



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Brendan Smyth MLA (Chair), Mary Porter AM MLA (Deputy Chair), Chris Bourke MLA,
Nicole Lawder MLA

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Inquiry into 2012–13 Annual reports

**Economic Development portfolio
Tourism and Events portfolio (Tourism matters only)**

Responses to questions taken on notice at public hearing of 19 December 2013



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

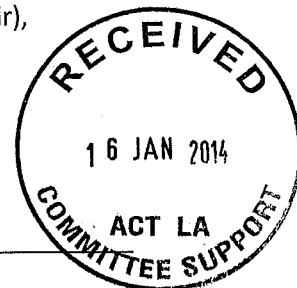
Q To N

PAC No: 1

19 Dec 13

STANDING COMMITTEE ON PUBLIC ACCOUNTS
Mr Brendan Smyth MLA (Chair), Ms Mary Porter MLA (Deputy Chair),
Dr Chris Bourke MLA, Ms Nicole Lawder MLA

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Smyth on 19 December 2013: Mr O'Leary took on notice the following question(s):

[Ref: Hansard Transcript, 19 December 2013, page 206-207]

In relation to: Brand Canberra Campaign Expenditure

THE CHAIR: Can you provide a breakdown of the \$2.8 million cost for the branding Canberra campaign and what will happen with the brand now that we have got it?

Mr Barr: Certainly. There are two components: there is the development phase and then there is an activation phase. As to the costs to date, I will get Mr O'Leary to provide that detail. It is a bit less than \$500,000 as a starting point, and then there is the activation phase.

Mr O'Leary: To date, there has been approximately 460,000 operational dollars spent on the project. Those dollars have been spent in financial years: \$42,000 or thereabouts in 2011-12, \$316,000 in 2012-13 and \$82,000 to date this year.

In answer to your question regarding what has that money been spent on, without giving precise allocations, which I could take on notice.

Mr Barr: The answer to the Member's question is as follows:-

Work Package One valued \$42,383.63, work includes:

- Research
- Stakeholder consultations
- Analysis and strategy development
- Brand expression
- Insight and Research briefing
- Questionnaire design
- Survey Build
- Data collection and analysis
- Reporting
- Project management.

Work Package Two valued \$275,000, work includes:

- Creative development

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- Communications Plan
- Activation Plan
- Raising Brand Awareness
- Travel and Incidentals.

Work Package Three is currently under contract as of 19 December 2013 of which \$82,042.01 has been paid and includes:

- New Brand Identity
- Strategic Communications
- Website design and development
- Consultation
- Brand launch.

Two work orders have been contracted:

- The first work order was to develop and produce a video for the brand and was valued at \$25,000.
- The second work order was for creative development of the Brand valued at \$20,000.

Approved for circulation to the Standing Committee on Public Accounts

Signature: 

Date: 14.1.14

By the Minister for Tourism and Events, Andrew Barr MLA



QTON
LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

PAC No: 2

19 Dec 13

STANDING COMMITTEE ON PUBLIC ACCOUNTS
Mr Brendan Smyth MLA (Chair), Ms Mary Porter MLA (Deputy Chair),
Dr Chris Bourke MLA, Ms Nicole Lawder MLA

**ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS**



Asked by Mr Smyth on 19 December 2013: Mr O'Leary took on notice the following question(s):

[Ref: Hansard Transcript, 19 December 2013, page 207]

In relation to: Consultant companies engaged to develop the Brand Canberra Campaign

THE CHAIR: Can you nominate campaigns that they have developed for other jurisdictions in terms of brand?

Mr O'Leary: I would have to take that on notice but, anecdotally, certainly Generation Alliance have undertaken work for both Parramatta and Penrith in Sydney. I am aware of that. There are others, and I will take that on notice.

Mr Barr: The answer to the Member's question is as follows:—

Companies contracted to work on Brand Canberra have experience in developing city brand campaigns for the following jurisdictions:

- Penrith
- Botswana
- Destination NSW
- Australian Capital Tourism
- Spirit of Tasmania
- Incredible India
- Hong Kong Tourism board.

Approved for circulation to the Standing Committee on Public Accounts

Signature: *Andrew Barr*

Date: 14.1.14

By the Minister for Tourism and Events, Andrew Barr MLA



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

QTON

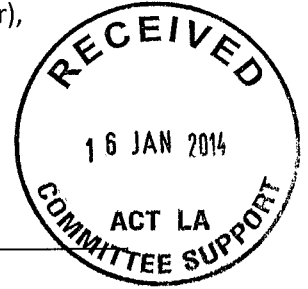
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19 Dec 13

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Mr Brendan Smyth MLA (Chair), Ms Mary Porter MLA (Deputy Chair),
Dr Chris Bourke MLA, Ms Nicole Lawder MLA

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Smyth on 19 December 2013: Mr Barr took on notice the following question(s):

[Ref: Hansard Transcript, 19 December 2013, page 214]

In relation to: Centenary of Canberra Taskforce

THE CHAIR: Minister, at the tourism awards last year you announced that you had set up a task force to look at the effectiveness of the centenary and the long-term benefits. Has that task force been set up? Who is on it? What are their terms of reference? And when will they report?

Mr Barr: I think you are slightly paraphrasing what I said, but I understand the intent of the question. Yes, there will be an evaluation process in relation to the centenary. That has been coordinated within CMTD, but there will be input. Clearly we have data and metrics on the particular relevance of the centenary program that was either delivered by Events ACT or predominantly supported through Visit Canberra or through sports. We undertook specific research in relation to, for example, the one-day cricket, the rugby league test and the netball. We will coordinate all of that and provide that input into the whole-of-government analysis.

I will take on notice the report dates and the like, as I am not directly overseeing that element of the project.

Mr Barr: The answer to the Member's question is as follows:-

No undertaking was given to set up a taskforce to look at the effectiveness and long term benefits of the Centenary.

The Chief Minister and Treasury Directorate is managing the first stage of the Evaluation of the Centenary activities against the six goals established for the year. The latter year components of the evaluation will be managed by the Community Services Directorate and the Economic Development Directorate and reported in their respective annual reports. A table outlining the Centenary evaluation framework and milestones was provided to the Committee by the Chief Minister on 7 January 2014.

Approved for circulation to the Standing Committee on Public Accounts

Signature: *Andrew Barr*

Date: 14.1.14

By the Minister for Tourism and Events, Andrew Barr MLA



LEGISLATIVE ASSEMBLY
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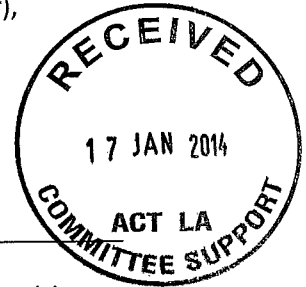
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19 Dec 2013

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Mr Brendan Smyth MLA (Chair), Ms Mary Porter MLA (Deputy Chair),
Dr Chris Bourke MLA, Ms Nicole Lawder MLA

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Smyth on 19 December 2013: Ms Gilding took on notice the following question(s):

[Ref: Hansard Transcript, 19 December 2013, page 221-222]

In relation to: Research papers prepared as part of accountability indicators

THE CHAIR: Minister, on page 152 of the report under output class 1.1 it highlights a couple of research papers that were done—one on employment and the other on industry sectors. What are the outcomes of those reports?

Mr Barr: Well, a well-advised minister.

THE CHAIR: Good answer.

Mr Barr: And a well-informed cabinet.

THE CHAIR: Are those reports both public?

Mr Barr: Have we put them on the website?

Ms Gilding: We have put one on the website.

Mr Barr: We have put one on the website.

THE CHAIR: What is the reason for the other not being on the website?

Ms Gilding: We did two research papers as part of our accountability indicators. The first one was about employment in the ACT. It looked at our key sectors. But we actually felt we could go further than that, so we did a second research paper around economic diversification in the ACT, which covered off on a lot of that information in the first paper. That one is actually published and is on our website. I guess there is just that extra layer of administration in terms of getting a paper ready for publication and actually up on a website.

THE CHAIR: So why the second and not the first?

Ms Gilding: Sorry?

THE CHAIR: Why is the second published but not the first?

Ms Gilding: The second built on the first. The second paper built on the first paper and covers much of the detail in the first paper. It was felt it was really only worth while publishing the second one.

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19 Dec 2013

THE CHAIR: Okay. Is it possible for the committee to have a copy of the first paper?

Ms Gilding: I do not have a problem with that.

Mr Barr: The answer to the Member's question is as follows:—

A copy of the paper is included at Attachment A.

Approved for circulation to the Standing Committee on Public Accounts

Signature: *Andrew Barr*

Date: 16.1.2014

By the Minister for Economic Development, Andrew Barr MLA

Overview of employment in the ACT: 1992-2012

This paper presents an analysis of Census and other data from 1992 onwards with the intention of providing a high-level overview of employment in the ACT over the past 20 years. In particular, the paper presents a broad comparison between the composition of employment in the Territory according to sector and industry.

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Context

At the last Census, the ACT's resident population was reported to be 357,218. This represents growth of 58,000 persons since 1996, of which more than half occurred between 2006 and 2011. As seen in Figure 1, population growth rates of almost 2% in recent years have been above average for the Territory and official ACT Government projections anticipate growth rates to ease steadily over the coming years.

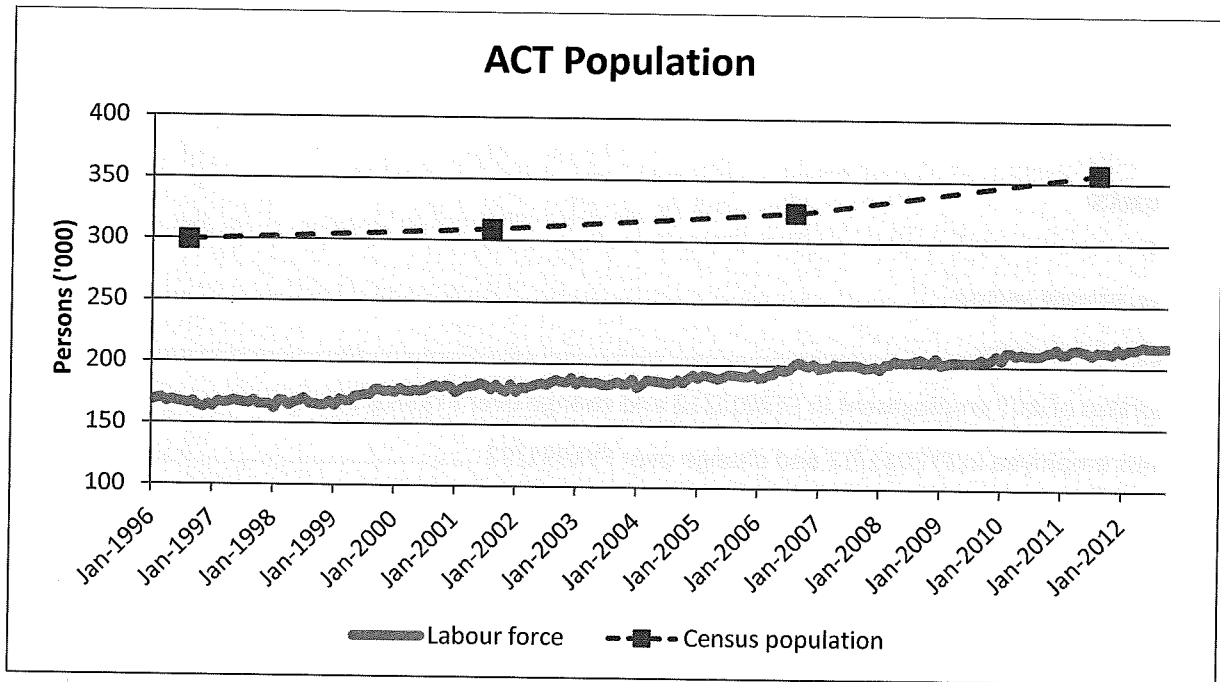


Figure 1 - ACT Population and labour force

Source: ABS 6202: Labour Force, October 2012; Census of Population and Housing 1996, 2001, 2006, 2011

The ACT's labour force has maintained a steady rate of growth over this period, though has failed to keep pace with higher-than-average population growth over the last five years.

Nonetheless, participation rates have consistently been amongst the highest nationally and close to 10% above the national rate. The trend rate has stayed above 70% since the mid 1980s. Similarly, trend unemployment in the ACT has not risen above 4% since 2004 and has been at least 1% below the national rate since 1999.

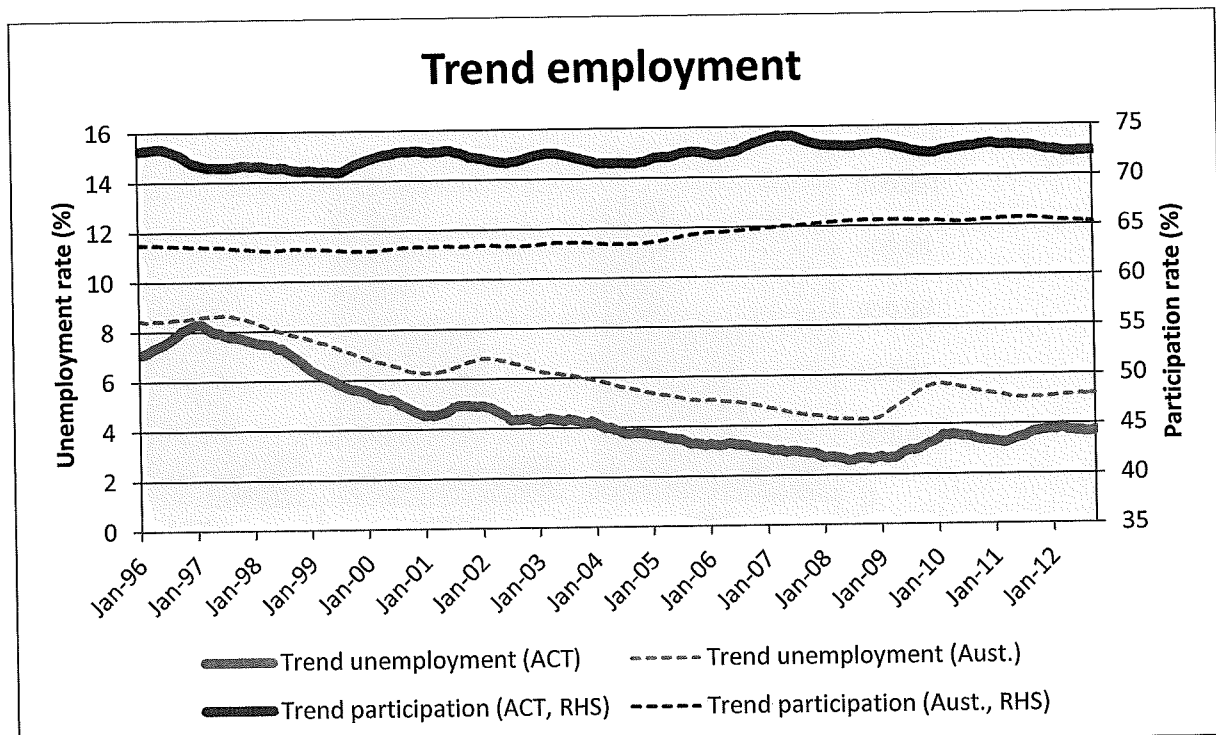


Figure 2 - Unemployment and participation rates
 Source: ABS, 6202.0, Labour Force, Oct 2012.

