a commissioned destination piece is guaranteed).
- Pitching story ideas to media is undertaken by VisitCanberra on occasion. There is no cost associated with pitching. It can on occasion result in a visit and this outcome may have an associated cost either to VisitCanberra or our industry.
- When a Public Relations (PR) company is contracted to undertake media outreach services, this is procured under the ACT Government's Creative Services Panel. VisitCanberra currently has a PR Services contract until the end of June 2018 procured through this panel.
- Outcomes include content about Canberra tourism experiences and products being featured in magazines, newspapers, websites, television programs and across social media to audiences in key target markets who are interested in travel.
- The value of this exposure is difficult to comprehensively value, due to the varied nature of the publications and media platforms however it is a very cost effective way of generating authentic content about Canberra. In most instances editorial placements in key publications are only possible through this approach.
- Separate to the VJIP program, journalists and influencers may visit as a result of a media buy with a publisher that includes both advertising and commissioned destination content. In these instances sponsorship is always publically declared and they are not funded via the VJIP program.

Example outcomes from VJIP Program 2016/17

- 24-26 Nov 2017 - 8 Days magazine Singapore influencer visit
    - Cost - $3000 for 3 people
    - Outcome: 9-12 page feature
    - 60K print readership, 2.4 million views per month online
- 2-3 September 2017 - Qantas magazine with features editor Akash Aurora
    - Canberra District wineries feature article
    - Cost: $360
    - 467,000 print readership plus content online

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- 4-6 August 2017 - Astro Oasis (Into Janna) Malaysian TV program
    - A 30 minute episode
    - Cost: $1445
    - 200,000+ viewers

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BUDGET ESTIMATES BRIEF

Economic Development

Tourism & Major Events

ISSUE: BRAND CANBERRA

Talking points:

- Brand Canberra (CBR) is the whole of city branding program that was launched in 2013.
- The 2018 Budget committed a further $2.1 million over three years to support ongoing development of Brand Canberra.
- The CBR brand provides a consistent, cohesive and creative approach to marketing the ACT both nationally and internationally as an inviting city, a connected community and a great place to live, work, play, study and do business.
- The Brand CBR program aims to enhance brand development and awareness within Canberra, the Canberra Region, and within national and international markets to maximise economic and community benefits through a range of strategies to establish marketing, investments and partnerships for the Brand.
- The program is currently delivered under a partnership agreement with the Canberra Business Chamber with $500,000 invested with the Canberra Business Chamber and $200,000 managed by the ACT Government for investments in government-led activities.
- Total program funding in 2017-18 was $700,000.

Key Information

- $1.4 million was allocated to the Brand in the 2015-16 Budget over two years. $1 million was allocated to the Canberra Business Chamber and $400,000 remained within ACT Government for aligned initiative support. The 2017-18 Budget committed an additional $700,000 over one year to the Brand Canberra project to extend the arrangement with the Canberra Business Chamber.
- The advantage of this initial investment is that areas outside of ACT Government remit and program delivery have had the opportunity to engage with the whole of city brand and use it. By inclusion of business, the tertiary sector, community, individuals and other city endeavours, the brand has gained broader and stronger buy-in.
- In 2017/18 the program has delivered the following:

Digital

- Integrated digital strategy showcasing the 'best of' Canberra through blogs, curated content, facts and stats, user-generated content and video.
- Daily content management on social media engagement across Facebook, Instagram and Twitter.
- Online community engagement including partnering with social influences and promotion of the hashtag #WeAreCBR.

Brand assets and products

- Development of a CBR facts and stats booklet, trade mission delegate packs and an event display kit.
- Merchandise production including pins, t-shirts, hoodies, caps, stickers, luggage tags.
- Specific 'Pride' (rainbow) collateral suite.
- City and event dressing investment including city flags, crowd fencing and stand flags

Event alignment and leverage:

- Canberra Day official partner that enabled onsite activation, distribution of promo product, venue signage and flags.
- Sydney Mardi Gras campaign including light installation and brand support for CBR float and participants.
- Signage at key venues – Manuka Oval, GIO Stadium, Canberra Tennis, CBR Brave and other sporting teams.

WE ARE CBR sub-brand campaign

- Reinvigoration and expansion of the WE ARE CBR brand elements/look/feel.
- One business profile per week launched on digital channels, including both imagery and video execution.
- 'Street poster' installations in city centre.
- Supported any person, business or organisation wanting to use the city brand to support their endeavours.

Background Information – may not be suitable for public disclosure

- The agreement with the Canberra Business Chamber will conclude on 30 June 2018. As a result the ACT Government is reviewing the program delivery model with consideration being given to:
  - Governance model;
  - Most effective and efficient use of government resources;
  - Future development needs of the Brand;
  - Needs of local community and business vs national and international promotion; and
  - Role of the Brand Strategic Advisory Board.

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- The next phase of the brand program will aim to:
    - Develop the Brand to ensure it becomes a comprehensive whole-of-city brand, representing all economic growth sectors as well as effectively capturing the personality and character of a rapidly growing city. This includes evolving the tourism marketing identity to align with the CBR Brand.
    - Ensure the Brand is embraced centrally as a platform for how the ACT Government projects its effort to promote Canberra as a place to visit, invest, live, study and do business.
    - Develop coherent and consistent messaging to simplify and strengthen Canberra's value proposition in key domestic and international markets. This includes ensuring the Brand effectively supports the ACT Government's international engagement efforts.
    - Ensure maintenance and delivery of a program that effectively engages with local business and the community more broadly through the Canberra Business Chamber. This will focus on enhancing opportunities for community engagement to build local advocacy and pride in the Brand.
- The Brand Strategic Advisory Board comprises:

Ms Tania Parkes (Chair), Tania Parkes Consulting;	Ms Nipuni Wijewickrema, Manager GG's Florist and 2014 Young Canberra Citizen of the Year;
Mr Nikos Kalogeropoulos, Chief Financial Officer, Molonglo Group;	Mr Anton Pemmer, Director and Export Development, Bottles of Australia;
Mr Eoghan O'Byrne, General Manager, Canberra FM;	Ms Dee Madigan, Executive Creative Director, Campaign Edge (Sydney based); and
Ms Amanda Whitley, Editor, Her Canberra;	Ms Kareena Arthy, Deputy Director General, Enterprise Canberra.
Mr Kevin Keith, State Manager, Consult Australia;	

BUDGET ESTIMATES BRIEF

Economic Development

Tourism & Major Events

ISSUE: BUDGET, STAFFING AND ACCOUNTABILITY INDICATORS

Talking points:

- The 2016-17 Budget provided $7.3 million over four years to promote Canberra as a leisure destination. This investment supports domestic and international campaign activity.
- $5.3 million of this commitment was invested across 2016-17 and 2017-18. $1.0 million per annum will be invested in 2018-19 and the final $1.0m in 2019-20.
- The 2018 budget committed an additional $2 million over two years to the Major Event Fund from 2020-21.
- The 2018 Budget committed $2.1 million over 3 years to extend the Brand Canberra program.

Key Information

- Total VisitCanberra Government Payment for Output (GPO) for 2017-18 was $14.868 million (increased by $1.513 million from 2016-17).
- The VisitCanberra Government Payment for Output (GPO) for 2018-19 is $13.599 million. The decrease reflects the phasing of the 2016-17 budget commitment of $7.3 million over 4 years.

Accountability Indicators

a. ACT Accommodation – Room Occupancy Rate.
   - 2017-18 Target: > national average. For the 12 months ending April 2018, the STR Global estimated National average for room occupancy is 76.7 per cent, compared with 77.1 per cent for the ACT.

b. Canberra and Region Visitors Centre – Overall visitor satisfaction with customer service levels.
   - 2017-18 Target: > 85 per cent. Surveys are collected daily and for the period 1 July 2017 – 23 May 2018 overall satisfaction is currently 95.62 per cent.

c. Number of visits to the 'visitcanberra.com.au' website.
   - 2017-18 Target: 1,600,000. As at 30 May 2018 the visitcanberra.com website had received 1,478,397 visits for the 2017-18 year. This equates to 134,400 per month. The estimated number of visits to 30 June 2018 is therefore 1,612,800.

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BUDGET ESTIMATES BRIEF

Background Information – may not be suitable for public disclosure

- The current VisitCanberra organisational structure contains 28.33 full time equivalent staff and of this 27.48 are full time permanent staff.
- The Canberra and Region Visitors Centre (CRVC) has a pool of 6 on-call casuals to assist with peak periods such as during Floriade. Approximately 27 volunteers are registered at the CRVC.

Budget

Main line area budgets for 2017-18 (excludes salaries):

1. **Marketing - $3.370 million**
   Includes:
   - Growing the Visitor Economy (including Singapore Airlines) $1.5 million
   - Destination Marketing Activity $1.145 million
   - Annual Media Plan, Publications and Public Relations $535,000
   - Website and Digital Management $190,000
2. **International - $1.939 million**
   Includes:
   - International Programs - $364,500
   - Aviation Development - $75,000
   - Aviation (Singapore Airlines) - $1.5 million
3. **Industry Development - $2.349 million**
   Includes:
   - Major Event Fund - $1 million
   - Tourism Demand Drive Infrastructure (Commonwealth Funding) - $947,875 (including $172,875 rollover from 2016-17)
   - Tourism Awards management and delivery - $164,000
   - Industry Development programs - $146,000
4. **Canberra and Region Visitors Centre - $384,067.00**
   Includes:
   - Operations budget - $174,780
5. **Research - $295,000.00**
   Includes:
   - Tourism Research Australia - $213,000
   - Consumer Research - $47,000
   - Strategic Research - $34,000
6. **Payments to third parties - $1.5 million**
   Includes:
   - National Capital Educational Tourism Project - $300,000
   - Canberra Convention Bureau - $1.5 million

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BUDGET ESTIMATES BRIEF

Portfolio/s Tourism & Major Events

ISSUE: STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM REPORT NO. 3 – INQUIRY INTO A NEW CONVENTION CENTRE FOR CANBERRA

Talking points:

- The ACT Government acknowledges the Standing Committee on Economic Development and Tourism's (the Committee) Report No. 3 on its Inquiry into a New Convention Centre for Canberra (the Report).
- The Committee makes 10 recommendations in its report, and I expect to be tabling a Government response in the Assembly in due course which addresses each recommendation in turn.
- As I have highlighted previously, and as can be read in the Committee report, the Committee has recommended that the government and community move on from the idea for an "Australia Forum". While early concepts had been publicised, they are not being considered at present.
- The Government is committed to seeing infrastructure projects in the city through. These include finishing light rail Stage 1, upgrading the Canberra Theatre Centre, and developing a business case for a new Theatre.
- Any project for a new convention centre for Canberra has been parked well into the next decade.

Key Information

- The Standing Committee into Economic Development and Tourism (the Committee) released its Report Number 3 – Inquiry into a New Convention Centre for Canberra in March 2018.
- The Report follows public hearings held in 2017.
- The recommendations include the retention of a City Hill site (CITY: Block 1, Section 116) until a decision is made on the direction of a future convention centre, the continued engagement with the Commonwealth for a financial contribution, and the creation of functional requirements and a design brief for a "Capital Region Convention Centre" – a noted departure from the Australia Forum idea.
- The Committee also makes recommendations regarding the maintenance of the existing Convention Centre in the meantime, and exploring temporary large scale banquet facilities for the ACT.

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Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2661

BUDGET ESTIMATES BRIEF

Background Information – may not be suitable for public disclosure

- While the Government response will be a matter for Government consideration, the draft sees the government note or agree to all Committee recommendations.
- Key industry players, such as the Canberra Business Chamber and the Canberra Airport, have advocated strongly for a new convention centre of a large scale, and continue to do so despite indication from the Government that it is not a priority in the short to medium term.
- In addition to the Australia Forum, other large-scale concepts to be floated include an integrated convention centre and sports stadium in the CBD.

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BUDGET ESTIMATES BRIEF

Portfolio/s Tourism & Major Events

Economic Development

ISSUE: FLORIADE 2017 AND 2018

Talking points:

- Floriade 2017 was held from 16 September to 15 October and Floriade NightFest was staged over six nights from 22 to 24 September and from 29 September to 1 October.
- Floriade celebrated its 30th anniversary in 2017, and incorporated a range of changes aimed at enhancing the implementation and presentation of both Floriade and Floriade NightFest.
- These changes were informed by research undertaken during and after Floriade 2016 and included the introduction of an evening opening concert, extension of opening hours, expansion of NightFest across two weekends, integrated shopping and trader areas, a sculpture garden and increased floral displays.
- In total, 434,414 people attended Floriade 2017 over 30 days, including the Opening Night Concert presented by Singapore Airlines and attendance at Floriade NightFest.
- A total of 29,743 tickets were sold for Floriade NightFest in 2017 compared with 16,904 in 2016 – noting that two nights were cancelled in 2016 due to inclement weather.
- Consumer and stakeholder feedback from Floriade 2017 is currently being considered as part of the event planning process for Floriade 2018.
- Events ACT has reviewed the management and administration of traders during the 2017 event based on feedback from a range of sources. A plan has been developed for improvements in how the trade element is delivered for Floriade in 2018.
- Events ACT is exploring opportunities to be more inclusive and work more closely with community groups for Floriade 2018, as well as looking at ways to take Floriade to town centres.
- The budget for Floriade 2018 is $3.80 million and NightFest is $655,000.

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BUDGET ESTIMATES BRIEF

Key Information

- Floriade 2017 celebrated the theme of 'rejuvenation' and featured a range of free activities along with ticketed events on sale via Ticketek.
- Floriade 2017 attendance numbers exceeded Floriade 2016 by 10 per cent (noting that the 2016 event was severely weather affected).
- An event and economic impact evaluation of Floriade and Floriade NightFest 2017 was undertaken by market research company IER Pty Limited, with a final report to be provided in the second quarter of 2018.
- Planning for Floriade and Floriade NightFest in 2018 has taken into consideration feedback from the 2017 event to ensure the ongoing development and evolution of the visitor experience at these key Canberra events.

Background Information – may not be suitable for public disclosure

- Changes implemented for the 2017 event:
  - New opening and closing hours were introduced so visitors could enjoy the flowers in the twilight evening hours of spring, or as a local, explore Floriade after work. Every day across the 30 day event the opening hours were 10am – 7pm (previously 9am – 5pm).
  - An opening concert presented by Singapore Airlines was staged on Friday 15 September, featuring a David Bowie tribute band and the Canberra Symphony Orchestra. Approximately 1380 people attended the opening night concert.
  - NightFest ran across two weekends, from 22-24 September and 29 September-1 October.
  - To support an enhanced garden bed footprint, the traditional Floriade site set-up for traders, catering, children's activities and entertainment was rearranged to promote greater distribution and variety throughout Commonwealth Park.
  - The Regatta Point car park was opened up to alleviate parking pressure due to the loss of parking at Acton Park as a result of the West Basin renewal project. Other parking in the City and Parliamentary Triangle, along with the free Floriade Shuttle sponsored by The Canberra Centre, was promoted and communicated extensively.

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BUDGET ESTIMATES BRIEF

Portfolio/s Tourism & Major Events

Economic Development

ISSUE: ENLIGHTEN 2018

Talking points:

- In 2018 the month of March came alive once again for Enlighten.
- The event took place from 2-18 March, including a broader footprint that took the event beyond the Parliamentary Triangle to include new event precincts including the Australian National University (ANU) and City Renewal Authority (CRA).
- In its eighth year Enlighten was expanded to feature some of Canberra's signature community events including Lights! Canberra! Action!, Symphony in the Park, Canberra Day, the Canberra Balloon Spectacular and 104.7 Skyfire event under the umbrella of the 2018 Enlighten Festival.
- There were 13 attractions as part of the 2018 Enlighten Festival curated program, and a number of local industry participants in the broader program offering.
- The budget for the 2018 Enlighten Festival was $1.220 million.
- Final attendance numbers and visitor feedback from the 2018 Enlighten Festival are currently being evaluated.

Key Information

- Illuminating Canberra for its eighth year, the Enlighten Festival returned in 2018 bigger and brighter than ever before.
- Proudly presented by Singapore Airlines, this year's Enlighten Festival was held over 16 days in March.
- Expanded and enhanced program with lots more to EAT, SEE & EXPLORE.
- The festival was extended to include some of Canberra's most popular autumn events - the Canberra Balloon Spectacular, Symphony in the Park, Lights! Canberra! Action! Canberra Day and 104.7 Skyfire.
- Canberra transformed into a hive of activity with an extended program of free and ticketed events and activities, plus two new and exciting event precincts – Canberra city and the Australian National University (ANU).

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- The main action took place in the Parliamentary Triangle where visitors could see vibrant illuminations and stunning architectural projections created by The Electric Canvas.
- Lighting up six of Australia's most iconic buildings; including Australian Parliament House, the Museum of Australian Democracy, the National Portrait Gallery, the National Gallery of Australia, National Library of Australia, and Questacon.
- Major attractions who opened their doors to host an array of exclusive after-dark ticketed events included the National Gallery of Australia, National Film and Sound Archives, National Zoo and Aquarium, the Botanic Gardens, Australian Parliament House, National Arboretum Canberra, the Royal Australian Mint, National Archives and more.
- This Parliamentary Zone precinct played host to a great line-up of Australian talent, roving entertainers, art installations, live music and enchanting performances.
- Foodies enjoyed the sizzling, bustling Enlighten Night Noodle Markets on the shores of Lake Burley Griffin, the Enlighten Alley food and drink precinct featuring local street food and family activities.
- The Enlighten Night Noodle Markets returned, offering a plethora of Asian-inspired food and beverage options. Of the 24 food vendors, five were local vendors.
- Enlighten Alley was a new food area introduced in 2018 to supplement the Night Noodle Markets and to introduce more local food offerings. Of the 10 vendors operating in Enlighten Alley, seven were local.

Background Information – may not be suitable for public disclosure

- Results from the Enlighten 2017 Event Evaluation Report, commissioned by the ACT Government and prepared by The Nielson Company indicated:
    - The 2017 event attracted a gross attendance of 286,000 (the largest on record), which included attendances at ticketed events and crowd numbers at Enlighten's free outdoor entertainment precincts;
    - The event generated a $3.2 million economic impact for the ACT, which is a 63 per cent increase on 2016 results (of $2.057 million);
    - 87 per cent of event attendees were satisfied with the event, with architectural projections and food and beverage offerings rating positively;
    - 86 per cent of interstate and overseas visitors to Enlighten indicated they would return to Canberra on the back of their most recent experience; and
    - 75 per cent of locals indicated that Enlighten makes them proud to be from Canberra, while 90 per cent agreed that Enlighten creates a buzz in the city.
- A key catalyst for increased visitation at Enlighten in recent years has been a strategic partnership between Events ACT, VisitCanberra and Fairfax Events to deliver the highly successful Enlighten Night Noodle Markets in conjunction with Enlighten.

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BUDGET ESTIMATES BRIEF

Portfolio/s Tourism & Major Events

Economic Development

ISSUE: NEW CANBERRA FESTIVAL IN 2020

Talking points:

- A new festival will be delivered in winter 2020, focussing on promoting Canberra's strengths in innovation, design, culture, coding and gaming.
- The festival will showcase Canberra as a vibrant city and as a leader in innovation by bringing together leading creative thinkers, technologists, futurists, artists and designers.
- It will provide a platform for diverse thoughts and engagement to imagine tomorrow's future, generate new ideas, inspire delegates and attendees.
- There will also be opportunities for the local business community to showcase local innovation.
- The new event will be developed in collaboration with industry and business and will seek to be established as a regular anchor event in the ACT major event calendar, consistent with the aim and key objectives of the 2025 Major Events Strategy for the ACT.
- It is anticipated that the new festival will be staged in winter 2020.
- The official name of the festival is yet to be determined.
- The Canberra Arts Biennial will build on the contribution that Canberra's arts community made to the successful Canberra centenary celebrations, which appealed to local, interstate and international visitors.
- The program will include the commissioning and securing of performance or exhibitions by local, national and international artists.

Background Information – may not be suitable for public disclosure

- Early concept planning is underway, exploring the future of technology, culture, democracy and society and humanity.
- Some ideas for the new festival include:

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  - A Futures Summit to gather industry and international leaders to discuss topics of relevance for the event and the future.
  - High profile keynote events, networking activities, workshops and panels that encourage engagement and exchanging of ideas.
  - Fairs and expos with a festival vibe featuring music, food, showcases, launches and demonstrations of the latest advancements in technology, robotics and artificial intelligence.
- An organising committee will be established to develop the program and bring together key stakeholders.
- This initiative specifically supports the ACT Government Strategic Priorities of economic growth, local jobs and inclusion.
- $1.850 million has been allocated to delivering the new festival.
- Funding has been provided to support a Canberra Arts Biennial, to be run as part of the new festival in 2020.
- $225,000 has been allocated to delivering the Canberra Arts Biennial.

BUDGET ESTIMATES BRIEF

Portfolio/s Tourism & Major Events

Economic Development

ISSUE: 2017 RUGBY LEAGUE WORLD CUP

Talking points:

- Canberra's three Rugby League World Cup (RLWC) 2017 matches have now been successfully staged at Canberra Stadium.
- Total attendance across the three fixtures was 24,455 – broken down as follows:
  - France v Lebanon: 5,429
  - Australia v France: 12,293
  - Fiji v Italy: 6,733
- These attendance figures are highly comparable to those achieved during Canberra's three matches at the ICC Cricket World Cup in 2015, which attracted 25,347 people to Manuka Oval.
- RLWC Chief Executive Officer Andrew Hill praised Canberra Stadium for its outstanding playing surface, which he said 'was the best he had seen in the tournament'. All five teams that played in Canberra also praised the quality of the venue.
- This reinforces Canberra's growing reputation as a world-class major events and tourism destination.
- TV broadcast figures and social media reach for Canberra's RLWC matches were strong. Canberra's second match between Australia and France on Friday 3 November was the most watched non-news program on that night, with a national television audience of two million on Channel Seven.
- Matches have also been broadcast on television in 150 countries across the globe.
- Community and fan engagement activities undertaken in the lead up to and during the tournament, including those involving visiting teams, were well received and generated widespread positive media coverage.

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BUDGET ESTIMATES BRIEF

Key Information

- The RLWC 2017 comprised 28 matches, held over a period of five weeks from October to December 2017.
- Fourteen international teams competed in matches staged in Australia, New Zealand and Papua New Guinea.
- The ACT Government's cash investment in the tournament was capped at $1.0 million.
- This amount was provided to the Organising Committee to manage operating costs in the Territory. The investment was supplemented by in-kind assistance to successfully deliver matches and leverage Canberra's involvement in the tournament.
- An ACT Rugby League World Cup 2017 Steering Committee was established, with committee membership including ACT Government representatives, the Canberra Raiders and the Rugby League World Cup Organising Committee (Chair).
- A final event evaluation report was prepared for the Organising Committee by Nielsen Sports. This report indicated that the tournament generated $3.65 million in economic impact for the ACT and attracted over 8,500 interstate visitors to the nation's capital. The total tournament media value for the ACT was also estimated at $1.05 million – which includes value delivered through dedicated TV broadcasts, news and magazine coverage, select print publications and select websites.

Background Information – may not be suitable for public disclosure

- After an (30 October 2015) Expression of Interest and a (29 February 2016) Host City Submission, the ACT was successful and Canberra Stadium was announced as a host venue.
- Provisions of the *Major Events Act 2014* were enacted for the tournament in consultation with ACT Policing, the Security and Emergency Management Branch (SEMB) and the Legislation, Policy and Programs team in the Justice and Community Safety (JACS) Directorate.

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BUDGET ESTIMATES BRIEF

Portfolio/s Tourism & Major Events

Economic Development

ISSUE: 2018 ACT EVENT FUND

Talking points:

- 59 applications were received under the *ACT Event Fund 2018* main round, with combined funding requests totalling $1.26 million against the available *ACT Event Fund* budget of $500,000.
- A total of 20 events under the main funding round were recommended for support totalling $361,901. This followed a comprehensive assessment process that saw all applications ranked against a series of key evaluation criteria to determine funding suitability.
- Remaining funds have been allocated for use on pre-existing multi-year funding commitments, start-up funding applications, event sector development workshops and event leveraging opportunities.

Key Information

- The *ACT Event Fund* was established as a key mechanism for stimulating and fostering a range of positive economic, social and community outcomes for the Canberra region through the festival and events sector.
- The *ACT Event Fund* assists eligible event organisers to develop, market and promote their events in a way that helps maximise these outcomes, while also helping to fill identified calendar gaps and support sustainable growth opportunities.

Background Information

- Applications to the *ACT Event Fund* are assessed by an independent panel, whose role is to assess each applicant's claims against the selection criteria, rank the full suite of applications and provide a set of funding recommendations (see full list over page).
- Funding recommendations are then submitted for Ministerial approval, with applicants subsequently notified of their success or otherwise.
- The availability of start-up funding provides a more flexible framework for event support and delivers a mechanism to respond to appropriate out-of-round requests.

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- The introduction of sector development initiatives in 2017 stemmed from consultation with the local events and festivals sector. An initial 'Best Practice Sponsorship' workshop was held over two days in June 2017 and received extremely positive industry feedback. Events ACT intends to schedule a further series of workshops for the local events sector in 2018 addressing key topics including effective marketing/promotion (including CBR brand alignment), budget management, risk profiling/management and event evaluation/reporting.

BUDGET ESTIMATES BRIEF

ACT Event Fund 2018 main round – Ranked list of funded organisations/events

	Name of Event	Organisation	Amount Requested	Amount Provided
1	2018 National Folk Festival	National Folk Festival Ltd.	Year 1 $29,500 Year 2 $22,730 Year 3 $20,000	**Year 1 $29,500** **Year 2 $22,730** **Year 3 $20,000**
2	Canberra Comedy Festival	Canberra Comedy Festival Inc.	Year 1 $40,000 Year 2 $40,000 Year 3 $40,000	**Year 1 $35,250** **Year 2 $35,250** **Year 3 $35,250**
3	Winter Glass Market 2018	Canberra Glassworks	$19,913	**$19,913**
4	Canberra Wine Week	Canberra District Wine Industry Assoc. Inc.	$10,338	**$10,338**
5	The ACT Permaculture Festival 2018	Southern Harvest Association	$15,000	**$10,000**
6	The Forage	Ms Belinda Neame	$13,500	**$13,500**
7	contour 556	Harris Hobbs Landscapes	$40,000	**$30,000**
8	Truffle Festival – Canberra Region	The Truffle Festival – Canberra Region	$20,000	**$15,000**
9	Canberra Triathlon Festival	Elite Energy Pty Ltd.	$20,000	**$15,000**
10	Canberra Highland Gathering	Canberra College of Piping & Drumming	$20,000	**$12,000**
11	The Big Canberra Bike Ride	Pedal Power ACT	$15,000	**$15,000**
12	Canberra Short Film Festival	Canberra Short Film Festival	$20,000	**$15,000**
13	GAMMA.CON 2018	The GAMMA.CON Society	$20,000	**$15,000**
14	East Hotel Canberra Challenger and ACT Clay Court International	Tennis ACT	Year 1 $35,000 Year 2 $35,000 Year 3 $35,000	**1 year only: $35,000**
15	National Capital Rally	Brindabella Motor Sport Club Inc.	$19,000	**$19,000**
16	FASHFEST	FASHFEST Inc.	Year 1 $65,000 Year 2 $40,000 Year 3 $40,000	**1 year only: $20,000**
17	Pialligo Estate – Farm Gate Tales	Pialligo Estate	$20,000	**$10,000**
18	Conflux 14	Conflux Incorporated	$2,400	**$2,400**
19	ActewAGL Royal Canberra Ladies Classic	Australian Ladies Professional Golf (ALPG)	$40,000	**$30,000**
20	Wanderlust 108 Canberra	Yoga Events Australia New Zealand Ltd	$15,000	**$10,000**
			Total for Year 1	**$361,901**

Cleared as complete and accurate: 07/06/2018
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Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref:

BUDGET ESTIMATES BRIEF

ACT Event Fund 2018: Funding pre-commitments and out of round applicants

Funding pre-commitments	**Organisation**	**Amount Provided**
Australian Running Festival	Fairfax Events (multi-year agreement)	$20,000
Canberra International Music Festival	Pro Musica (multi-year agreement)	$28,000
	Total	**$48,000**
Out-of-round (or start-up) applications	**Organisation**	**Amount Provided**
Skyfire 2018	Canberra FM Radio Pty Ltd	$25,000
BMX Australia National Round	BMX Australia	$10,000
Tuggeranong Community Festival	Tuggeranong Community Council	$10,000
	Total	**$45,000**
	Total pre-commitments/out-of-round	**$93,000**

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TRIM Ref:

BUDGET ESTIMATES BRIEF

Portfolio/s Tourism & Major Events

Economic Development

ISSUE: ACT EVENTS POLICY (ACT EVENTS FRAMEWORK) AND COMMUNITY EVENTS STRATEGY

Talking points:

- The ACT Government is committed to building and nurturing Canberra's events calendar.
- Events are important economic and visitation drivers, and have the capacity to deliver a range of social, community and cultural benefits for the Canberra region.
- In August 2016, the *ACT Events Policy Discussion Paper* was released for public consultation, to support policy development and generate a conversation with stakeholders. Over 1,100 responses are currently being analysed and a final ACT Events Policy will be delivered this year.
- In support of an ACT Events Policy, the *2025 Major Events Strategy for the ACT* was released in September 2017. A *2025 Community Events Strategy for the ACT* is also in final development, which will provide a framework to refresh, reinvent and grow Canberra's portfolio of engaging and inclusive community events.
- The *ACT Events Policy* and the *Community Events Strategy* will be finalised by 30 June 2018.

Background Information

- The *ACT Events Policy Discussion Paper* sought views on a set of guiding principles for an *ACT Events Policy*, along with a series of proposed supporting actions designed to help realise the full potential of Canberra's events sector.
- The guiding principles were:
    1. supporting events that grow the ACT economy;
    2. supporting events that deliver strong social and community benefits – including social cohesion, growing community pride and local participation;

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3. supporting events that enhance local, national and international recognition of Canberra's vibrancy, liveability and sense of place; and
4. strengthening Canberra's position as an 'event friendly city'.

- Many of the 1,123 comments on the discussion paper were extended responses, which are being thoroughly analysed and considered as part of developing a final events policy document.
- A range of other projects and initiatives currently complement the *ACT Events Policy* framework, including the *2025 Major Events Strategy for the ACT* and the establishment of Access Canberra for processing event approvals.
- A *2025 Community Events Strategy for the ACT* is also being finalised to provide a supportive framework for realising the full potential of Canberra's community events sector, including capacity building opportunities for community event organisers.

BUDGET ESTIMATES BRIEF

Portfolio/s Tourism & Major Events

Economic Development

ISSUE: COMMUNITY EVENTS SUMMARY

Talking points:

- Community events make an important contribution to creating a vibrant and liveable city. They are generally driven and supported by local organisations, have strong community support and primarily deliver social and cultural outcomes.
- The ACT Government supports a number of events each year through the ACT Event Fund and the Arts Fund. These include arts and cultural events, sporting and special interest events and community celebrations.
- The ACT Government, through Events ACT (within CMTEDD, Enterprise Canberra), delivers a number of events including:
    - The Canberra Nara Candle Festival
    - New Year's Eve
    - Australia Day Celebrations
    - Lights! Canberra! Action!
    - Symphony in the Park
    - Canberra Day Activities
    - The Canberra Balloon Spectacular; and
    - Reconciliation Day in the Park
- The Community Services Directorate has responsibility for the Multicultural Festival.
- Events ACT delivered the new Reconciliation Day Event on Monday 28 May – Reconciliation Day in the Park.
- Events ACT is collaborating with the City Renewal Authority to plan the format and delivery of both the Christmas in the City and New Year's

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events, aiming to achieving an enhanced and refreshed approach for the 2018 Festive Season.

- The 2018-19 Budget provided $0.3m to support the return of the Windows to the World event, delivered by the Embassies and High Commissions in Canberra.

Key Information

- *New Year's Eve in the City* celebrations were successfully delivered on Sunday 31 December 2017. An estimated 35,000 revellers attended the events over the evening, featuring a family friendly concert, two fireworks displays at Civic Square, and an all-ages dance party in Garema Place.
- An estimated 55,000 visitors and Canberra locals attended the successful Australia Day celebrations on Friday 26 January 2018. The event featured free children's amusements and entertainment; a high energy musical line-up at Regatta Point including local bands and headlined by *Matt and Jess and Justice Crew*, followed by a spectacular fireworks finale over Lake Burley Griffin.
- The 2018 March community festivities featured under the *Enlighten Festival* umbrella for the first time and included:
    - Lights! Canberra! Action! – Friday 9 March
    - Canberra Balloon Spectacular – Saturday 10 to Sunday 18 March
    - Symphony in the Park (Freddy Mercury tribute) – Sunday 11 March
    - Canberra Day – Monday 12 March
    - 104.7 Skyfire (delivered externally) – Saturday 17 March
- An estimated 15,000 visitors and Canberra locals attended the successful Canberra Day celebrations on Monday 12 March 2018. The event featured free children's amusements and entertainment, featuring a high energy musical line-up including Lah Lah's Big Live Band, local artist Lucy Sugerman, Nicole Millar from Peking Duk fame, former Triple J unearthed winner Ali Barter, and headlined by Multi-platinum Brisbane sibling super-group, Sheppard.
- An estimated 12,000 visitors and Canberra locals attended the successful Symphony in the Park celebrations, along with John Blunt and the Killer Queen Experience on Sunday 11 March 2018.

- An estimated 2,500 visitors and Canberra locals attended Lights! Canberra! Action! filmmaking competition where amateur and professional filmmakers produce short films that are Canberra focused with the theme of "Strange, Beautiful and Unexpected".
- Vickii Cotter of Visabel Pty Ltd was the Executive Producer for the 2018 *Enlighten Festival.*
- In support of a planned ACT Events Policy and the 2025 Major Events Strategy for the ACT, a 2025 Community Events Strategy for the ACT is also in the final development. It will provide a framework to refresh, reinvent and grow Canberra's portfolio of engaging and inclusive community events.

Background Information

Canberra Nara Candle Festival 2017

- The Canberra Nara Candle Festival began in 2003 to honour the Canberra Nara Sister City relationship, which was established 22 years ago.
- The event has continued to expand since its inception in 2003 and is Canberra's only public celebration of Japanese culture. It features Japanese food, entertainment, martial arts and cultural activities.
- The 15th Annual Canberra Nara Candle Festival was held on Saturday 26 October in Canberra Nara Peace Park from 4pm – 9pm. Over 12,000 patrons visited the event.
- The 2017 event was delivered under an outsourced arrangement with Out There Productions.
- A budget of $118,000 was allocated to deliver the event.

Christmas in Glebe Park (formerly Christmas in the City)

- Since 2001, the ACT Government has managed or funded a Christmas event based in the city centre. In its original event format, a Christmas Concert located in Civic Square was centred on the lighting of the 21 metre high Canberra Christmas Tree.
- A decision was made to not erect the Canberra Christmas Tree in 2017, presenting an opportunity to update the nature of Canberra's city-based Christmas celebrations.
- The ACT Government, through Events ACT engaged the services of Damsel & Sprout, a local event management company, to deliver a new Christmas festival in Glebe Park in 2017, featuring Christmas light displays, food, activities and entertainment.
- The City Renewal Authority (CRA), tasked with activating Canberra's city precinct, will be tasked with responsibility for overseeing the delivery of city-based Christmas celebrations in the future. The CRA undertook community consultation at the 2017 event to further develop and enhance the event from 2018 onwards in line with community expectations.

- A budget of $125,000 was allocated to manage and deliver the event, which was staged from 8 to 24 December 2017.

New Year's Eve in the City

- The ACT Government has delivered New Year's Eve celebrations in the Canberra city centre since 2004. Events are held in Civic Square and Garema Place, and feature two fireworks displays over City Hill at 9.00pm and midnight.
- The Civic Square event featured performances by local bands and a national headline act. The event caters for two audiences; families in the lead up to the 9pm fireworks, then young people and adults after 9pm.
- The Bass in the Place held in Garema Place featured a DJ dance party and attracts the 14-20 year old demographic. The line-up featured local DJs and a headline act in the lead up to midnight.
- The 2017-18 event was delivered under an outsourced arrangement with Kicks Entertainment.
- It is estimated that 35,000 people attended the 2017 event.
- A budget of $265,000 was allocated to deliver the event.