Public vs. private sector

As at the 2011 Census employment in the ACT based on usual place of work was:

- 118,624 (55%) in the private sector;
- 76,122 (36%) in the (Commonwealth) public sector; and
- 19,231 (9%) in the (Territory) public sector.

Ideally, a time series comparison of these indicators would be based on place of work, to align with the economic base of the ACT; however, as the necessary data is not available for censuses prior to 2011, the following analysis is based on usual place of residence. This will reflect a lower overall amount of employment due to the large number of people commuting to the ACT from NSW for employment, but is not expected to impact on the sector breakdown.

On average over the past decade, approximately 58% of ACT residents have been employed by the private sector, with roughly one third employed by the Commonwealth and the remainder by the Territory. In gross terms, this equates to total employment of 110,000 in the private sector and 85,000 in the combined public service.

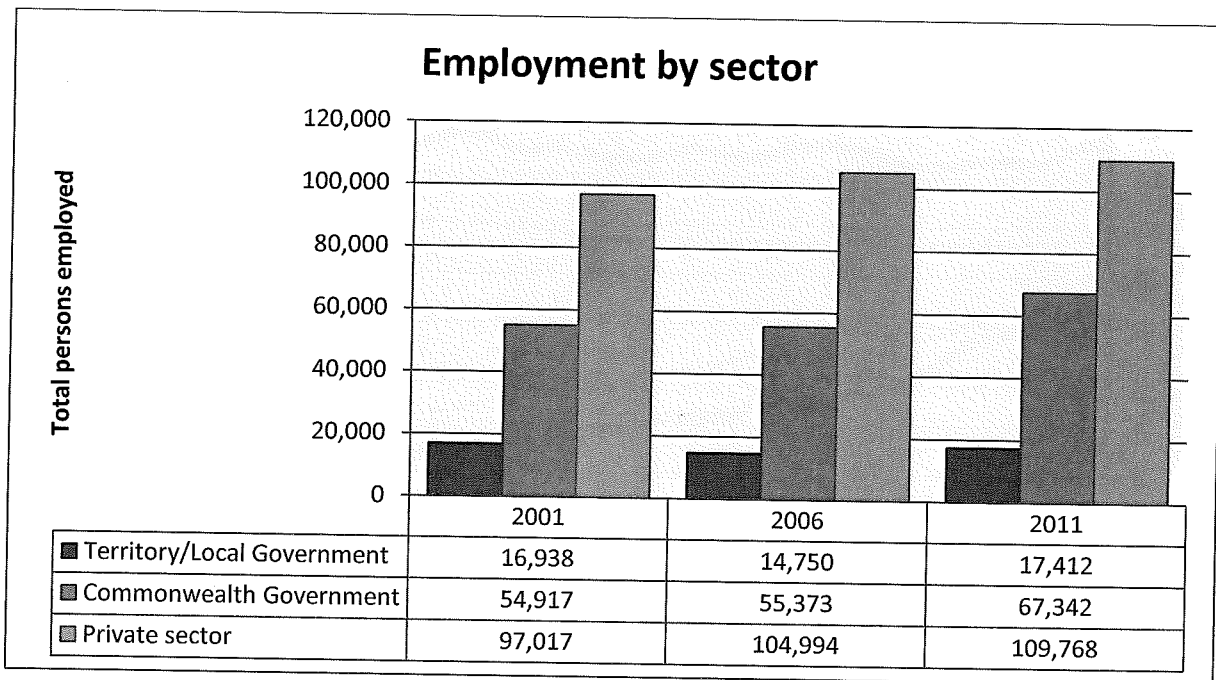


Figure 3 – Total employment by sector

Source: ABS, Census of Population and Housing 2001, 2006 and 2011.

Average weekly total earnings (AWTE) are also consistently higher in the public sector than in the private sector, as illustrated in Figure 4. By total sector employment, AWTE for public sector employees since 1996 has averaged \$380 per week above private sector employees – equivalent to approximately 35% of the public sector AWTE over the same period.

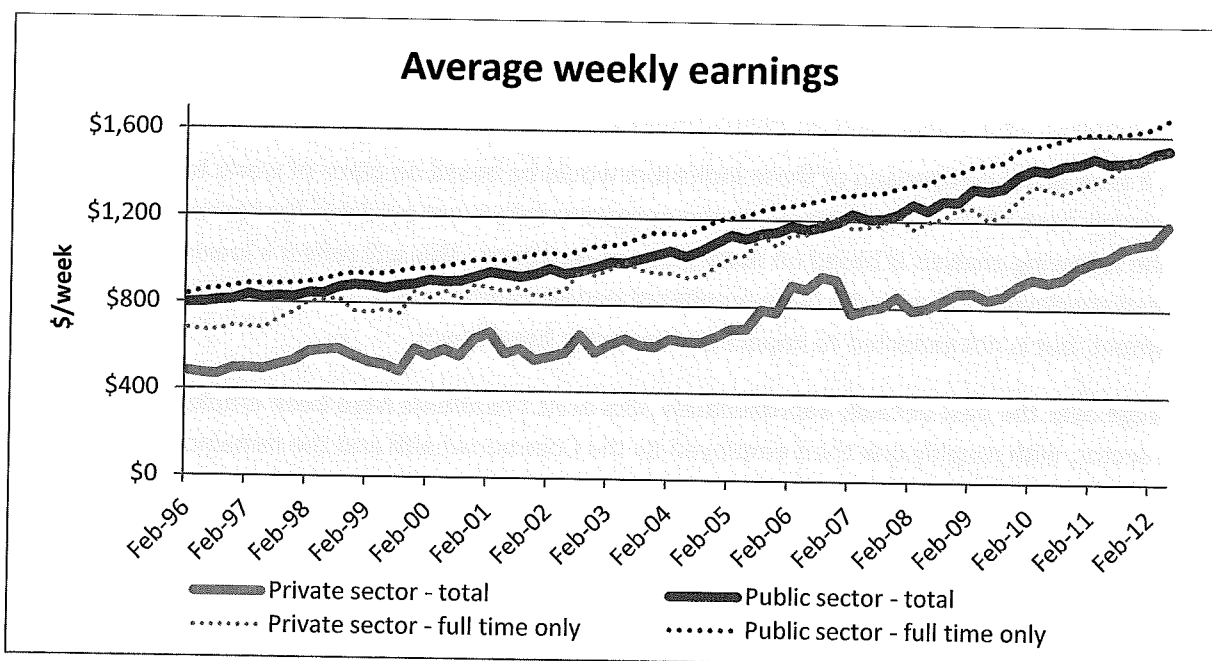


Figure 5 - Average Weekly Total Earnings by sector

Source: ABS, 6302.0 Average Weekly Earnings.

When restricting the comparison to only full-time employees, the discrepancy is much smaller, but still marked. On average full-time total earnings in the public sector have been \$160 per week above the private sector, or roughly 17% above average private sector earnings.

Overview of industries

The following pages present an overview of employment within the different industries of the ACT economy over the past 20 years. Analysis has been limited to top-level industry divisions under the Australia New Zealand Standard Industrial Classification (ANZSIC), but analysis of more specific sub-divisions can be prepared for areas of particular interest.

The following table summarises the change in the relative size of that industry within the total ACT employment base over the 20 years from the 1991/92 to 2011/12 financial years. Also included for the same period is the total employment growth for each of the industry divisions.

It is important to note that industry divisions are not separated along strict public/private sector lines, although some industries are inherently more connected to public sector activity than others.

Proportion of ACT employment in FY2011/12 and change over FY1991/92

	Proportion of ACT employment	Change in proportion of ACT employment (percentage points)
Accommodation and Food Services	6.4%	-0.1
Administrative and Support Services	2.8%	0.1
<i>Agriculture, Forestry and Fishing*</i>	0.2%	
Arts and Recreation Services	2.4%	0.4
Construction	6.9%	-0.8
Education and Training	8.9%	-0.8
Electricity, Gas, Water and Waste Services	1.1%	-0.3
Financial and Insurance Services	1.8%	-1.6
Health Care and Social Assistance	9.3%	2.7
Information Media and Telecommunications	2.2%	-0.1
Manufacturing	1.7%	-1.7
<i>Mining*</i>	0.1%	
Other Services	3.4%	-1.2
Professional, Scientific and Technical Services	9.9%	3.4
Public Administration and Safety	31.1%	4.7
Rental, Hiring and Real Estate Services	1.2%	-0.2
Retail Trade	7.2%	-2.6
Transport, Postal and Warehousing	2.2%	-0.2
Wholesale Trade	1.3%	-1.5

Table 1 - Change in industry employment

Source: ABS 6291.0.55.003 - Labour Force, Australia, Detailed, Quarterly

* Given the negligible level of employment in the Agriculture, Forestry and Fishing and Mining divisions and high levels of statistical unreliability, these divisions have not been assessed in this paper.

Persons employed in FY2011/12 and change over FY1991/92

	Persons employed	Growth in persons employed
Accommodation and Food Services	13,176	41%
Administrative and Support Services	5,675	47%
<i>Agriculture, Forestry and Fishing*</i>	370	
Arts and Recreation Services	4,915	68%
Construction	14,243	29%
Education and Training	18,224	32%
Electricity, Gas, Water and Waste Services	2,188	15%
Financial and Insurance Services	3,725	-23%
Health Care and Social Assistance	19,199	102%
Information Media and Telecommunications	4,564	37%
Manufacturing	3,421	-28%
<i>Mining*</i>	192	
Other Services	6,954	5%
Professional, Scientific and Technical Services	20,285	119%
Public Administration and Safety	64,069	69%
Rental, Hiring and Real Estate Services	2,504	22%
Retail Trade	14,838	5%
Transport, Postal and Warehousing	4,515	34%
Wholesale Trade	2,684	-33%
ALL INDUSTRIES	205,741	43%

Table 2 - Industry employment in 2011/12

Source: ABS 6291.0.55.003 - Labour Force, Australia, Detailed, Quarterly

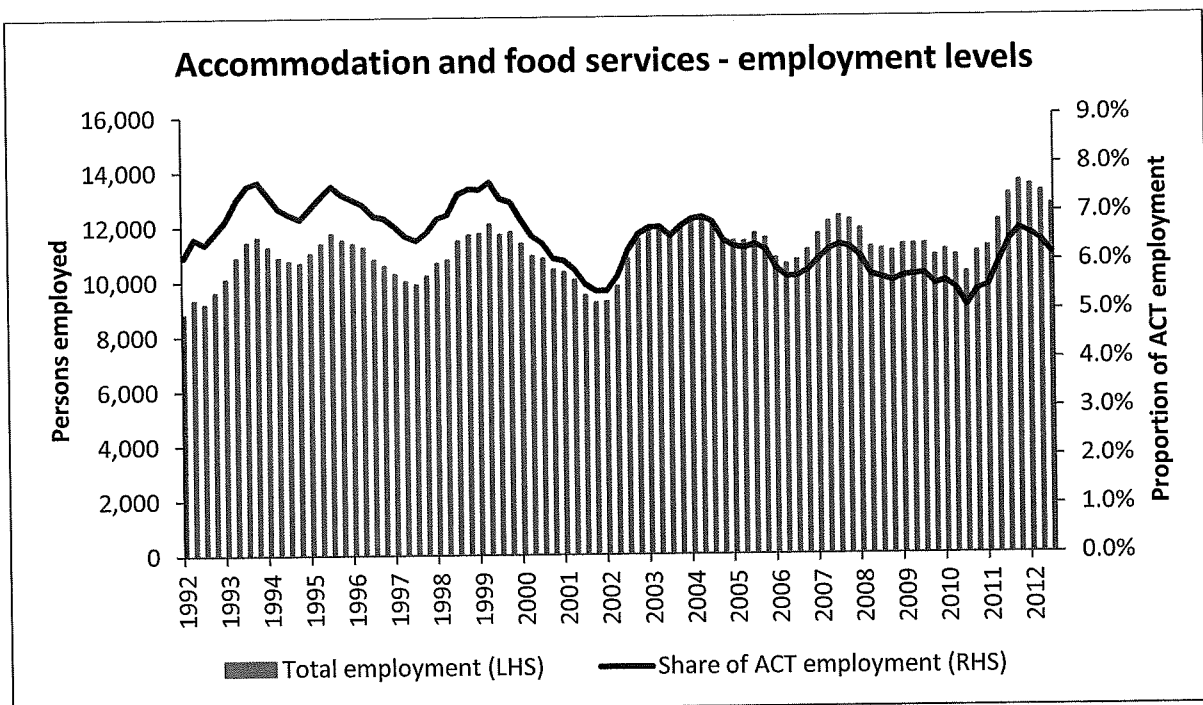
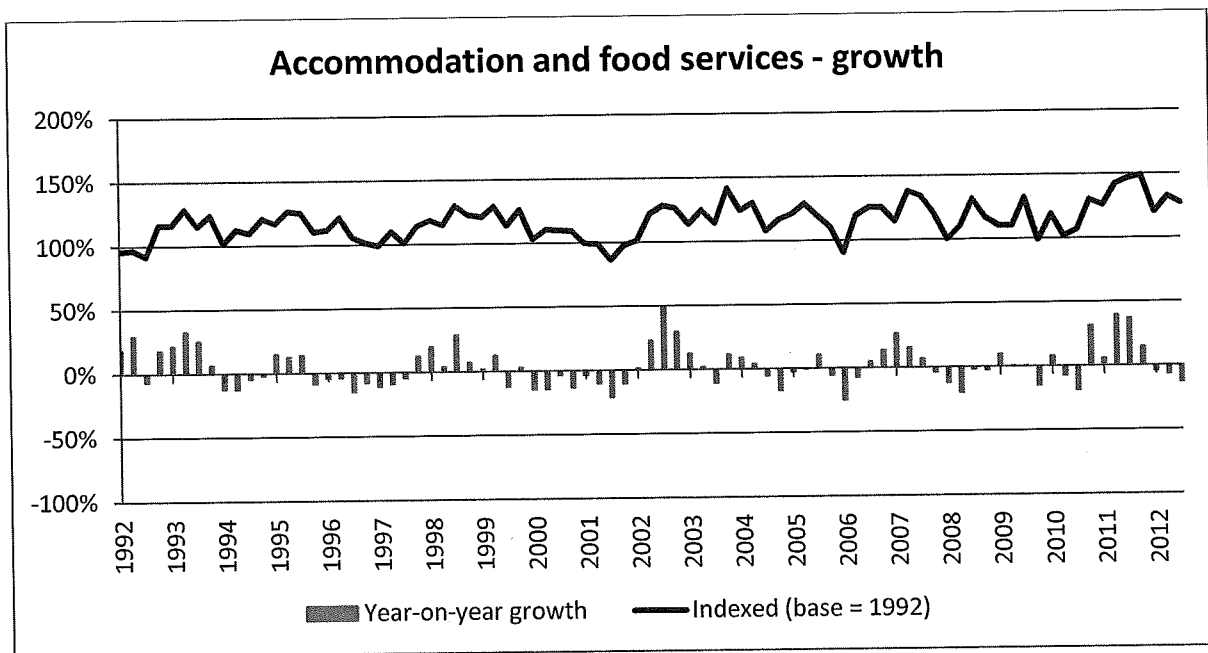
* Statistically unreliable.