Australia Day 2018

- The Australia Day program included a range of free events presented by different organisers-
    - Great Aussie Day Breakfast presented by ActewAGL;
    - National Citizenship Ceremony and Flag Raising Ceremony presented by the National Australia Day Council
    - The Australia Day Fireworks and Concert presented by the (CMTEDD).
- The 2018 fireworks and concert incorporated live entertainment and activity around the lake.
- The concert line-up featured local bands and a national headline band to appeal to a broad audience.
- Additional activation sites with children's activities were set up at Regatta Point and Patrick White Lawns.
- The 2018 event was delivered under an outsourced arrangement with Out There Productions.
- It is estimated that 55,000 people attended the 2018 Australia Day in the Capital event.
- A budget of $275,000 was allocated to deliver the event.

Lights! Canberra! Action!

- Lights! Canberra! Action! is a filmmaking competition where amateur and professional filmmakers produce short films that are Canberra focused . The competition began in 2003 and attracts over 40 entries from local and national filmmakers.

- The competition commenced on Friday 23 February and concluded Monday 5 March 2018. The top twelve films were screened and the winners announced on Friday 9 March at the Senate Rose Gardens.
- The screening of the shortlist is held as part of the Enlighten program and in 2018 attracted an estimated audience of over 2,500 people.
- The 2018 event was delivered under an outsourced arrangement with Showpony Events.
- A budget of $40,000 was allocated to deliver the event.

Symphony in the Park – Sunday 11 March 2018

- Symphony in the Park began in 2010 and features the Canberra Symphony Orchestra (CSO) performing classical favourites and popular contemporary music.
- The 2018 concert featured the CSO performing *Queen's* greatest hits alongside tribute band *Killer Queen*. The free event was held in Commonwealth Park and attracted an estimated 12,000 people.
- The 2018 event was presented as part of the Enlighten program and was delivered under an outsourced arrangement with Kicks Entertainment.
- A budget of $135,000 was allocated to deliver the event.

Canberra Day – Monday 12 March 2018

- Formats of Canberra Day have included local and emerging talent and iconic Australian bands in a family friendly context.
- The event is held in Commonwealth Park and attracts an audience of approximately 15,000.
- The 2018 event was delivered under an outsourced arrangement with Kicks Entertainment.
- A budget of $145,000 was allocated to deliver the event.

Canberra Balloon Spectacular – Saturday 10 to Sunday 18 March 2018

- The Canberra Balloon Spectacular takes place on the lawns of Old Parliament House. Over 40 balloons participate in the event including giant novelty shaped balloons.
- The event attracts approximately 40,000 across the ten days and gains extensive media and social media coverage each year. A final figure for 2018 attendance at this event is not available yet.
- A budget of $220,000 was allocated to deliver the event.

Reconciliation Day in the Park – Monday 28 May 2018

- The event united the local Indigenous and non-Indigenous communities in Glebe Park from 10am until 2pm, in a fusion of community event elements such as amusements, food and music, incorporating Indigenous culture, activities and conversation.
- The key objective of the program is to generate conversation within the community on reconciliation and Aboriginal and Torres Strait Islander culture and history. Through this

event we are adopting the National Reconciliation Week theme of 'Don't keep history a mystery'.

- A budget of $150,000 was allocated to deliver the event.
- It is estimated that around 8,000 people attended the inaugural event.

Windows to the World

- Windows to the World is an event that celebrates Canberra's multicultural diversity and contributes to better cultural awareness and understanding.
- Windows to the World is a program of open days and tours revealing the beautiful landscapes and superb architecture of Canberra's Embassies and High Commissions. Visitors have the opportunity to experience the flora, flavours, customs, sounds and culture of Europe, Asia, the Pacific, the Americas and Africa.
- Windows to the World provides a glimpse into the world of international diplomacy and tells the story of international relations and the role that Canberra plays as an international city. The event celebrates Canberra's multicultural diversity and contributes to better cultural awareness and understanding.
- Funding was provided in the 2018-19 Budget to support the return of Windows to the World in 2019-20 and 2021-22 ($150,000 per year).

BUDGET ESTIMATES BRIEF

Portfolio/s Tourism & Major Events

Economic Development

ISSUE: 2018 RECONCILIATION DAY EVENT

Talking points:

- In September 2017, the Assembly (with tri-partisan support) passed the Holidays (Reconciliation Day) Amendment Bill 2017, establishing Reconciliation Day as the first Monday on or after 27 May, which is the anniversary of the 1967 Referendum and the first day of Reconciliation Week.
- The first Reconciliation Day public holiday was held on Monday 28 May 2018, and the ACT was the first Australian jurisdiction to recognise Reconciliation Day as a public holiday.
- The aim of the event was to engage with as many members of the Canberra community as possible to promote understanding of the impact of historical events, as well as looking forward and promoting Aboriginal and Torres Strait Islander culture.
- It is estimated that around 8,000 people attended the inaugural event.
- The 2018-19 Budget has allocated $800,000 over four years ($200,000 per annum) for the continuation of the Reconciliation Day in the Park event and grants program.

Key Information

- The inaugural Reconciliation Day event scheduled for 28 May 2018, and thereafter to be held annually, replaces the current Family and Community Day public holiday which has traditionally been held on the first Monday of the third term school holidays (ACT only). It will not represent an additional public holiday for the ACT.

Background Information – may not be suitable for public disclosure

- The Reconciliation Day public holiday in the ACT is the result of community consultations undertaken in 2016 and a subsequent report tabled by the then Minister for Aboriginal and Torres Strait Islander Affairs, Dr Chris Bourke MLA.
- Funding of $200,000 was approved (as part of the 2018-19 mid-year budget review process) to ensure that the first Reconciliation Day in 2018 is marked in a way that meets community expectations and engages with as many members of the Canberra community as possible.

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BUDGET ESTIMATES BRIEF

- The Reconciliation Day funding provides $150,000 for an event on Reconciliation Day. A further $50,000 will support activities in the lead up to Reconciliation Day, enabling grassroots organisations to participate fully in the celebrations to ensure that Reconciliation Day in Canberra has a strong community focus.

- The 2018 Aboriginal and Torres Strait Islander Reconciliation Day Grant recipients are:
  - Australian Red Cross
  - Toora Women Inc and EveryMan Australia
  - Tuggeranong Arts Centre
  - ACT Torres Strait Islanders Corporation
  - Malkara School
  - Macgregor Primary School
  - Alfred Deakin High School
  - O'Connor Cooperative School
  - Latham Primary School
  - Ngambri Local Aboriginal Land Council
  - Narrabundah Early Childhood School
  - Gold Creek School
  - Woodlands and Wetlands Trust
  - Indigenous Community Volunteers
  - Tuggeranong Netball Association
  - Forrest Primary School
  - Amaroo School
  - Gilmore Primary School
  - Kara Buai Torres Strait Islander Corp

- The Reconciliation Day Grants Program will support events with a focus on:
  - Promoting understanding and celebration of Aboriginal and Torres Strait Islander cultures;
  - Promoting understanding of the impact of past policies and historical events on Aboriginal and Torres Strait Islander people;
  - Delivering opportunities for all Canberrans to be involved and to have the ability to participate in community events; and
  - Developing seminars and panel discussions on the importance of Reconciliation for all Australians.

- The event and activities funded in 2018 will be evaluated to refine the delivery of ongoing community engagement activities and events to mark Reconciliation Day in future years.

- The Reconciliation Day grants program and event supports the ACT Aboriginal and Torres Strait Islander Agreement 2015-18 (the Agreement), which aims to create quality life outcomes for Aboriginal and Torres Strait Islander people in the ACT and surrounding region, specifically by:
  - Building a better relationship between Aboriginal and Torres Strait Islander people and non-Aboriginal and Torres Strait Islander people;
  - Creating a safe environment where non-Aboriginal and Torres Strait Islander people can recognise the impact of colonisation on Aboriginal and Torres Strait Islander people today, including recognising inter-generational trauma, and how it affects Aboriginal and Torres Strait Islander people today;
  - Allowing an ongoing journey of Reconciliation for the whole ACT community by holding a mature discussion about Australia's history, and normalising that discussion;
  - Enhancing the cultural understanding capacity of all Canberrans;
  - Enhancing the cultural understanding of organisations operating in the ACT; and
  - Enhancing the cultural understanding of organisations that may provide services to Aboriginal and Torres Strait Islander people who reside in the ACT.

Cleared as complete and accurate:	07/06/2018	
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BUDGET ESTIMATES BRIEF

- A community-led Reconciliation Day Council was appointed to oversee the program for the 2018 Reconciliation Day, and to promote the importance of Reconciliation across the community.

- An Inter-governmental Working Group was been established, appointed by the Deputy Director-General of Community Services Directorate and Deputy Director-General of Enterprise Canberra, to oversee the management and delivery of the Reconciliation Day in the Park event.

- An Event Manager from Events ACT was appointed will work with the Office of Aboriginal and Torres Strait Islander Affairs (OATSIA) Coordination and Engagement Unit and the Reconciliation Day Council to deliver the 2018 Reconciliation Day event.

- Events ACT and CMTEDD Communications worked together to develop the communications plan for Reconciliation Week, including the Reconciliation Day in the Park event.

Cleared as complete and accurate:	07/06/2018	
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TRIM Ref:

BUDGET ESTIMATES 2018-19
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Chief Minister Portfolio Briefing Pack

	2. Communications and Engagement Strategy and accountability 3. 'Our Canberra' Print Newsletter and Email 4. Whole of Government Social Media Channels 5. Purchase of Creative Services and Advertising 6. Whole of Government Omnibus Research 7. Independent reviewer of Campaign Advertising 8. Community Councils 9. Community Support Fund 10. Honours and awards 11. Questions on Notice - Communications staff and costs 12. Whole of Government Media Monitoring Service 13. Whole of Government Emergency Communications 14. Protocol and Ceremonial Events 15. How well Canberrans are informed
TAB 4	**Digital Strategy** 1. Budget Initiative - Data Analytics for Smarter Policy 2. Role of the Office of the Chief Digital Officer 3. iConnect Program
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TAB 1 - Output 1.1 Government Policy and Reform

Brief Number	Brief Title	Budget Paper	Page No.
1.	Budget Initiative - Digital Records for Digital Government	BP3	84
2.	Budget Initiative - ACT Reportable Conduct Scheme – Inclusion of Religious Entities	BP3	92
3.	Budget Initiative - Office for LGBTIQ Affairs	BP3	92
4.	Budget Initiative - More Jobs for our Growing City – Policy Innovation	BP3 Statement B	90 2, 47
5.	Budget Initiative - Chief Minister's Charity	BP3 Statement B	91
6.	Royal Commission Royal Commission into Institutional Responses to Child Sexual Abuse – ACT Government Response	BP3 Statement B BP3 JACS	85, 92 127
7.	Greyhound Racing	N/A	N/A
8.	ACT-NSW Memorandum of Understanding for Regional Collaboration	N/A	N/A
9.	Regional Engagement with NSW Local Government (CBRJO And QPRC)	N/A	N/A
10.	Jervis Bay Territory (JBT)	N/A	N/A
11.	COAG and CAF	BP3 Statement B	18, 29
12.	Commonwealth Land Matters – Sch 2 s2.2(a)(x), [redacted]	N/A	N/A
13.	Council of Capital City Lord Mayors (CCCLM)	N/A	N/A
14.	On-Demand Transport Industry Evaluation	Statement B	2
15.	*Residential Tenancies Act 1997* – Commercial Guarantees	N/A	N/A
16.	ACT Government Performance and Accountability Framework (and Review of Indicators)	N/A	N/A
17.	Election Commitments and Parliamentary Agreement Reporting	N/A	N/A
18.	Freedom of Information Act Open Access Scheme	N/A	N/A
19.	Costings of Questions on Notice	N/A	N/A
20.	Territory Records Act	N/A	N/A
21.	Commercial Drone Operations in the ACT	N/A	N/A
22.	Combat Sports	Statement B	2
23.	Process in Separating ACT Health	N/A	N/A

BUDGET ESTIMATES BRIEF

Portfolio/s: Chief Minister

ISSUE: DIGITAL RECORDS FOR DIGITAL GOVERNMENT—BUDGET INITIATIVE

Talking points:

- The Budget includes funding to increase the rate of ACT Public Service's transition to digital recordkeeping.
- Increased use of digital recordkeeping systems will deliver a range of benefits including:
    - More efficient use of office space, allowing the ACTPS to take full advantage of the savings offered through Activity Based Working (ABW) in its new office accommodation
    - An increased ability to share reliable and authoritative records, information and data across government, supporting efficient customer service, informed decision-making and improved data analysis capabilities
    - Greater environmental sustainability, through the reduced use of paper.
- This initiative will also help public servants to transition to a 'paper-lite' office environment by providing advice on approaches to managing existing paper documents.
- Funding is also provided to allow Community Services Directorate digitise its paper files, allowing for improved client services through improved access to information.

Key Information

- Total funding for the initiative is $26.2m over four years.
- Of this, $22.1m will be offset by expected savings in agencies and by centralising existing agency funding in Shared Services.
- New funding of $4.1m over four years consists of:
    - $0.9m for Shared Services to increase the rate of the rollout of digital recordkeeping, including enhanced support for business areas transitioning to the new system

Cleared as complete and accurate:	19/06/2018	
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TRIM Ref:

- $0.2m for the Territory Records Office to develop a long-term strategy for integrated digital recordkeeping across government
- $0.9m for the Territory Records Office to assist agencies to address legacy paper records issues
- $2.1m for Community Services Directorate to digitise existing Community Services files.

- The additional FTE for the lead agencies is:

	2018-19	2019-20	2020-21	2021-22
Territory Records Office	2.5	4.5	2	0
Shared Services	0.5	1	1	1
Community Services Directorate	4	3.5	3	0

- The Territory Records Office is currently funded through a combination of direct appropriation and recoveries from Directorates.
  - The TRO's budget for 2017-18 was $0.9m.
- Shared Services Records Services currently operates primarily on a fee for service basis.
  - Records Services budget for 2017-18 was $6.7m.
- The 2018-19 Budget papers allocate all offset amounts to CMTEDD, apart from specific offsets related to the CSD digitisation project.
  - In reality, offset amounts will be shared across the ACT Government, and adjustments will be made at mid-year review to allocate those offsets to agencies.
  - The offset amounts will need to be calculated based on historic and current costs to agencies of paper records management services, and the rate of uptake of digital records services.
- The table below sets out the total funding as shown in the budget papers with additional information about the allocation of funding within the overall envelope.

ACT Government

BUDGET ESTIMATES BRIEF

	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	**Total $'000**
Chief Minister, Treasury and Economic Development Directorate – Net Expenses	819	1,087	343	-304	**1,945**
• Expenses – TRO	317	535	219	0	**1,071**
• Expenses – Shared Services Less	502	6,470	7,423	7,947	**22,342**
• Offset – Whole of Govt	0	-5918	-7299	-8251	**-21,468**
Community Services Directorate – Net Expenses	698	1,080	798	-202	**2,374**
• CSD Expenses Less	698	1121	925	0	**2744**
• CSD Offset	0	-41	-127	-202	**-370**
Housing ACT Offset	0	-25	-85	-100	**-210**
Net Expenses	**1,517**	**2,142**	**1,056**	**-606**	**4,109**

Background Information

- The ACTPS currently uses two electronic document and records management systems (EDRMS): MicroFocus Content Manager (often known as TRIM); and Objective.
- This project builds on the investments made in both systems. It also includes funding for the development of a future strategy that would consolidate ACTPS recordkeeping capability by determining the most effective and economical way of achieving full interoperability between the two EDRMS and other business systems used by government.
    - These might include a single whole of government interface to both systems, with implementation of enterprise searching across both systems and other data repositories such as shared drives.
    - In the interim, this project will continue deployment of both systems, to allow all parts of government to begin to realise efficiencies and the opportunity to share information within logical groupings across government, and eventually more broadly.

Cleared as complete and accurate:	19/06/2018	
Cleared by:	Deputy Director-General	Ext: 73751
Contact Officer Name:	Danielle Wickman	Ext: 70194
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref:

BUDGET ESTIMATES BRIEF

Portfolio/s: Chief Minister

ISSUE: ACT REPORTABLE CONDUCT SCHEME – INCLUSION OF RELIGIOUS ENTITIES – BUDGET INITIATIVE

Talking points:

- In this Budget (2018-19) the Government has agreed to provide an additional $1.1m over 2 years to provide additional support to the ACT Ombudsman for the Reportable Conduct Scheme.
- Resourcing will enable the Ombudsman to undertake additional investigations, and to support the introduction of religious institutions in the Scheme from 1 July 2018.
- A provision will be established for funding from 2020-21, with a review in 2019-20 to determine the future funding requirements for the Scheme.
- We are conscious the Scheme's effectiveness depends on it being sufficiently resourced. My Directorate in is close consultation with the Ombudsman to ensure the scheme is run as efficiently as possible and resourced adequately.
- In the 2016-17 Budget, Government allocated $1.336 million over four years for administration of the Scheme. The Ombudsman recently advised it was spending more resources than originally expected to administer the Scheme and was allocated an additional $615,000 for 2017-18.

Year	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**Total**
Base Funding *(16/17 Budget)*	473	282	288	293	1,336
Additional Funding		615 *(17/18 Mid Year Appropriation)*			615
			545 (*18-19 Budget*)	561 (*18-19 Budget*)	1,106
Total	473	897	833	854	3,057

Cleared as complete and accurate: 21/06/2018
Cleared by: Deputy Director-General Ext: 73751
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Key Information

- The disturbing findings of the ongoing *Royal Commission into Institutional Responses to Child Sexual Abuse*, and the courageous testimonies of people like the ACT Local Hero, Damien de Marco, have highlighted need to oversight the reporting of allegations of abuse in organisations across Australia.
- In response to these findings the ACT Government introduced a Reportable Conduct Scheme on 1 July 2017. The Legislative Assembly unanimously supported this approach during its debate on the *Reportable Conduct and Information Sharing Legislation Amendment Act 2016* in August 2016.
- When developing the ACT scheme, we listened to the community's overwhelming preference that, where possible, our scheme mirror the one that has been in place in NSW since 1999.
- Like the NSW Scheme, the ACT Scheme covers organisations that fall within certain categories, including government and non-government schools, all ACT Government Directorates, providers of childcare services, health services, out of home care services, and others prescribed by regulation.
- The Ombudsman Amendment Act 2018 to extend the Scheme to all functions of religious institutions was passed unanimously on 7 June 2018. The Bill expands the definition of a designated entity to include institutions providing spiritual care and pastoral activities.
- Religious bodies have always been in scope insofar as they operated a service that falls within any of these categories (e.g. Catholic schools). Last year I announced the scheme would be expanded to include religious institutions more fully.
- We consulted with the community on how best to manage this process. A discussion paper was released early in November and my Directorate held a Public Forum on Monday 26 February 2018, and were pleased to see around 40 representatives of religious groups across the ACT in attendance to learn about the scheme, and how we can all do better to protect children.
- The Government concluded public consultations on 16 March 2018, and committed that all religious organisations providing pastoral care and religious instruction would be included in the scheme by 1 July 2018.
- The Act, which will come into force on 1 July 2018 provides for transitional arrangements until 31 March 2019 to exclude allegations of reportable conduct divulged in the course of religious confession from the scope of the Scheme.

Cleared as complete and accurate: 21/06/2018
Cleared by: Deputy Director-General Ext: 73751
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

- The nine-month exclusion for information disclosed during a confession, acknowledges the complexity of such an inclusion. This period will allow time for discussions with other jurisdictions in a national context, further consultation with stakeholders and will allow time for religious organisations to respond to the recommendations of the Royal Commission.
- In addition to the Reportable Conduct Scheme, the Royal Commission also made recommendations regarding information provided through the religious confessional in its Criminal Justice Report (failure to report offences) and Final Report (mandatory reporting schemes). The ACT Government has been consulting on the failure to report offences, and will be formally responding to the recommendations around mandatory reporting as part of the government response to the final report in June.
- It will also be important in undertaking this work to ensure consistency with other jurisdictions in any future policy development, and the ACT Government will work closely with Commonwealth Government and other state and territory governments in this regard to progress the recommendations of the Royal Commission.

Background Information – may not be suitable for public disclosure

- The ACT Reportable Conduct Scheme commenced 1 July 2017.
- Currently the ACT, NSW and Victoria are the only jurisdictions where reportable conduct has been implemented. As of 1 January 2018 the Victorian scheme explicitly includes all religious organisations. The NSW scheme includes religious bodies insofar as they run schools, childcare centres, or other types of organisations.
- Queensland and Tasmania have committed in their response Royal Commission to introduce similar Reportable Conduct Schemes.
- Archbishop Prowse wrote to you on 29 June 2017 requesting that all religious bodies be included under the oversight scheme.
- On 29 January 2018 an Invitation was sent via email inviting religious organisations to the public forum on the planned expansion of the ACTs reportable conduct scheme for February 2018.
- The 29 January mailing list was drawn from the Australian Charities and Not-for-Profit Commissions' online database with additions. Where email addresses were missing or emails bounced, Officials contacted organisations via phone to try and find alternative email addresses.
- On 27 February 2018 officials from CMTEDD and the Archbishop, Father Percy and Maria Hicks, Director of Professional Safeguards met to discuss the proposed expansion of the Reportable Conduct Scheme and recommendations from the Royal Commission general.

BUDGET ESTIMATES BRIEF

- Senior Officials and officers from the Archdiocese continued to exchange information through April 2018 regarding the strategies and practices being developed following recommendations from the Royal Commission
- On 7 May 2018 an email was sent to all stakeholders (excluding Archbishop Prowse) the week of the Amendment Bill being introduced.
- On 7 May a letter was sent via email to Archbishop Prowse the week of the Amendment Bill being introduced. Deputy-Director General Leesa Croke attempted to speak with Archbishop Prowse prior to the letter being sent, but due to his absence, Ms Croke spoke with Father Percy with the letter sent via email after the phone contact. The letter offered Archbishop Prowse the opportunity to meet with the Attorney-General to discuss the proposed amendments.
- Archbishop Prowse wrote to the Attorney-General on 5 June 2018 seeking that the Introduction of the Bill not proceed. You replied stating that debate of the Bill would proceed as planned, and that you were aware of the planned meeting with the Attorney General.
- On 5 June 2018, Ms Croke and your office briefed Ms Kikkert, Mrs Dunne and Mr Wall on the proposed amendments.
- A meeting was held on Tuesday 19 June 2018 between Archbishop Prowse and the Attorney-General. Deputy-Director General Leesa Croke also attended.
- The Reportable Conduct and Information Sharing Legislation Amendment Bill 2017 was introduced in the Assembly on 2 November 2017 to improve information sharing between entities with responsibility for oversighting child safety.
- The Ombudsman has received 121 notifications within the eleven months of the scheme's operation.
- Of this 121 notifications, 57 were closed [as reported by the Ombudsman during Hearings on 20 June 2018].

BUDGET ESTIMATES BRIEF

Portfolio/s: Chief Minister

ISSUE: OFFICE FOR LGBTIQ AFFAIRS – BUDGET INITIATIVE

Talking points:

- The ACT's reputation as the most LGBTIQ inclusive jurisdiction has been further cemented, with new funding to support and celebrate our LGBTIQ communities.
- The 2018-19 budget includes $2.594m over four years for the Office for LGBTIQ Affairs (the Office), including $0.7m over four years to introduce a grants program celebrating LGBTIQ visibility and inclusion
    - the grants program is an avenue to build the skills of local LGBTIQ community members, develop new partnerships and strengthen organisations.
- The creation of the Office for LGBTIQ Affairs in 2017 has seen the Government's plans progressing for Canberra to be the most LGBTIQ welcoming city in Australia.
- Over the next few years we will be working to implement the government's LGBTIQ vision and address inequality. Particularly focusing on transgender and intersex people, who are some of the most marginalised and invisible people in our community, with the small amount of available data indicating they experience higher rates of poverty, job discrimination and violence compared to the general population
- Beyond the social inclusion agenda, this budget initiative supports our core economic ambitions. For example, the ACT's tourism industry benefits as destinations that make great places to live are also great places to visit.
- Increased funding will help fulfil the government's election commitment to support LGBTIQ artists, performers and sportspeople, with events which showcase Canberra's inclusivity and boost the local economy through visitation by LGBTIQ people, their families and allies.

Cleared as complete and accurate:	25/05/2018	
Cleared by:	Deputy Director-General	Ext: 73751
Contact Officer Name:	Adam Stankevicius	Ext: 50468
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Key Information

- The ACT Budget 2018-19 includes **$2.594m** over four years for the Office for LGBTIQ Affairs. This funding includes an investment of **$0.7m** over four years to support and celebrate our LGBTIQ communities through a new small grants scheme. Please see further for a table break down of the base and new funding.
- The first ACT LGBTIQ Strategic Plan, to be released in 2018-19, will set out key directions and priorities for progressing towards the full realisation of the ACT Government's LGBTIQ vision.
- In 2018-19 the Office will work on:
    - Supporting trans, gender diverse and intersex led peer support, education and resources.
    - Collaborating with intersex organisations to plan how we can implement the Darlington Consensus Statement in the ACT.
    - Implementing the new small grants scheme for LGBTIQ community groups.
    - Continuing to ensure the health and wellbeing of lesbian, gay and bisexual Canberrans through further funding to support community-based agencies with innovative approaches to LGBTIQ inclusion.
    - Funding social research to ensure future decisions and services for LGBTIQ youth in Canberra are substantiated by data.
    - Honouring the contributions and achievements of LGBTIQ Canberrans through a research project on the history of LGBTIQ activism in the ACT since 1969.

Background Information

- The Office for LGBTIQ Affairs established in January 2017 within CMTEDD is responsible for coordinating a whole-of-government effort to support and further promote achievement of this vision. The 2017-18 ACT Budget provided $1.4m over four years to establish the Office.
- The 2018-19 budget will see the Office's budget increase to $2.594m over four years with an increase in FTEs associated with the Office from 2 to 2.5. This funding includes ongoing base funding ($117k per annum) transferred from CSD to CMTEDD for the Canberra LGBTIQ Consortium Services Funding Agreement.

Office for LGBTIQ Affairs: 2017-18 Expenses

Expense	Cost
Employee expenses (e.g. Salaries)	$122,898
Non Employee Services (e.g. Supplies & Services)	$143,485 (Nb. expenses include $45k for LGBTIQ Consortium; $16,786 for communications; $34,500 for projects)
Total	**$266,383**

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TRIM Ref: CM2018/2837

ACT Government

BUDGET ESTIMATES BRIEF

Breakdown of base and new funding

	2017-18 Budget $'000	2018-19 Budget $'000	2019-20 Estimate $'000	2020-21 Estimate $'000	2021-22 Estimate $'000	Total
Base Office for LGBTIQ Affairs resourcing 2017 Budget	340	345	350	354	359.31	**$1,748,310**
Base Transferred from CSD	-	117	120	123	126	**$486,000**
New Strengthening Canberra's position as Australia's most LGBTIQ friendly city	-	175	175	175	175	**$700,00**
Total $'000	**340**	**637**	**645**	**652**	**660.31**	**$2,934,310**

Cleared as complete and accurate: 25/05/2018
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Contact Officer Name: Adam Stankevicius Ext: 50468
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s: Chief Minister

ISSUE: MORE JOBS FOR OUR GROWING CITY – POLICY INNOVATION TEAM – BUDGET INITIATIVE

Talking points:

- The ACT Government is committed to increasing economic productivity in the ACT through a dedicated regulatory reform program and better design and delivery of programs and services.
- In 2014, the ACT Government established a dedicated Regulatory Reform team to lead a program of policy and legislative reform across government. Access Canberra was established the following year as a new integrated regulatory agency to lead change in service delivery.
- The 2018-19 Budget provides ongoing funding to maintain the Regulatory Reform team. This will support the Government's ongoing program of major reforms and annual Red Tape Reduction legislation amendments.
- The Policy Innovation Team initiative adds to this reform capability with a dedicated team to lead a more proactive and strategic approach to evaluation across the ACT Public Service.
- From 2019-20, there will be a small dedicated function to support a greater focus on evaluation across the ACT Public Service. This new function will utilise the ACT's investment in data analytics, will work with directorates on evaluation and behavioural insights and will seek to partner with research institutions to support the ACT's capability to undertake evaluations.

Key Information

- Total funding over four years for the Policy Innovation Team is $5.77 million.
- This includes:
    - funding of $4.13 million for the Regulatory Reform Team (four FTE) and associated project costs.
    - funding of $1.64 million for the Evaluation Program (two FTE) and associated project costs from 2019-20.

Cleared as complete and accurate: 25/05/2018
Cleared by: Deputy Director-General Ext: 73751
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

BUDGET ESTIMATES BRIEF

- The major reforms to be undertaken by the Regulatory Reform Team, in collaboration with Access Canberra and directorates, will be outlined in a Four Year Plan for Regulatory Reform which will be released in 2018-19.
- The development of this plan is being informed by targeted consultations with peak bodies across the business, community, environment and union sectors in the ACT.
- Regulatory reforms to date have benefitted the ACT community through increased choice and productivity reforms and had specific benefits for a range of different groups in the ACT, ranging from taxi and ridesharing, cafes seeking to undertake outdoor dining, charities, businesses that require licences to operate, organisations undertaking events, professional groups, large employers and small business.
- The annual red tape reduction bills have reduced a range of compliance and administration costs for business and the not-for-profit sector through extending licence periods, removing duplication with Commonwealth regulation, removing requirement for development applications for outdoor dining, removing the requirement for employers to provide wage declarations six monthly, and removing requirement for statutory declarations.
- This reform program features a commitment to evaluating reforms in conjunction with stakeholders. The two year evaluation of the taxi innovation reforms is currently being completed. This additional investment in a dedicated evaluation program will ensure evaluation is a key component of policy and service design in the future.
- Having an evaluation capacity in the central policy team will support a greater focus on evaluation across ACT Government Directorates and programs to ensure they are meeting the needs of the ACT community.
- Targeted evaluations will ensure the use of robust research methods including leveraging behavioural insights research to iteratively improve program design and service delivery.
- Delaying funding until 2019-20 recognises the lead time required to put a program of work in place. The focus in 2018-19 will be on preparing the evaluation program including identifying priority areas for targeted evaluations in 2019-20 and exploring opportunities for strategic partnerships. Work with the Human Services Cluster to identify potential candidates for inclusion is already underway.

Background Information – may not be suitable for public disclosure

- The major reform package developed by the Regulatory Reform Team – the Taxi Innovation Reforms – has created economic benefits for ACT consumers. At the time of the review, the estimated financial benefit to the ACT community of these reforms was $3.5 million after five years. The two year evaluation of these reforms is still underway.

Cleared as complete and accurate:	25/05/2018
Cleared by:	Deputy Director-General Ext: 73751
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

- The next Red Tape Reduction Legislation Amendment Bill is currently due to be introduced in the Legislative Assembly in August 2018.
- The ACT Government has had an ACT Evaluation Policy since 2010. The Evaluation Policy was reviewed in 2017 and will be updated and relaunched to support the new evaluation program.
- The initiative will also build on the trial program of behavioural insights that Policy and Cabinet Division undertook in 2017-18. The small team built a thorough evidence base of the principles and application of behavioural insights; promoted the benefits of BI in a government context; partnered with a number of business units to identify and prioritise opportunities to employ behavioural insights; undertook comprehensive analysis of administrative data to gather insights and design trials to test the effectiveness of a number of behavioural interventions; and implemented a successful randomised control trial to improve the collection rate of unpaid debts to the Territory (unpaid traffic and parking infringements).
    - The randomised control trial involved sending letters to 1,900 individuals with unpaid infringements across NSW and ACT. Two different letters were used, each with a different behavioural intervention, to test what worked best at getting people to take action. The first letter incorporated 'social norms' messaging that most people paid their overdue fines and the second letter incorporated messaging that alerted the reader that unpaid fines don't go away unless they take action, known as the 'observation effect'.
    - Preliminary results show that both letters are more effective than business as usual – for the social norm treatment group the benefit to cost ratio (BCR) is approximately 4.5. That is, sending 1,000 letters with this treatment would cost $1,000 and be expected to result in payment of debts worth $4,500. For the observation treatment group, the BCR is approximately 8.7.
- PCD will coordinate with the Expenditure Review branch in Treasury regarding the evaluation program. However, the purposes of the evaluation program is to assess the impacts and outcomes of policies and program, not to assess their expenditure or financial management. Unlike the Expenditure Review Program, this initiative will have a focus on dissemination of findings, building evaluation capability with directorates through strategic partnerships and a focus on evaluating outcomes across different programs.
- In June 2018, PCD is piloting a two day ACT Policy and Evaluation Workshop with the Australia and New Zealand School of Government (ANZSOG) for staff across the ACT Public Service. This pilot workshop will be evaluated to inform future plans for building capability as part of this budget initiative.

BUDGET ESTIMATES BRIEF

Portfolio/s: Chief Minister

ISSUE: Chief Minister's Charitable Fund

Talking points:

- The Chief Minister's Charitable Fund is being established to provide additional help to the most vulnerable members of our community.
- It will help to meet the social, economic, cultural, educational and environmental needs of the ACT and the surrounding region.
- My hope is that the establishment of this Fund will increase social awareness and the capacity by leveraging individual and private sector philanthropy in the region.
- In furthering the CMCF's charitable objectives, the CMCF may do things like raising the awareness of the charitable needs in our community; promote and facilitate a culture of giving, whether of time, money or skills.
- It will build partnerships with business and government; and cooperate with other organisations to further these charitable objects.
- The Fund will be established through a one off grant of $5 million to a new not for profit company limited by guarantee, that will be known as the Chief Minister's Charitable Fund.
- The grant will be governed by a three year renewable funding deed.
- The Fund will be managed by an independent Board, that will initially mirror the Board membership of the highly regarded local charity Hands Across Canberra.
- In its first three years, 25% of the funding provided will be used for charitable purposes. The remainder will be invested to grow the Fund's corpus.

[The following details reflect in-principle agreement]

- A modest amount funding ($100,000) will be allocated to set up costs. Ongoing administration costs will be kept to a minimum, expected to be approximately $125,000 per year which is in line with best practice.

Cleared as complete and accurate:	01/06/2018
Cleared by:	Deputy Director-General Ext: 73751
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref:

BUDGET ESTIMATES BRIEF

Key Information

Background Information – may not be suitable for public disclosure

The proposed structure of the Chief Minister's Charitable Fund (CMCF) has been endorsed by Cabinet. Key elements of the CMCF are:

- the CMCF will be set up as a charity under the *Australian Charities and Not-for-profits Commission Act 2012* (Cth), but will not require deductible gift recipient status;
- The corporate structure will be that of a not-for-profit company limited by guarantee, external to government and governed by a constitution and independent Board;
- The objects of the CMCF have been modelled of modelled off the highly successful Lord Mayor's Charitable Foundation based in Melbourne;
- The initial CMCF Board members will comprise the same Board members as Hands Across Canberra Ltd;
- The $5 million grant to CMCF will be governed by a 3 year renewable funding agreement;
- 25% of the funds will be used for 'charitable purposes' in the first 3 years;
- Limitations will be applied, through the Funding Deed, to the amount of funds to be used for general management and administrative expenses in line with industry best practice;
- The remaining corpus of the funds will be invested;
- The Chief Minister will not be a member of the CMCF but will appoint an observer to the board;
- The Chief Minister will also appoint some (but not all) members of a Board Nominations Committee that will be responsible for running a process to shortlist future board nominees. CMCF members would vote on the shortlisted candidates at the AGM.

Appointing Hands Across Canberra Board members will allow for existing processes and governance arrangements to be utilised for the CMCF.

The CMCF will not be set up with the intention of directly receiving donations from individuals, however, contributions will be able to be made through the Hands Across Canberra which provides an internet based platform that allows individuals to donate to local charities of their choice.