Individual industries

Accommodation and food services

This industry is comprised of units providing short-term accommodation for visitors and/or meals, snacks, and beverages for consumption by customers both on and off-site. Excludes casinos; long-term (residential) caravan parks; sporting clubs; and other recreation or entertainment facilities providing food, beverage, and accommodation services.

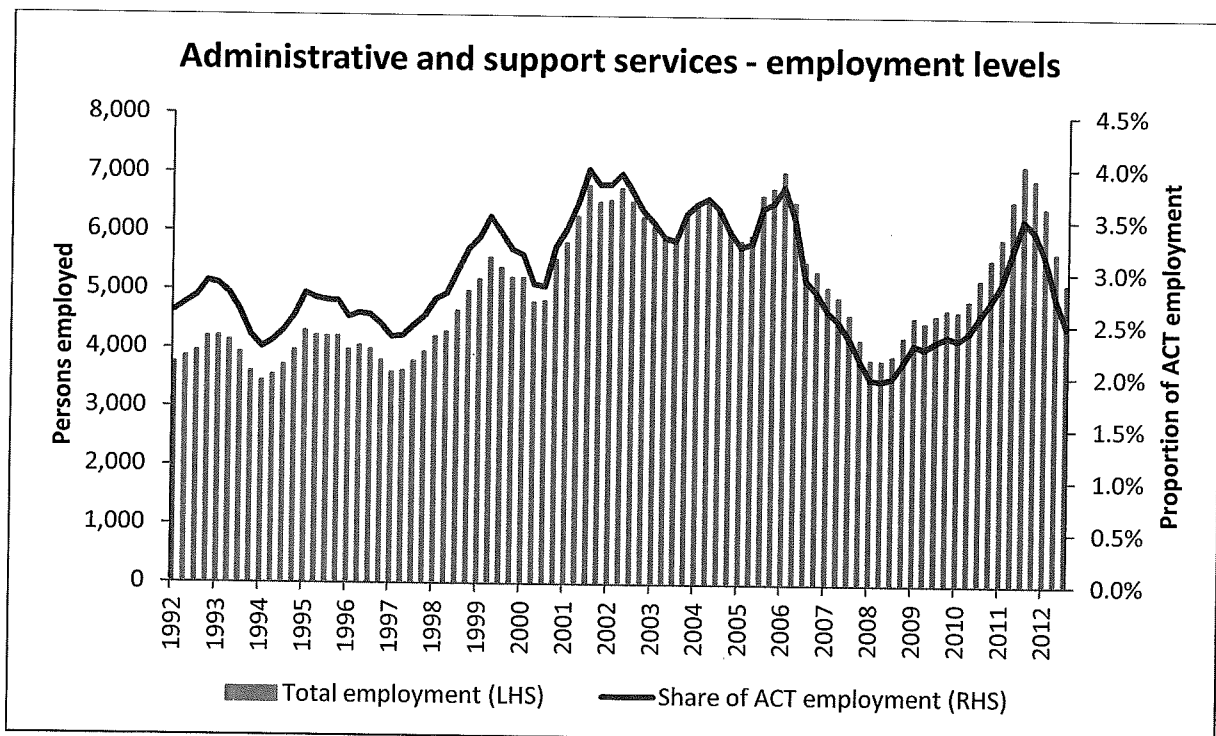
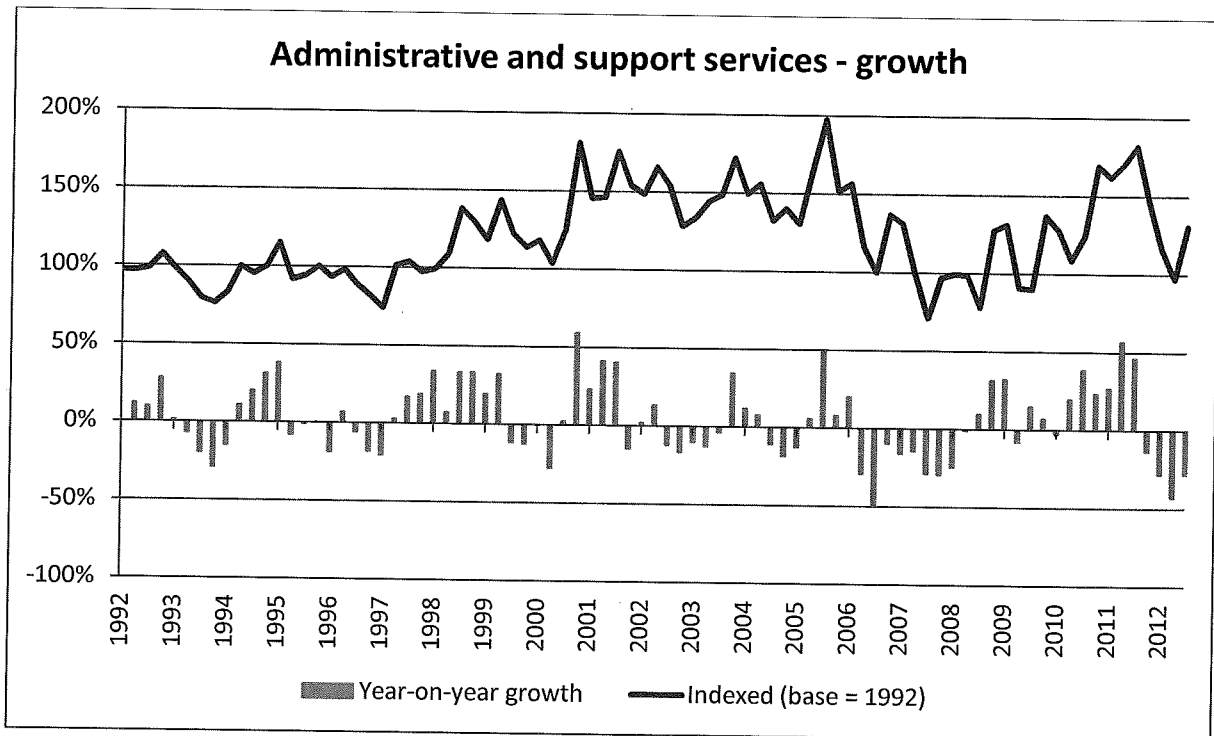
Accommodation and food services have shown a general slight upward trend in total employment (approximately 4,000 new jobs over 20 years). Growth has been sufficient to keep pace with overall growth in the labour force and hence maintain roughly the same share of total employment in the ACT.



Administrative and support services

This industry is comprised of units mainly engaged in performing routine support activities for the day-to-day operations of other businesses or organisations, such as office administration; hiring and placing personnel for others; preparing documents; taking orders for clients by telephone; providing credit reporting or collecting services; arranging travel and travel tours.

Despite a number of major expansions and contractions over the past 20 years, the admin and support industry has not produced a long-term trend in either direction. Total employment has tended to sit around 3% of ACT employment.

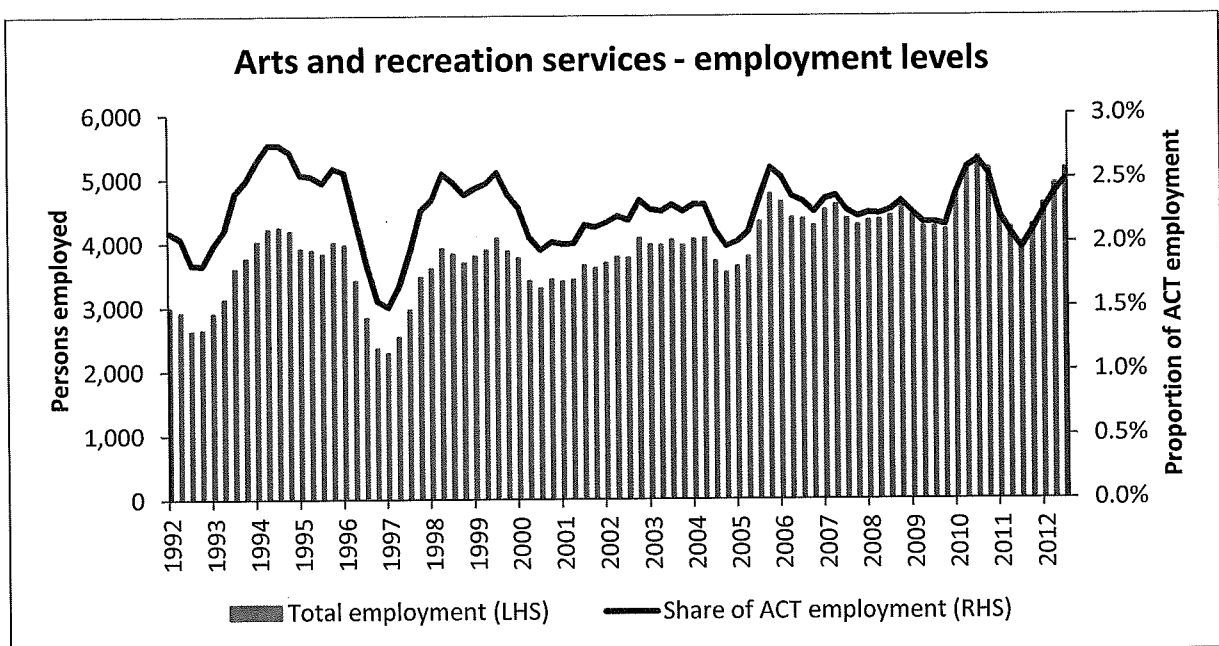
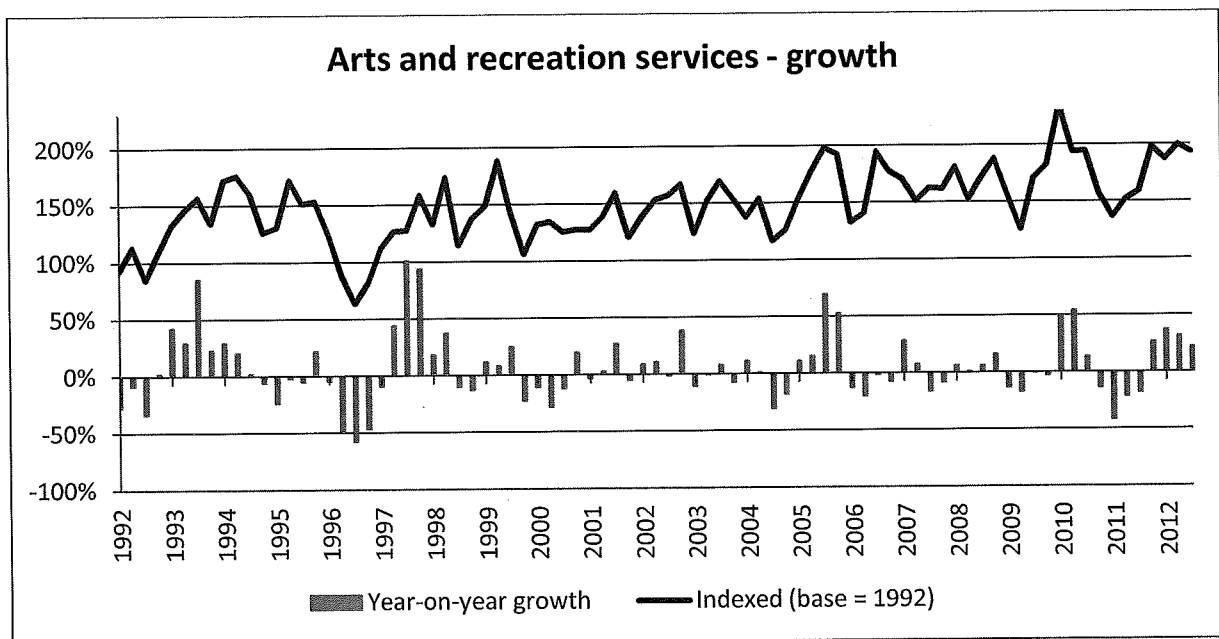


Arts and recreation services

This industry is comprised of units mainly engaged in the preservation and exhibition of objects and sites of historical, cultural or educational interest; the production of original artistic works and/or participation in live performances, events, or exhibits intended for public viewing; and the operation of sporting and recreational facilities.

Excludes units that are involved in the production and distribution of motion pictures, videos, television programs or television and video commercials. These units are included in the Information Media and Telecommunications Division.

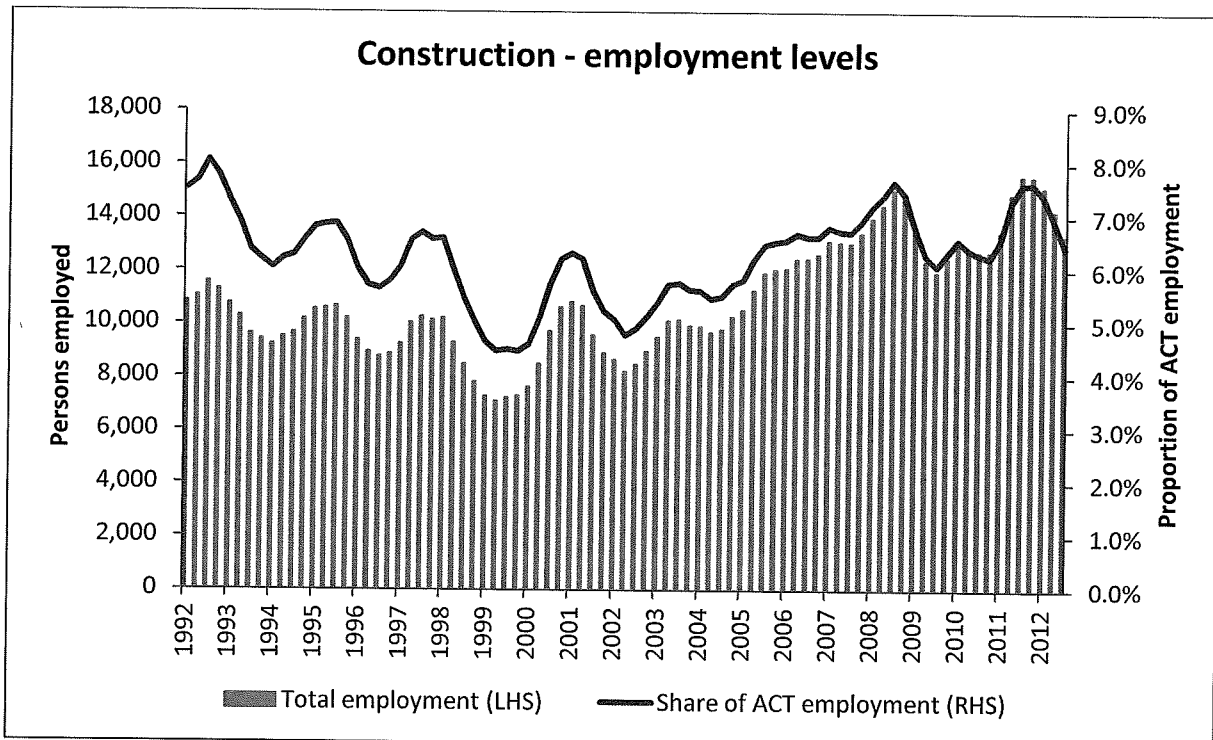
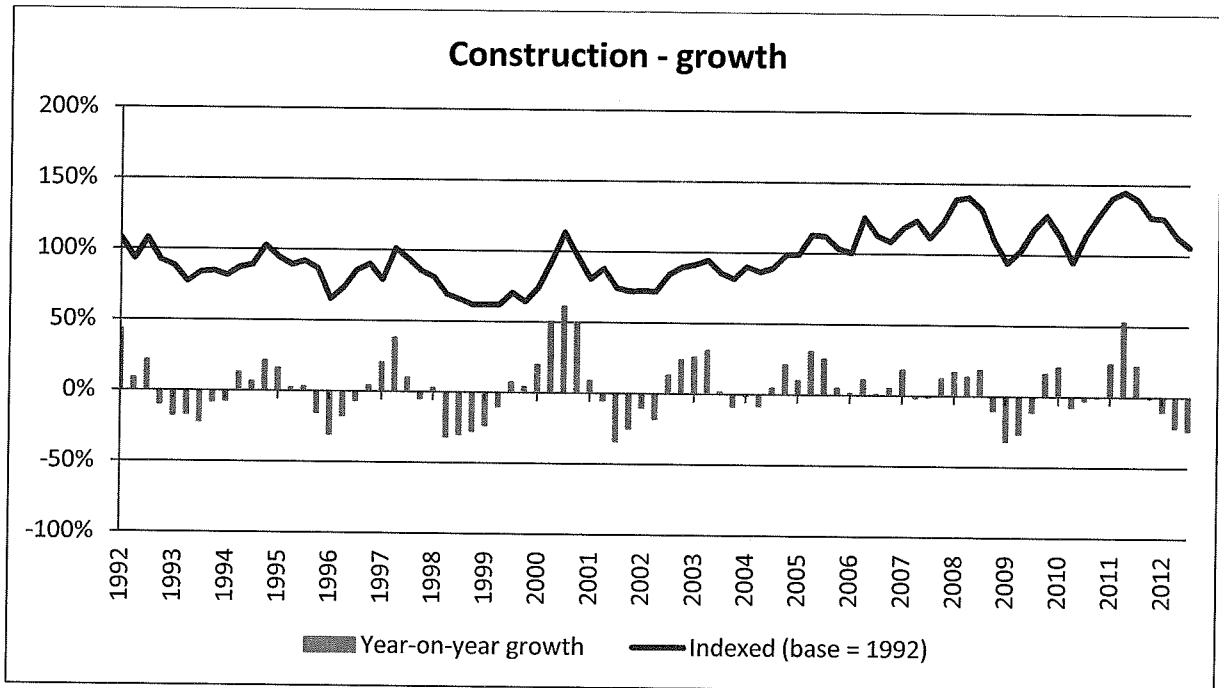
Over the past 20 years, employment in this industry has almost doubled. However, it should be noted that this growth started from a low base of 3,000 persons and at present only represents 2.5% of ACT employment.