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: ROYAL COMMISSION INTO INSTITUTIONAL RESPONSES TO CHILD SEXUAL ABUSE – ACT GOVERNMENT RESPONSE

Talking points:

- The ACT Government responded to the recommendations of the Final Report of the Royal Commission into Institutional Responses to Child Sexual Abuse on Friday 15 June 2018.
- The Government has accepted, or accepted in principle, 290 of the 307 recommendations that it is responsible for responding to.
- The work of this Royal Commission has been so incredibly important and the ACT Government is committed to learning from the experiences of the brave survivors who came forward, and from the Commission's final recommendations.
- The Final Report, which was released in December 2017, comprises 22 volumes, including some released previously, and a total of 409 recommendations, many of which have already been adopted in the ACT. Many of the recommendations are within the power of state and territory governments to act upon and we are assessing how we may implement them through a cross directorate working party. Others will require the Commonwealth Government and the states and territories to work together to achieve national consistency that will help protect vulnerable children.
- The ACT Government has already addressed many of these recommendations, including:
    - Implementing a Reportable Conduct Scheme, which will provide independent oversight, through the ACT Ombudsman, of the way Canberra's workplaces report, investigate and handle allegations of misconduct involving children;
    - Joining the national redress scheme, which is an important step to acknowledging the long lasting and severe injuries that can affect survivors for the rest of their lives;
    - Amendments to the *Ombudsman Act 1989* in 2017 improved information sharing to ensure child protection, law enforcement

and oversight bodies have access to the information they need to be effective in dealing with child welfare and safety concerns by:

- enabling the ACT Ombudsman to disclose any information received under any section or function of the Act to a number of entities;
- clarifying information sharing powers between designated entities and other relevant bodies to include all relevant information pertaining to the health, welfare and safety of a child or class of children.

  - Reviewing the Working With Vulnerable People Scheme,

- The ACT Government has funded these initiatives where necessary.
- There is still much work to be done in light of the Royal Commission's recommendations. As outlined in the ACT Government response, we have a busy work program ahead of us. Many of the initiatives recommended by the Royal Commission, and the Government has agreed to consider, will have budget impacts. These will be considered in the context of future budget processes.

Background Information – may not be suitable for public disclosure

- The Royal Commission delivered its final report to the Governor-General on Friday 15 December 2017. It was immediately made public by the Commonwealth Government.
- Not all recommendations from the Royal Commission will be actionable by ACT Government, for example, some are targeted at religious institutions and some are applicable to the Commonwealth Government only.
- There is no allocation in the 2018-19 budget for the Royal Commission response as a whole. There are specific initiatives across several portfolios which directly or indirectly address the recommendations of the Royal Commission, or the outcomes sought; including:
  - Expanding the scope of the Reportable Conduct Scheme for administration of the scheme to include all religious organisations with an additional $1.1m over 2 years
  - Faster processing for working with vulnerable people checks with an additional $1.8m in 2018/19
  - Implementing the Commonwealth Redress Scheme for Institutional Child Abuse ($13.979m over 4 years)
- CMTEDD are chairing a cross directorate working party which is meeting to consider the report and prepare the response of the Government. Some of this work will involve discussion through a proposed COAG officials group.

Cleared as complete and accurate: 21/06/2018
Cleared by: Deputy Director-General Ext:73751
Contact Officer Name: Sch 2 s2.2(a)(ii) [redacted]
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

- The ACT Government has been actively involved with the work of the Commission over the last 5 years

Cleared as complete and accurate: 21/06/2018
Cleared by: Deputy Director-General Ext:73751
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s Regulatory Services

Transport & City Services

ISSUE: GREYHOUND RACING

Talking points:

Racing ban

- As of 30 April, the ACT has become the first jurisdiction in Australia to prohibit the racing and trialling of greyhounds.
- This follows our earlier decision to cease providing funding to the industry, and the passage of legislation in the Assembly in November 2017.
- The ACT Government has taken these steps in response to the documented and acknowledged animal welfare failures in the greyhound racing industry in NSW.
- NSW owners and trainers represented a significant majority of participants in greyhound racing in the ACT. As the Durkin Report showed, it's impossible to divorce the NSW industry from racing in the ACT. We wanted to do what we could to prevent these kinds of abuses from coming across the border to ACT.

Breeding, training and registration

- While the ban on racing has commenced, it is still lawful for ACT residents to breed, train and own racing greyhounds here, subject to a range of measures designed to better protect ACT greyhounds who will continue to race interstate.
- An ongoing review of greyhound breeding and training practices over the next two years will also help the Government assess whether any further intervention is warranted. This includes a review of the Code of Practice after twelve months of operation.

Transition support

- The Attorney-General announced in July 2017 that the Government would provide $1.033 million in transition support for the small number of people, businesses and dogs that would be impacted by the end of greyhound racing in Canberra.

Cleared as complete and accurate:	01/06/2018
Cleared by:	Deputy Director-General Ext:73751
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

- The Greyhound Industry Transition Taskforce was established soon after the Government's announcement to assist the people and animals involved in the industry to transition out of it.
- In August 2017, the Taskforce opened the process for receiving applications for transition support.
- Those exiting the industry have until 30 June 2018 to apply for a Transition Support Package, with packages to be rolled out until 30 September 2018.
- The needs of each eligible applicant are considered on an individual basis and, through consultation, a package developed to address their specific circumstances.
- Transition Support Packages can be built from a range of options including training and re-skilling opportunities; short term financial support; business skills support; specialist advice, guidance and planning about future career options; financial counselling and planning services; no-interest or micro-credit loans.
- Free counselling is also available to anyone impacted by the end of greyhound racing in the ACT, whether or not they are pursuing a transition support package. This could include affected industry members, or those involved in re-homing retired racing greyhounds.
- ACT greyhounds who are leaving the racing industry as a result of the ban on racing in the Territory are also eligible for support to find new homes.
- To be eligible for re-homing assistance, an ex-racing greyhound must have been owned by an ACT resident, and have been surrendered on or after 23 June 2017 (which was the date on which the Government confirmed its intention to end the industry in the ACT).
- These parameters are designed to ensure that support funded by ACT taxpayers is directed to the greyhounds and people within this jurisdiction who have been directly affected by the end of greyhound racing in the Territory.
- While assistance provided by the ACT Government is directed to those people and greyhounds resident in the ACT, the Greyhound Industry Transition Taskforce will consider exceptional circumstances where it can be demonstrated that the ACT ban has significantly impacted the racing capacity of a greyhound in the wider Canberra region.

Cleared as complete and accurate: 01/06/2018
Cleared by: Deputy Director-General Ext:73751
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

BUDGET ESTIMATES BRIEF

Contract with Woden Community Services

- The Greyhound Industry Transition Taskforce engaged Woden Community Service to provide dedicated support, counselling, case management, and referral services to people affected by greyhound industry transition and people wishing to consider support package options.
- As part of the suite of services available to assist in transition support, Woden Community Service is also able to assist in the application and documentation process for those seeking financial support to re-home greyhounds.
- The contract with Woden Community Service, which is for a period of 11 months, came at a total cost of just under $105,000.
- Woden Community Service were chosen as the provider of these services due to their depth of experience in providing support to members of our community at difficult times in their lives.
- They established a dedicated phone line and identified case manager to provide the most direct path for people wishing to access their services. They have made direct contact with industry members and their union representative, as well as people involved in greyhound re-homing.
- While Woden Community Service has had a range of conversations with affected parties, to date there have been no formal applications for either transition support packages or re-homing assistance.

Expenditure

Expense	**Total YTD expenditure**
Woden Community Service	$52,456
Advertising	$19,824
Meeting supplies	$370
Senior manager salary	$58,550 **total employee salary cost is $117,100*
Total	**$131,200**
Known expenses (yet to be billed)	**Expected expenditure**

Cleared as complete and accurate: 01/06/2018
Cleared by: Deputy Director-General Ext:73751
Contact Officer Name: Sch 2 s2.2(a)(ii) [redacted]
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Reimburse JACS for expenditure on greyhound matters before Racing Appeal Tribunal	$6,000
Reimburse TCCS and Access Canberra for additional costs of increased monitoring and compliance activity	$30,000
Woden Community Service (final payment)	$52,456
Total	**$88,456**

Total YTD expenditure	$131,200
Total known expenses (not yet billed)	$88,456
Grand total	**$219,656**

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TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s: Chief Minister

ISSUE: ACT-NSW MEMORANDUM OF UNDERSTANDING FOR REGIONAL COLLABORATION

Talking points:

- As a city-state surrounded by another jurisdiction, and as the regional centre for South-East NSW, the ACT Government has proactively established productive cross border regional engagement governance frameworks to progress ACT and Canberra Region priorities.
- The *ACT-NSW Memorandum of Understanding for Regional Collaboration* (MoU), initially signed in 2011 and again in 2016, is symbolic of the strengthening relationship between the ACT and NSW jurisdictions.
- The MoU provides a framework to facilitate the ACT and NSW Governments in developing and implementing shared proposals for policy change, planning and service delivery initiatives.
- The MoU priority areas relate to economic development, built and natural environment, and integrated service planning in the Canberra Region, and are underpinned by an annual work plan.
- Activities progressed under the ACT-NSW MoU Work Plan include:
    - increasing Canberra Region freight and export capability,
    - engaging with Defence to promote the Canberra Region's key capabilities and pursue new Defence opportunities; and
    - coordination of cross-border planning, infrastructure and service delivery activities.
- The 2016-17 MoU Progress Report and 2017-18 MoU Work List was jointly released on Friday 3 November 2017 by the ACT Chief Minister and NSW Deputy Premier, John Barilaro.
- Policy & Cabinet is currently liaising with the NSW Department of Premier and Cabinet and the NSW Cross-Border Commissioner to provide a 2017-18 Progress Report and develop a 2018-19 Work Plan.
- Cross-border initiatives under the ACT-NSW MoU are complemented by the ACT Government's engagement with Queanbeyan-Palerang Regional

Cleared as complete and accurate: 04/06/2018
Cleared by: Deputy Director-General Ext: x73751
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Lead Directorate: Chief Minister, Treasury and Economic Development

Council (QPRC) through the ACT-QPRC Statement of Intent and annual work plan, and ACT Government participation in the Canberra Region Joint Organisation (CBRJO) as an associate member.

- CMTEDD Policy and Cabinet regional engagement activities are funded through monies previously used to fund the Regional Development Australia ACT Committee. In addition to the development and maintenance of regional governance frameworks, funded activities included:
    - contributions to the development and launch of the Canberra Region website;
    - development of a Canberra Region Brand Book to support regional development activities; and
    - commissioning of a Canberra Region demographics profile to facilitate economic development activities and cross-border service and infrastructure planning.

Key Information

Sydney-Canberra High Speed Rail

- Providing fast, reliable services on the Canberra-Sydney rail line is a key priority for the ACT Government.
- Faster rail between Canberra and Sydney will allow the Canberra Region to take advantage of new tourism, freight and business investment opportunities.
- An upgrade to the rail corridor could also reduce road congestion and travel times and increase productivity gains. Easier access to travel between the two cities creates potential opportunities for urban regeneration, unlocking land for affordable housing, and promoting better land use and cross-border transport integration.
- The ACT and NSW Governments submitted a joint application to the Commonwealth Government's National Rail Program, seeking business case funding for improvements to the Canberra-Sydney rail line.
- While the National Rail Program application was unsuccessful in securing Australian Government support, the ACT and NSW Governments continue to work together to develop options to improve rail travel times between Canberra and Sydney.

CBR Region Brand and Website

- The Canberra Region Website (www.canberraregion.com.au) was launched at the Canberra Airport on 30 October 2017 by the ACT Chief Minister, NSW Deputy Premier John Barilaro and Mayor of Bega Valley Shire Council, Cr. Kristy McBain.

BUDGET ESTIMATES BRIEF

- The website was a joint project between the ACT Government, NSW Government and Canberra Region Joint Organisation (CBRJO), each contributing $15,000.
- The website promotes the Canberra Region's four subregions – City, Coast, Alpine and Tablelands – as a great place to live, visit and invest, and provides a platform for regional initiatives such as the Canberra Region Champions campaign.
- In-kind project management for the CBR Region website is undertaken by the ACT Government. Additional governance and support is provided through the CBRJO Economic Development Working Group, which includes representatives from the eight NSW local government areas which form the Canberra Region.
- The ACT Government contributed $15,000 to the CBRJO to purchase content for five 'ACT City Champions' alongside the CBRJO's $110,000 NSW Regional Growth Marketing and Promotion Fund grant to develop profiles of 'regional champions' through a series of videos, photographic and written content.

Background Information – may not be suitable for public disclosure

- The ACT-NSW MoU, including the development, implementation and progress of the MoU's priorities and initiatives, is overseen by CMTEDD – Intergovernmental Relations working across government, reviewed by Policy Council and Strategic Board, and reporting to you with your responsibility for regional development.
- In NSW, oversight of the MoU is provided by the Department of Premier and Cabinet (DPC)'s NSW Cross Border Commissioner and DPC's Regional Coordinator, located in Queanbeyan. Its implementation is progressed through NSW DPC's South East Regional Leadership Executive (RLE) network comprising NSW senior executives managing agencies across the region, reporting to the Parliamentary Secretary for Southern NSW, Bronnie Taylor MLC and Deputy Premier Barilaro as Minister for Regional Development. The ACT is a member of the NSW RLE as an ex-officio member.
- ACT Directorates are also refreshing key strategic documents, each of which will take into account a regional perspective, including planning, transport and freight strategies.
- RDA Committees continue to be funded by the Australian Government, however in both the ACT and NSW do not receive State or Territory Government funding.
    - In September 2017, Chief Minister wrote to the previous Minister for Regional Development and Minister for Local Government and Territories, Fiona Nash, indicating that a merged RDA aligning with the Canberra Region and CBRJO boundaries would be more likely to received ACT Government funding.

Cleared as complete and accurate: 04/06/2018
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Lead Directorate: Chief Minister, Treasury and Economic Development

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Australian Capital Territory and New South Wales Memorandum of Understanding for Regional Collaboration

Australian Capital Territory Government

New South Wales Government

Introduction

The Australian Capital Territory (ACT) Chief Minister, Andrew Barr MLA and the New South Wales (NSW) Premier, The Hon. Mike Baird MP reaffirm the ACT and NSW Governments' commitment to strengthen collaboration between the two jurisdictions.

This agreement builds on the collaboration between the two jurisdictions including the inaugural Memorandum of Understanding (MoU) signed by the respective first Ministers in 2011. It applies to the ACT and the Local Government Areas (LGAs) in South East NSW (hereafter referred to as ACT and South East NSW region.

Purpose

The ACT and NSW enjoy a close relationship as a result of their unique cross border circumstances. Canberra's location in the centre of the South East NSW region makes it the main service centre for the surrounding LGAs in NSW.

The ACT Government acknowledges the importance of the South East NSW region and is keen to continue to work closely and collaboratively with the NSW Government to improve service delivery, build local communities and further develop the region economically.

Sustained population growth, interdependent economic relationships and the complex issues of service delivery require a coordinated approach to support the region's future. Promoting targeted service delivery, sustainable regional growth and future economic prospects offered by infrastructure investments are important priorities for both jurisdictions.

A close working relationship between the NSW and ACT Governments offers a range of benefits which include:

- enabling cooperative leadership and management of strategic growth issues throughout the ACT-South East NSW region; and
- recognising the cross-border relationships in service delivery, economic development and resource management.

Terms of Reference

The ACT-NSW MoU for Regional Collaboration will allow governments to:

- develop and implement shared proposals for policy change, planning and service delivery initiatives;
- consult with communities, business and industry groups, relevant NSW and ACT Ministers, local government, government agencies and regional organisations; and
- identify key regional issues that impede efficient and consistent service delivery to communities, where attempts to resolve such issues at a local level have been unsuccessful, or where a strategic government-to-government approach is required.

Objectives

The MoU is based on the following objectives for the ACT and NSW Governments:

- improving community well-being in the ACT and South East NSW region;
- fostering a closer working environment between the two governments;
- advancing issues within the ACT and South East NSW region through coordinated cross border policy development and service delivery planning;
- establishing agreed consultation and notification mechanisms between the State, Territory and local governments within the region;
- developing a process for identifying and dealing with impediments to coordination;
- establishing mechanisms to identify and address potential issues before they escalate;
- enabling information sharing and networking opportunities between government agencies;
- developing a model of long-term strategic regional management and cooperation.

Priority Areas

The ACT and NSW Governments agree that the priority actions under this MoU in the first instance include:

Economic Development

- develop a joint regional economic development guide based on the *Strategic Regional Direction Statement* that identifies actions to maximise economic development;
- examine opportunities from regional infrastructure to enhance economic growth and stimulate employment across the region; and
- work towards the automatic mutual recognition of occupational licences across the region to facilitate improved business opportunities.

Built and Natural Environment

- identify transport priorities and develop a delivery program to progress actions which improve infrastructure connectivity and transport links;
- progress options for the sharing of funding and delivery arrangements for cross-border developments which have impacts in both jurisdictions;
- identify appropriate sequencing of strategic infrastructure; and
- integrate approaches for sustainable management of the region's natural resources including catchment management.

Integrated Service Planning

- continue to share information on the trends in demographics and population for the ACT and South East NSW region;
- coordinate emergency services and disaster recovery activities in a cross border setting;
- examine opportunities for integrated planning of health care services;
- progress a person-centred approach to the access and delivery of health care services;
- progress options for the sharing of funding and delivery arrangements for community members requiring services across jurisdiction boundaries; and
- expand training placements across the region for health professionals.

Annual Work List

The ACT and NSW governments agree that there will be a work list, updated annually, with actions covering the Priority Areas. The work list will be drafted collaboratively by each Governments' First Ministers' agencies.

The MoU in Operation

Roles and Responsibilities

Recognising the need to identify the roles and responsibilities of the ACT and NSW Governments under this MoU, it is agreed that:

- First Ministers' agencies will serve as the key contacts and respective secretariats with regard to this MoU and any matters contained within;
- taskforces will be convened as necessary to consider specific issues and make recommendations to the First Ministers;
- State and Territory Ministers and their agencies remain responsible for the planning and delivery of State and Territory services; and
- Government Ministers and their agencies may refer matters to their respective First Ministers' agencies where appropriate.

NSW Department of Premier and Cabinet and the ACT Chief Ministers Department will jointly chair a quarterly meeting of the combined NSW and ACT regional leadership groups to discuss progress. The NSW Cross-Border Commissioner will participate in these meetings.

Engagement

The ACT and NSW Governments recognise the importance of ongoing engagement with regional stakeholders, in particular local government and regional entities. These groups assist both Governments meeting the MoU's objectives and delivering on priority action areas. Where appropriate the ACT and NSW Governments will engage with regional stakeholders to achieve common regional outcomes.

NSW Cross-Border Commissioner

The NSW Cross-Border Commissioner was created by the NSW Government in 2012 to provide support for businesses, organisations and residents in border communities. The Commissioner is ideally placed to inform the work under the MoU and identify emerging cross-border issues within the ACT and South East NSW region.

Status of the Memorandum of Understanding

The ACT and NSW Governments acknowledge the MoU provisions are not legally enforceable but rely on the spirit of cooperation between the two jurisdictions.

This agreement is not intended to remove power from either government to make policy decisions.

Final policy decisions remain with each jurisdiction.

Review of this Memorandum of Understanding

The MoU will be reviewed with a view to a formal update every three years. The MoU may be amended at any time by agreement in writing of the parties.

Dispute Resolution

Where any dispute arises under this MoU, the ACT and NSW Governments will take all necessary steps to resolve the dispute expeditiously by mutual agreement.

Commencement

This MoU commences on the date of execution.

Andrew Barr MLA

ACT Chief Minister

Date: 9.12.2016

The Hon Mike Baird MP

NSW Premier

Date: 09.11.2016

ACT-NSW Memorandum of Understanding for Regional Collaboration - 2017-18 Annual Work List

Key Focus Area 1 – Economic Development			
Project Title	**Opportunities and Issues**	**Actions**	**Lead Agency**
1.1 Freight and Export opportunities	The Canberra Airport is a major gateway to Canberra and the region. Direct international flights between Singapore, Canberra and Wellington create significant opportunity for the ACT and the South East region of NSW. By working collaboratively we can leverage regional opportunities to create jobs, grow and diversify the economy, and build industry capacity.	a) Progress freight and export opportunities identified in the ACT Government's economic analysis of direct international air-freight options and the NSW Regional Transport Futures plan b) Develop a 12 month exporter and freight development plan that support joint collaboration, working with Austrade and the business sector to advance international air freight from Canberra Airport.	ACT CMTEDD NSW DISRD NSW DPC RNSW TfNSW
1.2 Tourism opportunities and industry development	A regional approach for joint tourism marketing and development between the ACT and South East NSW are boosted by the Canberra International Airport, enhanced regional tourism offerings and the development of the Port of Eden.	a) Develop a governance framework for joint collaboration between Destination Southern NSW (and DestinationNSW) and VisitCanberra to: i. Support Destination Southern NSW in the development of its strategic plan ii. Plan and implement a number of joint presentations to stakeholders and industry in SE NSW and CBR to develop a coordinated approach and model for joint domestic and international marketing and tourism investment activity iii. Compile a calendar of SE NSW and CBR tourism events for joint promotion	ACT CMTEDD DNSW NSW DPC RCB

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ACT-NSW Memorandum of Understanding for Regional Collaboration - 2017-18 Annual Work List

Key Focus Area 1 – Economic Development			
Project Title	**Opportunities and Issues**	**Actions**	**Lead Agency**
1.3 Defence industry opportunities	NSW's Defence and Industry Strategy the ACT's Defence Industry Strategy and the Canberra Region Defence Industry Capability Directory provide a platform for continued regional collaboration. The Defence Industry Advocates for NSW and the ACT collaborate on regional initiatives, enhancing industry opportunities and capabilities.	a) Identify and action partnering opportunities to promote and enhance defence industries and supply chains b) Maintain current information in the Canberra Region Defence Industry Capability Directory c) Align activities to support the enhancement of workforce planning to meet the skills and training needs of defence businesses, including certification, to meet Department of Defence requirements	ACT CMTEDD NSW DISRD
1.4 Regional Industry Development	In 2015 the CBR Region Brand was adopted by the South East Local Government areas and the ACT Government as the marketable identity for the region. It was jointly launched by the NSW Member for Monaro, John Barilaro MP, the ACT Chief Minister, Andrew Barr MLA and the Chair of the Canberra Region Joint Organisation, Cr John Shaw.	a) Progress development of a joint ACT/NSW/Canberra Region Joint Organisation (CBRJO) governance framework to support the CBR Region brand's development b) Develop a communications strategy to facilitate the activation opportunities of the Canberra Region Brand and Brand Strategy, including marketing plans, events management and trade promotions c) Ensure currency of Canberra Region industry profiles that showcase regional opportunities to attract workforce, businesses, visitors and investment to the region	ACT CMTEDD NSW DPC RNSW

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ACT-NSW Memorandum of Understanding for Regional Collaboration - 2017-18 Annual Work List

Key Focus Area 1 – Economic Development			
Project Title	**Opportunities and Issues**	**Actions**	**Lead Agency**
1.5 Labour mobility in the NSW-ACT cross-border area	In an effort to reduce red-tape for cross-border businesses the ACT and NSW Governments will focus on improved labour mobility by allowing holders of certain licences to work on both sides of the ACT-NSW border while only needing to hold a licence from one jurisdiction.	a) Negotiate and implement respective Ministerial Declarations or similar to achieve equivalency in identified occupations including plumbing, gasfitting and architects b) Progress alignment of the Responsible Service of Alcohol qualification and associated recognition requirements	ACT CMTEDD NSW DFSI Liquor and Gaming NSW

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ACT-NSW Memorandum of Understanding for Regional Collaboration - 2017-18 Annual Work List

Key Focus Area 2 – Built and Natural Environment			
Project Title	**Project Description**	**Actions**	**Lead Agency**
2.1 NSW South East and Tablelands Regional Plan	The South East and Tablelands Plan provides a planning framework for the nine Local Government Areas surrounding the ACT, The plan recognises the benefit of the proximity of the region to Canberra with the nation's capital continuing to figure prominently in the way the region grows. The associated Implementation Plan details specific actions for NSW Government agencies and local government to resolve a range of cross-border planning and landuse issues. The ACT Government will feature as a partner in the implementation activities	a) Establish the Regional Plan Implementation and Monitoring Committee and associated governance and reporting framework b) Implement the actions specified under the South East and Tablelands Plan with an initial focus on Developing a cross-border land and housing monitor	ACT EPSDD NSW DPE
2.2 Cross-border communities	Continued population growth in the ACT and the contiguous councils places pressure on both jurisdictions to deliver comparable and complementary infrastructure and services.	a) Continue the development of a cross-border service and infrastructure delivery plan to the Ginninderry / Parkwood development b) Using 2016 census data, compile a demographic profile for the ACT and region c) Develop a cross-border infrastructure and service delivery model and agreed protocol to assess future developments in border locations.	ACT EPSDD NSW DPE

ACT-NSW Memorandum of Understanding for Regional Collaboration - 2017-18 Annual Work List

Key Focus Area 2 – Built and Natural Environment			
Project Title	**Project Description**	**Actions**	**Lead Agency**
2.3 Cross-border catchment management	A whole of catchment strategic approach that ensures an integrated catchment management in the ACT and NSW South East Region. Both jurisdictions are members of, and participate in, the Murray Darling Basin Plan. The ACT Government and adjoining councils, along with the National Capital Authority and Icon Water, are members of the ACT and Region Catchment Management Coordination Group.	a) Progress regional collaboration, coordination and implementation of catchment initiatives under the South East and Tablelands Regional Plan and the ACT and Region Catchment Management Plan b) Following in principle agreement to establish interstate water trading between the ACT and NSW, develop protocols in line with the Basin Plan trading rules.	ACT EPSDD DPI Water
2.4 Waste management	There are opportunities to improve and align the legislative framework surrounding waste management and associated regulations. The NSW and ACT Governments are introducing a container deposit scheme during 2017-18. The NSW and ACT Governments are collaborating on the roll out of the scheme to ensure effective outcomes in waste management and materials recycling and reuse are achieved.	a) Progress alignment of a container deposit scheme across the ACT and NSW border. b) In partnership with local government and the Canberra Region Joint Organisation, implement waste strategies to support local councils and public land managers to reduce opportunities for illegal dumping c) Consider options to better align the legislative framework to ensure consistent service delivery for waste management services to border and rural communities d) Examine opportunities to align NSW and ACT National Park waste management strategies/plans	NSW EPA NSW NPWS

ACT-NSW Memorandum of Understanding for Regional Collaboration - 2017-18 Annual Work List

Key Focus Area 2 – Built and Natural Environment			
Project Title	**Project Description**	**Actions**	**Lead Agency**
2.5 Cross-border Infrastructure	Regional economic development provides an opportunity to explore and advocate for infrastructure investment across the two jurisdictions to support and enhanced level of economic activity. The ACT Government is pursuing a City Deal with the Commonwealth Government, providing opportunities to pursue key infrastructure development	a) Develop an agreed list of regional infrastructure priorities, including cross border infrastructure, that supports economic development and social outcomes in NSW and the ACT b) Progress funding principles and a framework for cross-border infrastructure investment	ACT CMTEDDNSW DPC RNSW
2.6 Climate Adaptation	The NSW and ACT Governments are collaborating to harmonise actions in climate change adaptation in the Canberra region.	a) Establish a framework to enable work across levels of government and with non-government entities, to build resilience and adaptive capacity.	NSW OEH

ACT-NSW Memorandum of Understanding for Regional Collaboration - 2017-18 Annual Work List

Key Focus Area 3 – Integrated Service Planning			
Project Title	**Project Description**	**Actions**	**Lead Agency**
3.1 Cross-border transport	There are opportunities to improve accessibility and connectivity of public and community transport for residents living in the Canberra region. The ACT Government is pursuing a City Deal with the Commonwealth Government, providing opportunities to pursue cross-border transport initiatives.	a) a Cross Border Transport and Infrastructure Coordination Committee with appropriate governance and accountability, to progress the alignment of transport services planning coordination, development and provision. b) Align regulation and legislation to allow point to point transport services (taxis, ride share, hire cars/limousines, courtesy buses, and community transport) to operate legally across the border c) Develop strategies to enhance public transport enabling infrastructure, including park and ride facilities and bus lanes d) Investigate alignment of the ACT and NSW assisted student travel schemes, including for students with a disability	TCCS TfNSW DOE
3.2 Planning and delivery of education and training services	Pre-school, school and VET students in the cross-border region are able to access both ACT and NSW facilities, subject to meeting the respective enrolment requirements. Recognising that a considerable number of NSW students currently access ACT facilities requires mechanisms to better facilitate access and enhanced strategic planning.	a) Finalise an agreement and establish guidelines for information sharing between agencies to improve education service delivery b) Ensure consistency of advice regarding school and transport options for students with special needs through development of protocols to support consultation between	ACT Education Directorate NSW DOE

ACT-NSW Memorandum of Understanding for Regional Collaboration - 2017-18 Annual Work List

Key Focus Area 3 – Integrated Service Planning			
Project Title	**Project Description**	**Actions**	**Lead Agency**
		local education services teams and constituents c) Work to align policies and procedures for teacher registration/accreditation and recognition of professional development activities d) Work to enhance the efficacy of the Student Data Transfer Note e) Work to align policies to allow students undertaking VET work experience / work placement access to workplaces in either jurisdiction f) Examine opportunities to align VET policies and outcomes in NSW and the ACT, with an emphasis on trainees and apprentices, and their employers g) Examine opportunities for joint projects under the Skilling Australians Fund given the identified priority of the Commonwealth Government for multi-state initiatives.	TSNSW TSNSW
3.3 The protection and well-being of victims of domestic and family violence	NSW and ACT have passed laws that will facilitate full information sharing and enforcements of Domestic Violence Orders between courts and police across Australia. The ACT and NSW Governments are working together on this initiative through the Council of Australian	a) Continue to work through COAG to improve information sharing and cooperation b) Work to align services and enhance accessibility to housing and support programs	ACT CSD; ACT Coordinator General for Family Safety NSW DPC

ACT-NSW Memorandum of Understanding for Regional Collaboration - 2017-18 Annual Work List

Key Focus Area 3 – Integrated Service Planning			
Project Title	**Project Description**	**Actions**	**Lead Agency**
	Governments (COAG), and are continuing work to remove barriers to information sharing arrangements.	for victims of family and domestic violence , including for children in affected families. c) Examine opportunities to deliver and collect evidence on collaborative perpetrator interventions including men's behaviour change programs in border communities	Items b) and c) NSW FACS
3.4 The protection of children	There are opportunities to enhance the protection of children through the sharing of information and the alignment of services, including through changes to legislation.	a) Work to align information sharing legislation, policies and procedures b) Communicate and deliver training and education to relevant government agencies and NGOs on changes to policies, legislation and procedures.	ACT CSD NSW FACS
3.5 Roll out of NDIS	The ACT piloted the roll out of NDIS, with South East NSW commencing its operation from July 2016. Coordination of NDIS across the ACT and South East Region provides opportunities for improved care and outcomes for NDIS clients.	a) NSW and ACT work with DSS and the NDIA on information sharing and reporting on NDIS activity and issues, especially workforce and the regulatory environment b) Monitor cross-border issues that may impact on equitable access for clients with a disability as the NDIS roll out progresses	ACT CSD NSW FACS

ACT-NSW Memorandum of Understanding for Regional Collaboration - 2017-18 Annual Work List

Key Focus Area 3 – Integrated Service Planning			
Project Title	**Project Description**	**Actions**	**Lead Agency**
3.6 Keeping communities safe	A coordinated ACT/NSW approach to emergency management ensures that communities are better prepared for cross-border events, and that emergency services, functional areas and participating organisations can provide effective emergency management, communications and disaster recovery. The ACT-NSW Cross-Border Emergency Management and Disaster Recovery Steering Committee is well established and is ideally placed to facilitate further collaboration.	a) Further integrate emergency services and emergency response and recovery plans for the ACT and Southern NSW Emergency Management Region, with an emphasis on flood and storm emergencies b) Develop a reporting system for the development, maintenance, tracking and updating Memorandums of Understanding (MoU), Mutual Aid Agreements (MAA), and response and recovery plans between ACT and NSW Government Emergency Service Organisations and agencies c) Work to further integrate and align preparedness and prevention systems and activities d) Finalise a Cross-Border Emergency Management Communications and Media Plan and associated protocols that covers the ACT and South East NSW e) Continue joint emergency response and recovery exercise programs f) Work to enhance public and government communications networks g) Examine opportunities for the sharing of specialist resources, including large animal, swift water, technical rope/vertical and road crash rescue, and alpine search and retrieval	ACT ESA NSW DOJ – OEM

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ACT-NSW Memorandum of Understanding for Regional Collaboration - 2017-18 Annual Work List

Key Focus Area 3 – Integrated Service Planning			
Project Title	**Project Description**	**Actions**	**Lead Agency**
3.7 Develop opportunities for integrated planning of health care services	With many patients accessing both ACT and NSW Health services, there is a need for streamlined procedures between ACT hospitals and SNSW LHD.	a) Review adequacy and outcomes of existing committees b) Establish a Cross-Border Service and Coordination Committee, if required, with appropriate governance and accountability, to progress the alignment of health service planning, coordination, development and provision c) Facilitate the development, implementation and evaluation of agreed Health Pathways (through the Health Pathway Governance Committee) and agreed clinical pathways to improve access to health services and reduce delays in priority areas as identified by the Cross-Border Service and Coordination Committee. Initial emphasis on the monitoring of access and demand, and elective surgery flow	ACT Health NSW Health (SNSW LHD)
3.8 Develop opportunities for integrated planning of health care services including an	Finalise the implementation of a regional Intensive Care Unit (ICU) network between the ACT ICUs and Bega ICU	a) ACT Health, NSW Ministry of Health, SNSW LHD, and the NSW Agency for Clinical Innovation to progress the execution of a Service Agreement to create an Intensive Care Network.	ACT Health NSW Health (SNSW LHD)

ACT-NSW Memorandum of Understanding for Regional Collaboration - 2017-18 Annual Work List

Key Focus Area 3 – Integrated Service Planning			
Project Title	**Project Description**	**Actions**	**Lead Agency**
Intensive Care Network			
3.9 Regional medical retrieval	Recent changes to contracted arrangements for regional medical retrieval necessitate a review of NSW and ACT agreements for the provision and support of these services.	a) Finalise the Heads of Agreement between NSW and ACT Health in relation to aeromedical retrieval services b) Examine opportunities to align non-emergency and community transport policies and programs (excluding emergency patient transport)	ACT Health NSW Ambulance (MoH)
3.10 Better Regulation	The NSW and ACT Governments are committed to regulatory reform, with an emphasis on better regulation. There are a range of options to expand on recent collaboration on the sharing of IT platforms to enhance the interface between Government and constituents and regulatory burden for business. The NSW Government has recently launched iCare which offers opportunities to share data and systems.	a) Examine opportunities for common ICT platforms including through Service NSW/iConnect b) Collaborate in the development and execution of projects supporting the Commonwealth Government's National Business Simplification Initiative. c) Examine opportunities for iCare to collaborate with the ACT Government d) Identify shared digital licensing opportunities e) Examine opportunities for alignment on other regulatory issues	ACT CMTEDD Service NSW NSW OSBC NSW iCare Service NSW NSW DFSI

ACT-NSW Memorandum of Understanding for Regional Collaboration - 2017-18 Annual Work List

Key Focus Area 3 – Integrated Service Planning			
Project Title	**Project Description**	**Actions**	**Lead Agency**
3.11 Guardian and Trustee	The NSW and ACT Guardians and Trustees have identified areas where the development, recognition and execution of a range legal instruments are misaligned	a) Examine opportunities for the ACT Trustee to develop wills and associated materials for NSW residents. b) Examine opportunities for the development of protocols to support the automatic recognition of NSW and ACT orders, including powers of attorney	ACT JACSD ACT Civil and Administrative Tribunal NSW TAG NSW Civil and Administrative Tribunal

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ACT-NSW Memorandum of Understanding for Regional Collaboration - 2017-18 Annual Work List

ACT Agency List	NSW Agency List
CMTEDD – Chief Minister, Treasury and Economic Development Directorate	CBC – NSW Cross-Border Commissioner
CSD – Community Services Directorate	DFSI – Department of Finance, Services and Innovation
EPSDD – Environment, Planning and Sustainable Development Directorate	DISRD – Department of Industry, Skills and Regional Development
ESA – ACT Emergency Services Agency	DOE – Department of Education
HD – Health Directorate	DOJ – Department of Justice
JACS – Justice and Community Safety Directorate	DPC – Department of Premier and Cabinet
TCCS – Transport Canberra and City Services	DPE – Department of Planning and Environment
VC - VisitCanberra	EPA - NSW Environment Protection Authority
	FACS – Department of Family and Community Services
	MOH – Ministry of Health
	OEM – Office of Emergency Management
	SNSW LHD – Southern NSW Local Health District
	TfNSW – Transport for NSW
	OEH – Office of Environment and Heritage
	NSW TAG - NSW Trustee and Guardian

BUDGET ESTIMATES BRIEF

Portfolio/s: Chief Minister

ISSUE: REGIONAL ENAGEMENT WITH LOCAL NSW GOVERNMENT

Talking points:

- As a city-state surrounded by another jurisdiction, and as the regional centre for South-East NSW, the ACT Government has proactively established productive cross border regional engagement governance frameworks to progress ACT and Canberra Region priorities.
- Local government engagement frameworks, complemented at state level by the ACT-NSW Memorandum of Understanding for Regional Collaboration, include:
    - ACT-CBRJO Memorandum of Understanding; and
    - ACT-QPRC Letter of Intent.