Construction

Includes units mainly engaged in the construction, maintenance and repairs of buildings and other structures. Also includes demolition and clearing of building sites and land preparation activities such as test drilling and earthworks.

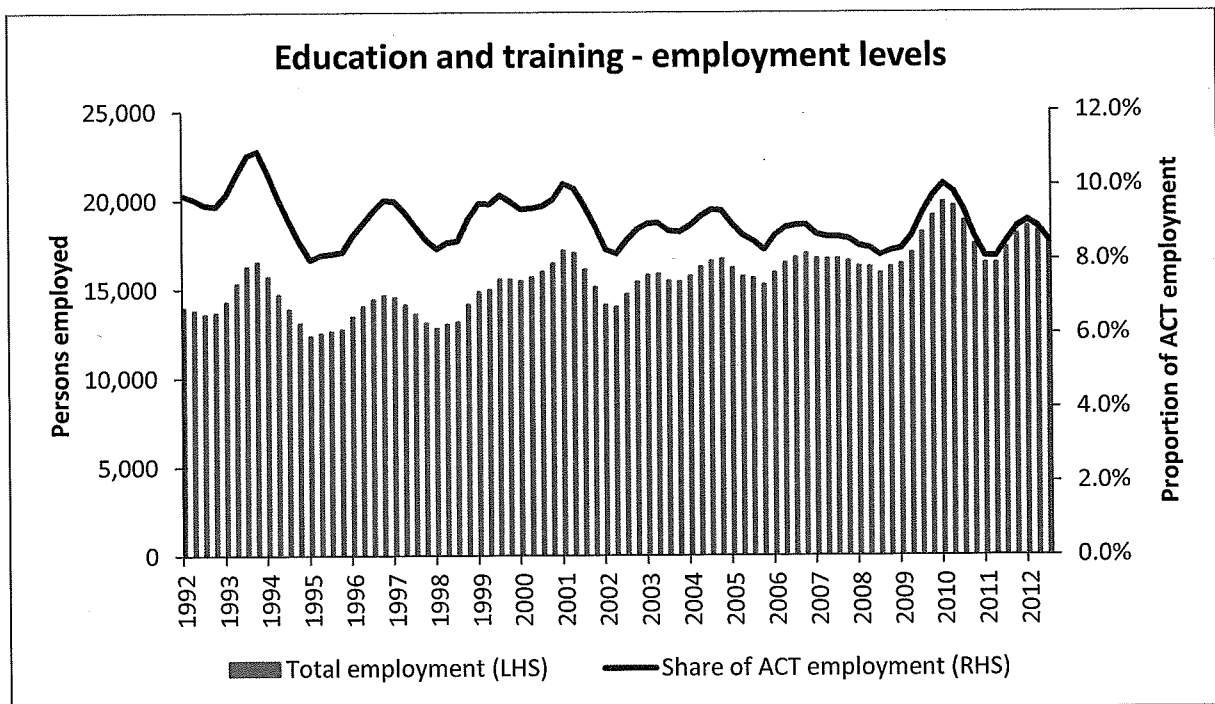
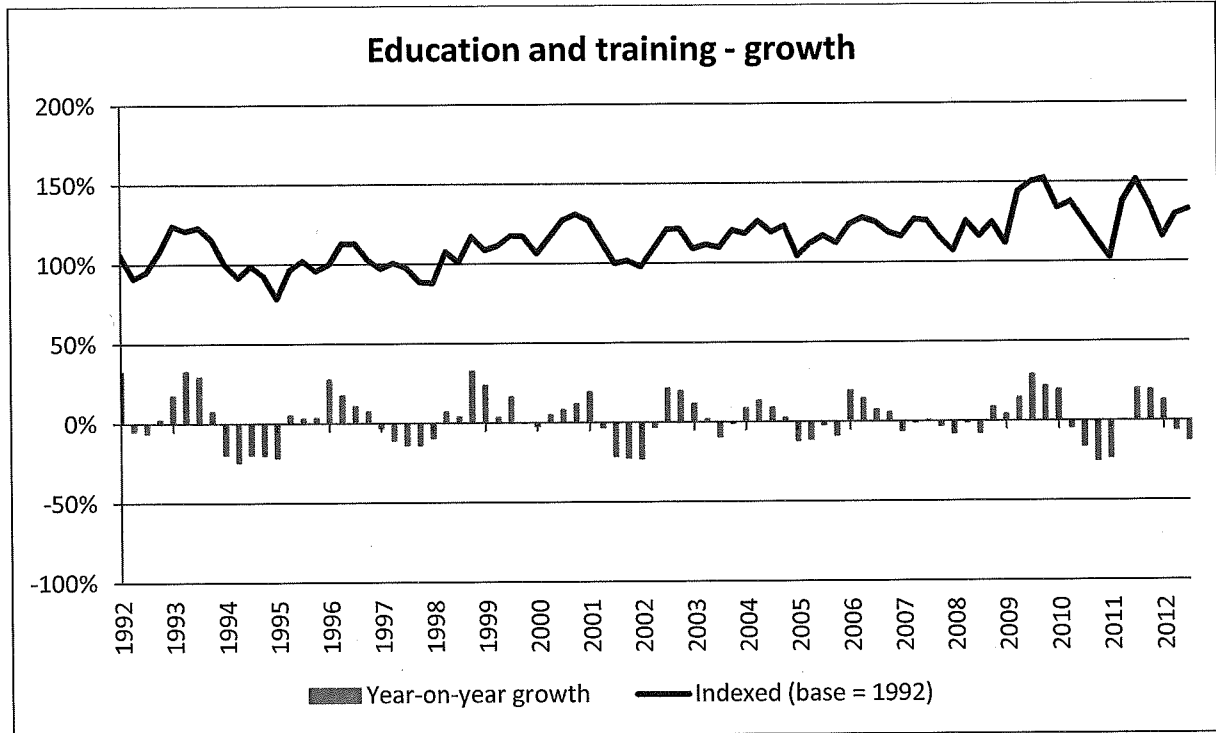
After a decline in the 1990s, the construction industry has maintained a general pattern of growth over the past ten years, increasing its share of ACT employment by roughly 2% in that time. Much of this growth is likely to be underpinned by a range of government programs, at the federal and territory levels aimed at stimulating activity. However, there are signs that the sector is beginning to cool again.



Education and training

Units mainly engaged in the provision of education and training (but not the training of animals) and education support services, such as curriculum setting and examination marking.

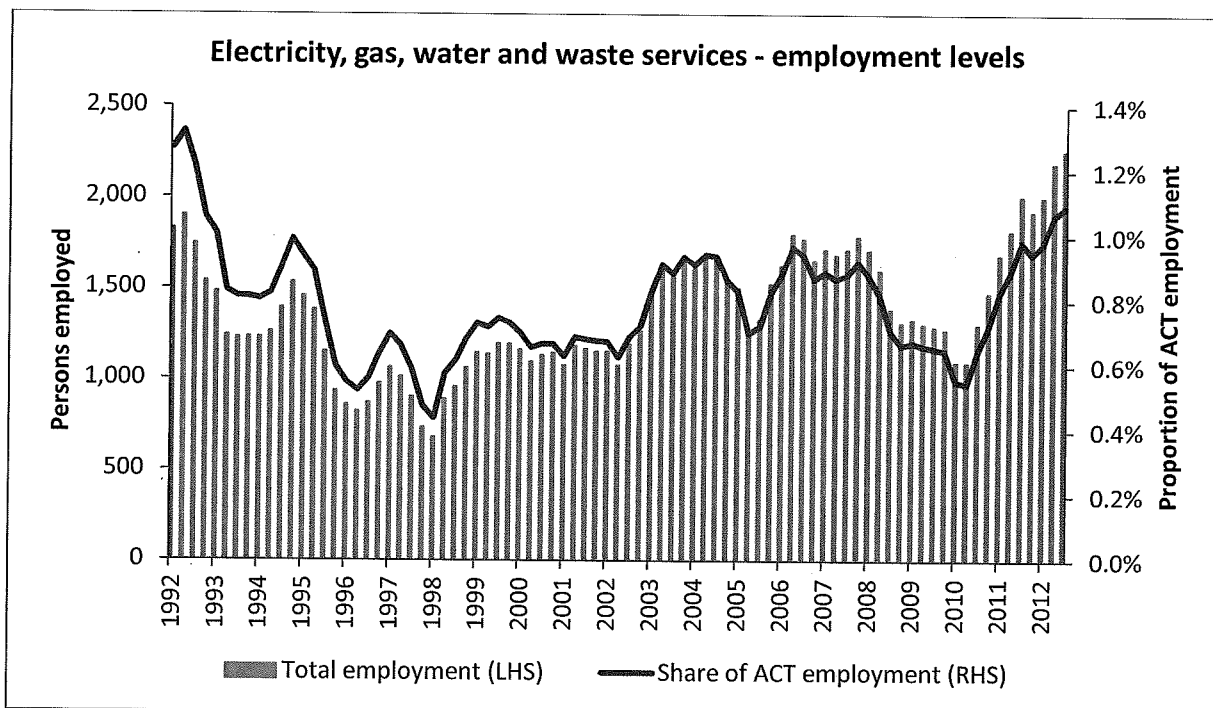
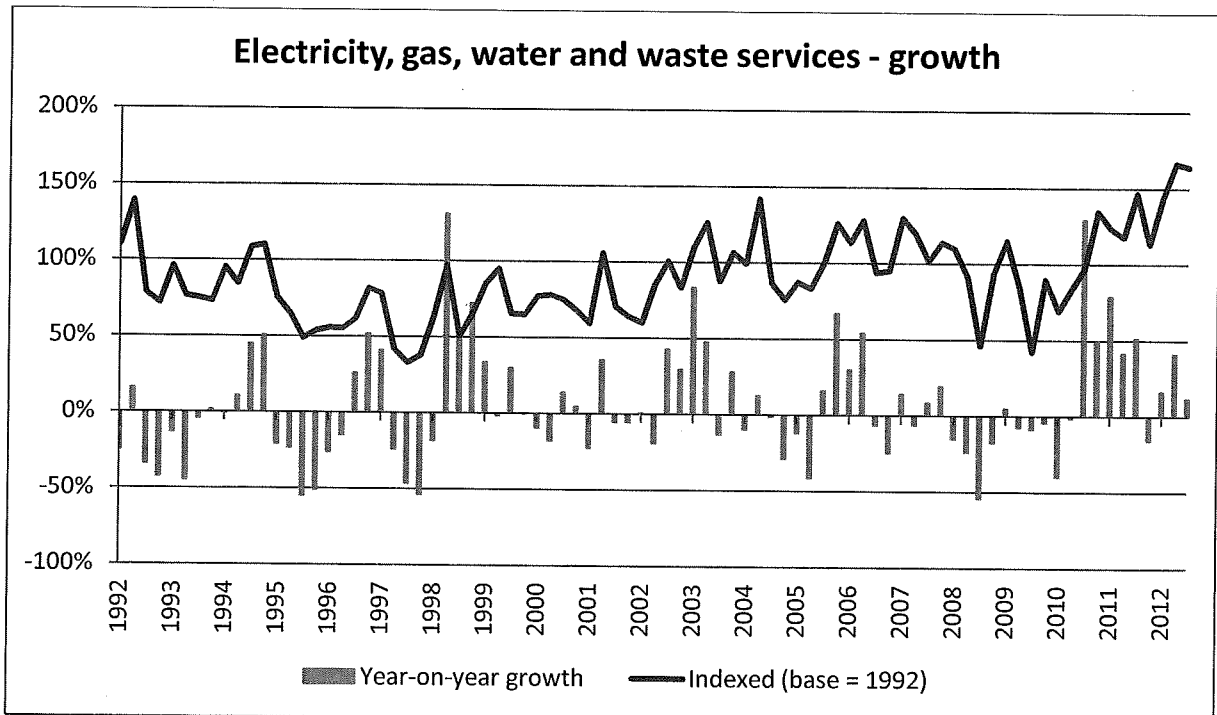
The education and training industry is a significant employer, with 18,000 jobs in 2012 – equivalent to roughly 9% of employment. The division has maintained a general trend of employment growth over most of the past 20 years, roughly in line with general labour force growth.



Electricity, gas, water and waste services

Comprised of units engaged in the provision of electricity; gas; water; sewage services; collection, treatment and disposal of waste materials; remediation of contaminated materials (including land); and materials recovery activities, but does not include units engaged primarily in the construction of infrastructure associated with these services or waste management consultants.