ACT-CBRJO Memorandum of Understanding

- The ACT's associate (non-voting) membership of the Canberra Region Joint Organisation (CBRJO) provides a valuable platform for engagement with our surrounding region.
- The ACT-CBRJO Memorandum of Understanding (MoU) was signed in August 2016. It agreed to support the CBRJO's activities with a particular focus on economic development opportunities including:
    - developing a Canberra Region Economic Development Strategy;
    - activating the CBR Region identity and brand;
    - enhancing regional freight, export and investment capacity and capability;
    - supporting the development and success of a CBR Region tourism identity embracing the CITY, COAST, ALPINE, TABLELANDS sub-brands;
    - examining joint procurement opportunities between the CBRJO and ACT Government; and
    - examining cross-border collaboration for resource recovery and waste management.

Cleared as complete and accurate:	04/06/2018
Cleared by:	Deputy Director-General Ext: x73751
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

- The ACT Government's CBRJO associate membership fee for 2017-18 is $25,198.80.

ACT-QPRC Letter of Intent

- The proximity of Queanbeyan City and its surrounds to the ACT requires a detailed level of engagement with the Queanbeyan-Palerang Regional Council (QPRC) to support beneficial regional outcomes.
- Signed in August 2016, the ACT-QPRC Letter of Intent formalises the working relationship between the ACT Government and QPRC and seeks to optimise best of region outcomes through a borderless approach and annual work plan.
- Priorities for engagement include:
    - improving road and transport connectivity;
    - collaborating on policy and planning opportunities to consider management of water, sewage, waste and renewable energy on a regional scale;
    - examining smart city opportunities that can be rolled out from the ACT into QPRC;
    - planning and collaborating on major contiguous developments;
    - understanding the infrastructure requirements to support population growth; and
    - coordinating efforts to support ACT-QPRC major tourism events.

Regional Engagement Funding:

- Policy and Cabinet regional engagement activities are funded through monies previously used to fund the Regional Development Australia ACT Committee. In addition to the development and maintenance of regional governance frameworks, funded activities include:
    - the development, maintenance and launch of the Canberra Region website, a joint project between the ACT Government, NSW Government and CBRJO, each contributing $15,000. The website profiles the Canberra Region's four sub-regions covering CITY, COAST, ALPINE, TABLELANDS sub-brands as a great place to live, visit and invest.

- The ACT Government contributed $15,000 to purchase content for five 'ACT City Champions' alongside the CBRJO's $110,000 NSW Regional Growth Marketing and Promotion Fund grant to develop profiles of 'regional champions' through a series of videos, photographic and written content;
- Advocating with the CBRJO to the NSW Regional Infrastructure Coordinator regarding the importance of connecting the ACT's key infrastructure assets to those in the Canberra Region;
- Implementation of the NSW South East & Tablelands Regional Plan, especially on initiatives to support infrastructure investment, joint planning and the growth of tourism in the region; and
- Commissioning of a Canberra Region demographics profile to facilitate economic development activities and cross-border service and infrastructure planning.

Key Information

- The membership of the CBRJO comprises the local governments across South East NSW including: Queanbeyan-Palerang, Yass Valley, Goulburn-Mulwaree, Wingecarribee, Upper Lachlan, Hilltops, Snowy-Monaro, Eurobodalla and Bega Valley.
- Amongst the CBRJO members, including QPRC, there is a strong willingness and recognition of the benefits of functioning as a group of regional councils, strengthened with the inclusion of the ACT Government.

Background Information – may not be suitable for public disclosure

- The ACT-CBRJO MoU and ACT-QPRC Letter of Intent governance, including the development, implementation and progress of regional priorities and initiatives, is overseen by CMTEDD Intergovernmental Relations working across government, reviewed by Policy Council and Strategic Board, and reporting to you with your responsibility for regional development.
- ACT Directorates are currently refreshing key strategic documents, each of which will take into account a regional perspective, including planning, transport and freight strategies.
- RDA Committees continue to be funded by the Australian Government, however in both the ACT and NSW do not receive State or Territory Government funding.
    - In September 2017, Chief Minister wrote to the previous Minister for Regional Development and Minister for Local Government and Territories, Fiona Nash, indicating that a merged RDA aligning with the Canberra Region and CBRJO boundaries would be more likely to received ACT Government funding.

Cleared as complete and accurate: 04/06/2018
Cleared by: Deputy Director-General Ext: x73751
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

BUDGET ESTIMATES BRIEF

- The NSW Government has embarked on a significant program of local government reforms over the last 3 years, including council amalgamations and the establishment of joint organisations. In the Canberra Region, we have three merged councils – Snowy Monaro, Queanbeyan Palerang and Hilltops.
- Under the *Local Government Amendment (Regional Joint Organisations) Bill 2017 (NSW)*, the CBRJO will become a formally recognised Joint Organisation as of July 2018 and are expected to receive $300,000 funding from the NSW Government to support this process.
- The ACT-CBRJO MoU is due to be refreshed in late 2018, including a review of priority areas and the ACT Government's associate membership fee.
    - The ACT Government's associate membership fee is currently calculated at 50 per cent of the highest paying full member, QPRC.

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Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

Canberra Region JOINT ORGANISATION

ACT Government

Memorandum of Understanding

between

Canberra Region Joint Organisation

(CBRJO)

&

Australian Capital Territory Government

August 2016

Purpose

We, the Canberra Region Joint Organisation (CBRJO) and the Australian Capital Territory Government (ACT Government) (the parties) acknowledge the important relationship between the Australian Capital Territory and the surrounding NSW South East and Tablelands Region.

The proximity of the region to Canberra and the continuing impact of the nation's capital on the growth and prosperity of the region require close cooperation and collaboration between the parties to ensure strong mutual benefits for our communities.

The CBRJO agrees the ACT Government shall be an associate member of the CBRJO. This Memorandum of Understanding (MoU) provides a framework for the cooperation and collaboration between the CBRJO and the ACT Government.

The ACT Government's associate membership of the CBRJO will contribute to the pursuit of CBRJO's objectives, as detailed in the CBRJO MoU (Attachment A), of:

- Facilitating opportunities and partnerships to create vibrant communities;
- Providing a forum for regional cooperation and resource sharing; and
- Cultivating investment and infrastructure development opportunities.

Where appropriate, the ACT Government will support the CBRJO in its core functions of:

- Strategic planning and priority setting;
- Intergovernmental collaboration; and
- Regional leadership and advocacy.

1. Coverage

This Memorandum of Understanding covers the CBRJO and ACT Government.

2. Status of Memorandum of Understanding

The CBRJO and ACT Government acknowledge the MoU:

- is not legally binding on either party or member of CBRJO; and
- does not diminish either party or CBRJO members' ability to make independent policy decisions.

3. Progressing Regional Collaboration

The ACT Government will work with the CBRJO on priorities identified through an annual priorities list (Attachment B), in the first instance focusing on cross-border regional economic development and infrastructure opportunities.

4. Australian Capital Territory Representation

The Chief Minister for the Australian Capital Territory, or a delegate nominated by the Chief Minister, will participate in CBRJO Board meetings, as an Associate member.

The ACT Head of Service, or a delegate nominated by the ACT Head of Service, will participate in CBRJO General Manager's Advisory Committee (GMAC) meetings, as an Associate member.

5. Financial Contribution

As an associate non-voting member of the CBRJO, the ACT Government will pay a fixed fee equivalent to 50 per cent of the largest Council's full fee from 1 July 2017.

In addition, the ACT Government will contribute, on an as needs basis, financially and/or in kind, to initiatives listed in the CBRJO/ACT Government MoU annual priorities.

6. Review of this Memorandum of Understanding

The MoU will be reviewed three years from its commencement, and every three years thereafter. The MoU may be amended at any time by agreement in writing of the Parties.

The associated work plan will be reviewed annually.

7. Dispute Resolution

Associate membership fees are to be determined by agreement between the Board and the Associate

8. Commencement

This MoU commences on the date of execution.

Clr Rowena Abbey

Chair | Canberra Region Joint Organisation

Date: 19/8/2016

Andrew Barr MLA

ACT Chief Minister

Date: 19.8.2016

Attachment B

CBRJO/ACT Government MoU - 2016-17 Annual Priority List

The ACT Government agrees to support the CBRJO Vision, Mission and Outcomes through the following priority areas, and with a particular focus on economic development opportunities, including:

1. Develop a Canberra Region Economic Development Strategy (CREDS)
2. Activate the CBR Region Brand
3. Enhance regional freight, export and investment capacity and capability
4. Support the development and success of a Canberra Region Tourism identity, embracing CITY, COAST, ALPINE, TABLELANDS sub-brands
5. Examine joint procurement opportunities between the CBRJO and ACT Government
6. Examine cross-border collaboration regarding resource recovery and waste management

ACT Government

QPRC Queanbeyan-Palerang Regional Council

Letter of Intent

between

ACT Government and Queanbeyan-Palerang Regional Council

The proximity of the ACT and Queanbeyan-Palerang Regional Council (QPRC) requires an effective and productive relationship to support beneficial regional outcomes. This Letter signals the intention of the ACT Government and QPRC to formalise a relationship underpinned by the NSW/ACT Memorandum of Understanding and the NSW South East & Tablelands Regional Plan, and to outline the principles and priority areas to be progressed between the ACT and Queanbeyan.

The principles for engagement include:

- optimising best of region outcomes;
- pursuing a borderless approach to key infrastructure; and
- sharing information and data to inform planning and policy development and initiatives.

Priority areas of engagement include:

- improving road and active transport connectivity;
- collaborating on policy and planning opportunities to consider management of water, sewage, waste and renewable energy on a regional scale;
- planning and collaborating on major contiguous developments;
- understanding the infrastructure requirements to support population growth; and
- coordinating efforts to support major events across the ACT and QPRC.

It is proposed the ACT Government and QPRC will develop a work plan for the next 12 months.

The priorities will be progressed through six monthly engagement between the ACT Government and QPRC officials to identify, implement and review projects of mutual interest.

Andrew Barr MLA

Chief Minister
ACT Government

19 August 2016

Tim Overall

Administrator
Queanbeyan Palerang Regional Council

19th August 2016

BUDGET ESTIMATES BRIEF

Portfolio/s: Chief Minister

ISSUE: JERVIS BAY TERRITORY

Talking points:

- The ACT Government is engaged by the Commonwealth to provide a broad range of state-type services in Jervis Bay Territory (JBT). These services fall into the following categories:
    - Primary Education;
    - Early Childhood Regulation;
    - Care and Protection;
    - Health Protection Services;
    - Environmental Monitoring;
    - Vehicle Registration and Drivers Licenses;
    - Access Canberra Services – government services and compliance activities; and
    - Court and Justice Services.
- CMTEDD Intergovernmental Relations coordinates ACT services delivered in JBT and provides strategic policy oversight on issues that arise from this complicated legacy arrangement.
- The service Budget for ACT services to JBT is approximately $3.5 million in 2017-18, including $2.7 million for the Jervis Bay Primary School.
- The 2012 Memorandum of Understanding between the ACT and Commonwealth Governments is currently being reviewed with the objective of developing a new funding model and agreement to commence in 2019-20. As a part of this process, the ACT and Commonwealth Governments (represented by the Department of Infrastructure, Regional Development and Cities (DIRDC)) are working closely with the JBT community to identify opportunities to improve service outcomes.

Cleared as complete and accurate:	04/06/2018
Cleared by:	Deputy Director-General Ext: x73751
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

- As an adjunct project to this review process, the ACT Government has agreed to project manage an Investigation and Report into Community, Justice and Welfare Services in JBT on behalf of the Commonwealth. The Commonwealth has allocated $250,000 to the ACT Government for this project, including a $50,000 project management fee. The ACT Government has engaged the consultancy services of Ms Sue Chapman (with considerable professional experience in the Commonwealth, NSW Government and the ACT Government, as the former Director-General, ACT Community Services Directorate) to conduct the investigation and produce a series of reports, with an expected completion date of the project on 30 June 2018.
- The JBT is home to the Wreck Bay Aboriginal community. Part of ACT Government's joint work with the Commonwealth to improve outcomes for the JBT has been to strengthen engagement with the Wreck Bay Aboriginal Community Council in order to assess key priorities of the community.

PFAS

- The Department of Defence has undertaken a national program of investigation and response to Per-and poly-fluoroalkyl substances (PFAS) contamination from Defence sites. One such site is the Jervis Bay Range Facility in the JBT.
- Defence is leading the response to PFAS contamination in JBT, including conducting water testing. The ACT Government is a member of Defence's Project Control Group and provides advice and support where required.
- NSW EPA has dietary advice warnings in nearby Currumbene Creek area (NSW), and will be engaging with local residents so they are aware of the issue and any changes in their activities which should be made to support health and safety.
- The ACT Government is staying in close contact with NSW Government counterparts and monitoring the situation.

BUDGET ESTIMATES BRIEF

Background Information – may not be suitable for public disclosure

- JBT is a Commonwealth Territory. Through Commonwealth legislation, ACT laws apply to JBT.
- The ACT has provided services to JBT on a cost recovery basis under a Memorandum of Understanding with the Commonwealth since self-government.
- To ensure equity, the ACT Government ensures ACT taxpayers do not subsidise services to JBT residents and, conversely, that Commonwealth funding provided to the ACT for JBT services is spent in JBT.
- Following a 2014 review of services in Jervis Bay Territory (JBT), the Australian, ACT and NSW governments worked together until February 2017 on options for future service delivery arrangements to the Jervis Bay Territory.
- On 20 April 2017 the NSW Government decided not to continue work on options for future service delivery arrangements. This decision has no impact on the current delivery of government services to the Jervis Bay Territory community.

2017-18 Approved Budget for ACT service delivery in JBT

- The 2017-18 ACT Budget for delivery of services in JBT is approximately $3.5 million per annum. The scope of current services provided by the ACT in the JBT and approximate Commonwealth budget allocations per service area are as follows:

Directorate	Service Area	Budget Allocation 2017-18
Chief Minister, Treasury and Economic Development Directorate (CMTEDD)	▪ Policy Coordination ▪ Access Canberra services and compliance monitoring, including Environmental Health Monitoring	Approx. $260,000
Education Directorate	▪ Jervis Bay Primary School ▪ Children's Education and Care Assurance (Child Care Regulation)	Approx. $2.7million
Justice and Community Safety Directorate (JACS)	▪ Court services, including court sittings in the JBT ▪ Corrective Services (currently unfunded)	Approx. $160,000
Community Services Directorate (CSD)	▪ Care and Protection Services	Approx. $300,000
Health Directorate	▪ Population Health Monitoring (primarily through potable water testing)	Approx. $70,000

Cleared as complete and accurate: 04/06/2018
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Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s: Chief Minister

ISSUE: COAG and CAF

Talking points:

- CAF and COAG last met on 9 February 2018 in Canberra.
- Key issues on the COAG agenda to be settled in 2018 include a new Schools Funding Agreement, a new National Health Reform Agreement, the Skilling Australians Fund National Partnership Agreement, the new ongoing National Housing and Homelessness Agreement and a refreshed Closing the Gap agenda.
- Work is continuing on other important issues including the proposed national energy guarantee, cyber security and countering violent extremism.
- As Chair of CAF in 2018 I am pleased to be leading joint advocacy efforts on these and other issues particularly in the lead up to COAG meetings.
- CAF's efforts have seen a number of joint response to the Commonwealth in issues such as vaccinations and skills funding.
- Importantly, CAF produced a strong evidence base – the *Lifting our Game Report*, that clearly demonstrates the importance of quality early childhood education and care to future educational success and long term outcomes.
- However, in the 2018-19 budget, the Commonwealth decided to cease funding the National Partnership Agreement on the National Quality Framework for Early Childhood Education and Care.
    - CAF will continue to advocate for a more substantive Commonwealth role in the delivery of early childhood education, to the youngest members of our communities.
- CAF has also contributed to ensuring all jurisdictions are at the table for national health reform agreement negotiations and for maintaining pressure on the Commonwealth to examine its role in primary and aged care service delivery and the flow on effects their responses, or lack of, can have on our hospitals.

Cleared as complete and accurate:	01/06/2018
Cleared by:	Deputy Director-General Ext: 73751
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

- The Commonwealth has indicated that COAG will meet again in September or October 2018. The Prime Minister sets the timing of COAG meetings and the date is yet to be formalised. Following a successful CAF meeting in February, I will again convene a CAF meeting in the margins of the next COAG.
- We also anticipate a second COAG Domestic Violence Summit will be held in 2018, and possibly a summit on bullying and cyberbullying.

Key Information

Background Information – may not be suitable for public disclosure

Response

Indicative advice is that COAG will meet again in September or October this year. There may be another meeting toward the end of 2018.

Health funding

- COAG Health Ministers have been tasked with finalising a new National Health Agreement by October 2018. Officials from health departments, first minister's departments and treasuries are participating in a National Negotiation Group. A range of longer term health reforms are also being progressed.

Education Funding

- The review to Achieve Educational Excellence in Australian Schools (Gonski 2.0) *Through Growth to Achievement* has been delivered with the Commonwealth committing to implementation of all recommendations. The findings and recommendations will guide negotiations through the COAG Education Council to finalise the Schools Funding Agreement from 2019 – 2025.

Other COAG priorities and initiatives being progressed in 2018-19 include:

- Settling the new National Housing and Homelessness Agreement (NHHA) that replaces the National Affordable Housing Agreement and the National Partnership of Homelessness;
- Settling agreement the Skilling Australians Fund National Partnership Agreement and project plans;
- Finalising the refresh of the National Indigenous Reform Agreement (NIRA) and revised Closing the Gap targets by October 2018;
- Sharing resources and knowledge about responses to domestic and family violence including through a second National Domestic Violence Summit in 2018, possibly coinciding with the next COAG meeting;
- options for securing the future of the National Energy Market and gas market reforms;
- reporting on the roll out of the National Disability Insurance Scheme; and
- assessing the counter-terrorism and cyber security implications from recent events.

Cleared as complete and accurate:	01/06/2018
Cleared by:	Deputy Director-General Ext: 73751
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s: Chief Minister

ISSUE: COMMONWEALTH LAND MATTERS – Sch 2 s2.2(a)(x), Sch 2 s2.2(a)(xii), Sch 2 s2.2(a)(xvi)

Talking points:

Sch 2 s2.2(a)(x), Sch 2 s2.2(a)(xii), Sch 2 s2.2(a)(xvi)

Cleared as complete and accurate:	01/06/2018	
Cleared by:	Executive Director	Ext: 50230
Contact Officer Name:	Sam Engele	Ext: 50230
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Sch 2 s2.2(a)(x), Sch 2 s2.2(a)(xii), Sch 2 s2.2(a)(xvi)

[redacted]

Cleared as complete and accurate:	01/06/2018	
Cleared by:	Executive Director	Ext: 50230
Contact Officer Name:	Sam Engele	Ext: 50230
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s: Chief Minister

ISSUE: COUNCIL OF CAPITAL CITY LORD MAYORS (CCCLM)

Talking points:

- The Council of Capital City Lord Mayors (CCCLM) provides national leadership for the effective co-ordination and representation of the special interests of the Capital Cities of the Australian States and Territories, especially in their relations with the Australian Government and other jurisdictions.
- The CCCLM Priority areas of work for 2017-2019 are:
    - driving economic development;
    - fostering city resilience;
    - ensuring well-targeted investment in infrastructure and public transport;
    - examining options for homelessness; and
    - supporting a vibrant and safe night time economy.
- Canberra is Chair of CCCLM for 2018.
- CCCLM is developing a master policy platform to articulate the policy initiatives and reforms needed at local, state and national level to support to growth and sustainability of Australia's cities.
- Through CCCLM, ACT Government officers have participated in focussed 'Policy and Practise Sessions' which have connected experts from our capital cities on the CCCLM strategic priority areas to examine shared challenges and experiences, and explore new ideas and solutions. This work is informing the platform's development.
- It is expected CCCLM will launch their master policy platform at a proposed Cities Forum in Canberra in September 2018. The focus of this Forum will also be to bring together the 21 cities in scope for the Federal Smart Cities Plan, key stakeholders and relevant Federal Parliamentarians to discuss key city issues.
- The ACT Government's annual CCCLM membership fee is $52,500.

Cleared as complete and accurate:	04/06/2018
Cleared by:	Deputy Director-General Ext:73751
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Key Information

- A Lord Mayors' meeting was held in Canberra on 15-16 March 2018 to facilitate Lord Mayors' and CEOs of respective cities jointly discussing shared challenges, opportunities for collaboration, and the rising importance of growing cities in the national agenda.
    - Other items discussed included the importance of securing City Deals for all capital cities and the challenges and opportunities created by the expanding share economy.
    - Meeting costs were funded by CCCLM.

Background Information – may not be suitable for public disclosure

- 2018 has seen some uncertainty for a number of CCCLM member cities including:
    - The resignation of Melbourne Lord Mayor Robert Doyle on 2 February 2018.
    - The suspension of the Perth City Council by the Western Australian Government on 2 March 2018.
    - The election of Hobart Lord Mayor to Tasmanian State Government on 3 March 2018.

Cleared as complete and accurate:	04/06/2018
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Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s: Regulatory Services

Justice, Consumer Affairs & Road Safety

ISSUE: ON-DEMAND TRANSPORT INDUSTRY EVALUATION

Talking points:

- Following an extensive review, in October 2015 the ACT Government undertook a range of reforms to the on-demand transport industry (ODTI) in order to:
    - increase consumer choice through nation leading reforms to introduce rideshare;
    - reduce or remove (unnecessary) regulatory requirements and costs for taxi and hire car services.
- Broadly, the reforms have seen a growth in the on-demand transport market and greater than expected uptake of rideshare by consumers. Taxis remain a significant and important part of the market.
- The reforms have been subject to monitoring and evaluation over a 24-month period, comparing the impacts to the reforms' consumer-focused objectives.
    - Throughout 2017, consumer, industry and other stakeholders views were sought as an important method assess the impacts. This included surveys, meetings and written submissions, which elicited over 2,500 responses.
    - A third-party consultancy was also retained to undertake economic modelling on outcomes of the reforms.
- An evaluation report containing findings and recommendations will be provided to the Government in the near future.
    - The Government will need to consider its response to the evaluation findings and recommendations including any budget related impacts.
    - Government's primary focus will be to ensure that consumers continue to benefit from industry reforms and that impacts on drivers are appropriately considered in our response to the evaluation.

Cleared as complete and accurate:	21/06/2018	
Cleared by:	Deputy Director-General	Ext: 73751
Contact Officer Name:	Adam Stankevicius	Ext: 50468
Lead Directorate:	Chief Minister, Treasury and Economic Development	CMTEDD

TRIM Ref: CM2018/2837

- The potential impact of any reforms on all industry players will also be a consideration of government.
- It is a decision of Government whether to release the evaluation noting it contains commercial in confidence material.

Key Information

- Stakeholder consultation for the evaluation was undertaken between 9 July 2017 and 5 September 2017, with further stakeholder discussions, as required after that. Stakeholders provided the evaluation with:
  - 2,637 full-length and quick-poll survey responses;
  - 26 written submissions [included in this group are 12 submissions containing stock/standard text submissions]; and
  - 16 face-to-face meetings with industry groups, peak bodies, Canberra Airport, and individuals [2 individuals].

Background Information – may not be suitable for public disclosure

- The ACT's Taxi Industry Innovation Reforms (the reforms) allow new technologies and innovative approaches to the public transportation sector.
  - Emerging technologies and business models, such as rideshare, may enable a safe, competitive and viable taxi and hire industry over the long term.
- These reforms also aimed to create a competitive playing field for taxi, hire car and rideshare service providers.
- Phase 1, which commenced 30 October 2015, saw permission granted to eligible rideshare services to operate, through service agreements struck with rideshare booking services.
  - Rideshare drivers were subject to background checks, and vehicles were subject to inspections and CTP and property insurance requirements.
  - Key fees were lowered for taxi and hire car operators in order to improve their service competitiveness.
- Phase 2 commenced on 1 August 2016. It provided a legislated framework for the licensing and accreditation of transport booking services (TBS) and ridesharing.
  - Driver and vehicle checks continue. While training and driver-service requirements across the industry are streamlined.
  - As well, electronic-payment surcharges are capped at 5 per cent inclusive of GST.
  - Phase 2 includes the staged release of taxi licences (up to the regulated cap) subject to consideration of market conditions – 20 of 50 have been released to date.
    - 10 standard taxi licences were released in March 2017, 5 wheelchair accessible taxi licences were released in June 2017 and an additional 5 standard licences were released in September 2017.

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TRIM Ref: CM2018/2837

- The Government is aware of some impacts of the reforms (as at August 2017):
    - There was an overall net increase in on-demand transport services
    - There has been considerable uptake up of rideshare services. Uber cites just under 1,000 active rideshare drivers are operating in the ACT – many part-time.
    - Use of taxi services has decreased compared to immediately prior to the reforms. However, booked wheelchair accessible taxi (WAT) services have continued to grow.
    - Regulated maximum fares for taxis have remained unchanged since the commencement of reforms.
    - Consumer perceptions were surveyed as part of the evaluation. Quick-poll surveys on Your Say indicated:
        - 87% of respondents find it easier to get around Canberra using on-demand transport – such as taxis, rideshare and hire cars – since the reforms began
        - 89% of respondents think rideshare and related reforms are a good thing for Canberra
        - 82% of respondents are now using on-demand transport, now that rideshare services like uberX are an option.

BUDGET ESTIMATES BRIEF

Portfolio/s: Attorney-General

Regulatory Services

ISSUE: RESIDENTIAL TENANCIES ACT 1997 – COMMERCIAL GUARANTEES

Talking points:

- Through discussions with a range of stakeholders and examination of these products, the ACT Government identified a range of concerns with a commercial guarantee model allowing a financial product to be offered as an alternative to the payment of a full bond.
- Under this model, tenants would still pay claims against themselves for property damage, even though they have been paying a fee for the guarantee product over time.
- At least two providers of commercial guaranties are actively interested in offering such products to tenants renting in the ACT.
- Noting stakeholder comments, the *Residential Tenancies Amendment Bill 2018* (which was passed on 5 June 2018) contained an amendment to reintroduce the legislative stay on offering alternatives to a bond in the ACT. The stay will operate until a written declaration by the Minister provides for the commencement of legislation to regulate bond alternatives.
- The 2017 stay amendments were introduced as an urgent action to protect consumers following an unsolicited approach in the ACT market involving the offer of these new commercial guarantee products.
- Consultations on subordinate legislation, particularly with groups who represent renters and people who face financial disadvantage, has shown that there is more work to do, including matters related to the protection of tenants.
- The Government will keep working to deliver amendments and services that support its housing priorities.
- Residential tenancy agreements need to operate without potential interference or negative effects on tenants' interests from third-party guarantors. For example:

Cleared as complete and accurate:	04/06/2018	
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Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref: CM2018/2837

- liabilities of a tenant should be consistent with the tenancy agreement (not extended);
- interests of guarantors should not affect or influence a tenancy agreement;
- rights and remedies should remain between tenants and lessors; and
- the independent role of ACAT in determining tenancy disputes should remain.

- The ACT Government welcomes innovation and broadened consumer choices. However, such innovations must respect our commitment to consumer protection. In this case, ensuing that tenants' rights are not diminished is a principal concern.

Key Information

- The Residential Tenancies Amendment Bill 2018 was introduced to the Legislative Assembly on 10 May 2018 and passed 5 June 2018.
- Related amendments were made to Residential Tenancies Regulation 1998 commencing 7 May 2018 to meet a legislated deadline. Those amendments would also be subject to the stay on commercial guarantee offerings under the Bill, if agreed.

Background Information – may not be suitable for public disclosure

- The ACT Government reviewed product offerings of Snug Technologies ("BondCover") and Suncorp ("Trustbond").
- Two rounds of community consultation occurred:
  - an open consultation on 20 October 2017 for three weeks; and
  - a targeted consultation with key sector stakeholders on an Exposure Draft Regulations, from 28 March 2018 to 17 April 2018.
- Targeted stakeholders approached for consultation included: ACTCOSS, ADACAS, ACT Shelter, CHC Australia, Northside Community Service, Woden Community Service, Tenants' Union, Real Estate Institute of the ACT, Property Council of Australia, ACT Bar Association, ACT Law Society, Canberra Community Law, CARE Financial Counselling and Consumer Law Centre, Aboriginal Legal Service, Legal Aid Commission and the Women's Legal Centre.
- Written submissions were received from Snug Technologies, Suncorp, REIACT, ADACAS Advocacy and Tenants' Union.

Cleared as complete and accurate:	04/06/2018	
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Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s: Chief Minister

ISSUE: ACT GOVERNMENT PERFORMANCE AND ACCOUNTABILITY FRAMEWORK (AND REVIEW OF INDICATORS)

Talking points:

- The Government has commenced work on updating the Framework in line with recommendations made by the Auditor-General. This work will clarify, correct, streamline and better align the Framework documents.
- The Government has engaged a consultant to review the Framework and bring it into line with current best practice. The consultant is on track to deliver re-drafted documentation and guidance material for the Framework by 13 July 2018.
- The Auditor-General's Report on strategic and accountability indicators (the Report) highlighted the Government's commitment to transparency and accountability, and its sound reporting and monitoring practices.
- However, the Report noted the Framework is out of date, and could present risks for continued integrity in reporting and monitoring.
- The Framework, once refreshed, will guide further work on reviewing existing performance indicators, to ensure relevance and useability, and foster the continued integrity of performance reporting and monitoring.

Key Information

- Recommendation 1 of the Report was agreed in full. This recommendation's call for an updated Framework has been set as the first priority for implementation.
- Recommendations 4 and 5, calling for documented procedures and application of the updated Framework, were also agreed in full. Implementation of these Recommendations will be directly informed by the updated Framework.
- Recommendations 2 and 3 were agreed in principle. These called for improved indicators without reference to an updated Framework. However, a review of existing indicators will be informed by the updated Framework.
- The update of the Framework is expected to be complete during July of 2018, whilst revised performance indicators are expected to be phased in from 2019-20.

Cleared as complete and accurate: 04/06/2018
Cleared by: Deputy Director-General Ext: 73751
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

BUDGET ESTIMATES BRIEF

Background Information – may not be suitable for public disclosure

- Auditor-General's Report No. 2/2018: *ACT Government strategic and accountability indicators*, was released on 1 February 2018. It made five recommendations, covering both the Framework and detail regarding performance indicators.
- The Government Response was tabled in the Assembly on 5 June 2018. It agreed three recommendations in full and agreed two recommendations in principle.

Cleared as complete and accurate: 04/06/2018
Cleared by: Deputy Director-General Ext: 73751
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s: Chief Minister

ISSUE: ELECTION COMMITMENT AND PARLIAMENTARY AGREEMENT REPORTING

Talking points:

- Fulfilling our Election Commitments and initiatives under the Parliamentary Agreement is a key priority for this government.
- In November last year we released an annual report on the progress towards achieving our Parliamentary Agreement initiatives.
- Each year we will report to the public on the progress in achieving the initiatives under the Parliamentary Agreement between ACT Labor and ACT Greens. The next Parliamentary Agreement report will be released later this year.
- The ACT Government is working hard to deliver all Election Commitments by the end of this term.
- Cabinet receives regular reports on progress towards meeting our Election Commitments and initiatives under the Parliamentary Agreement.

Key Information

Election Commitments and Parliamentary Agreement stats - as of 31 March 2018:

- 68% of initiatives were active and on track
- 16% of initiatives were completed
- 9% of initiatives were not yet commenced
- 7% of initiatives were delayed or had minor issues
- 0% of initiatives were significantly delayed
- 1% of initiatives were awaiting input

As at 31 March there were 323 initiatives the ACT Government is monitoring.

Background Information – may not be suitable for public disclosure

- On 31 October 2016 ACT Labor and the ACT Greens signed the ALP Greens Parliamentary Agreement for the 9th ACT Legislative Assembly.
- Appendix 1, Section X "Review of this Agreement" of the Parliamentary Agreement notes "the parties will review the implementation of this Agreement every six months, and make a public statement on progress every year." You have indicated the Parliamentary Agreement

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Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

BUDGET ESTIMATES BRIEF

Status Update will be publicly released each year of this term of government on the anniversary of the agreement's signing.

- Reports are conducted on a quarterly basis and aim to provide a high level of overview of commitment progress, highlighting those initiatives that are either complete or delayed in their implementation and the reason for the delay.

Cleared as complete and accurate: 04/06/2018
Cleared by: Deputy Director-General Ext: 73751
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: FREEDOM OF INFORMATION ACT OPEN ACCESS SCHEME

Talking points:

- The *Freedom of Information Act 2016* (FOI Act) requires a range of government information to be released to the public as a matter of course.
- These requirements include publishing, where it would not be contrary to the public interest to do so, of policy documents, information about grants, Ministers' diaries, and Cabinet decisions, including the dates decisions were made and triple bottom line assessment for each decision.
- A single website provides members of the public and other stakeholders with access to material published under the scheme: www.act.gov.au/open-access.
- The 2018 Open Access Information Scheme has required a revised process for the compilation, approval and release of Cabinet Decision summaries. This resulted in a small delay of Summary of Cabinet Outcomes publication on the Open Government website.
- Section 23 of the FOI Act does not stipulate a timeframe for the publication of information under the Open Access Information Scheme. However, as a guide:
    - Ministerial diaries are published quarterly, by the end of the month following the end of the quarter; and
    - Ministerial travel and hospitality information will be published quarterly, by the end of the following quarter, with the first publication expected by the end of June 2018.
- Under the 2018 Open Access Information Scheme, the Chief Minister approves the release of Cabinet decision summaries. These are noted by Cabinet before publication.
    - Summary of Cabinet Outcomes are generally published within four weeks of the Cabinet Decisions being made, but we do acknowledge that the revised process resulted in delays.

Cleared as complete and accurate:	04/06/2018
Cleared by:	Deputy Director-General Ext:73751
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

- As at the 19 June 2018, Cabinet Decision summaries up to the week of 30 April 2018 are available on the website at https://www.cmtedd.act.gov.au/open_government/inform/cabinet-decisions.
- All Ministerial diaries for the first quarter of 2018 have been published, as have more than 3,500 agency policy and related documents.

Key Information

- The commencement of the *Freedom of Information Act 2016* (FOI Act) on 1 January 2018 legislates the online release of Cabinet decisions and decision summaries.
- Items brought forward to Cabinet or Cabinet Subcommittees that are for Cabinet's noting only are not considered decisions and are not released as part of the Open Access Information Scheme.
- Decisions of the Budget Committee of Cabinet are considered interim determinations only, and are not released as part of the Open Access Information Scheme.
- Agreement to the appropriation bill is the only Cabinet Decision considered for the purposes of the Open Access Information Scheme, and is released as part of the public release of the ACT Budget.

Background Information – may not be suitable for public disclosure

- The Government has publically released a Summary of Cabinet Outcomes (SOCO) since July 2011 under the open government policy. The release of the SOCO was at the discretion of Government and not a legislative requirement.
- The Open Access Information website was established to provide centralised access to information published under the Freedom of Information Act. However, ACT Government agencies routinely publish in a variety of locations policy information that may meet the requirements of the Act. The Open Access Information website provides links to key sources of government information, including the existing Open Government website (for Summaries of Cabinet Outcomes), the Legislation website, the Budget website, and open data, archives and health records information.

Cleared as complete and accurate: 04/06/2018
Cleared by:
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: COSTINGS OF QUESTIONS ON NOTICE

Talking points:

- The government recognises the vital role that Questions on Notice (QoN) play in the functioning of the Legislative Assembly. We must also acknowledge that, in some cases, QoNs can require significant resources to respond to and may impact delivery of services to the community.
- To transparently communicate the level of resourcing needed to respond to each QoN, each response will now include details of the time taken and approximate cost to prepare the response.
- This will also support an understanding of why, on rare occasions, some questions may not be answered due to the unreasonable diversion of resources needed to prepare a response.

Key Information

- This practise began with Questions on Notice Paper No. 16 (23 February 2018).
- Times reflect the total time taken to prepare and provide each response. Where applicable, this includes time spent by administrative support staff to identify and coordinate input from other business units, as well as time taken during review and clearance processes.
- Costings are approximate and are based on the hourly rates corresponding to the classification/level of the particular staff members involved in preparing each response.
- Times and costings are calculated using a standardised whole of government tool that is completed for each QON. Aside from time taken to prepare the original tool there is no additional time or cost required to calculate or include times or costings with responses to QONs.
- Guidance on how directorates should handle QONs that they believe will have an impact on their ability to deliver services for the community is published openly on the CMTEDD website.

Background Information – may not be suitable for public disclosure

- The volume of QONs taken during the Ninth Assembly has increased significantly compared to previous Assemblies. More QONs were received during the first 11 months of the Ninth Assembly than during the entirety of the Eight Assembly. The average number of separate questions within each QON has also increased.

Cleared as complete and accurate:	04/06/2018
Cleared by:	Deputy Director-General Ext: 73751
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

- By way of example, of the 59 QONs from QON Paper 15 that were answered, the median time required to respond was 3.5 person-hours. Weighted by staff classification, this equated to a median cost of approximately $329 per question.
- One in seven questions from NP15 required more than 10 person-hours to answer. The most resource intensive question required 55 person-hours. In two instances a Minister decided not to answer a QON due to the diversion of resources that would be required. JACSD estimated that responding to those two QONs would have required 300 person-hours each.
- The issue of costing of QONs was raised by Mrs Vicki Dunne in the Assembly during the May sittings, referring to a QON to ACT Health Minister about the number of communication staff in the minister's directorate and office. The response took 1530 minutes to complete at a cost of $2296.66. This was subsequently covered in an article in the Canberra Times.

Cleared as complete and accurate: 04/06/2018
Cleared by: Deputy Director-General Ext: 73751
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: TERRITORY RECORDS ACT

Talking points:

- A key requirement of the *Territory Records Act 2002* is that principal officers of agencies ensure that full and accurate records are kept of agency activities. Agencies must also ensure the safekeeping and proper preservation of their records.
- The Territory Records Office takes an educative approach to its work with agencies to assist them in their compliance with the Act. The TRO provides a range of advice products and services, and works with agencies to develop records management policies and procedures that support compliance.
- During 2017-18 the TRO has developed a new service that will enable it to work with agencies to examine aspects of their records management operations in depth, identify better practice examples that can be shared across government, and make recommendations for improved practice.
- The TRO has identified records destruction processes and the capture of records in business systems as its areas of focus for 2018-19.

Key Information

- Section 33 of the Territory Records Act sets out the functions of the Director of Territory Records. These include developing standards and codes for records management by agencies, monitoring disposal of records by agencies, examining the operation of agency records management programs, and reporting on compliance.

Background Information – may not be suitable for public disclosure

- At a hearing on 30 May of the Public Accounts Committee Inquiry into the Auditor-General's report on the tender for the sale of block 30 Section 34 Dickson, the Auditor-General was asked whether the apparent loss of records of the Economic Development Directorate would constitute a breach of the *Territory Records Act 2002*.

Cleared as complete and accurate:	01/06/2018	
Cleared by:	Deputy Director-General	Ext: 73751
Contact Officer Name:	Danielle Wickman	Ext: 70194
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

Regulatory Services

ISSUE: COMMERCIAL DRONE OPERATIONS IN THE ACT

Talking points:

- In July 2017, Project Wing – a sister company of Google – began testing an autonomous drone delivery system in the Googong area, adjacent to the ACT border. The trial lasted approximately 2-3 weeks and serviced Fernleigh Park, delivering food parcels to residents from a drone "airport" that was set up by Project Wing in the area.
- A second series of trials, based in the ACT, were undertaken in October 2017 across the Royalla estate and a new set of trials were set to begin in March 2018 in Bonython.
- The Environment, Planning and Sustainable Development Directorate issued a licence to Project Wing to operate on unleased government land off Rowland Rees Crescent in Greenway for the Bonython trials. Project Wing is paying a market rate for the use of the land.
- The Bonython trials were expected to commence in March but Project Wing have yet to start deliveries, despite their project site being set up in the dedicated section of Greenway.
- The Royalla trials drew a mixed response from the community with some concerned about the environmental, noise, and privacy impacts of the drones.
- The safe operation of aircraft, including drones, is regulated by the Civil Aviation Safety Authority (CASA). CASA regulates both recreational and commercial drone use in Australia and have issued approval for both the Royalla and Bonython trials.
- The ACT Government has supported these trials as a way of better understanding the technology's role in helping industry and community needs, as well as the assessing the broader impacts and concerns of ACT residents.
- The Government continues to take a risk based approach to regulation for this type of service to ensure community safety and environmental concerns are appropriately addressed.

Cleared as complete and accurate:	01/06/2018	
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Contact Officer Name:	Adam Stankevicius	Ext: 50468
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Key Information

- The nature of these trials as world leading means that autonomous drone delivery remains largely unregulated and outside the parameters of existing legislation. Furthermore, such regulation does not clearly fall under the remit of a specific Ministerial office.
- Ministerial responses to concerns made by members of the public have come from the offices of Minister Ramsay, Minister Gentlemen and Chief Minister Barr.

CASA's role:

- CASA have been working alongside EPSDD to ensure Project Wing comply with safe practices of flying.
- Project Wing applied to CASA for regulatory approval for both the Royalla and Bonython trials. Key conditions imposed by CASA include: airspace restrictions (e.g. a safe distance above residential properties, airport and defence airspace); and the requirement for extensive safety management procedures.

Noise:

- The licence is subject to Project Wing complying with the Commonwealth's *Privacy Act 1988* and limiting operating hours to manage any potential noise and sight pollution. These operating hours are the same for community activities such as mowing the lawn: 7am-8pm weekdays, and 8am-8pm on weekends.
- The nature of commercial drone operations as a new and unlegislated technology means that processes related to noise complaints require further clarification across agencies.
- CASA do not deal with complaints relating to noise, which are managed by the ACT through the Environment Protection Authority. However, noise made by a Commonwealth jurisdiction aircraft does not fall under the authority of the *Environment Protection Act 2005*. As a result, the Environment Protection Authority have been unable to assist in matters relating to noise complaints.

EPSDD's role:

- The licence EPSDD issued for Project Wing operates under a 'Temporary Use' provision in the Territory Plan (time limited to three years). The Plan currently has no official designation on drone activities, meaning they're neither expressly permitted nor prohibited.
- EPSDD and CMTEDD have engaged in ongoing discussions with Project Wing about the operational aspects of the trials. The Government has conveyed community feedback to Project Wing such as: ensuring residents are adequately notified of trials; and concerns relating to safety and noise.

ACT Emergency Services' role:

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Cleared by:	Deputy Director-General	Ext:73751
Contact Officer Name:	Adam Stankevicius	Ext: 50468
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref: CM2018/2837

- For the Royalla trials, Project Wing used the Guises Creek Rural Bushfire Brigade Station as a base of operations. This was made in agreement with the ACT Rural Fire Service in September 2017 for temporary use during the trials. In considering the agreement, all parties were careful to ensure that Project Wing's activities not interfere with any of the Brigade Station's operations.

Background Information – may not be suitable for public disclosure

- If the Project Wing model is evidence that drone operations have the potential to offer more benefits than harms to the community, the ACT may need to be prepared to allow drone operations in a commercial zoned area.
- While the trials have been able to be conducted within the existing regulatory framework, it is envisaged that there will need to be a changes or a new regulatory framework to support the permanent operation of future commercial drone activity in the Territory.
- A long-term regulatory framework will need to consider the issues of:
    - Noise and visual pollution;
    - Privacy concerns;
    - Impacts on domestic and wild animals;
    - Cyber security;
    - Geographical sensitivity;
    - Safety;
    - Land use concerns;
    - Operational actions that would violate existing ACT legislation. For example, the delivery of junk food to schools could contravene the ACT's healthy food policy.
- Preliminary scoping into options for commercial drone regulation has been undertaken by the Regulatory Reform Team in conjunction with other directorates.

BUDGET ESTIMATES BRIEF

Portfolio/s: Sport & Recreation

ISSUE: COMBAT SPORTS

Talking points:

Legislative Reform:

- The Government is continuing to work with stakeholders to develop a new regulatory framework for combat sports.
- A Controlled Sports Bill is expected on 2 August 2018 which will address a range of high-risk activities.
- This may include events with clear and identified risks to the community, and sports that are yet to be invented. For instance, during the policy development process, Active Canberra has become aware of a number of new sports seeking to operate in Australia, such as Burmese Boxing, a bare-knuckle boxing style.
- Active Canberra is currently consulting with industry stakeholders, ACT Policing, medical and sporting industry specialists. Following consultation, final amendments will be made before introduction into the Assembly.
- Stakeholders will be further consulted during the development of subordinate legislation, including the development of a Code of Practice, medical requirements, registrations, age limits and fees.
- The legislative reform was delayed from the Government's initial commitment to deliver by the end of 2017, due to the complexity of the reform. This includes matters such as medical protocols and inspectorate functions. It was therefore considered best to take additional time to settle these matters properly before introducing legislation.
- In order to accommodate for the interim period, a number of measures were introduced under the existing *Boxing Control Act 1993* to ensure that safety and integrity were at the forefront for events being held in the ACT. This included an updated Code of Practice and the Boxing Control Regulation. These instruments commenced on 13 March 2018.

Cleared as complete and accurate: 04/06/2018
Cleared by: Deputy Director-General Ext: 73751
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

Refusal to issue permit for Brace 53 MMA promotion on 5 May 2018:

- Active Canberra made the decision not to approve the Brace 53 event by Brace MMA on 5 May 2018 based primarily on the need to prioritise the safety of all competitors.
- Active Canberra aims to work cooperatively with combat sport promoters so that events like Brace MMA can occur within the requirements of the *Boxing Control Act 1993*.
- Unfortunately on this occasion a number of medical clearances and other technical requirements under the Act were not met and Active Canberra subsequently notified the promoter that the event would not be approved. This decision was made by the delegate and the Minister's Office was informed and supported the decision.
- In addition to advising the promoter that the permit would not be issued, Active Canberra also advised ACT Policing and the venue, the AIS Arena, as there was some concerns that the event would proceed in the absence of a permit. Social media posts by the promoter on the night of 4 May however, confirmed that the event was cancelled.

Key Information

Stakeholder Engagement:

- The ACT Government has engaged key stakeholders about the regulation of combat sports in the Territory over an extended period. During its review of combat sports regulation in the ACT, Active Canberra undertook two periods of consultation (totalling 10 weeks) in 2012. The Bill was subsequently delayed due to competing priorities.
- In 2015-2016, Active Canberra released a community discussion paper for the industry. Feedback was generally supportive of improved regulation of combat sports. The key issues raised include the risks associated with neurological injuries, blood-borne virus transmission and criminal influence.
- Stakeholders were also consulted about a range of interim measures under the existing Act, notably the introduction of a refined Code of Practice, and Boxing Control Regulation that defines routine training and demonstration events to provide clarity on what activities are and are not covered under the Act. These measures were notified on 13 March 2018.
- Consultation with external stakeholders is also taking place during June on the draft Bill. We have also been working with ACT Policing, JACS and Access Canberra on the draft Bill, including notably the offence provisions and inspectorate functions, and

with ACT Health on blood borne virus transmission and the prevention and management of head injuries.

- Consultations in both the ACT and other jurisdictions, notably NSW, have revealed inconsistencies in sports covered by combat sports legislation. The approach taken in the ACT reform will cover techniques rather than specific sports, meaning that some sports not previously covered will be subject to some conditions of the legislation. This includes Judo and Taekwondo. These stakeholders are being consulted in June 2018.
- Further consultations will take place throughout the remainder of 2018 with regard to specific policy matters as they are being developed during the development of associated subordinate legislation (such as the Code of Practice, medical and fitness requirements, and fees).
- There is an ongoing dialogue with other jurisdictions, including through the Committee of Australian Sport and Recreation Officials and Sport and Recreation Ministerial meetings. This includes discussion on the development, application and implementation of their respective legislative arrangements. The national position (where available) has been included in the Bill.

BUDGET ESTIMATES BRIEF

Portfolio: Chief Minister

ISSUE: PROCESS IN SEPARATING ACT HEALTH

Talking points:

- The decision to separate the policy and operational functions of ACT Health was a considered process based on advice from the ACT Public Service and an external advisory firm.
- Given the growing complexity of the ACT Health system, and the increasing demands on its resources from a growing population, it was considered timely to update the governance arrangements of the health system to be more appropriate to our modern Canberra.
- Administrative Arrangements are routinely updated to ensure the most effective and appropriate structures of the ACT Government are in place and as the Chief Minister I determine Adminstrative Arrangements with sole discretion over their provisions.
- Changes to the Administrative Arrangements are not required to gain Cabinet endorsement though I do frequently consult with my ministerial colleagues on any changes.
- In this instance the decision was made in close collaboration with the Minister for Health and Wellbeing, Meegan Fitzharris MLA, and the Minister for Mental Health, Shane Rattenbury MLA.
    - Under the Public Sector Management Act (1994), section 13 (1) the Chief Minister is given the power to “establish administrative units.” Section 14 describes the ability for the Chief Minister to make a determination allocation responsibility to a Minister and to determine which administrative unit is responsible for a matter
- While the decision was announced in March, the structural separation will not take effect until October. This will leave considerable time for consultation with staff, unions and other parties, as well as time for the complexities of the separation to be settled.

Cleared as complete and accurate:	31/05/2018	
Cleared by:	Executive Director	Ext: 50230
Contact Officer Name:	Sam Engele	Ext: 50230
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref:

BUDGET ESTIMATES BRIEF

Background Information

- In December 2017, ACT Health engaged PricewaterhouseCoopers (PwC) to undertake a scan of governance structures within health departments and directorates across Australia.
- The Head of Service wrote to you in a brief outlining the potential benefits of a structural separation of the current ACT Health Directorate.
- On 23 March 2018, Minister Fitzharris and Minister Rattenbury announced that ACT Health would be split into two agencies, one focused on health policy and one on operations.
- Mr Coe MLA and Ms Vicki Dunne MLA submitted an FOI Request seeking documents relating to this decision. As a result of the FOI request, Ms Dunne MLA received a brief from the Head of Service to the Chief Minister on the the PwC report.
- Media reporting in *The Canbera Times* on 27 May 2018 referred to the outcome of this FOI request, highlighting elements of the report that discuss the "disjoint" a separation may entail.
- Further media reporting in *The Canbera Times* on 4 June 2018 noted that Cabinet approval is not required in determining Administrative Arrangements.
- In March 2018, Mr Coe MLA also submitted an FOI request to CMTEDD. Recently Mr Coe MLA asked that a search for documents be repeated, seeking "Cabinet documents, Ministerial briefs from ACT Health, and documents analysing or planning the separation of the directorate by Ministers or ACT public servants."

Cleared as complete and accurate:	31/05/2018	
Cleared by:	Executive Director	Ext: 50230
Contact Officer Name:	Sam Engele	Ext: 50230
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref:

TAB 2 - Output 1.2 Workforce Capability and Governance

Brief Number	Brief Title	Budget Paper	Page No.
1.	Budget Initiative - Inclusion Programs	BP3 Statement B	74, 84 18
2.	Budget Initiative - ACT Integrity Commission	BP3 Statement B	80, 131 18
3.	ACT Integrity Commission- Budget Initiative	Statement B	18
4.	ACTPS Learning Strategy and Core Learning Policy	Statement B	18, 29
5.	ACTPS Graduate Program	Statement B	18, 29
6.	Executive Learning and Development	Statement B	18, 29
7.	Whole of Government Training Panel	Statement B	18, 29
8.	Diversity Targets	Statement B	18
9.	Employment of Aboriginal and Torres Strait Islander People in the ACTPS	Statement B	18, 29
10.	Employment of People with Disability in the ACTPS	Statement B	18, 29
11.	Workforce Transformation Program	Statement B	18, 29
12.	ACTPS Enterprise Bargaining Agreement	BP3 Statement B	427 18, 29
13.	Veteran Employment in the ACTPS	BP3	75, 99
14.	Public Sector Standards Commissioner	Statement B	18
15.	Professional Standards Unit	Statement B	18
16.	2016-2017 State of the Service Report	Statement B	18, 29

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: INCLUSION PROGRAMS - BUDGET INITIATIVE

Talking points:

- The budget initiative comprises of additional Inclusion Programs and Initiatives:
  - The Disability Career and Retention program for up to 40 employees with Disability (20 at the ASO level and 20 at the SOG level).
  - Mentor training for up to 50 employees to develop individuals (with or without disability) to mentor and support staff with disabilities.
  - Membership and additional staff development, training, support and awareness sessions with the Australian Network on Disability and other local Providers.
  - The Aboriginal and Torres Strait Islander Career Development and Retention program for up to 40 Aboriginal and Torres Strait Islander employees (20 at the ASO level and 20 at the SOG level).
  - The ACTPS Aboriginal and Torres Strait Islander Leadership Program is a new program which will provide up to 20 Aboriginal and Torres Strait Islander employees at the SOG level and Executives with the opportunity to develop in their current leadership roles and will assist these employees to reach their full potential in the ACTPS.
  - Mentor training with specific cultural focus. It is proposed to provide this training for up to 50 employees to develop individuals (both Aboriginal and Torres Strait Islander and non-Identified) to mentor and support Aboriginal and Torres Strait Islander employees.
  - The LGBTIQ component of the programs includes additional membership and increased staff development, training, support and awareness sessions with Pride in Diversity and other local organisations.
- The Inclusion Budget program will be split over 2 financial years to commence in January 2019 and complete all programs an initiatives by December 2019.

Cleared as complete and accurate:	25/05/2018
Cleared by:	Deputy Director-General Ext: 55147
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Key Information

- Programs and initiatives above are an expansion of the current whole of government inclusion employment initiatives and commitments made by the ACTPS towards inclusion employment. The programs and initiatives will be scheduled across 2019, taking into account cultural events and school holidays to allow maximum participation.
- Actual budget expenditure:

Initiatives	**2018-19**	**2019-2020**	**2021-22**	**2021-22**	**Total**
Commence in January 2019 for delivery of programs during 2019 Programs would commence from January 2019	-388	-388	0	0	-776
Staffing – Full time employees	0.6 FTE	0.6 FTE	0	0	

- Staffing required to undertake additional programs and initiatives will be 0.6FTE of 2 positions.

Background Information – may not be suitable for public disclosure

- Targets were revised in February 2015 by the Head of Service when it was clear previous targets would not be met. The revised targets were to meet a minimum of 655 People with Disability and 407 Aboriginal and Torres Strait Islanders by 2018-19.
- The separation rate in 2016-17 for employees with disability was 10.4% compared to the overall separation rate of 7.9%.
- The separation rate in 2016-17 for employees identifying as Aboriginal and Torres Strait Islander was 11.4% compared to 7.9% for non-Identified staff.
- The additional initiatives and programs outlined in this budget initiative will work towards increasing retention rates for both these groups while assisting to maintain current numbers and reach the overall employment targets, along with increasing staff satisfaction while promoting the ACT Public Service as a proficient Inclusion Employment organisation.

  In 2016-17, the Office of LGBTIQ Affairs in Chief Minister, Treasury and Economic Development Directorate (CMTEDD) was established. One of the functions of the Office is to coordinate a whole of government approach for promoting Canberra as the most LGBTIQ friendly city in Australia. The LGTBIQ components of these programs will work towards supporting the whole of government approach in this area.

Cleared as complete and accurate: 25/05/2018
Cleared by: Deputy Director-General Ext: 55147
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: ACT INTEGRITY COMMISSION - BUDGET INITIATIVE

Talking points:

- In the 2018-19 Budget, the Government has committed funding in the order of $8.4m over four years towards the establishment of the Integrity Commission. The 2018-19 funding is being provided to the Office of the Legislative Assembly to allow the Speaker to access the funding and commence initial establishment arrangements including the recruitment of the Integrity Commissioner.
- The new entity will have 10 FTE including an Integrity Commissioner, Chief Executive Officer, Counsel Assisting and Investigative personnel.
- The funding is based on the 2016 Election Commitment Costings and the operating costs of the Tasmanian Integrity Commission.
- The Government has agreed to establish the ACT Integrity Commission to investigate significant and serious allegations of fraud and corruption by ACT public servants, ACT Police officers (subject to Commonwealth Government Agreement), MLAs and their staff and statutory office holders including boards and committees.
- The Government is working towards the draft legislation being provided to the Assembly Select Committee before being presented in the Legislative Assembly in 2018.

Key Information

- The funding breakdown is as follows:

	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000	**Total $'000**
Expenses	1,048	2,388	0	0	**3,436**
Provision – Expenses	0	0	2,446	2,505	**4,951**
Net Expenses	**1,048**	**2,388**	**2,446**	**2,505**	**8,387**

Cleared as complete and accurate: 25/05/2018
Cleared by: Deputy Director-General Ext:55147
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

- Legislation is being drafted to create the new organisation which will be independent from Government. The head of the new body will be the ACT Integrity Commissioner who will be an Officer of the Legislative Assembly, joining the Auditor-General, the Ombudsman, and the Electoral Commissioner. The Speaker will be responsible for appointing the Integrity Commissioner.
- The Government agrees in principle that an Integrity Commission should have oversight of ACT Policing. The *Australian Capital Territory (Self-Government) Act 1988* currently prevents the Legislative Assembly from making laws about ACT Policing, so discussions will progress with the Commonwealth to seek their agreement to legislative amendments. The Chief Minister has written to the Prime Minister and relevant Commonwealth Ministers about the Government's position.
- In the meantime, the Government is exploring avenues to enhance transparency of existing oversight mechanisms including through improved reporting to the ACT from the Australian Commission for Law Enforcement Integrity and the Commonwealth Ombudsman.

Background Information – may not be suitable for public disclosure

- The Government released its response to the Select Committee report and recommendations on 26 February 2018. The response is available on the website: www.cmtedd.act.gov.au.
- The Government Response outlines the Government's position on the Select Committee's 79 recommendations. In summary, the Government:
    - Agrees or agrees in part to 25 recommendations;
    - Agrees in principle to 11 recommendations;
    - Notes 43 recommendations.
- The Government has committed to working towards the draft legislation being provided to the Assembly Select Committee before being presented in the Legislative Assembly in 2018.

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: ACT INTEGRITY COMMISSION

Talking points:

- The Select Committee report recommendations will inform the establishment of the new integrity body, which will be broadly structured as those operating in jurisdictions of a similar size to the ACT and will have its functions delineated from existing independent oversight bodies.
- The Government has agreed that the proposed body will investigate significant and serious allegations of fraud and corruption by ACT public servants, ACT Police officers (subject to Commonwealth Government Agreement), MLAs and their staff and statutory office holders including boards and committees.
- Establishing the body is an election commitment of this Government and is an item in the Parliamentary Agreement.
- The Government considers the ACT Integrity Commission would focus on prospective and current matters, with limited ability to review retrospective or previous matters. These parameters will be refined through the legislative drafting process.
- The establishment of an Integrity Commission and developing its enabling legislation is complex and requires careful consideration given the number of existing independent integrity bodies.
- The Government is working towards the draft legislation being provided to the Assembly Select Committee before being presented in the Legislative Assembly in 2018.

Key Information

- Legislation is being drafted to create the new organisation which will be independent from Government. The head of the new body will be the ACT Integrity Commissioner who will be an Officer of the Legislative Assembly, joining the Auditor-General, the Ombudsman, and the Electoral Commissioner. The Speaker will be responsible for appointing the Integrity Commissioner.

Cleared as complete and accurate:	25/05/2018
Cleared by:	Deputy Director-General Ext:55147
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

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- The Government does not support the inclusion of judicial officers within the oversight of an Integrity Commission at this time. The Government's position is sufficient oversight is provided through the Judicial Council and Judicial Commission which has recently been established.
- The Government agrees in principle that an Integrity Commission should have oversight of ACT Policing. The *Australian Capital Territory (Self-Government) Act 1988* currently prevents the Legislative Assembly from making laws about ACT Policing, so discussions will progress with the Commonwealth to seek their agreement to legislative amendments. The Chief Minister has written to the Prime Minister and relevant Commonwealth Ministers about the Government's position.
- In the meantime, the Government is exploring avenues to enhance transparency of existing oversight mechanisms including through improved reporting to the ACT from the Australian Commission for Law Enforcement Integrity and the Commonwealth Ombudsman.
- Further consideration of whether an ACT Integrity Commission should have jurisdiction over the conduct of other third party contractors or consultants is needed and will be considered in the context of developing the enabling legislation.
- Funding has been committed by the Government in the 2018-19 Budget in the order of $8.4m over four years towards the establishment of the Integrity Commission. The new entity will have 10 FTE including an Integrity Commissioner, Chief Executive Officer, Counsel Assisting and Investigative personnel.
- Staffing requirements and the proposed structure of the body will be considered in the context of developing the enabling legislation and its Budget.

Background Information – may not be suitable for public disclosure

- The ACT Legislative Assembly Select Committee recommended the Government establish a standing integrity body to investigate, expose and prevent corruption and foster public confidence in the integrity of the Government. The Select Committee released its final report on 31 October 2017.
- The Government released its response to the Select Committee report and recommendations on 26 February 2018. The response is available on the website: www.cmtedd.act.gov.au.
- The Government Response outlines the Government's position on the Select Committee's 79 recommendations. In summary, the Government:
    - Agrees or agrees in part to 25 recommendations;
    - Agrees in principle to 11 recommendations;
    - Notes 43 recommendations.
- A significant number of the Select Committee's recommendations detail specific aspects which will inform the enabling legislation. The Government is giving careful consideration to these matters in the context of developing the enabling legislation.

Cleared as complete and accurate:	25/05/2018
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TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: ACTPS LEARNING STRATEGY AND CORE LEARNING POLICY

Talking points:

- The recent development of the whole of government ACTPS Learning Strategy and Core Learning Policy provides a coherent direction for employee development by aligning employee learning and skills development with the Government's priorities.
- The Learning Strategy articulates our commitment to an ongoing learning environment for the ACTPS and reinforces the commitment to innovation and change. The learning strategy will ensure our workforce is heading in the right direction to build the leadership and learning culture we want in the ACTPS.
- The Learning Strategy targets and describes learning and development at three levels: Core, Highly Recommended and Leadership. It also contains learning evaluation metrics in the form of a program logic model[1] and a maturity model[2].
- The ACTPS Core Learning Policy supports the ACTPS Learning Strategy in building the ACTPS of the future. It identifies training for all employees regardless of the directorate they work in or the position they hold.
- Core learning topics have been drawn from legislative and policy requirements. The topics have been selected to ensure employees are aware of the fundamentals of working in the ACTPS and provide a consistency of core skills development across the ACTPS. The topics are:
  - ACTPS Induction Program;
  - Performance and Development;
  - Respect Equity and Diversity;
  - Governance;
  - Family Violence; and
  - Workplace Health & Safety.

[1] A program logic model is a schematic representation that describes how a program is intended to work by linking activities with outputs, intermediate impacts and longer term outcomes.

[2] A maturity model is a tool that helps people assess the current effectiveness of a person or group and supports figuring out what capabilities they need to acquire next in order to improve their performance.

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BUDGET ESTIMATES BRIEF

- To compliment core learning topics and add a dimension of flexibility for employees, highly recommended training has also been developed. Highly recommended training is directly linked to the Capability Framework and is determined from an analysis of an individual employee's capability, skill set and job role requirements.

Key Information

- The achievement of the desired future ACTPS rests largely on the ability of leaders and managers to create productive working environments that engage staff and foster collaboration, innovation, communication, responsiveness and thinking outside of the square.
- The ACTPS Shared Capability Framework (the Capability Framework) has been developed to describe the skills, knowledge and behaviour that can universally be expected of every ACTPS employee at different organisational levels and in every workplace across the Service including those at the executive level

Background Information – may not be suitable for public disclosure

- The ACTPS Learning Strategy and Core Learning Policy link with the ACTPS Shared Capability Framework.

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: ACTPS GRADUATE PROGRAM

Talking points:

- Fifty-one Graduates commenced the 2018 ACTPS Graduate Program in February 2018 with over 25% of the cohort being graduates with a disability or Aboriginal and Torres Strait Islander graduates.
- Applications for the 2019 ACTPS Graduate Program closed on 2 May 2018 with 901 applications received. Of these applications, approximately 4% of candidates identified as having a disability or as Aboriginal and Torres Strait Islander. These candidates will be provided reasonable adjustment to support them in the selection process. Shortlisted candidates will be invited to Assessment centres in Canberra in August 2018. The ACTPS expects to fill 61 graduate positions in 2019.

Key Information

- The ACTPS Graduate Program runs for 10 months and offers a combination of on the job and formal training delivered by CIT Solutions. Graduates are engaged in six streams (Commerce/Business, Infrastructure, Law, Public Administration and Policy, ICT and Health Professionals), undertake three diverse workplace rotations across the ACTPS and are permanently appointed to the ACTPS on successful completion of the program.
- The ACTPS Graduate Program is supportive of inclusion candidates and encourages candidates with a disability or from Aboriginal and Torres Strait Islander background to apply.

Background Information – may not be suitable for public disclosure

- Since 2013 the ACTPS Graduate Program has been coordinated by staff within WCAG. Directorates are involved in the selection process and directly engage the graduates.
- In 2014, the Government committed to create and protect local jobs. This commitment included an increase in whole of government graduate intake by 10% a year for 4 years. This increase has continued beyond the initial commitment.

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- Graduate numbers by year:

Year	2015	2016	2017	2018	2019
Target	42	46	51	56	61
Commenced	42	43	38	51	n/a

- A strategic workforce plan for the Graduate Program will be developed in 2018-19.

Cleared as complete and accurate: 25/05/2018
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BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: EXECUTIVE LEARNING AND DEVELOPMENT

Talking points:

- The purpose of Executive Learning and Development in the ACTPS is to build the capability of the senior executive service to drive transformational change to achieve an agile, responsive and innovative One Service.
- With the move to the Government Office Blocks in Civic and Dickson in 2020, the focus of executive learning and development over the next two years will be around people management, program management and budget management.
- Directors-General will be involved in the selection of Band 1 and 2 executives to undertake the following modules:
  - **People and Culture**: focusing on enabling our people to create an engaging, trusting and high performing work culture that delivers on the Chief Ministers' Statement of Ambition. To encourage their people's ability to self-direct, make sound decisions, work autonomously and innovate at work.
  - **Change Management**: in order to achieve sustainable cultural transformation in the ACTPS and transition to new ways of working.
  - **Program/Project Management:** including governance, complexity thinking, judgement and risk, planning, outcomes realisation, and co-design.
- Three Executive forums with key note speakers have been delivered in 2017-18 with another forum scheduled in June to be delivered by the new Public Sector Standards Commissioner, Ian McPhee. More forums are being planned for the next financial year.
- During 2017-18 there were two executive participants in the ANZSOG Executive Master of Public Administration and one participant in the ANZSOG Executive Fellows Program. Both are supported through CMTEDD and directorate shared funding. Next financial year there will

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be two executives who will be attending the Deputies Forum and the China Reciprocal Program.

Key Information

- The pilot 'Leaders Leading Learning' executive development program (launched in September 2016 for Band 2 Executives) was delivered to a cohort of Band 1 Executives in late 2017. The program consisted of three half day workshops, delivered by subject matter experts with a focus on leading innovation, engaging with risk and leading transformational change. Smaller peer group sessions were held between each workshop to provide participants with the opportunity to debrief and brainstorm ways to implement strategies back in their workplaces.

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: WHOLE OF GOVERNMENT TRAINING PANEL

Talking points:

- The Request for Tender for a new expanded Whole of Government Training Panel was released to market in November 2017. Tenders closed January 2018.
- Evaluations have been conducted by four evaluation teams and contracts are expected to be in place by 1 July 2018.
- All courses offered as part of the new panel arrangement will align with the ACTPS Shared Capability Framework.
- The new panel arrangement will provide ACTPS directorates and agencies with access to a variety of suppliers who provide contemporary, future focussed and structured training.

Key Information

- The new Panel will have the following training categories:
    - Communication and Engagement;
    - Computer Skills;
    - Executive Development;
    - Fire and Emergency ;
    - First Aid;
    - Inclusion;
    - Management and Leadership;
    - National Qualifications;
    - Self-Development;
    - Work Safety; and
    - Working in Government.
- This includes the new categories of Executive Development, Fire and Emergency and Inclusion
- Expenditure is estimated to be $12 million over a four year term (3years+1year option).

Cleared as complete and accurate: 25/05/2018
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BUDGET ESTIMATES BRIEF

- Expenditure is incurred by directorates and agencies when training is booked either through the ACTPS Training Calendar or when a training provider is engaged to deliver In-Directorate training.

Background Information – may not be suitable for public disclosure

- The current whole of Government Training Panel was established in July 2014 to deliver a range of training services on behalf of ACT Government directorates and agencies.
- The estimated expenditure on training through the Panel was $6.3 million over a seven year period. The expenditure limit was reached in June 2017.
- An additional $2.5 million expenditure was endorsed by the Whole of Government Procurement Board, as part of the contract extension period until 30 June 2018, in anticipation of the new Panel.

Cleared as complete and accurate: 25/05/2018
Cleared by:
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BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: DIVERSITY TARGETS

Talking points:

- Directorate-specific targets for the employment of Aboriginal and Torres Strait Islander peoples and people with a disability are included in Directors'-General performance agreements.
- In 2015-16 the methodology for determining directorate targets was revised to better enable the ACT Public Service (ACTPS) to reach the Aboriginal and Torres Strait Islander and People with Disability employment targets (diversity targets) by 2018-19. This new methodology primarily determines directorate targets based on the proportion of the ACTPS workforce that each directorate employs.
- Diversity targets for each financial year are set based on the remaining growth required to reach the whole of government targets by 2018-19. Directorate-specific targets are issued in July each year for that financial year only.
- The Head of Service provides quarterly reports to Directors-General to ensure ongoing accountability in meeting diversity targets. Included in these reports are updates on work completed in the previous quarter, upcoming initiatives and a quarter end headcount for each directorate for the two diversity groups.
- Directorates who fail to meet their targets in the relevant financial year are expected to make up the difference in future years.
- To help achieve the targets, several whole of government initiatives are in place and ongoing support is provided to directorates to assist with internal recruitment practices.

Key Information

- As at March 2018 there were 368 Aboriginal and Torres Strait Islander employees (the remaining growth to meet the 30 June 2018 target is 32) and there were 564 employees with disability (the remaining growth to meet the 30 June 2018 target is 52).

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ACT Government

BUDGET ESTIMATES BRIEF

Whole of Government progress towards meeting 2018-19 targets									
	Target HC June 2015	Achieved HC June 2015	Target HC June 2016	Achieved HC June 2016	Target HC June 2017	Achieved HC June 2017	Target HC June 2018	Target HC June 2019	Remaining growth to meet June 2019 target
Aboriginal and Torres Strait Islander People	298	299	329	312	363	350	400	407	57
People with Disability	477	437	525	457	578	521	616	655	134

- Information on the whole of government initiatives that are in place to support directorates to meet these targets are included in the *Employment of People with Disability in the ACTPS* and the *Employment of Aboriginal and Torres Strait Islander Peoples in the ACTPS* briefs.

Background Information – may not be suitable for public disclosure

- In February 2015 the Head of Service set whole of government diversity targets. These targets were to meet a minimum of 407 Aboriginal and Torres Strait Islanders and 655 People with Disability by 2018-19.

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BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: EMPLOYMENT OF ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLE IN THE ACTPS

Talking points:

- As an employer, the ACT Government strives to achieve a diverse and skilled public service comprised of individuals who are valued for their differences, experiences, knowledge, backgrounds and the contribution they can make.
- The ACTPS has a range of Inclusion Employment Programs and Initiatives that focus on increasing numbers to meet targets and also retaining and developing current staff.