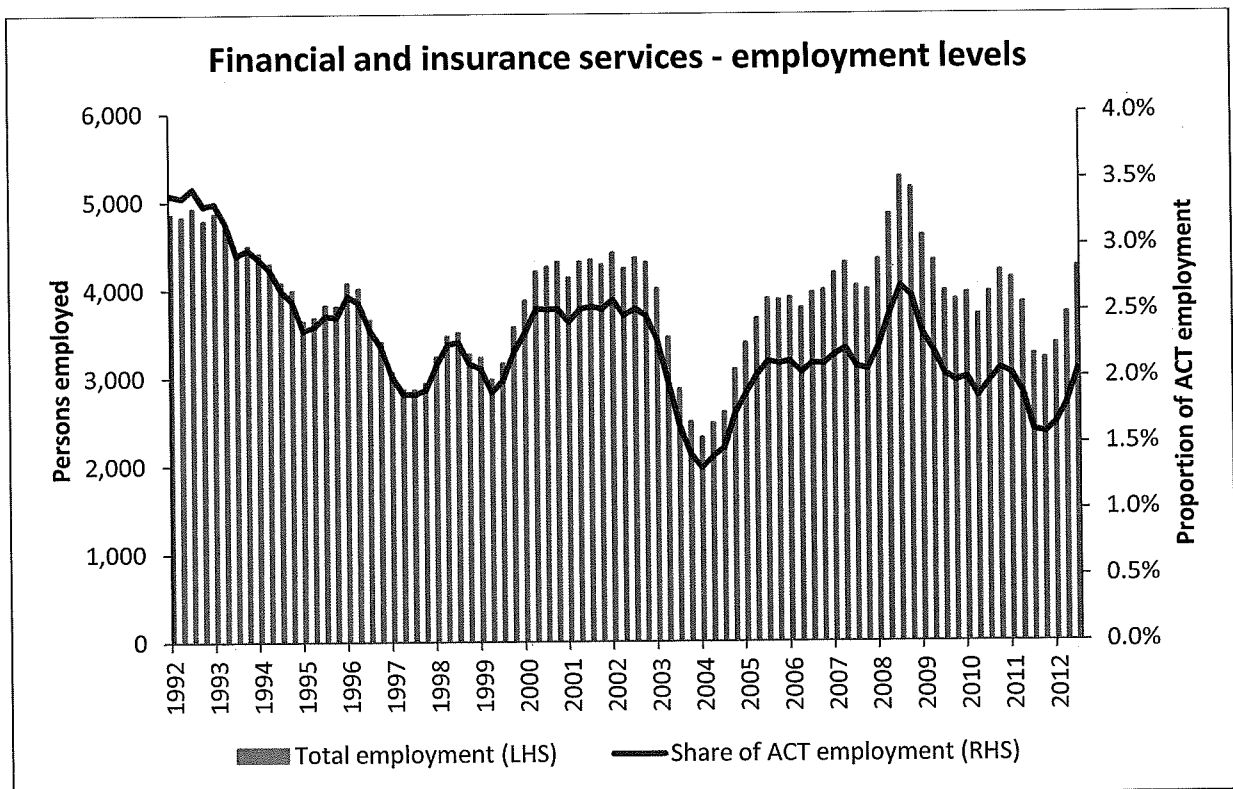
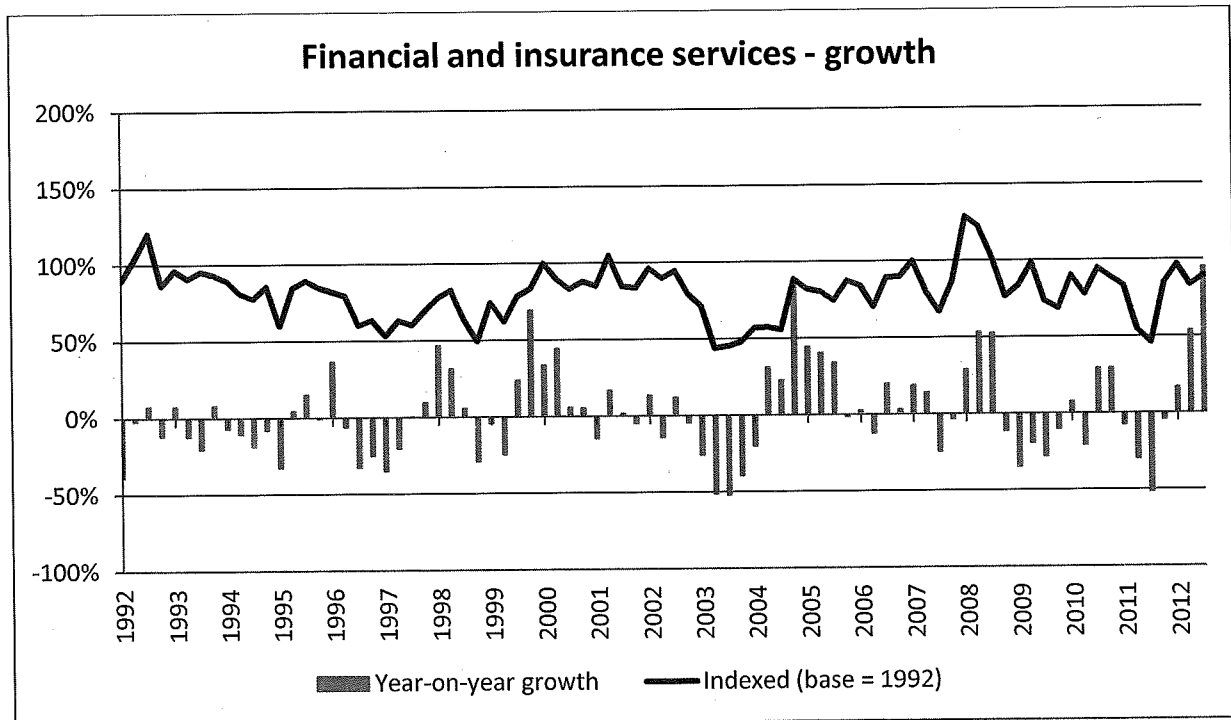
Electricity, gas, water and waste services is another industry of fairly minor employment in the Territory with 1,000-2,000 jobs over the past two decades.



Financial and insurance services

Units mainly engaged in financial transactions involving the creation, liquidation, or change in ownership of financial assets, and/or in facilitating financial transactions. Also included in this division are central banking, monetary control and the regulation of financial activities.

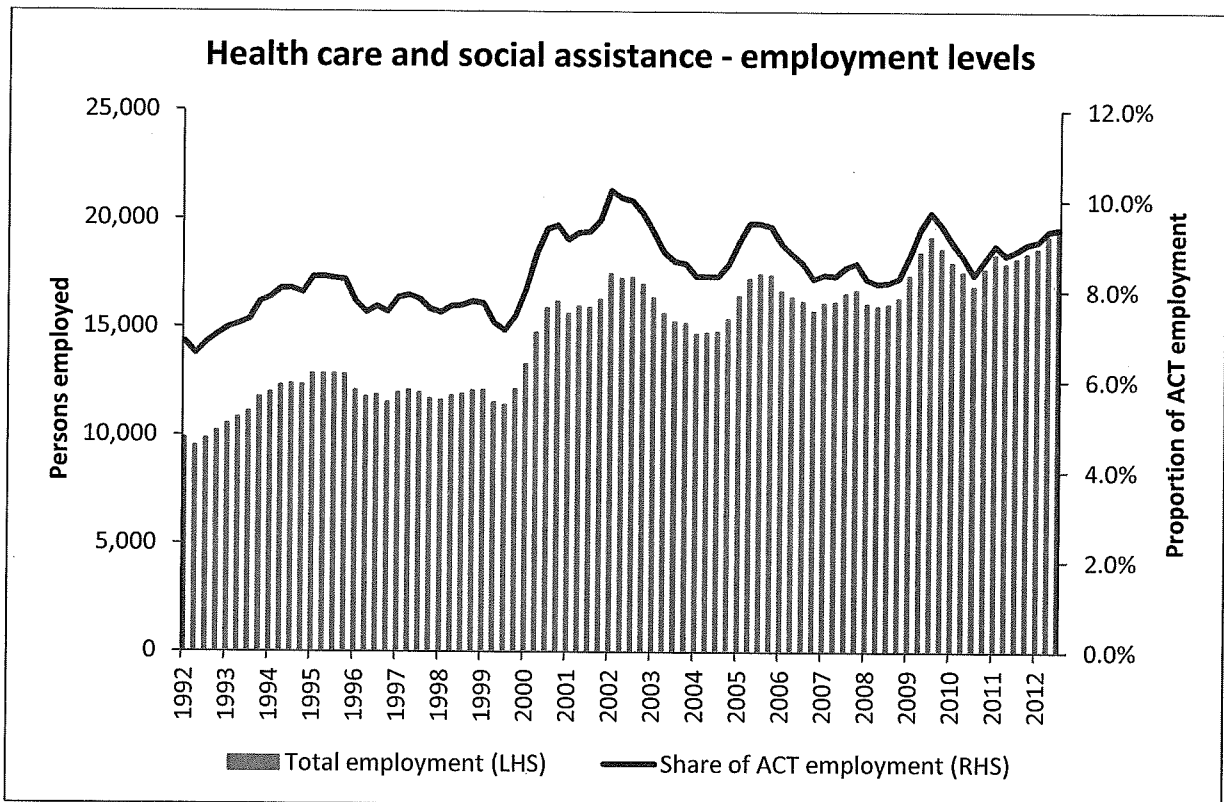
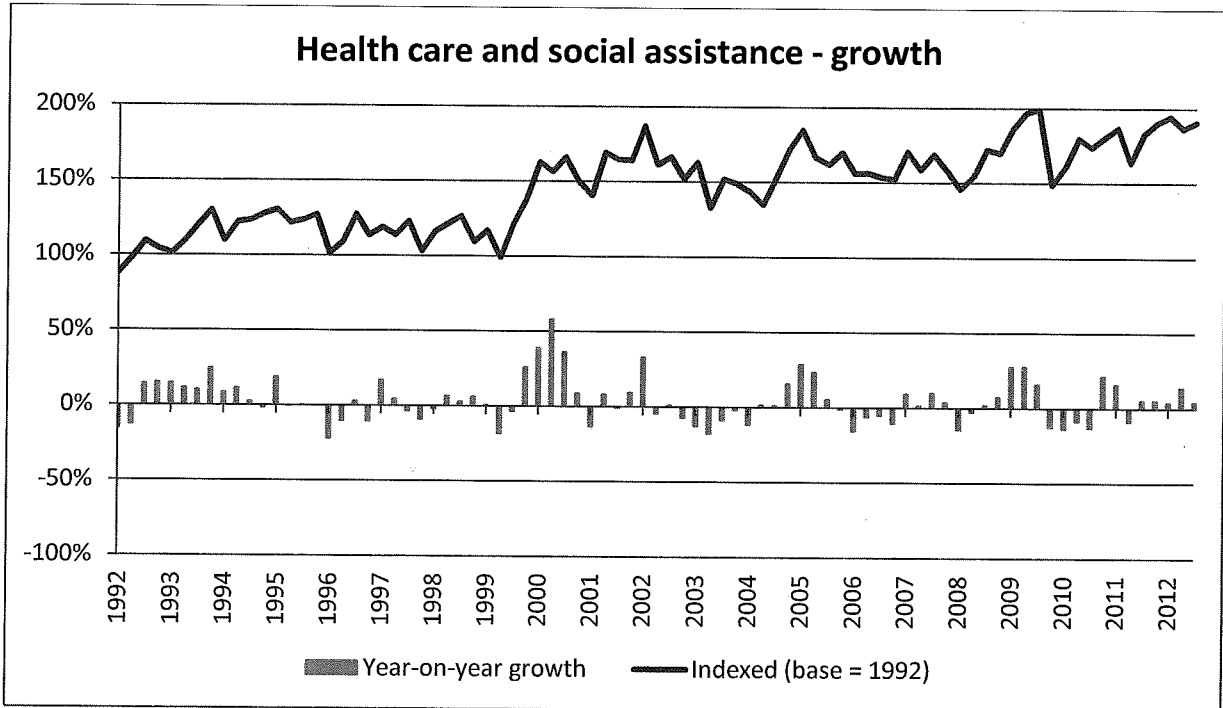
The financial and insurance services sector has experienced some pronounced cyclical fluctuations, particularly since 2000. Average employment has held around 4,000 in the long-term, resulting in a slight decline in the total employment contributed by this industry to the overall economy.



Health care and social assistance

Units mainly engaged in providing human health care and social assistance.

Health care and social services is the third largest industry in the ACT, employing nearly 20,000 people at last count. Employment has doubled since 1992, with the share of employment increasing by 2.7% to 9.3% in 2012.