ACTPS Aboriginal and Torres Strait Islander Employment Framework

- The ACTPS Aboriginal and Torres Strait Islander Framework (the Framework) was launched in September 2017. The Framework acknowledges the level of maturity that now exists in this area across the ACTPS. It is a high level document providing overarching direction on inclusion activities, which directorates can implement themselves, or participate in at a whole of government level.
- The Framework recognises that each directorate already has, or is developing, inclusion employment strategies with the expectation that in-depth information and analysis, including reporting and measures of accountability, are undertaken at the directorate level.

ACTPS Aboriginal and Torres Strait Islander Traineeship/Vocational Employment Program

- Applications for the 2018 Vocational Employment Program (previously known as the Aboriginal and Torres Strait Islander Traineeship) closed in January 2018 with 43 applications received. There are currently 17 placements available across the ACTPS. Interviews will be undertaken in June 2018 with start dates from July 2018.

Other Whole of Government Programs and Initiatives

- Other programs and initiatives undertaken on a Whole of Government level for Aboriginal and Torres Strait Islander employment include:

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- Australian School Based Apprenticeships in both the Disability and Aboriginal and Torres Strait Islander Groups;
- Annual ACT Disability Employment Provider Expo which also includes Aboriginal and Torres Strait islander Employment Providers;
- Development of inclusion employment policies and guidelines (for example, the Reasonable Adjustment Policy and the Guidelines for Gender Transition in the ACTPS);
- Maintenance of the Respect Equity and Diversity (RED) Framework;
- Pastoral care and support to participants and work areas for inclusion trainees and inclusion graduates;
- Monitoring and reporting on inclusion employment numbers across the ACTPS;
- Aboriginal and Torres Strait Islander Career Development and Retention Program in 2016-17;
- Creation, implementation, development, coordination and ongoing support of the ACTPS Inclusion Practitioners Network;
- Management of whole of government membership and subsequent training, development and support with the Australian Network on Disability and Pride and Diversity.
- Monitoring and providing support and advice to ACTPS directorates and agencies on inclusion matters; and
- Promotion of the ACTPS's commitment to inclusion employment at public events including expos, forums, schools, organisations and broader community.

Key Information

- As at 31 March 2018, 368 employees identified as being Aboriginal and Torres Strait Islanders. The June 2018 target is 400 – the remaining growth to meet this target is 32.

Background Information – may not be suitable for public disclosure

- The separation rate in 2016-17 for employees identifying as Aboriginal and Torres Strait Islander was 11.4% compared to 7.9% for non-Identified staff.

- The additional initiatives and programs outlined in the proposed budget initiative will work towards increasing retention rates for Aboriginal and Torres Strait Islander employees with while assisting to maintain current numbers and reach the overall employment targets, along with increasing staff satisfaction while promoting the ACT Public Service as a proficient Inclusion Employment organisation.

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BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: EMPLOYMENT OF PEOPLE WITH DISABILITY IN THE ACTPS

Talking points:

- As an employer, the ACT Government strives to achieve a diverse and skilled public service comprised of individuals who are valued for their differences, experiences, knowledge, backgrounds and the contribution they can make.
- The ACTPS has a range of Inclusion Employment Programs and Initiatives that focus on increasing numbers to meet targets and also retaining and developing current staff.

ACTPS People with Disability Employment Framework

- The ACTPS People with Disability Framework (the Framework) was launched in October 2017. The Framework acknowledges the level of maturity that now exists in this area across the ACTPS. It is a high level document providing overarching direction on inclusion activities, which directorates can implement themselves, or participate in at a whole of government level.
- The Framework recognises that each directorate already has, or is developing, inclusion employment strategies with the expectation that in-depth information and analysis, including reporting and measures of accountability, are undertaken at the directorate level.

ACTPS Inclusion Traineeship (for people with disability)/Vocational Employment Program

- Applications for the 2018 Vocational Employment Program (previously known as the Inclusion Traineeship) closed in January 2018 with over 240 applications received. There are currently 8 placements available across the ACTPS. Interviews will be undertaken in June 2018 with start dates from July 2018.

Other Whole of Government Programs and Initiatives

- Other programs and initiatives undertaken on a Whole of Government level for disability employment include:

BUDGET ESTIMATES BRIEF

- Australian School Based Apprenticeships in both the Disability and Aboriginal and Torres Strait Islander Groups;
- Annual ACT Disability Employment Provider Expo;
- Development of inclusion employment policies and guidelines (for example, the Reasonable Adjustment Policy;
- Maintenance of the Respect Equity and Diversity (RED) Framework;
- Pastoral care and support to participants and work areas for inclusion trainees and inclusion graduates;
- Monitoring and reporting on inclusion employment numbers across the ACTPS;
- Preparation of the ACT Government Submission to the Standing Committee on Health, Ageing and Community Services' Report on the Inquiry into the Employment of People with Disabilities in the ACT;
- Creation, implementation, development, coordination and ongoing support of the ACTPS Staff with Disability and Allies Network;
- Creation, implementation, development, coordination and ongoing support of the ACTPS Inclusion Practitioners Network;
- Management of whole of government membership and subsequent training, development and support with the Australian Network on Disability and Pride and Diversity.
- Monitoring and providing support and advice to ACTPS directorates and agencies on inclusion matters; and
- Promotion of the ACTPS's commitment to inclusion employment at public events including expos, forums, schools, organisations and broader community.

Key Information

- As at 31 March 2018, 564 employees identified as having a disability. The June 2018 target is 616 – the remaining growth to meet this target is 52.

Background Information – may not be suitable for public disclosure

- The separation rate in 2016-17 for employees with disability was 10.4% compared to the overall separation rate of 7.9%.
- The additional initiatives and programs outlined in the proposed budget initiative will work towards increasing retention rates for employees with disability while assisting to maintain current numbers and reach the overall employment targets, along with increasing staff satisfaction while promoting the ACT Public Service as a proficient Inclusion Employment organisation.

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TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: WORKFORCE TRANSFORMATION PROGRAM

Talking points:

- A Workforce Transformation program is being implemented across the ACT Public Service. As part of this program we will be embedding contemporary management practices, mobile technologies, flexible work practices and modern accommodation design principles. The aim is to improve the connectedness, innovation and agility of our Public Service, and the way we deliver services to our community.
- The development of the Civic and Dickson Office blocks has been a key driver for this program. These buildings have been designed as Activity Based Workspaces.
- Staff working in these environments will have access to a range of work settings, such as quiet spaces for focused work, spaces designed to support collaboration, and a variety of meeting rooms and breakout areas. Staff will also be issued technologies to support digital business practices and remote work arrangements where appropriate.
- This program builds on work done to date, including the move of Shared Services staff to Winyu, and the successful pilot and implementation of Activity Based Work across several ACT Government office locations.
- A Workforce Transformation Group has been established to deliver the program. This group includes senior representation from each Directorate. Three key focus areas have been identified, and working groups have been formed to lead the change in these areas:
    - Workforce Culture – *Ready*
    - ICT Working Group – Covering technology issues for the new buildings, flexible work practices and digitisation.
    - Operations Working group – covering all aspects of how the new buildings will function.
- Engagement with staff and union representatives will be ongoing, and form an integral part of the transformation program.

Cleared as complete and accurate:	25/05/2018
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TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Workforce Culture – Ready

- The ACTPS workforce is evolving to provide better services for Government and the ACT Community into the future. The 'Culture Ready Working Group', comprised of HR Directors from across the Service, has been formed to support positive cultural change with a primary focus on transitioning a section of the ACTPS workforce to Activity Based Working (ABW) environments in new government office buildings by 2020.
- In 2018-19, the Culture Ready Working Group will develop practical resources, updated policies, training material and teamworking tools which will support positive workplace cultures and contemporary management practice.

ICT Working Group

- An ICT Working group has been formed to determine how technology can best support the way we work in the new office blocks and beyond.
- This includes moving away from fixed desktop computers to technologies that better support mobility, such as laptops and tablets.
- The ICT Working group is being led by Shared Services ICT, with directorates represented by their Chief Information Officers.

Operations Working Group

- The recently established Operations Working Group has been tasked with identifying and resolving issues that may impact on the day to day operation and efficiency of the new buildings.
- The Operations Working group is composed of senior stakeholders from corporate support functions within each Directorate.

Key Information

- There are approximately 800 staff now working flexibly in ABW offices across four ACT Government locations;
    - Canberra Nara Centre - Civic
    - Cosmopolitan Centre – Woden
    - Transact House – Dickson
    - 255 Canberra Avenue – Fyshwick

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Lead Directorate:	Chief Minister, Treasury and Economic Development

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- 70% of respondents to a survey of ACT Government Activity based Workers said that they were satisfied with their new workplace, with 13% indicating dissatisfaction.
- Additionally, 69% of respondents said that they prefer to work in their new Activity Based Work space than their previous office environment.
- The Civic Office Block will accommodate approximately 1900 staff, primarily from policy and administrative teams within the following directorates:
    - CMTEDD
    - CSD
    - Education
    - JACS
- The Dickson Office Block will accommodate approximately 1250 staff from the following Directorates:
    - EPSDD
    - TCCS
    - Access Canberra, including a shop front.
- Currently, each Directorate is expected to deliver its own workforce transformation program from existing resources, with support, central information resources and whole-of-government co-ordination from Chief Minister, Treasury and Economic Development Directorate.
- Two full time staff (SoG A and SoG C) are employed within the Flexible Work Arrangements team as part of the Workforce Capability and Governance division. Funding for these positions is linked to the Strategic Office Accommodation project.

Background Information – may not be suitable for public disclosure

- In June 2016 the Strategic Office Accommodation Committee endorsed Activity Based Work as the presumptive model for all new refurbishments of existing leases and new leases, including the new Civic and Dickson office blocks.
- The Strategic Board re-endorsed the Activity Based Work Key Design principles on 25 October 2017

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: ACTPS ENTERPRISE BARGAINING AGREEMENTS

Talking points:

- The Government remains committed to maintaining the size of the ACT Public Service, reaching a pay outcome which maintains real wages and to a consultative and inclusive approach to industrial relations.
- The Government's pay offer of an average of **2.7% per annum, or a compounded increase of 11.4% over the course of the agreement (plus 1.00% increase in superannuation over the course of the agreement)** will ensure workers' wages keep pace with inflation over the life of the agreement and delivers on an election commitment.
- It is a **competitive offer**, significantly better than the Commonwealth at 2% and on par or better than most other state jurisdictions.
- The offer is **fiscally manageable** and recognises the hard work put in by the ACT Government's employees.
- **Superannuation** is an important part of the employment package. The Government already pays above the legal minimum to support employees in their retirement and will continue to boost retirement savings through further increases. In addition, superannuation will be protected through inclusion in the agreements.
- Where an employee covered by the superannuation guarantee chooses to **contribute 3% the Government will contribute a further 1% superannuation payment**.
- **Superannuation** will also be paid during the first 12 months of birth related leave types, whether paid or unpaid. This seeks to **redress the financial disadvantage the primary carer** experiences when taking leave for childbirth or adoption.
- The **rostering changes** sought are to enable Health and related support services to be delivered at times that meet the expectations and service needs of the community.

Cleared as complete and accurate: 30/05/2018
Cleared by: Deputy Director-General Ext: 55147
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

BUDGET ESTIMATES BRIEF

- Roster changes would only be implemented after a consultative process which includes working with individuals on their specific needs and with sufficient notice to make changes to their personal circumstances.
- **Consultation** on change is important and will remain so. The proposed changes allow for meaningful pre-decision consultation on matters that significantly affect staff.
- The Government **remains committed** to continuing negotiations to ensure the agreements are finalised as soon as possible.
- The Government continues to review its offer and position to ensure that a competitive offer can be put to workers.

Key Information

- Negotiations with unions and bargaining agents are continuing.
- The Government is not seeking an unfettered right to move any employee on to a roster. We want to have a genuine conversation with unions about what safeguards are necessary to get the balance right.

Background Information – may not be suitable for public disclosure

- At the bargaining meeting on 13 December 2017 bargaining parties verbally rejected the Government's pay offer. However, bargaining parties agreed to continue to negotiate and to reconvene for full two days per week meetings from early February 2018.
- Negotiations in February have progressed well and there are only a few matters in the core part of the agreements which remain unresolved.
- Government has considered a range of options to resolve outstanding matters. A new pay offer was made on 4 April 2018, the details of which are as follows:
    - 2.25% from the first full pay period in October 2017;
    - 0.5% from the first full pay period in June 2018;
    - 1.35% every six months from the first full pay period in December 2018 to the first full pay period in June 2021; and
    - Agreement expiration on 31 October 2021.
- The bargaining parties are considering the Government's offer.
- The term of the enterprise agreements nominally ended on 30 June 2017 but they continue on until replaced.

Cleared as complete and accurate:	30/05/2018
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Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s: Chief Minister

Veterans & Seniors

ISSUE: VETERAN EMPLOYMENT IN THE ACTPS

Talking points:

- The ACT Government Veterans Employment Strategy aligns with the broader focus of the ACT Public Service to build a diverse, agile, responsive and innovative public service that delivers the ACT Government's priorities and provides effective services for the ACT community.
- The Strategy focuses on assisting veterans as they transition from the Australian Defence Force into civilian employment.
- The Government's vision is to make the ACT Public Service a leader in the recruitment and retention of veterans.
- Late last year, an all-staff survey was undertaken to determine the number of veterans employed by the Service and gain an understanding of their experience of entering the ACT Public Service. 134 responses were received. The results of the survey are now informing further actions for the ACT Public Service.
- A network of Executive Champions is being established. These ACT Public Service senior executives are looking at the best way they can support veterans with the transition into civilian life and employment in the ACT Public Service.
- A number of ACTPS employees attended the ACT ADF transition seminar on 18-19 April to provide background about the ACTPS, information on conditions of employment and promote employment possibilities.
- Seven senior executives in the ACT Public Service participated in Exercise Executive Stretch on 22-23 April 2018. This program is run by the Department of Defence to provide an opportunity for employers to see and experience first hand what Reservists do.
- The HR system has also been updated to enable self-identification of veterans.

Cleared as complete and accurate:	25/05/2018
Cleared by:	Deputy Director-General Ext:55147
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2393

BUDGET ESTIMATES BRIEF

- Funding to support the ACT Government Veterans Employment Strategy has been received from 2018-19. This funding will be used for a range of activities including:
  - establishing a register of former (and possibly current) ADF members who are interested in employment in the ACTPS (this would include a summary of their skills/training);
  - matching ACTPS vacancies with people on the register and forwarding the vacancies to them;
  - attending ACT based transition seminars to present information on the ACTPS;
  - running face to face induction programs with veterans who commence in the ACTPS;
  - assisting veterans with the transfer of entitlements on commencement;
  - establishing and maintaining mentoring arrangements for veterans; and
  - working with Executive Champions.

Background Information – may not be suitable for public disclosure

- The ACT Government Veterans Employment Strategy was launched on 13 September 2017.
- Responses were received from 134 veterans who are now working in the ACT Public Service.

Cleared as complete and accurate: 25/05/2018
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Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: PUBLIC SECTOR STANDARDS COMMISSIONER

Talking points:

- The role of the Public Sector Standards Commissioner (PSSC) was established through amendments to the *Public Sector Management Act 1994*, which commenced on 1 September 2016.
- The role of PSSC replaces the former role of Commissioner for Public Administration.
- The PSSC has a narrower focus compared to the Commissioner for Public Administration. The PSSC is an integral component of the ACT Public Service Integrity Framework being responsible for the oversight of misconduct investigations and the management of Public Interest Disclosure (PID) functions under the *Public Interest Disclosure Act 2012.*
- Mr Ian McPhee AO PSM was appointed to the role of PSSC on 29 January 2018 for a 5 year term. The position of PSSC is a statutory appointment and has been filled on a part time basis.
- Prior to his appointment as the PSSC, Mr McPhee held the role of Commonwealth Auditor-General from 2005 to 2015. Mr McPhee has also held numerous senior appointments in the APS, including Deputy Secretary of the Department of Finance and Administration. He was awarded the Public Service Medal in 2002 and became a member of the Order of Australia in 2015.

Key Information

Specifically the PSSC is responsible for:

- the conduct of investigations (generally via delegation to the Professional Standards Unit) into allegations of misconduct against an officer, employee or statutory office holder;
- provision of advice to the Chief Minister on issues arising from any investigations undertaken; and
- Under the PID Act, the PSSC functions include the provision of advice, monitoring public interest disclosures, reviewing investigations, ensuring appropriate outcomes

and coordinating related education and training programs.

- In the ACT, a disclosure or complaint to an official becomes a PID when it is about conduct that could amount to a criminal offence, give grounds for disciplinary action or activities that could amount to a serious malfeasance of public office or danger to public health, safety or the environment.
- In the 2016-17 reporting period, the Commissioner was notified of 17 alleged PIDs, an increase of five on the previous two years. However of those notified, eight were found not to be disclosable conduct (as defined by the PID Act) and closed, with the remainder being assessed by the entity to which the matter related.
- The Commissioner works closely with the Auditor-General and ACT Ombudsman in carrying out the legislative responsibilities of the PID Act.

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: PROFESSIONAL STANDARDS UNIT

Talking points:

- The Professional Standards Unit (PSU) conducts misconduct investigations across the ACT Public Service (ACTPS). The unit focuses on improving misconduct procedures, with particular emphasis given to effective management of staffing issues; early intervention strategies; consistent and independent investigative processes; behavioural trend analysis; and good decision making.
- The PSU provides advice to Directorates regarding the management of staffing issues, particularly in assessing issues that have been identified or raised, resolution strategies, procedural fairness and adherence to process.
- The PSU assists Directorates in identifying services to conduct restorative processes, when appropriate, in an attempt to correct poor behaviour, develop positive workplace culture and to assist managers resolve issues in the workplace.
- The PSU completed 46 misconduct investigations in the 2017-18 period (up to 25/5/18), with the matters predominantly relating to inappropriate behaviour or staff treating others with a lack of courtesy or respect; lack of integrity or probity; and failure to follow direction or policy.
- The quality of investigative reports produced by the PSU, the consistency of the misconduct process across the service and the time taken to complete investigations continues to improve. In the 2017-18 time period (up to 25/5/18), it took an average of 94 business days to complete investigations.
- The PSU collects data related to misconduct processes and analyses the information to identify behavioural trends and areas with potential cultural issues. To further support this, the PSU reports significant systemic issues identified during misconduct processes to the relevant Directorate for their consideration.

Key Information

- 46 misconduct investigations completed during 2017-18 (up to 25/5/18).
- Average of 94 business days to complete investigations during this time period.

Cleared as complete and accurate:	18/01/2018	
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TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Background Information – may not be suitable for public disclosure

- The PSU was established in December 2015 following a whole of government review of misconduct investigations. Under this model, it is mandatory for all misconduct investigations to be managed centrally by the PSU except in extenuating circumstances. This allows for streamlined investigation practices and ensures consistency, independence and transparency in the investigative process across the ACTPS. This approach has also improved the quality and timeliness of investigations.
- The work of the Professional Standards Unit is overseen by the independent Public Sector Standards Commissioner.

Cleared as complete and accurate:	18/01/2018	
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TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: 2016-17 STATE OF THE SERVICE REPORT

Talking points:

- The annual State of the Service Report has in the past been produced by the Commissioner for Public Administration. Amendments to the *Public Sector Management Act 1994* in September 2016 resulted in a number of functions transferring from the Commissioner to the Head of Service to ensure a focus on public sector values and behaviours. From 2016-17 the State of the Service report is now a report of the Head of Service.
- At 30 June 2017, there were 21,791 employees in the ACT Public Service. From June 2016 to June 2017 the total number of employees (headcount) in the ACTPS grew by 2.5 per cent, or 531 employees.
- Female employees comprise 64.9 per cent of the ACTPS workforce (14,139 employees).
- Women in the ACTPS are paid slightly less than their male counterparts with a gender pay gap of 3.1 per cent. This pay gap has reduced by 0.5 per cent from June 2016 to June 2017.
- At June 2017 there were 235 Senior Executives (1.1 per cent of the ACTPS workforce) compared to 229 at June 2016.
- Women held 44.7 per cent of senior executive positions in the ACTPS, a proportion roughly equivalent to that of four years ago (43.1 per cent at June 2013). The majority of the ACTPS Directors-General are women (five of the seven Directors-General).
- The diversity representation was as follows:
    - 521 employees with disability (representing 2.3 per cent);
    - 350 employees identified as Aboriginal and Torres Strait Islander (representing 1.6 per cent);
    - 3,970 employees were from culturally and linguistically diverse backgrounds (representing 18.2 per cent).

Cleared as complete and accurate: 30/05/2018
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BUDGET ESTIMATES BRIEF

Key Information

Statistics relating to 2016-17 reporting period are:

Increase in the ACTPS

- The ACTPS experienced a small growth in employment during the 2016-17 reporting period. From June 2016 to June 2017 the total number of employees (headcount) in the ACTPS grew by 2.5 per cent, or 531 employees. The growth of the ACTPS was slightly higher than 20 per cent growth in the Australian labour force and the 0.5 per cent growth in the ACT labour force over the same period.

- Over 2016-17 reporting period, employment growth was seen in just over three fifths of all ACTPS classification groups. The largest growth in employment was seen in Health Assistants at 20.6 per cent, followed by Legal Officers at 12.3 per cent and Ambulance Officer at 9.4 per cent (note Ambulance Officers include Paramedics, Intensive Care Paramedics and Ambulance Support Officers).

Women in the ACTPS

- Female employees comprise 64.9 per cent of the ACTPS workforce, totaling 14,139 employees.
- The representation of women in the ACTPS is approximately 16 per cent higher than the representation of women in the ACT labour force (49.0 per cent) and approximately 18.3 per cent higher than in the Australian labour force (46.6 per cent).

Pay Gaps

- Women in the ACTPS are paid slightly less than their male counterparts with a gender pay gap of 3.1 per cent. This pay gap has reduced by 0.5 per cent from June 2016 to June 2017. This trend is attributable to the proportionally larger number of women than men choosing part time work across the ACTPS. It is important to note that in the ACTPS, women and men doing the same job receive the same remuneration. That is, women and men with the same role and responsibilities are paid the same amount.
- The ACTPS gender pay gap is significantly smaller than both the national gender pay gap (15.3 per cent at May 2017) and ACT labour force pay gap (12.5 per cent at May 2017).
- The average salary of the ACTPS was $90,350 at June 2017. This is approximately equal to the average salary of an individual in the ACT labour force ($90,844 at November 2016), and approximately $10,000 higher than the average salary of an individual in the Australian labour force ($79,737 at Nov 2016).

Cleared as complete and accurate:	30/05/2018
Cleared by:	Deputy Director-General Ext:55147
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TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Executives

- At June 2017 Senior Executives made up 1.1 per cent of the ACTPS workforce (based on headcount), or 1.2 per cent based on FTE. These proportions are the same as that at June 2016.
- Women hold 44.7 per cent of senior executive positions in the ACTPS, a proportion roughly equivalent to that of four years ago (43.1 per cent at June 2013). The majority of the ACTPS Directors-General are women (five of the seven Directors-General).

Personal leave

- The average number of personal leave days taken during the 2016-17 reporting period was 12.5 (based on full-time equivalent work days). This number has remained fairly consistent over the past five years (11.9, 12.1, 12.2 and 13.4 days respectively).

Background Information – may not be suitable for public disclosure

- The State of the Service Report Report is an annual account of the management of the ACT Public Service during the reporting period. It provides a holistic overview of the ACT Public Sector and detailed analysis of ACTPS workforce data.
- Data for the annual State of the Service Report Report is largely sourced from the ACT Government Payroll System. Data has been consolidated and prepared by Shared Services Reporting and Performance.
- Information on culture and behavior is collected from directorates and public sector bodies through the annual Agency Survey.
- Commissioner complaints and Public Interest Disclosure (PID) are sourced from the whole of government PID database maintained within the Professional Standards Unit, CMTEDD.
- The State of the Service Report is prepared in accordance with the Annual Report Directions 2017-18.

Cleared as complete and accurate: 30/05/2018
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TAB 3 - Output 1.3 Coordinated Communications & Community Engagement			
Brief Number	**Brief Title**	**Budget Paper**	**Page No.**
1.	Whole of Government Strategic Engagement: • Community Engagement Reform - Deliberative democracy and online Community Panel • ACT Government online engagement platform – yoursay.act.gov.au • Community Councils • Community Engagement and Support Annual Reporting	BP3	85
2.	Communications and Engagement Strategy and accountability	Statement B	30-31
3.	'Our Canberra' Print Newsletter and Email	Statement B	30-31
4.	Whole of Government Social Media Channels	Statement B	19
5.	Purchase of Creative Services and Advertising	Statement B	19
6.	Whole of Government Omnibus Research	Statement B BP 3	16 85
7.	Independent reviewer of Campaign Advertising	Statement B	19
8.	Community Councils	Statement B	19
9.	Community Support Fund	Statement B	19
10.	Honours and awards	Statement B	19
11.	Questions on Notice - Communications staff and costs		
12.	Whole of Government Media Monitoring Service	Statement B	19
13.	Whole of Government Emergency Communications	Statement B	19
14.	Protocol and Ceremonial Events	Statement B	19
15.	How well Canberrans are informed	Statement B	16

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: WHOLE OF GOVERNMENT STRATEGIC ENGAGEMENT

Talking points:

- We are continuing to reform the way we engage with the community. This means: seeking the views of more representative cross-sections of our community; engaging in ways that are more meaningful and convenient; and improving coordination to reduce 'engagement fatigue'.
- Ultimately we are building better relationships between the government and our community, underpinned by greater levels of trust and greater satisfaction in the way we engage on policies, programs and services.
- This year's Budget delivers $5.067m over four years to fund a central Strategic Engagement team, establish and operate an online 'Insights Community' and deliver a Customer Relationship Management system to streamline engagements with key stakeholders.

Key Information

- This initiative allows for continuation of the Strategic Engagement team for four years, two new FTE positions to support implementation of the online 'Insights Community' and the resizing of two executive positions (totalling approximately $4.1m over four years).
- $1.1 million is being provided over four years to establish and operate an online Insights Community. The Insights Community will make it easier and quicker for the Canberra community to engage with government on the issues that matter.
- Other elements of the initiative include:
    - $204,000 to implement a whole of government Customer Relationship Management system. The system will help reduce 'engagement fatigue' for groups and organisations that are consulted frequently and by different parts of the government by allowing their feedback and insights to be shared (in a sensitive and controlled way) within government;
    - $30,000 to support community engagement activities regarding development of Section 72 in Dickson;
    - $400,000 in savings over four years, as we reduce the use of telephone surveys for community engagement; and

Cleared as complete and accurate: 01/05/2018
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BUDGET ESTIMATES BRIEF

Background Information – may not be suitable for public disclosure

This brief includes information on the following topics.

Funded in this initiative:

1. Strategic engagement reforms (including deliberative practices)
2. An online 'Insights Community' (including telephone surveys)
3. Customer Relationship Management System
4. Section 72 Dickson engagement

Already funded Strategic Engagement activities:

5. 'YourSay' engagement website
6. Community Councils funding

1. Strategic engagement reforms (including deliberative practices)

- The Budget funding for 5.5 FTE positions (including the Branch's executive positions) to work on whole of Government Strategic Engagement reforms. These reforms underpin the Government's commitment to improving engagement with the Canberra community.
- This will be achieved through a community engagement reform project to help drive change across the ACT public service and better meet the needs of the community in terms of when, how and on what they are engaged.
- Strategic Engagement reforms have so far delivered the whole of Government Communications and Engagement Strategy. Key reforms achievements in the first year of the Strategy have included:
    - Design of and support to successfully delivery the ACT's first Citizens' Jury on Comprehensive Third Party insurance.
    - Developing effective engagement capabilities across government through the provision of expert engagement advice and development of engagement tools and resources.
    - Significantly increased the level of engagement through the online Your Say platform, which now has more than 4,000 subscribers and attracts more than 15,000 visitors per month.
    - Reviewing legislated consultation and engagement requirements across government to identify opportunities to simplify, streamline and modernise statutory consultations.
    - Procured and managed a new whole of government contract for community views research using Computer Aided Telephone Interviews.
    - Commenced development of a new online 'Insights Community' (detailed separately below).

BUDGET ESTIMATES BRIEF

2. Online Insights Community

- The Government committed to an online Community Panel in its Communications and Engagement Strategy, released in 2017 and will allow a greater diversity of Canberrans to engage with the government more quickly and easily.
- The online community is an important step towards better meeting community expectations about how citizens can engage with their government.
- Aspects of the online community will initially be delivered by an external provider. This includes provision and management of the online platform, support to grow the user base and assistance with aspects of research design and analysis. Procurement of these services is currently underway.
- Two FTE positions are funded in the Budget to manage the online community. These positions will coordinate use of the panel across the whole of government, support with research design and analysis and help maintain the community as an interesting and engaging online space for Canberrans.

3. Customer Relationship Management

- The CRM will enable staff across government to see where their engagements may involve common stakeholders, as well as relevant feedback that may have been received in the past.
- For stakeholders, the CRM will reduce 'engagement fatigue' allowing them to 'tell us once' rather than be repeatedly consulted by different parts of government on similar issues.
- For government, staff will have better access to the views of existing stakeholders when developing policy and be better able to identify stakeholders that may have an interest in a particular subject based on past engagements.
- The CRM is centrally funded and administered by CMTEDD Communications and Engagement with access made available to relevant staff across government.
- The system will comply with the Government's security policies for ICT systems. Access will be controlled and all information managed in accordance with the Territory's privacy legislation.
- CMTEDD is currently finalising the procurement process.

4. Section 72 Dickson

- This initiative includes $30,000 to support a specific engagement about Section 72 in Dickson.
- Redevelopment of Section 72 is a long running and complex project of high significance to the inner north community, requiring engagement throughout the planning and engineering design stages.
- The funding allows for the use of external expertise and interactive planning tools, such as those used for engagements along Northbourne Avenue.

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TRIM Ref: CM2018/2837

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5. 'Your Say' engagement website

- 'Your Say' has been the whole of Government online engagement platform since 2016. It replaced several consultation websites including *Time To Talk* and EPSDD's *Have Your Say*.
- Visitation varies according to the issues that are open for engagement, but has been growing steadily. In April 2018, the site attracted 16,900 unique visitors and 4,035 pieces of feedback.
- The Strategic Engagement team manages the Your Say platform and supports directorates to design engaging user experiences. However, directorates are responsible for their own engagements.
- The Government has a contract in place for the current platform (Harvest) until Q2 2019. A review will be undertaken before the end of contract to determine whether the current platform continues to meet whole of government requirements.

6. Community Councils

- The Government is continuing to provide $90,000 per year for Community Councils (or approximately $13,000 for each of the seven councils). The funding is intended to:
    - support participation by the community in Council activities;
    - gather the views, expectations and concerns of community members to the ACT Government;
    - hold community meetings that are open to the public and publicly advertised.
- The government will engage with Community Councils throughout 2018-19 to discuss the role of the Community Councils in government engagements and whether current funding arrangements are still fit for purpose.

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: COMMUNICATIONS AND ENGAGEMENT STRATEGY AND ACCOUNTABILITY

Talking points:

- We have released the whole of government Communications & Engagement Strategy as part of our commitment to open, transparent government and improving community engagement.
- The Strategy allows Canberrans to see the conversations we need to have over the next two years and makes clear what is open for change as a result of community feedback.
- The Strategy will also help reduce 'consultation fatigue' by providing a more coordinated approach to engaging with the community across government.
- The Strategy also outlines the government's priority public information campaigns, which are undertaken to ensure the community is well informed about the full breadth of government programs, policies and services

Key Information

- The whole of government Communications and Engagement Strategy outlines the government's communications and engagement priorities, to provide advance notice and enable genuine and meaningful opportunities for the community to engage with government.
- Internally, the Strategy is also used to guide engagement practices across government and improve internal coordination to reduce consultation fatigue with our community and stakeholders.
- The Strategy will be updated annually to respond to government priorities, community needs and emerging issues. Producing an annual update is a new accountability indicators for CMTEDD in 2018-19 (Output 1.3c).
- The first update to the Strategy will occur early in 2018-19 and reflect engagement activities associated with new initiatives and priorities announced in the 2018-19 Budget.

Background Information – may not be suitable for public disclosure

Whole of Government Communications and Engagement Strategy

- Aside from setting out communications and engagement priorities, the Strategy provides guidance on when and how different styles of engagement should be used. For example,

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Cleared by: Executive Director Ext: 50035
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when government should use a 'deliberative' process to involve citizens in decision making and when government is just 'informing' the community about decisions that have already been taken.

- The next update to the Strategy will build on this work to outline the various channels that the government uses to communicate and engage the community. This includes, for example, when and how government uses traditional media, social media, advertising and marketing for public information, education and awareness.
- The Strategy follows from a 2015 review of Strategic Communications and draws on the work of the UK Government Communication Service and specific advice commissioned from Double Arrow Consulting and the University of Canberra's Centre for Deliberative Democracy and Global Governance.
- ACT Government public information activities and campaigns are undertaken for the following reasons:
    - public health or safety campaigns and campaigns that assist in the preservation of order in the event of an emergency or crisis;
    - campaigns that help ensure public safety, personal security or that encourage responsible behaviour and to maximise compliance with the law;
    - campaigns that attract investment and promote the ACT as a business and tourist destination;
    - to inform the community of new, existing, changed policies, programs and services;
    - to raise awareness of a planned or new initiative or event;
    - to initiate community consultation;
    - to promote awareness of rights, responsibilities, duties or entitlements;
    - to encourage social cohesion, civic pride, community spirit, tolerance, or to inform the community about a public policy outcome.
    - routine advertising carried out by agencies in relation to their core operational activities(for example changes to conditions or fees for services such as Transport Canberra buses, public housing or public landfill or jobs and tender advertising).
- Community consultations and support activities across government are reported from a whole of government perspective in a dedicated volume of the CMTEDD Annual Report.
- Reporting includes the activities of each agency in supporting the community and community organisations through grants and financial assistance in a dedicated volume of the CMTEDD Annual Report. It also outlines all major/significant community engagement activities undertaken during the year by each directorate. This consolidated approach to reporting was first implemented in 2015 and undertaken again in 2016 and 2017.

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: 'OUR CANBERRA' PRINT NEWSLETTER AND EMAIL

Talking points:

- 'Our Canberra', is the ACT Government's print and digital approach to communicating directly with Canberrans on ACT Government news, initiatives and service information.
- It comprises a monthly regionalised print newsletter, a monthly email newsletter, and a website. Published content is supported and promoted with digital content such as video and tiles through ACTGov social media channels.
- The print edition of the Our Canberra newsletter is distributed to almost 185,000 Canberra residential letterboxes across five regions: Belconnen; Central; Gungahlin; Tuggeranong; Woden, Weston Creek, Molonglo. It is distributed during the first week of every month, except January and February when a combined edition is distributed the last week of January.

Key Information

- The printing cost for Our Canberra is currently (as at April 2018) $20,437 per month for all five editions. The newsletter is printed by local Canberra printer Union Offset Printers.
- The newsletter is distributed by Australia Post. Costs vary slightly each month due to growth in Canberra's total dwellings. The total distribution cost in April 2018 was $28,644.15.
- The distribution of newsletters across the five regions is currently 184,799 total Canberra dwellings.
- Each edition includes a foreword by the Chief Minister.
- All five editions of the print newsletter are reviewed by the Independent Reviewer every month.
- The print newsletter is supported by the 'Our Canberra' website, www.act.gov.au/ourcanberra, where Government announcements, services and information are published, and then promoted via social media. This website will eventually feed into a redesigned ACT Government homepage, significantly increasing website traffic to Our Canberra.

Cleared as complete and accurate:	29/05/2018
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Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

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- Also distributed each month is an Our Canberra email newsletter that features key stories from the print edition and any other timely information or relevant community engagements for that month. The distribution total for this newsletter as at April 2018 was 45,617 email addresses, with an average open rate of approximately 41%. Subscribers are sourced through Access Canberra. Canberrans who register an account with Access Canberra can opt in to receive the Our Canberra email newsletter.

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: WHOLE OF GOVERNMENT SOCIAL MEDIA CHANNELS

Talking points:

- The ACT Government has four ACTGov branded social media accounts that are managed by CMTEDD Communications. These include Facebook, Twitter, YouTube and LinkedIn.
- Across Government, there are more than 100 other social media accounts across several platforms including Facebook, Twitter, LinkedIn, Instagram and Youtube. These are managed by individual Directorates.
- A project in 2018 will review all social media accounts across Government. It will review how profiles are managed, their strategy and content creation plans.

Key Information

- ACT Government **Facebook** page

Followers:	14,147 as at 24 May 2018 (11,060 May 2017).
Audience:	Largest segment is females aged 25-44 (40%). And 61% of engagement is by women.
Video views:	Average of 10,000 minutes of video is viewed each month.
Best post 2018:	Video of 'Disc Golf Course at Belconnen' (reach 173,900 – engagement including post clicks 14,400).
Best boosted 2018:	Video of 'L&P plates engagement' (reach 78,500 – engagement including post clicks 26,200).

- ACT Government **Twitter**

Followers:	11,065 followers as at 24 May 2018 (9,851 May 2017).
Audience:	46% female and 54% male.
Impressions:	Average is around 70,000 - 90,000 total each month.
Page visits:	Almost 2,000 visits are made to ACTGov Twitter profile page by users each month.
Top tweets in 2018:	- 'Road Safety WIN Raiders tickets' (8,700 impressions) - 'Slow down' (5,800 impressions) - 'See Poh at the Multicultural Festival' (5,100 impressions).

Cleared as complete and accurate:	29/05/2018
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TRIM Ref: CM2018/2837

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- ACT Government **YouTube Channel**

Audience:	822 subscribers - 18% female and 82% male. Largest audience is males aged 25 to 34 (37%), followed by males aged 34 to 44 (21%)
Video views:	64,900 so far in 2018 (as at 24 May)
	86,000 views in 2017
View duration:	1.15 minutes so far in 2018 (as at 24 May)
	1.42 minutes in 2017
Most popular:	In 2017 was the Light Rail Vehicle Journey with 11,765 views and an average watch time of 1.08 minutes

- ACT Government **LinkedIn**

The profile is used to communicate workforce projects, people, initiatives, and announcements, and how we support Canberra business and growth.

Followers:	8,875 followers, gaining an average of 150 followers a month. Nearly 7,000 of these followers are based in Canberra.
Audience:	The breakdown of followers classified as senior (32.8%), entry (31%) and manager (17.5%).
Best post to date:	Local start-up Reposit Power and its Innovation Connect Grant. It achieved 18,733 impressions and 1,345 video views.
Best engagement:	At 3.75% was a post congratulating Bettina Conti as new Chief Digital Officer.

Background Information – may not be suitable for public disclosure

- During the 2017/2018 financial year, the CMTEDD Communications team began trialling the use of influencers in social media with selected campaigns. All campaigns achieved positive results. The costs for each of these campaigns are:
  - Nature Play (Facebook live/Facebook post/Instagram): influencer used was 'The Thud'. Facebook results; reach of 6,000; video views 2,568; engagement 540. The Thud also did Instagram stories on the topic. Total cost $1,785.
  - Active Streets (Facebook/Instagram): influencer used was 'The Thud'. Facebook results; reach 8,075; video views 3,598; engagement 1349. The Thud also did Instagram stories on the topic. Total cost was $1,549 (*funded by TCCS*).
  - CBR Night Crew (Facebook): Influencer used was Dark Carnival, whose Facebook followers are primarily young males. Approximate results for the Facebook post was; reach of 4,000; video views of 1,300; and 135 shares and reactions. It was the best post result for Dark Carnival to date. Total cost was $1,210.

Cleared as complete and accurate:	29/05/2018
Cleared by:	Executive Director Ext: 50035
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: PURCHASE OF CREATIVE SERVICES AND ADVERTISING

Talking points:

- Since 1 January 2017, the ACT Government has procured its campaign and non-campaign media buying services through the Whole of Australian Government Master Media Arrangement (MMA).
- The MMA is administered by the Australian Department of Finance and due to expire on 30 June 2018. The sole contractor is Dentsu X.
- Rather than joining the new Whole of Australian Government Arrangement on 1 July 2018, the ACT Government plans to meet its future media buying requirements by adding a new category to its existing Whole of Government Creative Services Panel.
- On 1 October 2017, the ACT Government established a Creative Services Panel with six service categories including marketing, advertising production, communications and engagement, digital, photography and video graphic design.

Key Information

- The Tender for a new Media Placement and Advice category on the Creative Services Panel closed 22 May 2018. The ACT Government is seeking up to five suppliers to meet its future media buying requirements.
- The estimated value of the services is $2 million a year, including GST, consisting of approximately $1.3 million campaign advertising and $700,000 non-campaign advertising.
- The Creative Services Panel has 57 suppliers across the six service categories.

Background Information – may not be suitable for public disclosure

- The Whole of Australian Government MMA did not fully meet the ACT Governments media buying needs due to a number of factors, including the contractor's lack of local media knowledge and lack of relationships with local media outlets. The Northern Territory Government left the MMA for similar reasons.
- The Media Placement and Advice Category can be incorporated into the existing Creative Services Panel and will complement the current services available on the Panel.

Cleared as complete and accurate:	29/05/2018
Cleared by:	Executive Director Ext: 50035
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: WHOLE OF GOVERNMENT OMNIBUS RESEARCH

Talking points:

- Orima Research has been contracted to undertake an omnibus research program designed to seek the Community's views on the priorities, projects and programs of the ACT Government.
- The research is designed to inform the development of policy and support our community engagement activities to better understand the views of cross-section of the Canberra community.
- The annual program consists of four surveys of 600 respondents each using Computer Assisted Telephone Interviewing (CATI) methodology (mobile phone and landlines).

Key Information

- Respondents are stratified by region - North Canberra; South Canberra; Woden and Weston Creek; Belconnen and Gungahlin; and Tuggeranong. Overall results are provided at 95% ± 4pp confidence level.
- Landline and mobile phones are called in the course of the research.
- Orima Research was awarded the contract following an open market tender.
- The contract is listed on the contracts register. It is valued at $219,000 for five rounds of research and expires on 31 January 2019.

Background Information – may not be suitable for public disclosure

- A range of Whole of Government issues are covered including impressions of the government; satisfaction with the quality, range and available information about ACT Government services, and the community's views on key government priorities. Ministers and Directorates may submit topics or questions to inform policy and project decision making.
- Ministers and Directorates will have the opportunity to survey Canberra residents on a range of issues related to the development of key ACT Government policies, programs and service.

Cleared as complete and accurate:	18/01/2018	
Cleared by:	Executive Director	Ext: 50035
Contact Officer Name:	Sch 2 s2.2(a)(ii)	
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: INDEPENDENT REVIEWER OF CAMPAIGN ADVERTISING

Talking points:

- ACT Government advertising and promotion campaigns with expenditure in excess of $40,000 must be reviewed by an independent expert, the Campaign Advertising Reviewer.
- The Campaign Advertising Reviewer tables a report bi-annually to the Legislative Assembly on the campaigns' compliance with Government Agencies (Campaign Advertising) Guidelines 2010.
- Whole of Government Communications is responsible for the application and operation of these Guidelines as well as providing advice to directorates and agencies which may be considering conducting advertising and promotion campaigns.
- Since 1 July 2017 (until 21 May 2018), 15 campaigns have been reviewed by the Campaign Advertising Reviewer. All campaigns complied with the Guidelines.

Key Information

- The Guidelines provide guidance on the implementation of the Government Agencies (Campaign Advertising) Act 2009 (the Act). They provide the basic principles that should be observed by all ACT Government Directorates, Agencies and Territory-Owned Corporations in the planning, development and delivery of Government advertising and promotion, as stipulated by the Act.
- Dennis Pearce AO, Emeritus Professor at the Australian National University's College of Law was reappointed as Campaign Advertising Independent Reviewer on 20 March 2017 for a maximum period of three years. Derek Volker AO was also reappointed at this time as the alternate Independent Reviewer.
- The Campaign Advertising Reviewer is remunerated under the Remuneration Tribunal Act 1995 (Part-time Public Office Holders). Under the Act, the Campaign Advertising Reviewer is remunerated at a rate of $825 on a per diem basis.

Background Information – may not be suitable for public disclosure

- The Independent Reviewer has reviewed the campaigns listed in the table below since 1 July 2017.
- All campaigns complied with the requirements of the Act and Guidelines.

Cleared as complete and accurate:	25/05/2018
Cleared by:	Executive Director Ext: 50035
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Campaign	Certifying Minister / Executive	Total budget
Our Canberra monthly community newsletter – August 2017	Andrew Barr, MLA	$48,500
Taylor Sales Campaign 2	Neil Bulless, Interim Chief Executive Officer, Suburban Land Agency	$63,798
Our Canberra monthly community newsletter – September 2017	Andrew Barr, MLA	$48,500
Throsby Over the Counter September Campaign	Neil Bulless, Interim Chief Executive Officer, Suburban Land Agency	$173,835
Our Canberra monthly community newsletter – October 2017	Andrew Barr, MLA	$48,500
Our Canberra monthly community newsletter – November 2017	Andrew Barr, MLA	$48,500
The Precinct Red Hill Campaign	Dave Peffer, Acting Interim Chief Executive Officer, Suburban Land Agency	$140,805
Devices for All	Yvette Berry, MLA	$1,200
Our Canberra monthly community newsletter – December 2017	Andrew Barr, MLA	$48,500
Backyard Lifeguard Campaign	Mick Gentleman, MLA	$150,000
Our Canberra monthly community newsletter – January/February 2017	Andrew Barr, MLA	$48,500
Light Rail Safety Campaign	Emma Thomas, Director-General, Transport Canberra and City Services and Glenn Stockton, Chief Executive Officer, Canberra Metro	$205,435
Wright and Coombs Ballot Campaign	John Dietz, Chief Executive Officer, Suburban Land Agency	$62,265
Ginninderry Bus Backs and Shops Campaign	John Dietz, Chief Executive Officer, Suburban Land Agency	$103,560.60
Canberra and Region Heritage Festival 2018 Campaign	Mick Gentleman, MLA	$45,000

Cleared as complete and accurate: 25/05/2018
Cleared by: Executive Director Ext: 50035
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: COMMUNITY COUNCILS

Talking points:

- Communications and Engagement administers funding agreements with seven community councils – Belconnen, Gungahlin, Inner South Canberra, North Canberra, Tuggeranong, Weston Creek and Woden Valley.
- In 2017-18 the ACT Government provided funding of $12,821 to each council to:
    - communicate the views, expectations and concerns of community members to the ACT Government
    - encourage the community to participate in Council activities
    - hold community meetings that are open to the public and publicly advertised.

Key Information

- The ACT Community Councils operate as apolitical organisations that provide a voice for the community on issues affecting particular regions of the ACT.
- Executive Committee members participate on the Council in a voluntary capacity.
- The annual ACT Government grant is the Community Council's primary source of funding.
- The current Deed of Grant periods run until 30 June 2018.
- All Community Councils were invited to attend the CTP Citizen's Jury as observers and were provided with a copy of the Communication and Engagement Strategy 2017-19.

Background Information – may not be suitable for public disclosure

- Many of the Community Councils also have associated resident's groups.

Cleared as complete and accurate: 29/05/2018
Cleared by: Executive Director Ext:
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: COMMUNITY SUPPORT FUND

Talking points:

- Communications and Engagement administers the Community Support Fund in accordance with the Community Support Fund Administrative Guidelines.
- The Community Support Fund is used to provide financial support to individuals and groups to meet emerging community needs or to fund initiatives that do not meet ACT Government grants program eligibility requirements or support government priorities. It is also used to make donations to charitable organisations on behalf of the ACT Government.

Key Information

- The total funding available from the Community Support Fund for 2017-18 is $182,000.
- To date the 2017-18 Community Support fund has provide funding to 21 organisations (as at 17 May 18) as outlined below:

Grant recipient	Funded activity	Amount
ACT Veterans Rugby Union	To support the purchase of the new BBQ trailer	$5,000
Aids Action Council of the ACT	To support CBR Fair Day 2018	$10,000
Barnardos Australia	To support the 2018 Mother of the Year ACT award	$3,500
Canberra Special Children's Christmas Party	Sponsorship of the 2017 Mix 106.3 Special Children's Christmas Party	$1,091
Canberra Yacht Club	Sponsorship of 2018 Chief Minister's Australia Day Regatta	$1,000
CAT Awards	Sponsorship of the 2017 CAT Awards Gala	$6,000
Cerebral Palsy ACT	Donation to the 2018 Krazy Koscki Klimb	$3,000
Duong Photography	To support the Queer ACT photography project book	$6,000
Heart Foundation	Donation to the 2017 Big Heart appeal	$5,000
Majura Junior Football Club	Donation to pay fee for a direct land sale to renew lease	$2,868
Miracle Babies Foundation	Donation to support the neonatal hotline service	$5,000
Pigeonhole Theatre	Sponsorship to support Playhouse Creatures national tour	$15,000
Pint of Science – Canberra Chapter	To support 2018 Pint of Science	$1,000
Queanbeyan Art Society	To support the 10th Annual Charity Art Exhibition and associated infrastructure	$2,500

Cleared as complete and accurate: 29/05/2018
Cleared by: Executive Director Ext: 50035
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Reconciliation Australia	Support to fly flags and banners for Reconciliation Week	$14,000
Royal National Capital Agricultural Society	To support the 2018 Canberra Poultry Show	$1,500
The Healing Foundation	Support to fly flags and banners for the 10th Anniversary of Apology	$4,000
The Legacy Club of Canberra	To support the 2018 ANZAC Concert	$2,000
The Official Mayoral Appeal fund	Donation to Tathra Fire Emergency appeal	$10,000
The Salvation Army	Donation to the 2018 Red Shield Appeal	$12,000
The Smith Family	Donation to 2017 Christmas Appeal	$10,000
ACT Veterans Rugby Union	To support the purchase of the new BBQ trailer	$5,000

Background Information – may not be suitable for public disclosure

- This is a discretionary fund for the Chief Minister.
- Once the Chief Minister receives a request for funding, Communications and Engagement provides advice on whether or not to fund, and if so, how much should be allocated. Communications and Engagement then prepares a brief to the Chief Minister formalising the funding decision or the funding recommendation. The Chief Minister's office informs the organisation of the decision through a letter from the Chief Minister.
- Expenditure under the fund is reported in the CMTEDD Annual Report Volume 3.

Cleared as complete and accurate: 29/05/2018
Cleared by: Executive Director Ext: 50035
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: HONOURS AND AWARDS

Talking points:

- CMTEDD Communications and Engagement Division administer a number of award processes including:
    - ACT Australian of the Year of Awards
    - Canberra Citizen of the Year
    - Chief Minister's Canberra Gold Awards
    - ACT Honour Walk
    - ACT Scientist of the Year Award
    - Order of Australia
    - Public Service Medal

Key Information

- ACT Australian of the Year Awards
    - Communications and Engagement Division works with the National Australia Day Council to name an ACT Australian of the Year, an ACT Senior Australian of the Year, an ACT Young Australian of the Year, and an ACT Local Hero.
    - These nominees then go on to be considered for a national award.
    - Staff time is allocated to administer this awards process and coordinate the function, however all expenses are met by the National Australia Day Council.
    - The ACT Senior Australian of the Year, Dr Graham Farquhar AO, was named Senior Australian of the Year in January.
    - The other ACT Australians of the Year for 2018 are Mr Dion Devow (ACT Australian of the Year), Ms Suzanne Tunks (ACT Local Hero), and Mr Zack Bryers (ACT Young Australian of the Year)
- Canberra Citizen of the Year
    - The current Canberra Citizen of the Year is Ms Diane Kargas Bray AM.
    - Since 1989, the ACT Government recognised a Canberra Citizen of the Year each year, continuing a tradition started by the Canberra Times.
    - Nominations are open year all year and the announcement is made in March each year around Canberra's Birthday.

Cleared as complete and accurate:	29/05/2018
Cleared by:	Executive Director Ext: 50035
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

- Staff time is allocated to administer the awards process and coordinate a presentation event, and minimal expenses are met by Civic Hospitality (in 2018 this cost was $593.70)

- Chief Minister Canberra Gold Awards
  - The Chief Minister's Canberra Gold Award recognises the unique contribution made by individuals and groups who have chosen to make a long-term commitment to the ACT.
  - Through this award, the ACT Government celebrates this dedication by honouring individuals and groups who have resided or operated in the ACT for fifty years or more.
  - More than 4,400 Canberra Gold Awards have been awarded since 2005.
  - Staff time is allocated to administer the awards process and coordinate the event, with expenses met by Civic Hospitality (in 2018 these costs were $3,737)

- ACT Honour Walk
  - The ACT Honour Walk recognises individuals or groups from across all categories of endeavour that have made significant and sustained past contributions to the ACT.
  - ACT Honour Walk recipients are then publicly acknowledged with a plaque in their honour on the ACT Honour Walk, located in Ainslie Place between London Circuit and the Canberra Times Fountain outside the Canberra Centre.
  - Inductions are made every two years, with the 2018 ceremony held in May.
  - The late Ms Joan Kellett OAM, Mr Alan Foskett OAM, Dawn Waterhouse, Professor Tom Calma AO, the late John Hanna, and Canberra Refugee Support were all inducted into the ACT Honour Walk at this event.
  - Staff time is allocated to administer the awards process and coordinate the ceremony, with expenses met by Civic Hospitality (in 2018 these costs were $8,260 – as at 23 May)

- ACT Scientist of the Year
  - Dr Kai Xun Chan is the 2017 ACT Scientist of the Year.
  - This award was introduced in 2015. It recognises the achievements of an ‘up and coming’ scientist with significant potential to continue to achieve in their chosen field of research.
  - The award is accompanied by $30,000 prize money which can be used at the winner’s discretion.

    - Staff time is allocated to administer the awards process and coordinate the ceremony, with expenses met by Civic Hospitality (in 2017 these costs were $651)

- Order of Australia
    - Communications and Engagement Division works with Government House to assess ACT nominations in the Order of Australia.
    - The Director-General of CMTEDD is the ACT representative on the Council of the Order of Australia.
    - Staff time is allocated to assist the Director-General with nominations and all expenses are met by Government House.
- Public Service Medal
    - Communications and Engagement Division coordinate the Public Service Medal process on behalf of the Head of Service.
    - The ACT Public Service has a quota of three Public Service Medals each calendar year which can be presented as part of the Australia Day or Queen's Birthday Honours.
    - Staff time is allocated to administer the awards process

Background Information – may not be suitable for public disclosure

- N/A

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: QUESTIONS ON NOTICE – COMMUNICATIONS AND STAFF COSTS

Talking points:

- Across all Directorates and Agencies the total number of Communications staff is 114.17 FTEs. The total staff cost was $9,743,878 for 2017-18 (to end of February).
- The total number of Communications FTE represents 0.59% of the ACT Public Service based on figures quoted in the State of the Service Report 2016-17.
- This differs from a QON Communications and Engagement provided in November 2017 which specified 92.54 FTEs.
- This is because the current response includes agencies and the November QON was focused on directorate staff. There have been some changes in directorates.
- In CMTEDD the total number of staff is 40.82 at a cost of $3,519,479 for 2017-18 (to end of February). This includes 6.85 staff allocated to Whole of Government Communications).

Key Information

- The responses were cleared at a directorate level by a Director-General, Deputy Director-General or Executive Director, with the exception of the Health and Education responses which were cleared by relevant Ministers.
- Within CMTEDD, Visit Canberra/Events ACT account for 16.8 staff. Canberra Institute of Technology, the Suburban Land Agency and the City Renewal Authority and the Cultural Facilities Corporation account for 17.6 FTE.
- A breakdown of all figures is included on page 2.

Background Information – may not be suitable for public disclosure

- In responding to the QON media and communications roles (strategic communications and media, digital communications, and marketing and advertising roles) were included.
- Community engagement, web or graphic design roles were not included in the QON response.

Cleared as complete and accurate:	29/05/2018
Cleared by:	Executive Director Ext: 50035
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

ACT Government

BUDGET ESTIMATES BRIEF

Chief Minister Treasury and Economic Development Directorate

Directorate:	*FTE*	*17-18 internal staff comms*	*17-18 software*	*17-18 goods and services*	*17-18 consultancy*	
Strat Comms/ Access Canberra	10.12	$785,102	$1,441	$0	$0	$786,543
WHOG Comms	6.85	$596,139	$3,057	$283,915	$0	$883,111
Enterprise	0.8	$109,994	$0	$0	$0	$109,994
Visit Canberra / EventsACT	16.8	$1,563,791	$0	$5,157,247	$0	$6,721,038
CFC	4.75	$464,453	$20,689	$0	$0	$485,142
Treasury	1.5	$0	$0	$24,951	$81,666	$106,617
CMTEDD combined	40.82	$3,519,479	$25,187	$5,466,114	$81,666	**$9,092,446**

Whole of Government

Directorate	*FTE*	*Internal staff*	*Software*	*Goods and services*	*Consultants*	*TOTAL*
CMTEDD	40.82	$3,519,479	$25,187	$5,466,114	$81,666	$9,092,446
CIT	3	$268,204	$22,642	$0	$29,619	$320,465
CSD	3	$450,585	$0	$4,000	$0	$454,585
Education	6	$691,186	$117	$64,234	$0	$755,537
EPSDD	10.7	$808,499	$8,452	$705,628	$173,697	$1,696,275
City Renewal Authority	2.95	$261,972	$597	$4,543	$17,537	$284,648
Suburban Land Agency	6.9	$479,682	$11,530	$539,095	$0	$1,030,307
Health	24	$1,677,550	$235,148	$373,854	$21,065	$2,307,617
JACS	4	$424,101	$9,233	$139,091	$0	$572,425
TCCS	12.8	$1,055,685	$22,617	$445,328	$9,000	$1,532,630
TOTAL	114.17	40.82	$335,522	$7,741,886	$332,583	**$18,153,869**

Cleared as complete and accurate: 29/05/2018
Cleared by: Executive Director Ext: 50035
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: WHOLE OF GOVERNMENT MEDIA MONITORING SERVICE

Talking points:

- Isentia delivers a Whole of Government Media Monitoring Service for the ACT Government.
- The service is available to all members of the Legislative Assembly, their staff, and ACT Public Servants.

Key Information

- The service provides news updates from print, online and broadcast news provided at regular intervals throughout the day, along with a media portal platform.
- It enables staff to keep abreast of media reporting and to track and respond to community and stakeholder views on issues of importance.

Background Information – may not be suitable for public disclosure

- Isentia was first engaged to deliver this service in March 2016.
- Following a single select procurement process, the Territory executed a new contract with Isentia (contract no 29264.110) commencing on 27 October 2017. The total contract cost is $303,499.95 for an 18 month period.
- Each ACT Government Directorate and the ACT Legislative Assembly make a contribution towards the cost of the service.
- The expiry date on the current contract is 26 April 2019. It is anticipated that a new procurement process will commence in late 2018.

Cleared as complete and accurate: 29/05/2018
Cleared by: Executive Director Ext: 50035
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: WHOLE OF GOVERNMENT EMERGENCY COMMUNICATIONS

Talking points:

- The ACT Government has well established, well documented procedures in place to ensure accurate, consistent and timely information is provided to the Canberra community in the event on an emergency.
- Communications staff across the ACT Public Service receive regular training to ensure they are equipped to work in the Public Information Coordination Centre and keep our community informed during an emergency.
- All public information related to an emergency is provided through the ESA website, esa.act.gov.au the community is reminded to check this website as the single point of truth for information in the event of an emergency.

Key Information

- The ACT Community Communications and Information Plan (CCIP), a sub plan to the ACT Emergency Plan, details arrangements for effective communication by ACT Government Directorates with the public and the media before, during and after major emergencies and incidents.
- To ensure that the CCIP continues to meet the community requirements for the effective communication of public information, it is reviewed no less frequently than once every five years and was updated in 2018.
- The CCIP is complemented by a range of agency specific emergency plans and is consistent with the National Security Public Information Guidelines (NSPIG) in respect of a national terrorist situation.
- Under the CCIP, CMTEDD Communications is responsible for the establishment and coordination of a whole of government Public Information Coordination Centre (PICC) in the event of a major incident, utilising communications staff from across all directorates.
- To ensure effective training for staff preparedness in the event of an emergency, communications staff from across all directorates and ACT Policing Media staff are involved in a number of emergency training exercises annually. In 2017/18, this training included:
    - A discussion exercise for communications staff from all directorates to test the effectiveness of the new CCIP.

Cleared as complete and accurate:	25/05/2018	
Cleared by:	Executive Director	Ext:50035
Contact Officer Name:	Fiona Dolan	Ext:71757
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref: CM2018/2837

- Emergency Management training and familiarisation activity specifically targeted at new staff at the Director level.
- Discussion exercise for all members of the Coordinated Communications Network to prepare for likely scenarios ahead of the summer season, with participating stakeholders including ActewAGL, ACT Policing and Icon Water.
- Media liaison officer training to ensure communications staff are equipped appropriately in line with the Crowded Places Strategy.
- Discussion exercises to equip specific event staff and to assess their existing plans and protocols for major events, including the Rugby League World Cup, New Year's Eve, Australia Day and the National Multicultural Festival.

Background Information – may not be suitable for public disclosure

- CMTEDD Communications & Engagement revised and updated the CCIP in 2017 in consultation with all ACT Government Directorates, ACT Policing and the ESA Commissioner.
- It was circulated to SEMPG and SEMOG in late 2017, with minor updates provided and incorporated.
- In accordance with the ACT's draft guidelines for emergency plan management, the CCIP was exercised on 24 January 2018 and validated prior to its submission for approval.
- Participants in the discussion exercise included senior communications staff from all ACT Government directorates, ACT Policing and ACTEW AGL. JACS SEMB facilitated the event and ESA ECC was also represented.
- Key changes made to the CCIP from the 2011 version are:
  - Updating the ESA Commissioner's responsibility for community education and awareness in line with changes to the Emergencies Act 2004 (page 11).
  - Removing reference to the ACT Emergency Evacuation Policy which has been superseded (page 12) and clarifying CSD's role to identify and establish evacuation/recovery centres (page 13).
  - For clarity on transition to PICC activation levels, including advice on the centralisation of government communications to ensure a single source of truth (page 15).
  - Simplifying and using plain English to better describe PICC activation levels (page 15) and processes to determine PICC activation levels (pages 22 and 37).
  - Updating the PIC and Deputy PIC duty statements (pages 22 and 23).
  - Providing advice on PICC shift rostering (from 2 x 12 hour shifts to 3 x 8 hour shifts per day) given the demanding nature of operating in the PICC in the event of an emergency.

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: PROTOCOL AND CEREMONIAL EVENTS

Talking points:

- Communications and Engagement Division coordinate a number of ceremonial events for the Chief Minister.
- The Division also supports arrangements for flag mastings and the provision of wreaths for the Chief Minister and the Minister for Veterans and Seniors to attend commemorative events.

Key Information

- Ceremonial tree plantings
    - Communications and Engagement Division support the Department of the Prime Minister and Cabinet by coordinating ceremonial tree plantings with visiting guests of government.
    - Ceremonial tree plantings are conducted at the National Arboretum Canberra, in the Central Valley.
    - Costs associated with these events are borne by the National Arboretum Canberra and include a tree, plaque, and ground preparation.
    - Tree plantings often attract international and/or local media.
    - Plantings which took place in the 2017-18 financial year:
        - The Honourable Mr Manasseh Damukana Sogavare MP, Prime Minister of Solomon Islands and Madam Mrs Emmy Sogavare – August 2017
        - Her Excellency Kolinda Grabar-Kitarović, President of the Republic of Croatia – August 2017
        - His Excellency Mr Issoufou Mahamadou, President of the Republic of Niger – October 2017
        - Her Excellency Daw Aung San Suu Kyi, State Counsellor of the Republic of the Union of Myanmar – March 2018
- State visits
    - Communications and Engagement Division also supported the Department of the Prime Minister and Cabinet with a visit to the Majura Solar Farm with His Excellency Mr Issoufou Mahamadou, President of the Republic of Niger. This shows continuing interest in the ACT's renewable energy policy.

Cleared as complete and accurate:	29/05/2018
Cleared by:	Executive Director Ext: 50035
Contact Officer Name:	Sch 2 s2.2(a)(ii)
Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

- Functions
    - Communications and Engagement Division coordinated the ACT Australian of the Year Awards presentation. The event was held in October at the National Portrait Gallery.
    - The annual Chief Minister's Canberra Gold Awards were held after Canberra Day, with around 170 people in attendance.
    - The ACT Honour Walk ceremony was held in May, with around 60 people attending, including inductees or their representatives.
- Flag mastings
    - The Chief Minister has responsibility for approving any changes to the flag on City Hill.
    - Each year the Aboriginal or Torres Strait Islander flag is flown on City Hill for:
        - Sorry Day - May
        - Reconciliation Week – May/June
        - Mabo day – June
        - NAIDOC Week – July
        - International Day of World's Indigenous People – August
    - In 2018 the Chief Minister also agreed to fly the Aboriginal Flag on the Anniversary of the National Apology to the Stolen Generations in February. This will continue in future years.
    - Other flag masting notifications are advised by the Commonwealth Flag Office within the Department of the Prime Minister and Cabinet.
- Civic Hospitality expenditure
    - Below is a summary of expenditure on major functions supported through the Civic Hospitality Fund (as at 23 May 2018). This does not include some miscellaneous expenses.

Major Civic Functions	**Cost**
ACT Scientist of the Year - August 2017	$651
State Funeral for Mr Steven Doszpot MLA – December 2017	$12,529
Canberra Citizen of the Year and Chief Minister's Canberra Gold Awards – March 2018	$4,331
ACT Honour Walk – May 2018	$8,260
Community Functions	
Dante Alighieri Society morning tea	$230
Other	
Wreaths	$1,720
Flag raising	$2,891
Gifts (includes wrapping and packaging)	$481

Background Information – may not be suitable for public disclosure

- N/A

Cleared as complete and accurate: 29/05/2018
Cleared by: Executive Director Ext: 50035
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: HOW WELL CANBERRANS ARE INFORMED

Talking points:

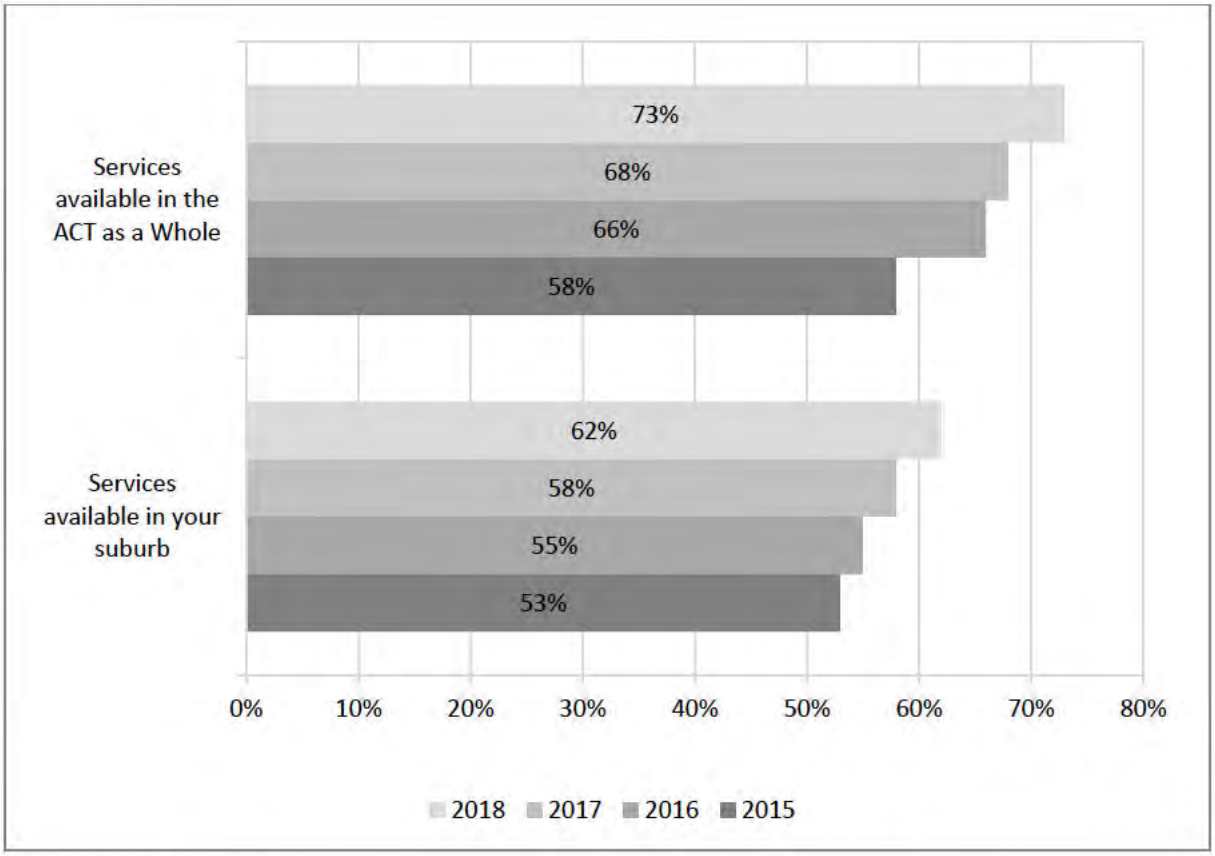
- The Directorate leads the Government's strengthened engagement commitment to deliver meaningful, responsive, accountable and inclusive opportunities for genuine engagement. It also leads the coordination of whole of government public information, to ensure the community is informed about what Government policies, projects and services.
- An indicator of the effectiveness of communications mechanisms of government is the community's perception of whether they are engaged and informed on important priorities, services and major projects.
- Canberra residents continue to feel more informed about the range of ACT Government services offered across the ACT, which has continued to grow from:
    - 58% in 2015, up to
    - 66% in 2016, up to
    - 69% in 2017; and to
    - 73% in 2018.
- Northern Canberrans feel most informed (78%), while Weston Creek (67%) and Tuggeranong (68%) feel the least informed.
- Those aged 35-44 (81%) and 75+ (80%) feel the most informed, both of which are key audiences for Facebook pages and Our Canberra. However 18-24 year olds (65%) felt the least informed.
- The delivering of specific regionalised content to Canberrans through Our Canberra and most recently the ACT Budget is helping to support the aim to better inform Canberrans.
- We are continuing to explore ways we can better inform and engage with young Canberrans.

Cleared as complete and accurate: 18/01/2018
Cleared by: Executive Director Ext:50035
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref:

BUDGET ESTIMATES BRIEF

Key Information



Source: ***ACT Government Communications research*****, JWS Research, 2015 and Orima 2016, 2017, 2018.**

Background Information – may not be suitable for public disclosure

- This question is asked as part of the Whole of Government Community Views research now conducted by Orima Research.

Cleared as complete and accurate: 18/01/2018
Cleared by: Executive Director Ext:50035
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref:

TAB 4 - Output 1.4 Digital Strategy

Brief Number	Brief Title	Budget Paper	Page No.
1.	Budget Initiative - Data Analytics for Smarter Policy	Statement B	52/56/61
2.	Role of the Office of the Chief Digital Officer	Statement B	16
3.	iConnect Program	Statement B	16

BUDGET ESTIMATES BRIEF

Portfolio/s: Chief Minister

ISSUE: DATA ANALYTICS FOR SMART POLICY - BUDGET INITIATIVE

Talking points:

- The Centre of Data Excellence (the Centre) will enable the government to make more evidence based decisions based on data across directorates.
- The Centre will also provide the technology platform to be used across government as well as the analytical expertise to make this a reality.
- Through automation and machine learning the program will provide new insights that are reproducible, data driven and timely. There will be much less scope for human error resulting from repetitive processes, and reports will be available on demand.
- The Centre will work closely with directorates to upskill and empower them to use data better.
- Privacy protection is at the core of this initiative.