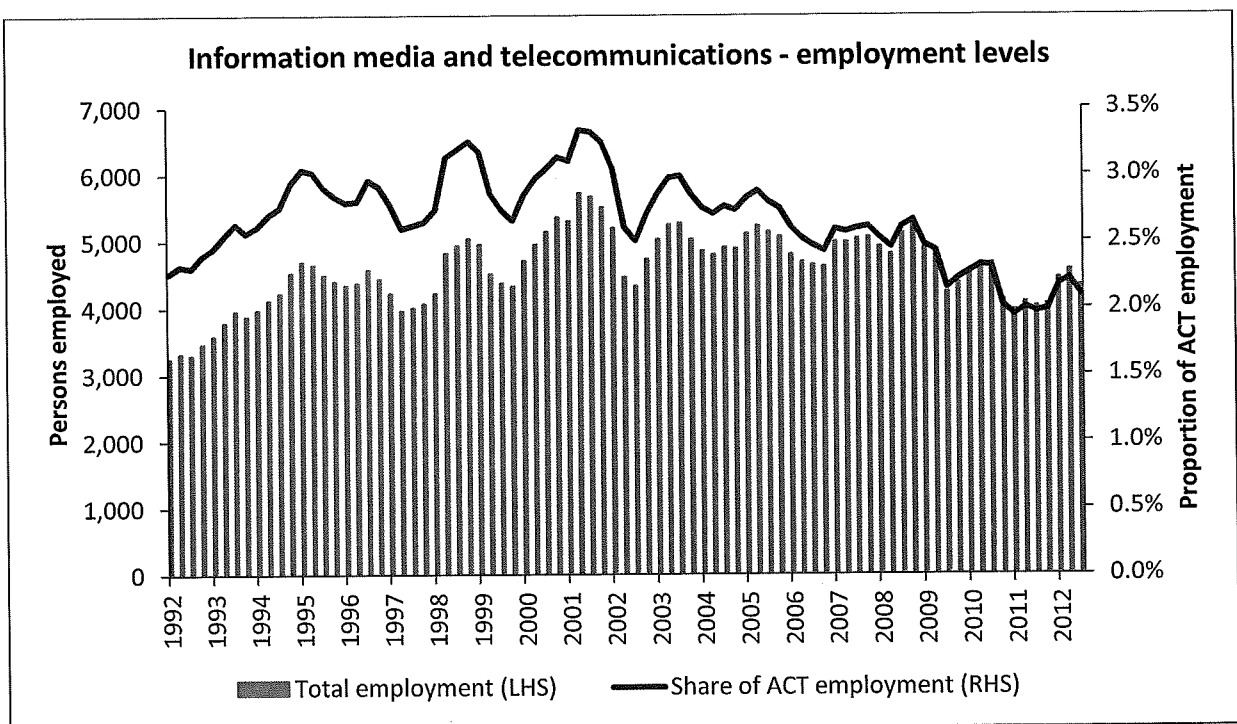
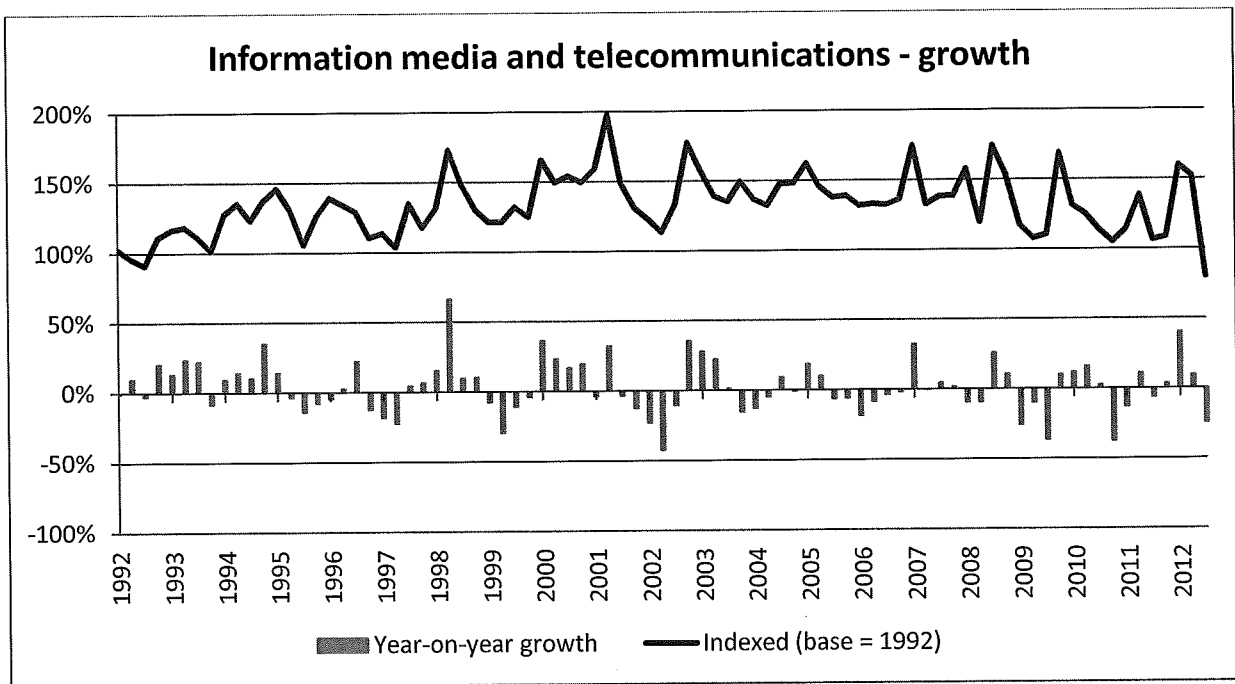


Information media and telecommunications

Units mainly engaged in creating, enhancing and storing information products in media that allows for their dissemination; transmission of information products; and operation of infrastructure allowing these services.

Excluded from the division are units mainly engaged in the mass storage or duplication of information products (such as printing); specialised computer services such as programming and systems design; and advertising and marketing.

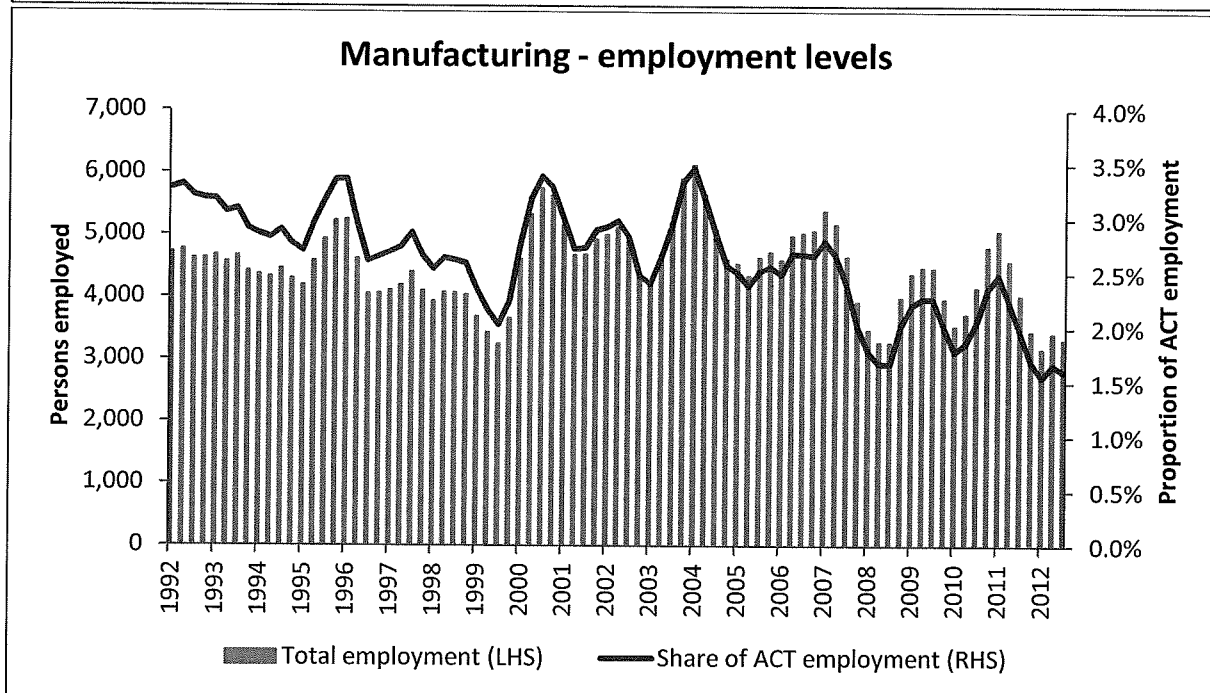
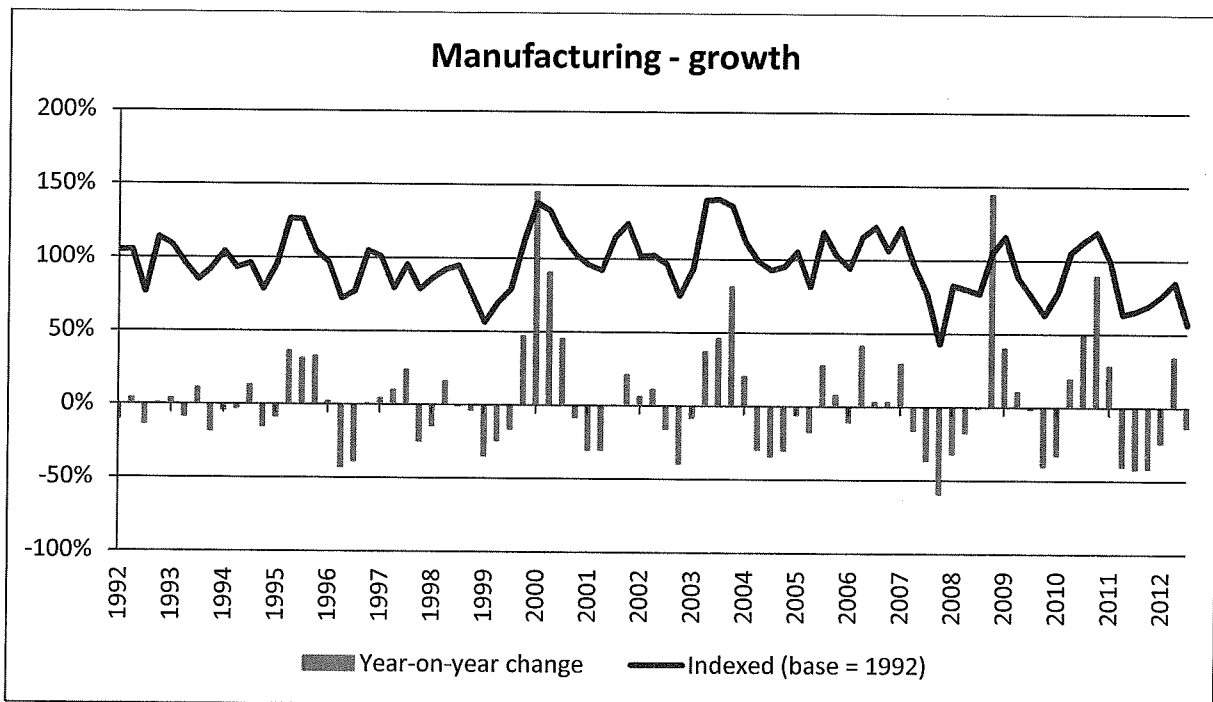
After a period of growth through the 1990s, the info media and telecoms division has remained mostly flat and has started to exhibit a slight decline over the last few years.



Manufacturing

Includes units mainly engaged in the physical or chemical transformation of materials, substances or components into new products (except agriculture and construction). Activities undertaken by units incidental to their manufacturing activity, such as selling directly to the consumer products manufactured on the same premises from which they are sold, such as bakeries and custom tailors, are also included in the division.

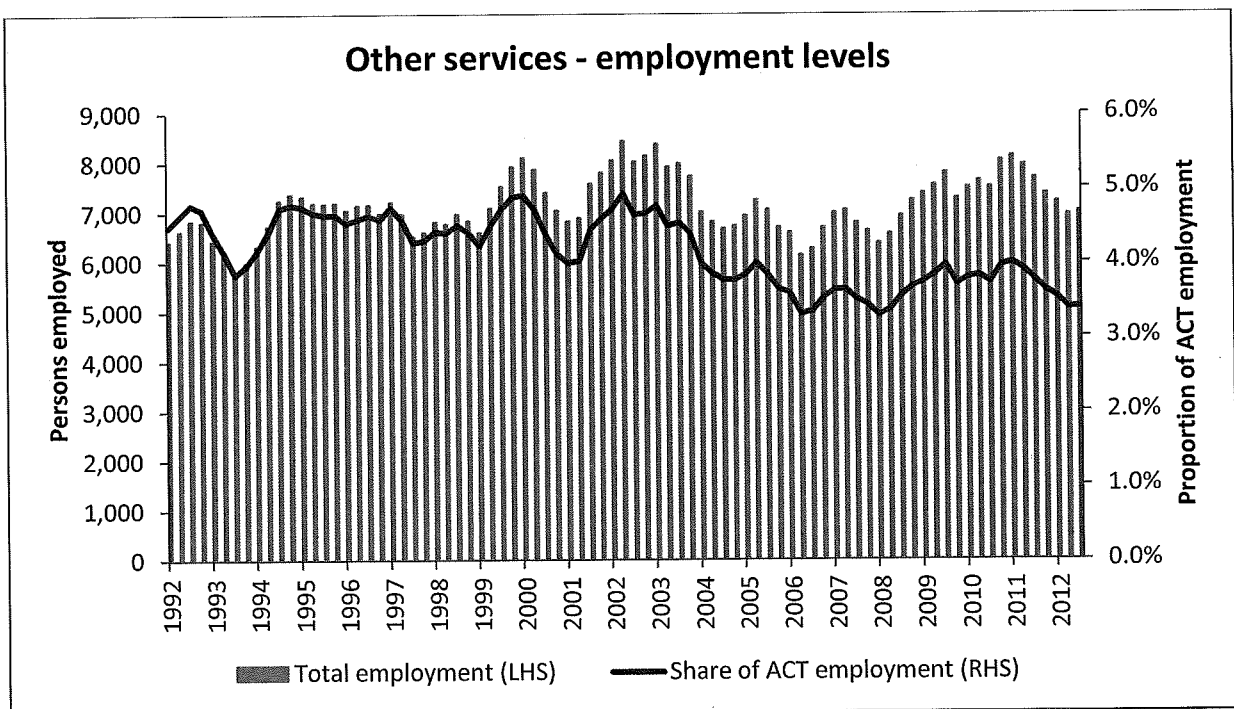
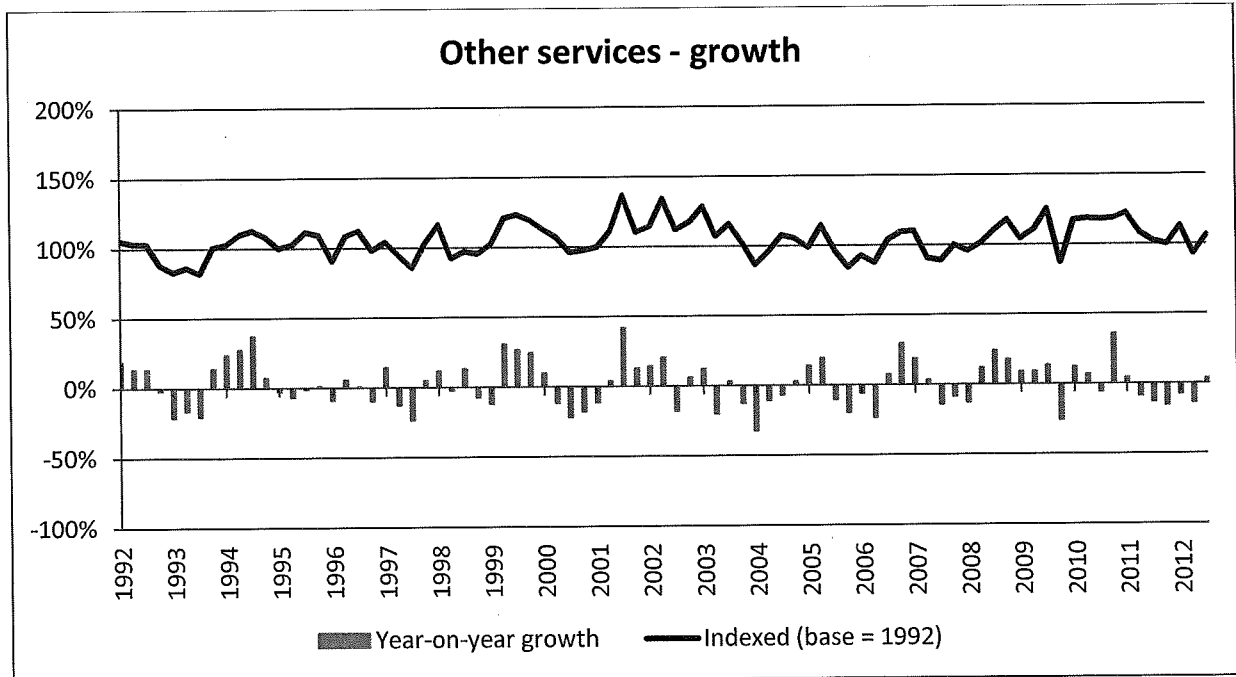
Manufacturing is a minor industry in the ACT, responsible for roughly 4,000 jobs. Aside from cyclical fluctuations, the level of manufacturing employment has remained reasonably constant over the past 20 years. As a result, the proportion of employment attributable to the industry has fallen by roughly 1.5% since 1992.



Other services

Includes a broad range of personal services; religious, civic, professional and other interest group services; and private households employing staff. Examples of services include hair, beauty, diet and weight management services; providing death care services; promoting or administering religious events or activities; or promoting and defending the interests of their members.