Key Information

- The Centre will deliver:
    - The data technology platform which extracts, loads, holds and secures input data
    - The data governance frameworks for data sharing, security, privacy, prioritisation and program governance
    - The analytics capability –bringing on board the experts and toolsets to solve complex problems
    - The capability to automate manual processes through data automation to reduce time spent on low-value repetitive tasks
    - Increased ability to publish de-identified data through open data management reducing the time spent answering FOI requests and enabling businesses and academia to build on public data
- Budget over three years is $8.5M
- Recruitment is currently underway to staff the Centre, which will ultimately have a staff of 11.
- A three-tier operational governance model has been established that separates the strategic decisions from the day to day management of the Centre, consisting of a:

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TRIM Ref:

BUDGET ESTIMATES BRIEF

- Data Steering Committee – to determine the strategic direction for the Centre;
- Data Management Committee – overseeing the day to day decisions regarding technology, data governance and the Centre's general work; and
- Risk and Privacy Committee – managing risks associated with data management, data sharing, privacy and security.

Background Information – may not be suitable for public disclosure

- The OCDO ran a Pilot program during 2016/17, with five proof of concept projects that demonstrated the value of the technology platform and the analytical capabilities:
  - HR reporting
  - Working with vulnerable people
  - Workplace compliance
  - Alcohol related violence
  - Liquor licence reporting
- The Centre will create communities of practice and work to build data capability across the Service. This will include improving data governance, automation and analytical skills.
- The Data Steering Committee will prioritise cross directorate data analytics projects.
- The Centre will work with directorates to increase the availability of appropriate data for analysis within and across directorates.

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TRIM Ref:

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: ROLE OF THE OFFICE OF THE CHIEF DIGITAL OFFICER (OCDO)

Talking points:

- The Office of the Chief Digital Officer was created in 2015.
- The ACT Digital Strategy was released in 2016.
- A new Chief Digital Officer, Bettina Konti, joined the Office on 31 May 2018.
- The purpose of the OCDO is to create the conditions where the ACT can create better citizen experiences by leveraging emerging digital opportunities.
- The OCDO supports directorates to use technology to deliver better citizen interactions with government, improve government business processes, and make better decisions based on data.
- The OCDO is currently focusing on three key strategic areas:
    - Establishing the Centre of Data Excellence (the Centre)
    - Establishing a single, whole of government identity management and digital services platform (iConnect)
    - Providing strategic digital leadership

Key Information

- The ACT Digital Strategy (2016-2019) is a guiding set of principles with a focus on three dimensions:
    - Growing the Digital Economy
    - Delivering Digital Services
    - Building Digital Foundations
- The OCDO will build on these principles to drive a sustainable program of implementation, partnering with directorate teams as they build their digital capability and transform their business.
- The Strategy will be refreshed and reassessed during 2018/19 to reflect the rapidly changing nature of the digital environment.
- Data and digital identity will be key cornerstones of digital transformation. The OCDO will establish the Centre of Data Excellence and continue the work of iConnect

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TRIM Ref:

in further developing the identity management and digital identity platform that will make it easier for citizens to interact with government.

Background Information – may not be suitable for public disclosure

- The Centre of Data Excellence was funded for a total of $8.5M over three years in the 2017/18 Mid Year Budget Review.
- Recruitment is currently being finalised to staff the Centre.
- The Centre will provide the technical platform, along with the governance frameworks and the analytical ability, for government to better govern, understand and capitalise on the information assets it holds and manages.
- iConnect will continue to roll out digital identity and management for services across government.
- The OCDO will provide strategic leadership that will create the conditions for change, facilitating digital transformation across government.
- The OCDO will continue to provide leadership oversight and action the priorities of the Digital Service Governance Committee. This includes through the ICT Budget Bid Assessment process which provides expert technical advice to Budget Committee of Cabinet to inform decision making; coordinating the development of digital policies that will benefit all of government; and working across government to remove roadblocks to digital transformation.
- The OCDO will continue to advocate for the value of open data through active promotion of the open data portal dataACT (www.data.act.gov.au), and will work with directorates to identify, and publish, high value data sets.
- The OCDO will coordinate whole of government participation in Australia's largest community hackathon event, GovHack 2018. This will include sponsorship, promotion, and the development of challenges and publication of high value open data for use during the competition weekend.
- The OCDO will work to increase digital capability and awareness across the Service through engagement at all levels, organising educational events, promoting the use of the whole of government digital advisory service (through Ovum), writing blogs and communicating through different channels and modelling the behaviours that enable change.

BUDGET ESTIMATES BRIEF

Portfolio/s: Chief Minister

ISSUE: ICONNECT PROGRAM

Talking points:

- The ACT Digital Strategy 2016-2019 established a vision to create digital services built on; a) a single validated digital identity for citizens, b) citizen centred design, and c) mobile first design and delivery.
- The iConnect Program established a digital service design methodology to transform manual services into digital ones. The methodology is aligned with the Federal Digital Transformation Agency (DTA), providing best practice for how transactions and services should be researched, designed, implemented and iterated in a digital world.
- The Program delivered on its key accountability indicator in July 2017 by establishing the digital platform for a citizen to have a single validated digital identity.
- The Program has established a whole-of-government digital platform that provides:
    - Online verification of citizen identity enabling secure digital services;
    - A 'mobile app' providing the citizen facing aspects of each digital service;
    - Capability to enable 'single sign on' to any ACT Government system or service (meaning the citizen needs only one user name and password); and
    - The ability to proactively 'push' notifications to the citizen via the smart phone application, SMS or email to advise them of events (such as up-coming events, payment reminders, bookings).
- Since then, iConnect has focused its efforts on working with directorates to on-board services that citizens can consume. The following exemplar services are scheduled for release from June:
    - Community Services Directorate (CSD) My Family service that offers the ability for families to 'tell their story once', manage their own information and access services within CSD.

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TRIM Ref:

- CSD Office of Women ACT Diversity Register, to increase female and diverse participation on ACT government boards.
- A range of Housing ACT initiatives to transform the way it provides services including delivery of a mobile app for public housing tenants.
- Transport Canberra and City Services booking system for ACT Sportsgrounds, so it has 'single sign-on' and digital identity.

- Over time, the range and number of services that can be accessed through the ACT Digital Account will increase.

Key Information

- The iConnect program delivered its 2017-18 accountability to establish the core digital capabilities to provide online identity for citizens to access ACT Government services. The new accountability for 2018-19 covers the number of directorates systems integrated with the ACT Digital Account platform to enable citizens to use their digital identity to access citizen centric government services.
- In the 2014-15 ACT Budget the iConnect program was allocated $21.769m of funding across four years, and in the 2015-16 ACT Budget additional funding of $1.073m for 2018-19. Budget Cabinet recently re-profiled $0.450m of iConnect funding from the 2017-18 out to 2019-20. Program funding profile indicated below.

Appropriation type	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	2018-19 $'000	2019-20 $'000	Total
Capital	$0	$3,631	$8,909	$5,402	$1,673	$450	$20,065
Recurrent	$1,377	$80	$120	$100	$100	$0	$1,777
Total	**$1,377**	**$3,711**	**$9,029**	**$5,502**	**$1,773**	**$450**	**$21,842***

*Note total figure is $1m less than original total funding due to $.5m capital savings allocated in 2016-17 and 2017-18.

Background Information – may not be suitable for public disclosure

- The whole-of-government digital platform is available now for all directorates to utilise as the front door for their digital transactions. Additionally, the single sign-on capability is also able to be utilised by all directorates to access existing citizen facing systems all with a single log-on. As future business cases are brought forward any assessment should ensure that the citizen experience is identified and delivered by the whole of government digital platform, ensuring a 'One Service' approach to digital delivery and in the way the citizen wishes to consume services.
- The iConnect program has been working collaboratively with the DTA to develop an identity proofing approach that aligns with the direction of its Trusted Digital Identity Framework to, at some point in the future, enable customers to consume digital services across Commonwealth and Territory services with a single verified identity (on an opt in basis).

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TRIM Ref:

TAB 5 - Corporate Management			
Brief Number	**Brief Title**	**Budget Paper**	**Page No.**
1.	CMTEDD staff numbers and diversity	Statement B	4
2.	Strategic Objective and Accountability Indicator changes	Statement B	29

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: CMTEDD STAFFING NUMBERS AND DIVERSITY

Talking points:

Table 1: Estimated Employment Level

	2016-17 Actual Outcome[1]	2017-18 Budget[2]	2017-18 Estimated Outcome[1]	2018-19 Budget[2]
Staffing (FTE)	2,358	2,342	2,350[3]	2,391

Note(s):

1. These figures relate to staffing levels as at 30 June for the indicated year.
2. These figures relate to estimated average annual staffing figures.
3. The difference between the 2017-18 Estimated Outcome and the 2017-18 Budget may be attributed to staff turnover actions, including backfilling arrangements.

- The difference between the 2018-19 Budget figure and the 2017-18 Estimated Outcome is primarily due to a net increase in staffing resources associated with the 2018-19 Budget.
- All figures exclude ACT Insurance Authority, Independent Competition and Regulatory Commission, and Superannuation Provision Account staff.

- The estimated increase of 8 FTE (0.3%) from the 2017-18 Budget to the 2017-18 Estimated Outcome may be attributed to staff turnover actions, including backfilling arrangements.
- The estimated increase of 49 FTE (2.1%) from the 2017-18 Budget to the 2018-19 Budget is primarily due to:
    - an increase of 50.1 FTE associated with funding of new initiatives;
    - an increase of 11 FTE associated with the establishment of the Centre of Data Excellence within the Office of the Chief Digital Officer;
    - an increase of 4 FTE associated with an increased intake of graduates in the 2019 ACTPS Graduate Program;
    - a net increase of 2.9 FTE resulting from variations in staffing profile across the Directorate; and
    - these increases are offset by a decrease of 19 FTE associated with ceasing budget initiatives.
- Note – The estimated increase of 49 FTE is also impacted by minor variation in staffing profile attributed to staff turnover actions.

Cleared as complete and accurate:	30/05/2018	
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TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Executive Employment

- As at 18 April 2018, there were 75 staff employed in executive positions in CMTEDD. Of these, 26 (35%) were women and 49 were men (this excludes executives in ACT Insurance Authority (ACTIA) who report separately). This is an increase of 3 headcount since June 2017.

Senior Officer Employment

- As at 18 April 2018, there were 868 staff employed in Senior Officer positions in CMTEDD. Of these, 381 (44%) were women and 487 were men (this excludes Senior Officers in ACTIA and Superannuation Provision Account who report separately).

CMTEDD Workforce Diversity Strategy

- CMTEDD has in place a Workforce Diversity Strategy (the Strategy), which aims to develop and sustain a culture of inclusion and reduce barriers to accessibility. The implementation of the Strategy is supported by the CMTEDD Diversity and Inclusion Working Group, which comprises of approximately 17 employees from across the Directorate and an executive sponsor (Kareena Arthy, Deputy Director-General – Enterprise Canberra). The Strategy is implemented through an Action Plan that contains a number of deliverables. These deliverables are reviewed on an annual basis. A new Diversity Strategy is currently being developed in consultation with the Diversity Working Group and is due to be released in late 2018.

CMTEDD Reconciliation Action Plan

- CMTEDD launched its first CMTEDD Reconciliation Action Plan (RAP) on 30 May 2017. The implementation of CMTEDD's first RAP is supported by the CMTEDD RAP Implementation Working Group, which comprises of approximately 24 employees from across the Directorate with an executive sponsor (David Miller, Director – Skills Canberra). The CMTEDD RAP includes a number of actions that will support a culturally inclusive workplace and improve the outcomes of Aboriginal and Torres Strait Islander staff. CMTEDD will commence development of its second RAP in November 2018.

Diversity Statistics

- As at 18 April 2018, 110 (4.6%) of CMTEDD employees identified as a Person with Disability.
- As at 18 April 2018, 27 (1.1%) of CMTEDD employees identified as being of Aboriginal and/or Torres Strait Islander background.
- As at 18 April 2018, 452 (18.9%) of CMTEDD employees identified as culturally and/or linguistically diverse.

Cleared as complete and accurate:	30/05/2018	
Cleared by:	Executive Director	
Contact Officer Name:	Robert Wright	Ext:70569
Lead Directorate:	Chief Minister, Treasury and Economic Development	

TRIM Ref: CM2018/2837

ACT Government

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: STRATEGIC OBJECTIVES AND ACCOUNTABILITY INDICATOR CHANGES

Talking points:

- Each year as part of the Budget development process, my Directorate reviews its Strategic Objectives and Accountability Indicators to ensure that the most useful, relevant and up-to-date information is being provided.
- As part of the development of the CMTEDD 2018-19 Budget Statement, business units considered recommendations made in the recent Auditor-General report *ACT Government Strategic and Accountability Indicators Report No. 2/2018*.
- That report has stated that the ACT Government existing accountability indicators are effective in measuring our performance, even advising it may be appropriate to have fewer accountability indicators, while indicating there is scope to improve the indicators that measure the ACT Government's progress toward key strategic priorities.
- CMTEDD's Objectives and Indicators have been updated to reflect current focus and priorities, including whole of government strategy and policy development, workforce planning and capability development, community engagement, the growth and diversity of innovation sector activity, and the digital transformation of government services.
- This year's Strategic Objectives and Accountability Indicators also include expanded explanatory footnotes describing changes made and providing more detailed information on what is being measured and how.

Key Information

- CMTEDD annually reviews the descriptions of proposed indicators as part of the development of the relevant budget statements, explanations of what is being measured, how results are calculated and the documentation to be provided to the Audit Office as evidence of the results.
- Internally, this review process is supported through the development of detailed audit worksheets for each accountability indicator. These include a description of the indicator, an explanation of what is being measured and how this is calculated, and the documentation to be provided as evidence of the result.

Cleared as complete and accurate:	25/05/2018
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Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

TAB 6 - ACT Executive			
Brief Number	**Brief Title**	**Budget Paper**	**Page No.**
1.	ACT Executive Functions and Hospitality	Statement A	1
2.	ACT Executive Travel	Statement A	3
3.	ACT Executive Impact of Remuneration Tribunal	N/A	N/A

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: ACT EXECUTIVE – FUNCTIONS AND HOSPITALITY

Talking points:

- The Chief Minister's Civic Hospitality Fund was established to arrange functions and events relating to the Chief Minister's role as Head of Government, such as major Territory functions or those involving inter-governmental hospitality.
- The Fund is also used to support flag mastings and the provision of wreaths for the Chief Minister and the Minister for Veterans and Seniors to attend commemorative events.
- The level of expenditure for Civic Hospitality depends on official functions and duties throughout a financial year.
- This expenditure sits within Supplies and Services. The Civic Hospitality allocation is managed throughout the year depending on requirements and any overspend is managed within existing resources.
- In 2017-18 $55,000 was allocated to Civic Hospitality.

Key Information

- Below is a summary of expenditure on major functions supported through the Civic Hospitality Fund (as at 22 May 2018). This does not include some miscellaneous expenses.

Major Civic Functions	**Cost**
ACT Scientist of the Year - August 2017	$651
State Funeral for Mr Steven Doszpot MLA – December 2017	$12,529
Canberra Citizen of the Year and Chief Minister's Canberra Gold Awards – March 2018	$4,331
ACT Honour Walk – May 2018	$8,260
Community Functions	
Dante Alighieri Society morning tea	$230
Other	
Wreaths	$1,720
Flag raising	$2,891
Gifts (includes wrapping and packaging)	$481

Background Information – may not be suitable for public disclosure

- The ACT Honour Walk induction and ceremony is held biennially, so this was an additional expense compared with 2016-17.
- An additional expense in the 2017-18 financial year was the State Funeral for Mr Steven Doszpot MLA.

Cleared as complete and accurate: 23/05/2018
Cleared by: Executive Director Ext: 50035
Contact Officer Name: Sch 2 s2.2(a)(ii)
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: ACT EXECUTIVE - TRAVEL

Talking points:

- Official travel to further the interests of the ACT is a component of ministerial duties. The majority of official travel is domestic and predominantly relates to Council of Australian Government meeting requirements.
- Overseas travel undertaken by ministers and any accompanying directorate officials is in accordance with the international engagement strategy, which provides a clear commitment to building enduring international relationships for the economic, cultural and social benefit of the Territory.
- Ministerial Statements providing advice around the details of international travel, including destinations, objectives and benefits for the Territory, are generally delivered by relevant Ministers within the first sitting period after the travel has been undertaken.
- Detailed bi-annual reports on all official travel undertaken by Ministers are available on the ACT Legislative Assembly website.
- Following the implementation of the new *Freedom of Information Act 2016,* information publically reported from 1 January 2018 will include both Ministerial and Ministerial staff travel. These will be quarterly reports, with the January-March 2018 report to be published in June 2018.

Key Information

	International trips	**Domestic trips**	**Cost as per Minister Travel report (Ministers only)**
2017-18 (to end May 18)	8	47	n/a
2016-17	8	38	$126,410
2015-16	8	35	$140,017

- Travel expenditure for Ministers and staff to the end of April 2018 including domestic and international airfares, accommodation and travel allowance is approximately $287,000.
- Previous years' travel expenditure identified in the Financial Statements in the Annual Reports:

2016-17	$0.240m
2015-16	$0.353m

Cleared as complete and accurate: 25/05/2018
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Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Cleared as complete and accurate:	25/05/2018
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Lead Directorate:	Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

BUDGET ESTIMATES BRIEF

Portfolio/s Chief Minister

ISSUE: ACT EXECUTIVE - IMPACT OF REMUNERATION TRIBUNAL

Talking points:

- The Remuneration Tribunal's Determination 2 of 2018 resulted in an increase to Member's base remuneration by 2.5% from 1 July 2018.

Key Information

- The 2018-19 Budget will provide the following additional appropriation to fund the impact of Remuneration Tribunal Determination 2 of 2018.

	2017-18 Estimated Outcome	2018-19 Budget	2019-20 Estimate	2020-21 Estimate	2021-22 Estimate
	$'000	$'000	$'000	$'000	$'000
Remuneration Tribunal Outcome - MLAs	0	58	58	58	58

Background Information – may not be suitable for public disclosure

- The Tribunal called for submissions in January 2018 to support its annual Autumn review of Member's salary, allowances and other entitlements.
- The Tribunal considered submissions along with a comprehensive briefing from Treasury officials on the prevailing economic circumstances for 2018.

Cleared as complete and accurate: 18/01/2018
Cleared by: Director-General
Contact Officer Name: Robert Wright Ext: 70569
Lead Directorate: Chief Minister, Treasury and Economic Development

TRIM Ref: CM2018/2837

Output Class 5: Workplace Safety & Industrial Relations	
Industrial Relations Policy	
1.	ACTPS Return to Work Interventions
2.	ACTPS Comcare workers' compensation premium
3.	Public Sector Self-Insurance Workers' Compensation
4.	ACTPS work injury experience
5.	Inquiry into the extent, nature and consequence of insecure work in the act
6.	ACT representation on Safe Work Australia
7.	Construction industry injury management performance
8.	ACT Work Safety Council
9.	Apprentice and Young Workers Safety
10.	Local Jobs Code
11.	ACT Workers' compensation scheme
12.	Independent review of compliance and enforcement
ACT Long Service Leave Authority	
13.	Portable Long Service Leave – performance of schemes and industry levies

BUDGET ESTIMATES BRIEF

Portfolio: Workplace Safety & Industrial Relations

1 ACT PUBLIC SECTOR RETURN TO WORK INTERVENTIONS

Talking points:

- The ACT Government has developed initiatives to support the public sector workforce to stay at or return to work following injury.
- The initiatives include additional training and resources for managers in relation to the prevention and early and effective management of psychological injury.
- Two pre-illness and early intervention programs are being piloted in 2018-19. These programs will include interventions to support managers to identify and implement reasonable adjustment to support work participation and interventions to utilise facilitated discussions to prevent the escalation of issues that may lead to illness or injury.
- A program to streamline return to work for those not able to return to their pre-injury role has been developed and will be implemented in 2018-19.
- An early intervention physiotherapy program will continue in 2018-19.
- These pilot programs will contribute to the evidence base about the interventions and approaches to best support our workers to participate in work.

Background Information

- The 2017-18 Budget included $1.4 million over four years to further support the ACT Public Sector workforce through return to work and retraining initiatives. The initiatives will reduce the social and economic cost of work injury and improve ACTPS productivity by addressing levels of work absence arising from injury and illness.

Portfolio: Workplace Safety & Industrial Relations

2 ACTPS COMCARE WORKERS' COMPENSATION PREMIUM

Talking points:

- In 2018-19, I expect that the premium rate paid to Comcare by the Territory for workers' compensation insurance will remain stable, at around 2.76 per cent.
- The total cost would be around $64 million exclusive of GST.
- Although the total premium is expected to remain largely unchanged from 2017-18, the underlying experience is more mixed.
- For example, liability reductions arising from improved rehabilitation and return to work performance have been offset by cost increases arising from external factors, such as changes in inflation and discount rates and increases in the retiring age and Comcare claim administration costs.

Background Information

- 2016-17 premium rate – 3.74% ex GST ($80m)
- 2017-18 premium rate – 2.74% ex GST ($60m)
- 2018-19 premium rate (expected) – 2.76% ex GST ($64m)

Portfolio: Workplace Safety & Industrial Relations

3 PUBLIC SECTOR SELF-INSURANCE FOR WORKERS' COMPENSATION

Talking points:

- In December 2017, the ACT Government determined it would apply to become a licensed self-insurer within the Comcare scheme - to support a move to a best practice claims administration model.
- Being a licensed self-insurer means the Territory would be responsible for the entire workers' compensation claims management process, allowing greater investment in and better integration of workers' compensation, rehabilitation and health and safety services.
- A third party claims administrator will be engaged via an open procurement process to take over the claims administration services currently provided by the Commonwealth, through its insurer, Comcare.
- The licence application is expected to be submitted to the Safety, Rehabilitation and Compensation Commission for consideration at its November 2018 meeting.
- If approved, the transition to the self-insurance licence operating model will commence early in 2019.
- All claims, past and future, would transfer to the Territory under the self-insurance model.

Background Information

- The Territory is a deemed a Commonwealth authority for the purposes of the Safety, Rehabilitation and Compensation Act (SRC Act). While Commonwealth authorities are restricted under the SRC Act from engaging an external claims administrator, the Minister for Small Business, the Workplace and Deregulation has agreed to remove this limitation for the ACT Government through an amended Direction.

- There has been extensive consultation with employees and their representatives. The Self-insurance Technical Advisory Group was established in January 2018 with representatives of CPSU, AMWU and AEU. This group has provided input into:
    - the staff engagement and consultation framework, including the "Your Experience" survey for all ACT Public Sector employees;
    - the claim management performance framework, operational KPIs, performance service standards, and incentive outcome targets; and
    - procurement evaluation criteria for the claim administrator tender.

Portfolio: Workplace Safety & Industrial Relations

4 ACTPS WORK INJURY EXPERIENCE

Talking points:

- The ACT Government is committed to providing safe and healthy workplaces and minimising work injuries. It has funded a Workers' Compensation and Work Safety Improvement Plan since 2012.
- The number of lost time work injuries reported to date in 2017-18 is in line with 2016-17 results, at 169.
- The average cost of a work injury in 2017-18 is 11 per cent lower than for the previous year, which suggests that we are seeing improvements in return to work and rehabilitation services.
- The rate of compensable psychological injuries has also been stable, with around 7 per cent of all accepted workers' compensation claims being for psychological injury.
- Half of the accepted psychological claims for 2017-18 are attributed to workplace bullying and harassment.
- Members may have noted indicator N for Output Class 5.1 in the Budget Papers is designed to measure how effectively the Territory is reducing work injuries.
- The key performance indicator was modified for 2017-18 to adopt a work injury definition that is consistent with the *Australian Work Health and Safety Strategy* published by Safe Work Australia.
- The accountability measures the number of workers' compensation claims resulting in absence from the workplace of one week or more.
- At the time of drafting, it was estimated that the Territory would achieve an improvement of more than 23 per cent in 2017-18. This is a remarkable improvement and demonstrates that our investment in improving our rehabilitation services is paying dividends.

Portfolio: Workplace Safety & Industrial Relations

5 INQUIRY INTO THE EXTENT, NATURE AND CONSEQUENCE OF INSECURE WORK IN THE ACT

Talking points:

- I note the Standing Committee responsible for the inquiry was unable to reach agreement on recommendations to reduce the prevalence of insecure work in the ACT. Instead Committee Members presented their differing views in accordance with standing order 251.
- Whilst I'm disappointed the Committee was unable to present the Assembly with recommendations I do not want the valuable work of the Committee to be lost.
- On this basis I have asked the Workplace Safety and Industrial Relations Division to coordinate a response to the report giving due consideration to its content, including the dissenting recommendations.

Background Information

- On 22 February 2017 the Standing Committee on Education, Employment and Youth Affairs resolved to inquire into the extent, nature and consequence of insecure work in the ACT.
- The Committee received 39 submissions and held public hearings on 8 September, 12 and 19 October 2017.
- The Committee provided its report to the Assembly on 8 May 2018.
- Government members of the Committee made 37 recommendations whilst opposition Committee members made 19 recommendations.

Portfolio: Workplace Safety & Industrial Relations

6 ACT REPRESENTATION ON SAFE WORK AUSTRALIA

Talking points:

- The Territory is an active participant in the work of Safe Work Australia.
- The ACT Government is represented on the Safe Work Australia committee as well as its:
    - Strategic Issues Group on work health and safety;
    - Strategic Issues Group on workers' compensation; and
    - Multiple temporary advisory groups.
- By participating in these committees, the ACT will contribute to the various reviews being undertaken, including the review of the national model work health and safety legislation.
- In accordance with the Intergovernmental Agreement, the Commonwealth provides 50 per cent of the funding to maintain Safe Work Australia. The remaining 50 per cent is paid by the states and territories on a per capita basis.
- In 2018-19 the ACT will contribute $171,523.97 to Safe Work Australia, excluding GST.

Background Information

- The ACT is party to a COAG Intergovernmental Agreement for Regulatory and Operational Reform in Occupational Health and Safety. This agreement established Safe Work Australia as a national policy setting body whose key role is to improve work health and safety and workers' compensation arrangements across Australia.

Portfolio: Workplace Safety & Industrial Relations

7 CONSTRUCTION INDUSTRY SAFETY PERFORMANCE

Talking points:

- The Government's focus, particularly since the release of the Getting Home Safely report in late 2012, has been to assist industry prevent workplace injuries.
- In 2012-13, which was the year the Getting Home Safely Report was commissioned, there were 540 lost time injury workers' compensation claims reported in construction.
- Since this time the Government has worked closely with the safety regulator, industry and worker representatives to improve the safety culture in the construction industry.
- To highlight the continued importance of construction safety the ACT Work Safety Council has established a Construction Safety Advisory Committee to plan how to improve safety in the construction industry.
- The Government strongly supports the fact that this committee brings together the Housing Industry Association, CFMEU, Unions ACT, Electrical Trades Union and the Master Builders Association to consider construction safety.
- The Committee is currently working on a new safety strategy for the industry and I look forward to receiving its recommendations.

Key Information

ACT Construction Industry Time Lost Claims

	2012-13	2013-14	2014-15	2015-16	2016/17
Construction	540	340	401	406	444

(Source: ACT Private Sector Workers' Compensation 2016/17 Trend Report (2/3/18)).

Portfolio: Workplace Safety & Industrial Relations

8 ACT WORK SAFETY COUNCIL

Talking points:

- The Government is committed to ensuring the safety of all workers in the ACT and the Work Safety Council plays a vital role in providing me with advice.
- The Council meets quarterly and consists of representatives from Government, industry and unions to represent the views and interests of local businesses, workers and the community.
- Four sub-committees have been established to assist the Council in its operation. The sub-committees provide advice on construction, occupational violence, vulnerable workers and apprentices and young workers.
- In addition, the Council's Strategic Business Plan also calls for consideration to be given to:
    - asbestos safety;
    - insecure work, including labour hire industry compliance with safety and injury management; and
    - the promotion of strong industry leadership and injury management/safety awareness within industry and government.

Portfolio: Workplace Safety & Industrial Relations

9 APPRENTICE AND YOUNG WORKERS SAFETY

Talking points:

- Budget Paper Three announces that the Government will establish an advice service to provide young and vulnerable workers with information regarding their rights and protections at work. Funding of $470,000 over four years has been allocated to the initiative.
- An inspector position at WorkSafe ACT has also been established with a dedicated focus on workplaces of Australian Apprentices. An appointment to this position is expected shortly.
- I have also established a fixed term sub-committee under the ACT Work Safety Council to consider and provide advice to me on how best to ensure apprentices and trainees are working in safe environments, and are aware of their workplace safety rights and obligations.
- The Committee held its ninth and final meeting on 15 May. The Committee will now recommend remedial actions to improve safety, health and well-being matters which will be considered by the ACT Work Safety Council. A final report will be provided to me in July 2018.
- I am aware that in the Higher Education, Training and Research portfolio, Skills Canberra has introduced a system to fast track field officer visits for Australian School Based Apprenticeships, so they occur within the first two months of a training contract's approval.

Background Information

- In August 2017, the Minister for Workplace Safety and Industrial Relations asked the Work Safety Council to form a subcommittee to advise on how best to ensure that

apprentices and young workers are working in safe environments and are aware of their workplace safety rights and obligations.

The Committee's objectives are to:

- consider the adequacy of existing regulatory frameworks and guidance material for the purpose of ensuring the workplace safety, health and well-being of apprentices, trainees, and young workers;
- inform the ACT Work Safety Council on the current state of workplace safety management practices with regard to apprentices, trainees, and young workers, with a focus on industries and/or types of employment that are more likely to put apprentices, trainees, and young workers at risk of poor safety, health and well-being outcomes;
- recommend remedial actions to the ACT Work Safety Council for consideration; and
- facilitate tripartite stakeholder partnerships to drive industry safety improvements for apprentices, trainees, and young workers through consultation, awareness, and training.
- At its 20 December 2017 meeting, members agreed to hold individual meetings for each of the top six industries from the where majority of the apprentices, trainees and young workers are employed; these industries were: Tourism, Travel and Hospitality, Construction and Plumbing, Business Services, Community Services, Electrical and Retail.

Portfolio: Workplace Safety & Industrial Relations

10 SECURE LOCAL JOBS CODE

Talking points:

- The ACT Government is fulfilling its election commitment to deliver a Secure Local Jobs Package.
- The ACT Government will use its purchasing power to deliver better outcomes for Canberra workers and local business.
- A Secure Local Jobs Package would include an integrated suite of measures directed at ensuring that only businesses that meet the highest ethical and labour standards will be awarded government contracts.
- A key component of the Package will be the introduction of a legislated Local Jobs Code which will set out roles, responsibilities and obligations of both Territory entities and the entities the Territory contracts with.
- The Package will:
    - streamline existing procurement requirements;
    - enhance compliance and enforcement measures; and
    - provide a clear, transparent process for resolving issues that arise with respect to ACT Government contracts.
- The ACT Government released an information paper about the Package on 2 February, with stakeholders invited to provide their feedback by 2 March 2018.
- One of the key messages arising from this consultation was that stakeholders would like the opportunity to review a draft Local Jobs Code. In response, the ACT Government intends to release a draft code.

Portfolio: Workplace Safety & Industrial Relations

11 ACT WORKERS' COMPENSATION SCHEME

Talking points:

- In 2016-17
    - the ACT workers' compensation scheme provided work injury insurance coverage for around 16,500 ACT employers and 140,000 workers.
    - there were 2,062 lost time injury claims, at a rate of 0.24 claims per $ million in wages – which is a historic low level of lost time injuries.
    - the estimated average reasonable premium rate was 2.58 per cent of wages and salaries, however employers actually paid a lower premium rate, of 1.99 per cent due to the market remaining highly competitive.
- The ACT workers' compensation 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 2018-19 financial year are now available on the Access Canberra and CMTEDD websites. They range from 0.39 per cent to 17.07 per cent of wages.

Portfolio: Workplace Safety & Industrial Relations

12 INDEPENDENT REVIEW OF COMPLIANCE AND ENFORCEMENT

Talking points:

- The ACT Government is committed to ensuring that the health and safety of Canberra's workers is protected and improved.
- Recognising that best practice in work health and safety is constantly evolving Minister Ramsay and I have announced a review of the ACT's work safety compliance infrastructure, policies and procedures.
- We have secured the services of Dr Claire Noone of NOUS Group to lead the review. Dr Noone brings significant expertise to this work, having recently chaired Victoria's Independent Review of Worksafe Compliance and Enforcement.
- I look forward to receiving Dr Noone's report in September 2018.

Background Information

- You and the Minister for Regulatory Services, Gordon Ramsey MLA, announced the independent review on 24 May 2018.
- The terms of reference for the review are to consider and make recommendations on the appropriateness and effectiveness of the ACT's work safety compliance and enforcement infrastructure, policies and procedures, in doing so specific regard should be given to:
    - the approach to safety compliance and enforcement detailed in WorkSafe ACT's Compliance Framework;
    - the appropriateness and effectiveness of WorkSafe ACT's governance structure, including the roles, legislative responsibilities and functions of the Work Safety Commissioner, the Regulator and relevant Ministers;
    - the appropriateness and effectiveness of WorkSafe ACT's organisational structure, including consideration of its independence and operational effectiveness in its current status as a business unit within Access Canberra; and

the ACT's collection, use and analysis of data and the impact and effectiveness of information sharing within Access Canberra and across government to drive work safety compliance and enforcement activities.

Portfolio: Workplace Safety & Industrial Relations

13 ACT PORTABLE LONG SERVICE LEAVE SCHEMES

Talking points:

- Employer levies on ordinary wages to cover the costs of the schemes were reduced effective from 1 April 2018. The employer levy rates are now:
    - 2.10% for building and construction (reduced from 2.50%)
    - 1.20% for community (reduced from 1.60%)
    - 1.20% for cleaning (reduced from 1.60%); and
    - 1.07% for security (reduced from 1.47%).
- The levy rates were reduced on the recommendation of the Authority's Governing Board, after receipt of the triennial actuarial review and taking into consideration solid investment returns, strong revenue collection and efficiencies in administration.
- The current expected return on investments is 6.4% above CPI averaged over five years for each administered scheme.
- The Authority relocated its operations in October 2017 from ageing accommodation on Constitution Avenue in Campbell to Bruce.

Key Information

- The Authority expects to meet or exceeded all Key Performance Indicators as set out in the 2017-18 Statement of Intent, including a strong return on investments of 6.4% above CPI (averaged over five years). The target as outlined in the Authority's Statement of Intent is 3.5% above CPI averaged over five years for each administered scheme.
- The Authority engages an independent actuary to conduct an annual long service leave liability valuation and financial projections. The Actuary also performs a comprehensive triennial review of the administered portable long service leave schemes to assess the appropriateness of the levy rates and actuarial assumptions. Following from the latest

triennial review at 30 June 2017, the levy rates were reduced by 0.4 per cent for all schemes, effective 1 April 2018. The next triennial review will be at 30 June 2020.

- The Authority is currently holding the Constitution Ave, Campbell strata units as assets held for sale. The sale of these units is expected to be completed by early 2019.

Background Information

- 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.
- The Act was amended to provide for ACT aged care workers and waste workers to be covered under the community sector scheme and contract cleaning scheme respectively from 1 July 2016.

Key messages regarding recent announcements in Victoria and NSW about **fee free** apprenticeships/training opportunities.

- The ACT has just signed up to the Skilling Australians Fund which aims to deliver an additional 300,000 apprentices nationally over the period to 2021-22.

- To contribute to this target and attract funding under the SAF the ACT is considering a range of options considered likely to increase apprenticeship commencements (i.e. nothing is off the table).

- At this point in time, the ACT does not explicitly offer fee-free qualifications through our major funded programs (apprenticeships and Skilled Capital).

- Main reasoning behind this is the argument that having some 'skin in the game' increases the value of the training to that individual and the investment encourages the students to continue their training, even if the cost is quite low.

- It's also not clear that fees in the ACT are acting as a barrier to apprenticeship uptake. While nationally apprenticeship commencements have been in decline since 2012, the ACT has recorded the largest proportional increase in apprenticeship commencements in recent years, with a 47% increase from 2014-15 to 2016-17.

- Furthermore, the ACT provides a completion bonus to students to encourage their completion, which means they effectively get money back if they complete the qualification.

- Concessions on fees are also available for healthcare card or pension card holders, or anyone who can demonstrate genuine hardship. RTOs are also able to waive the remaining fees for these disadvantaged students.

- CIT also offers a comprehensive range of student concessions.

- Some of our key areas of focus to increase apprenticeship commencements includes our work with education in increasing VET exposure and opportunities in schools.

- Increasing pre-apprenticeship opportunities and improved supports for ASBA pathways are likely to be an important part of strengthening the pipeline of young people into post-school VET pathways.