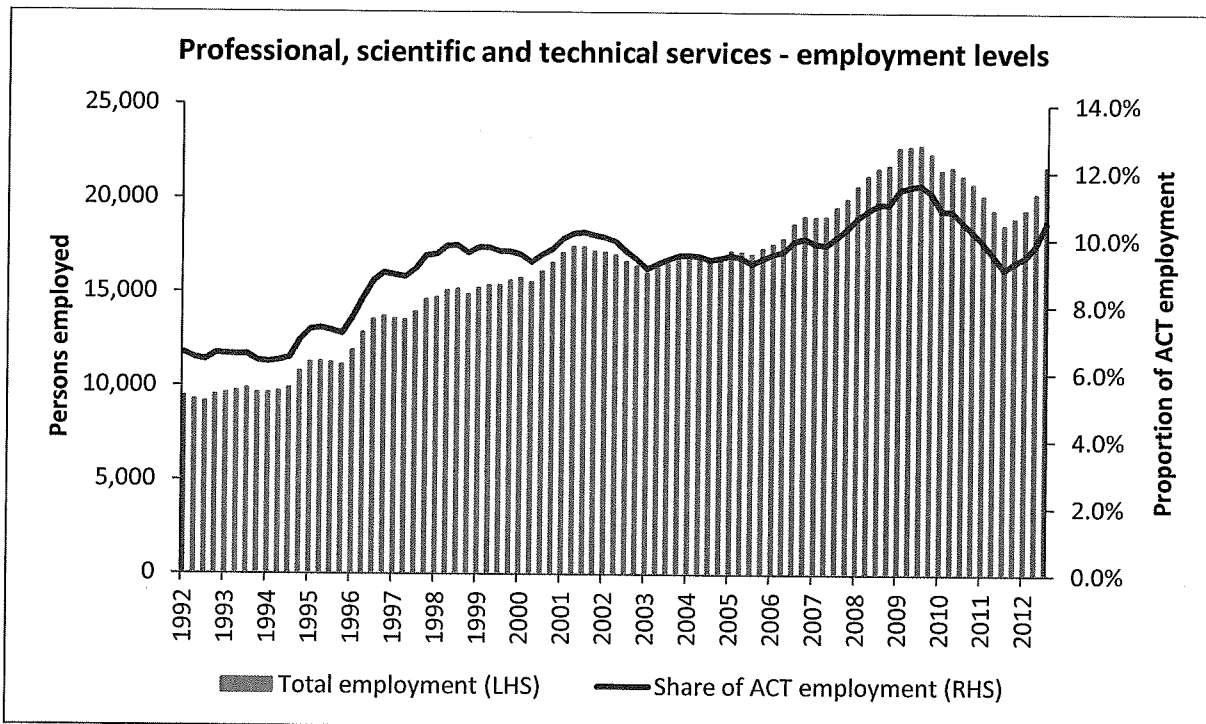
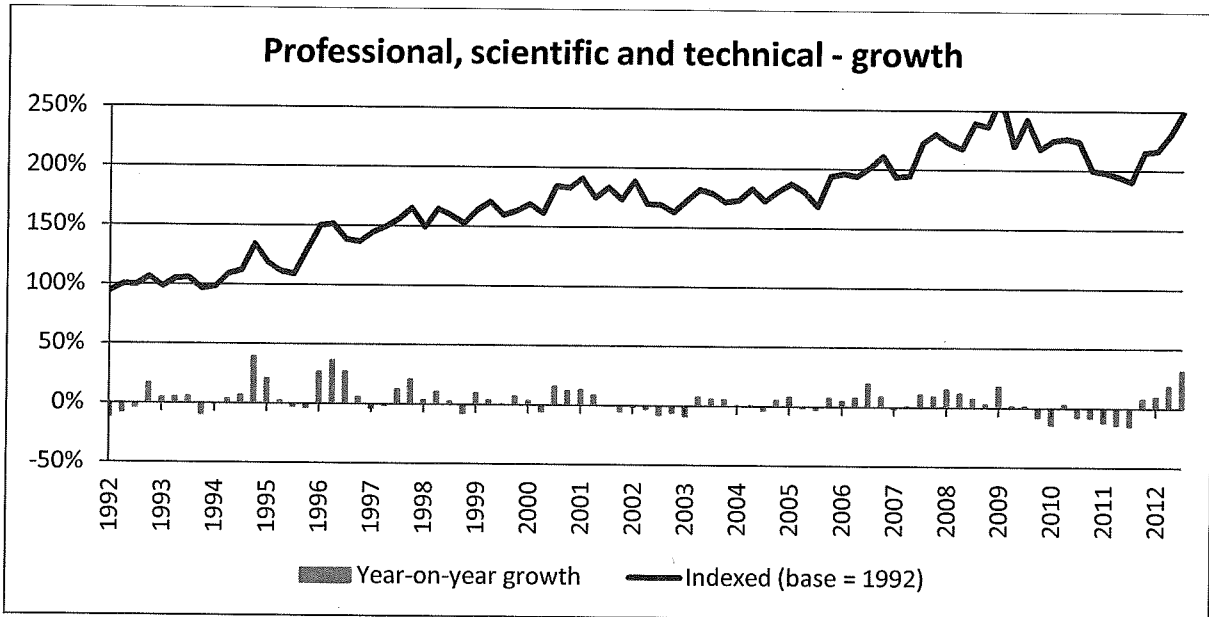
The 'other services' division has been amongst the most stable, likely due to the broad array of services included in this category. As a share of total ACT employment, this division has trended downwards by about 1% over the past 20 years.



Professional, scientific and technical

Units in this division specialise and sell their expertise and generally require a high level of expertise and training. Includes scientific research, architecture, engineering, computer systems design, law, accountancy, advertising, market research, management and other consultancy, veterinary science and professional photography.

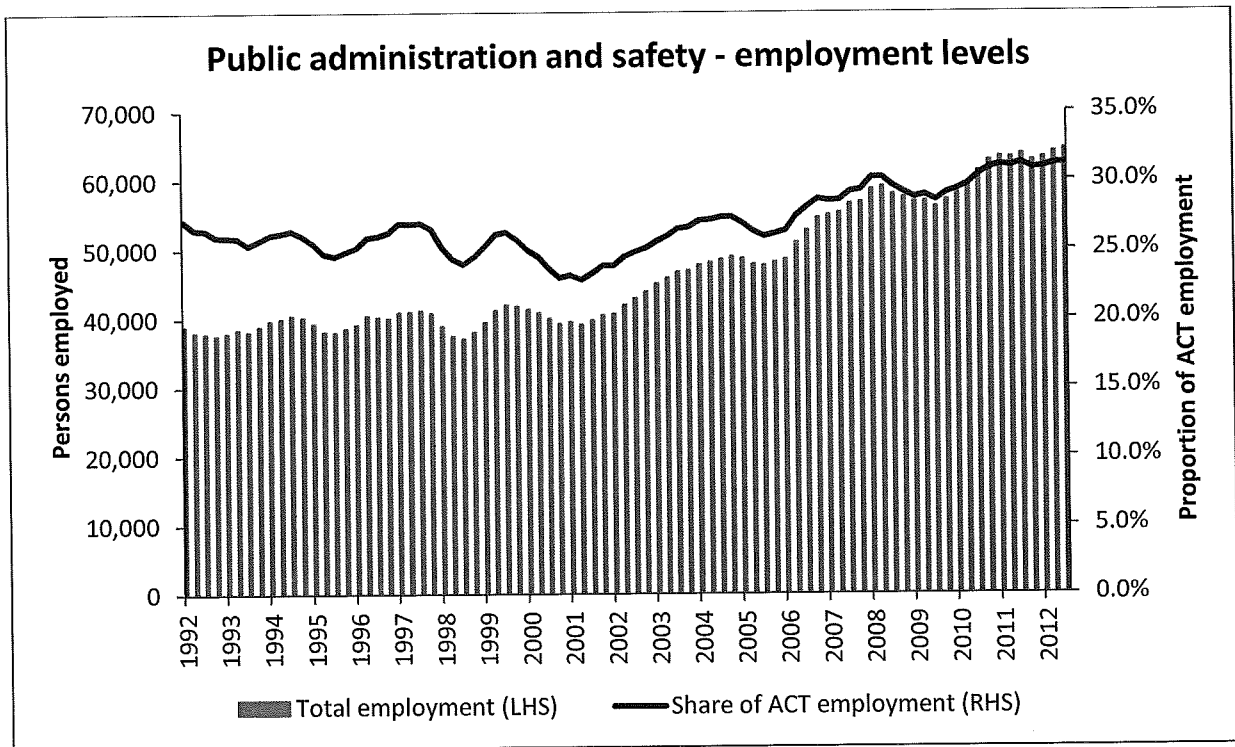
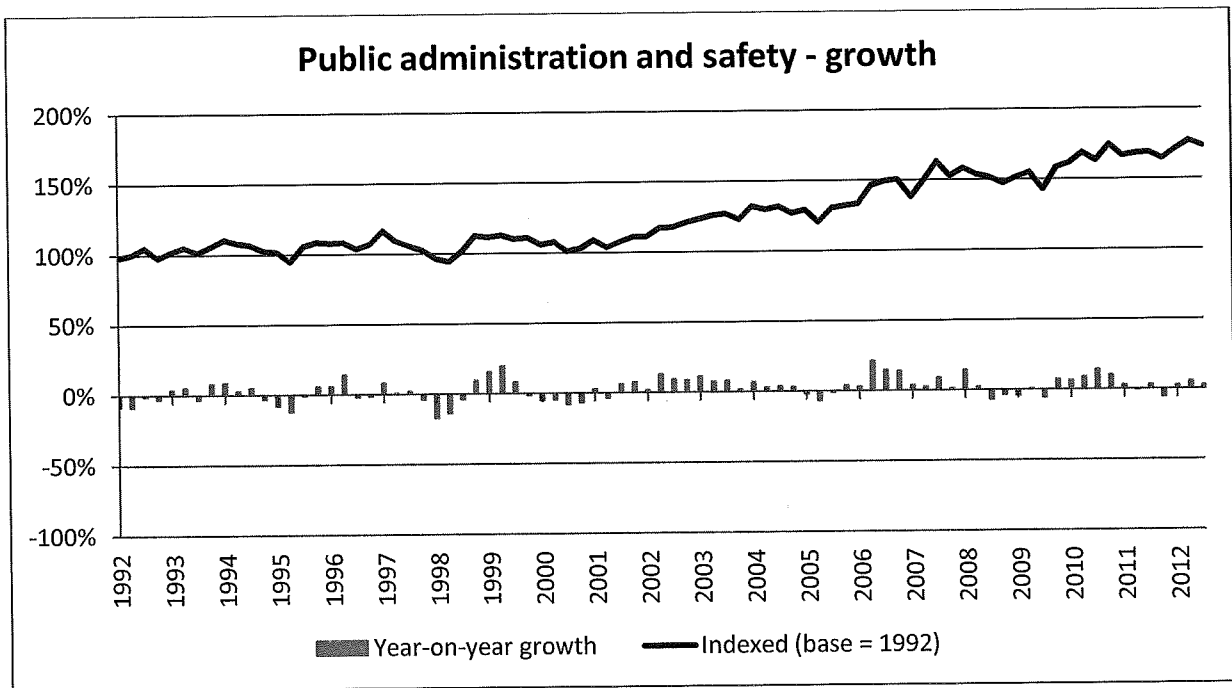
This division has been the fastest growing over the period examined, adding 11,000 new positions over the period examined. Employment has more than doubled over 20 years, which has increased the total share of ACT employment to 10% in 2012.



Public administration and safety

Units mainly engaged in Central, State or Local Government legislative, executive and judicial activities; in providing physical, social, economic and general public safety and security services; and in enforcing regulations. Also includes military defence, government representation and international government organisations. However, government *ownership* is not a criterion for classification to this industry division.

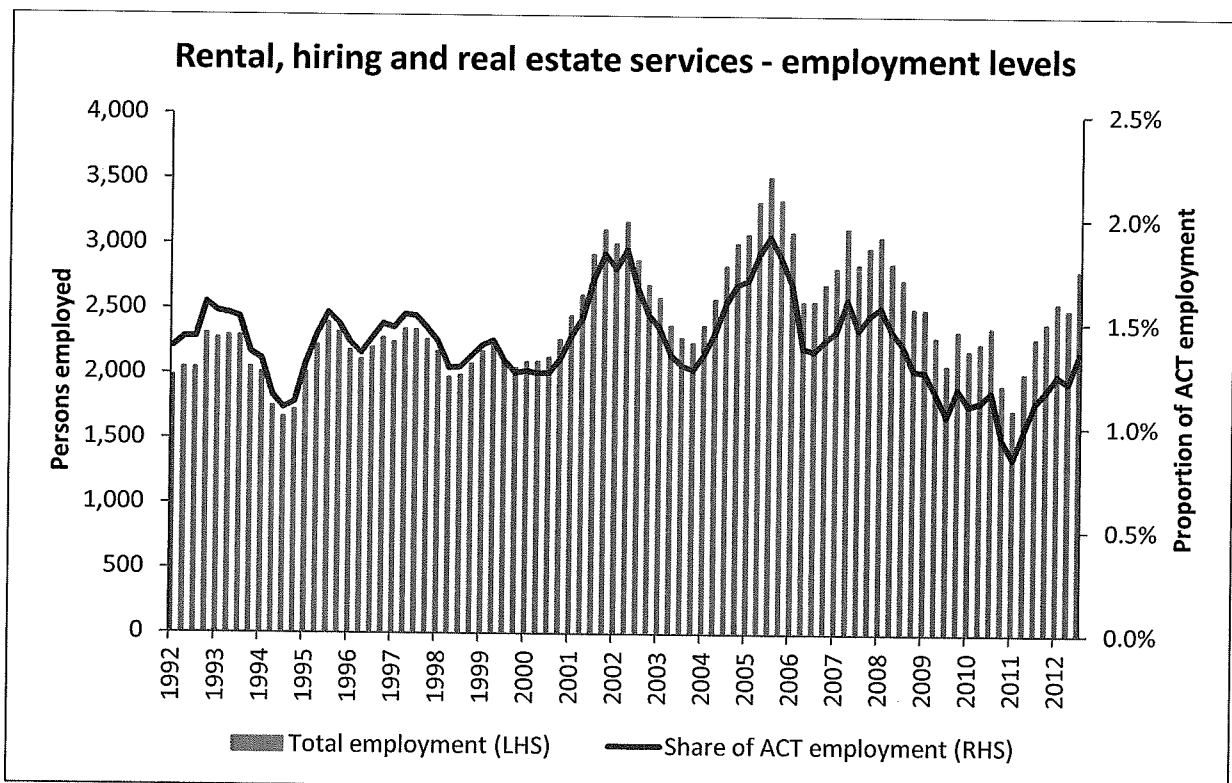
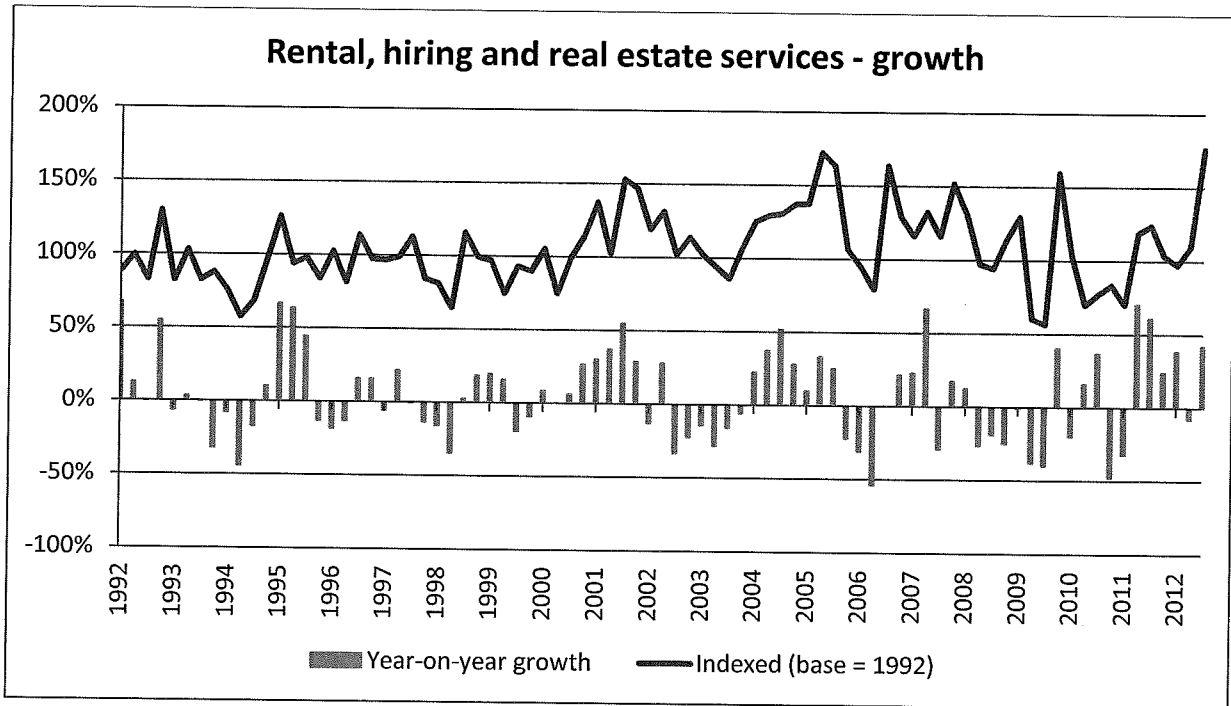
Unsurprisingly, this is the largest single industry division in the ACT with roughly 64,000 positions in 2012. Employment in this division has also been on a steady upward trajectory since 2001 and has added 26,000 new jobs since 1992.



Rental, hiring and real estate services

Units mainly engaged in renting, hiring, or otherwise allowing the use of tangible or intangible assets (except copyrights), and units providing related services. The assets may be tangible, as in the case of real estate and equipment, or intangible, as in the case with patents and trademarks.

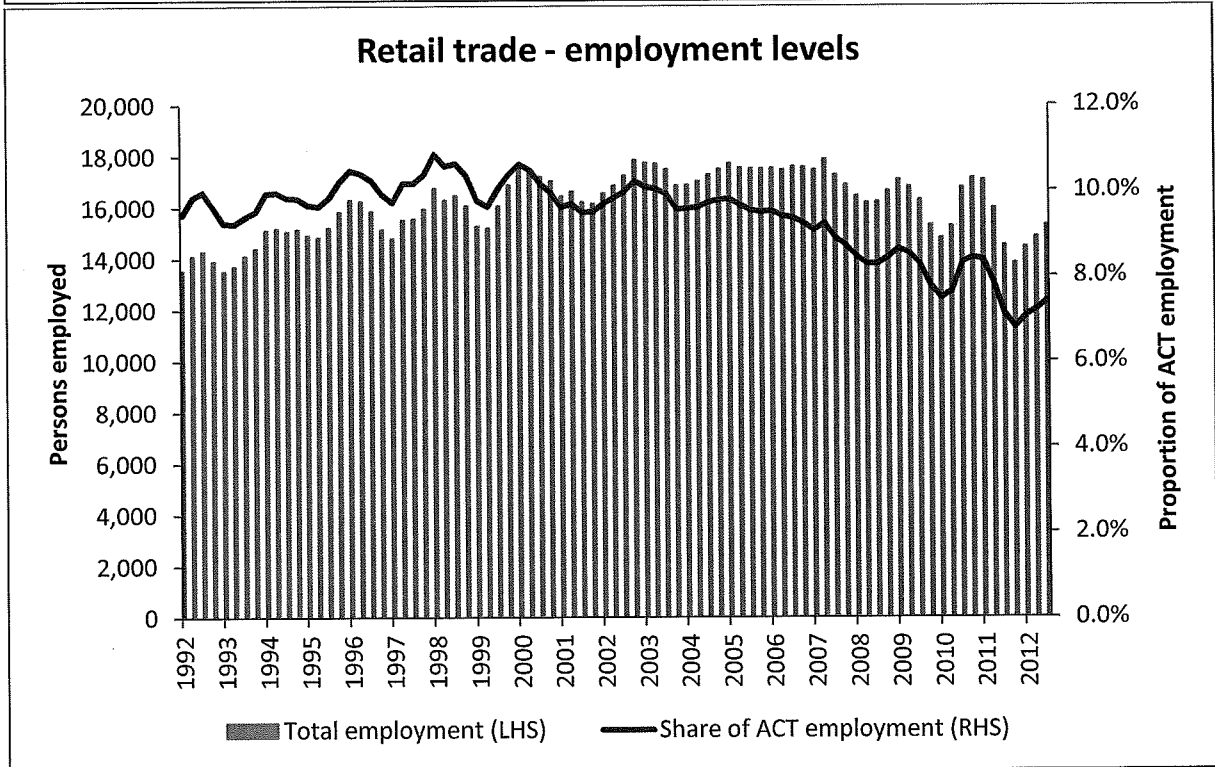
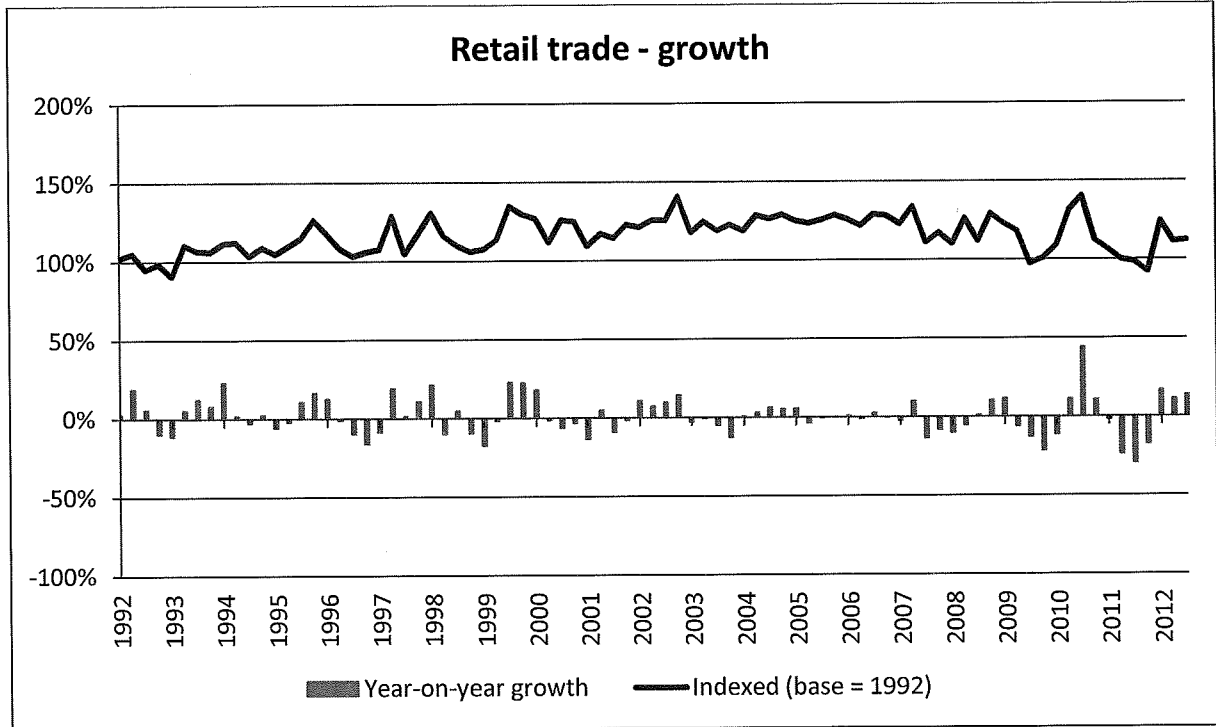
Rental, hiring and real estate is one of the smallest industry divisions in the ACT, with employment tending to remain between 2,000-3,000. Despite high volatility, there has been no clear long-term trend in employment levels over the last 20 years.



Retail trade

Includes units mainly engaged in the purchase and on-selling, without significant transformation, to the general public, including via the internet.

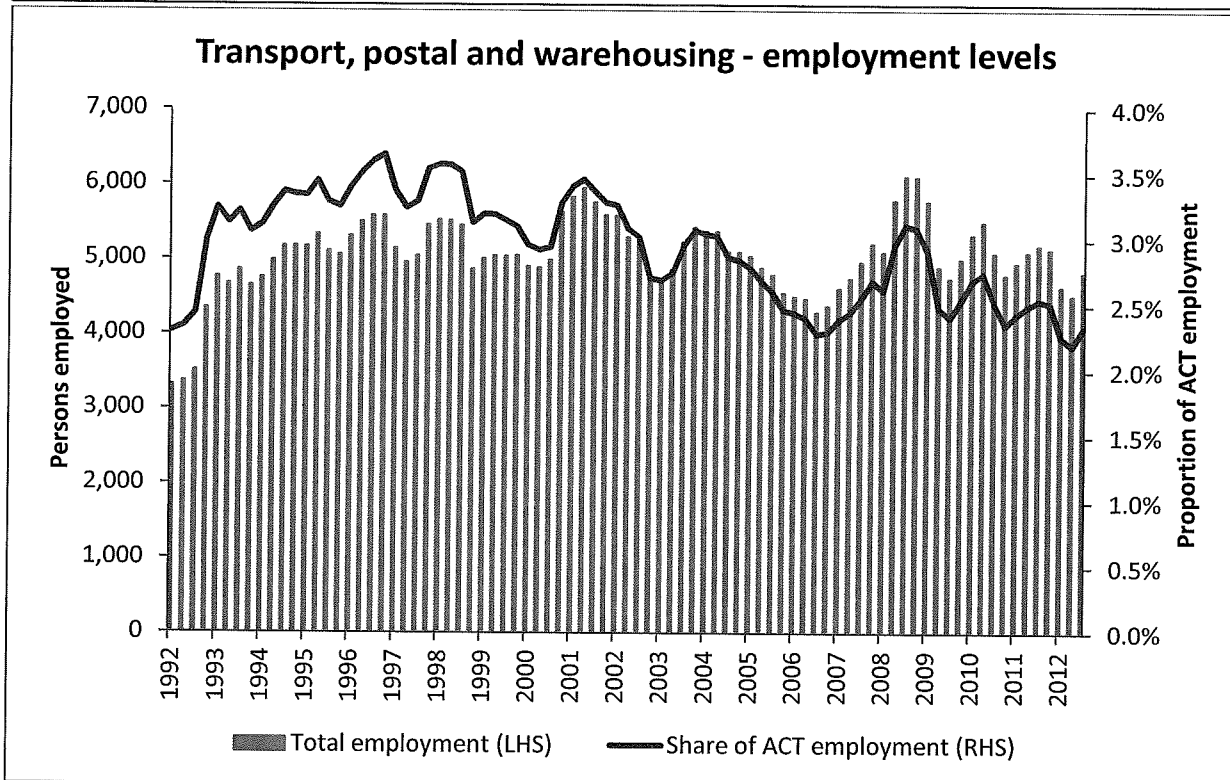
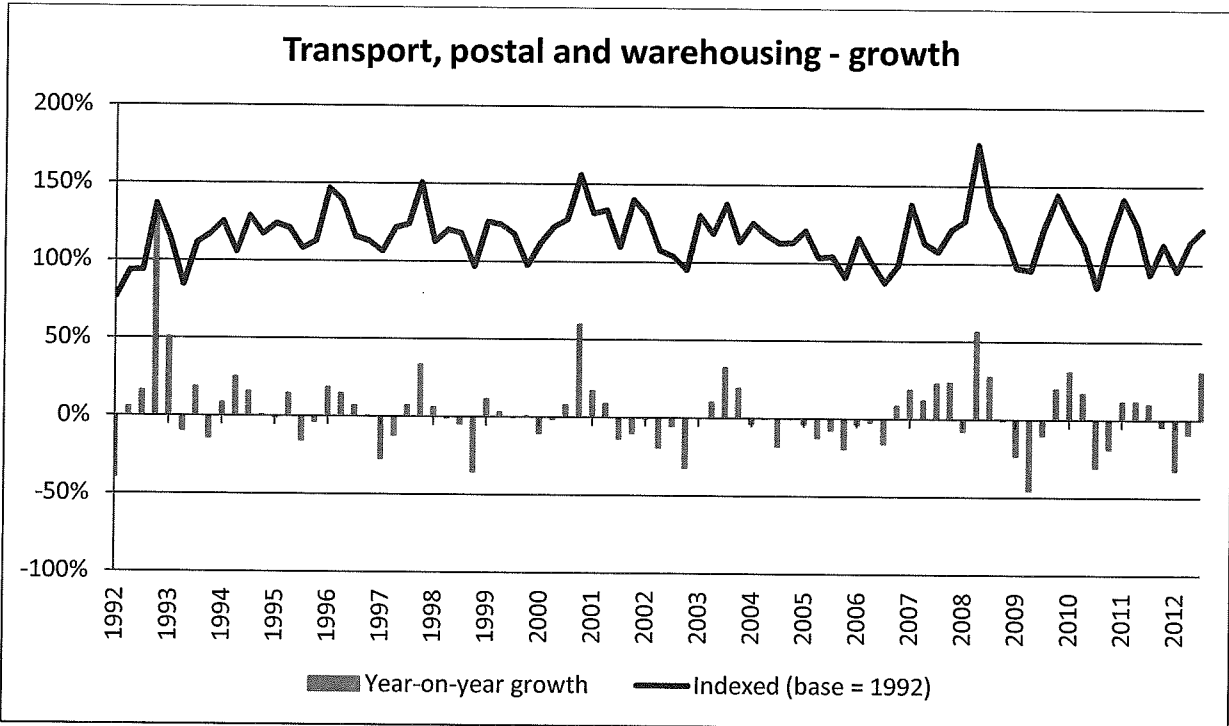
The retail division is responsible for slightly greater than 7% of ACT employment in 2012, down from almost 10% in 1992. Nonetheless, in absolute terms, the sector has grown by roughly 700 jobs over the same period.



Transport, postal, warehousing

Units mainly engaged in providing transportation of passengers and freight by road, rail, water or air; postal services; scenic and sightseeing transport; and goods warehousing and storage activities. Also includes support services, such as airport operations and customs agency services.

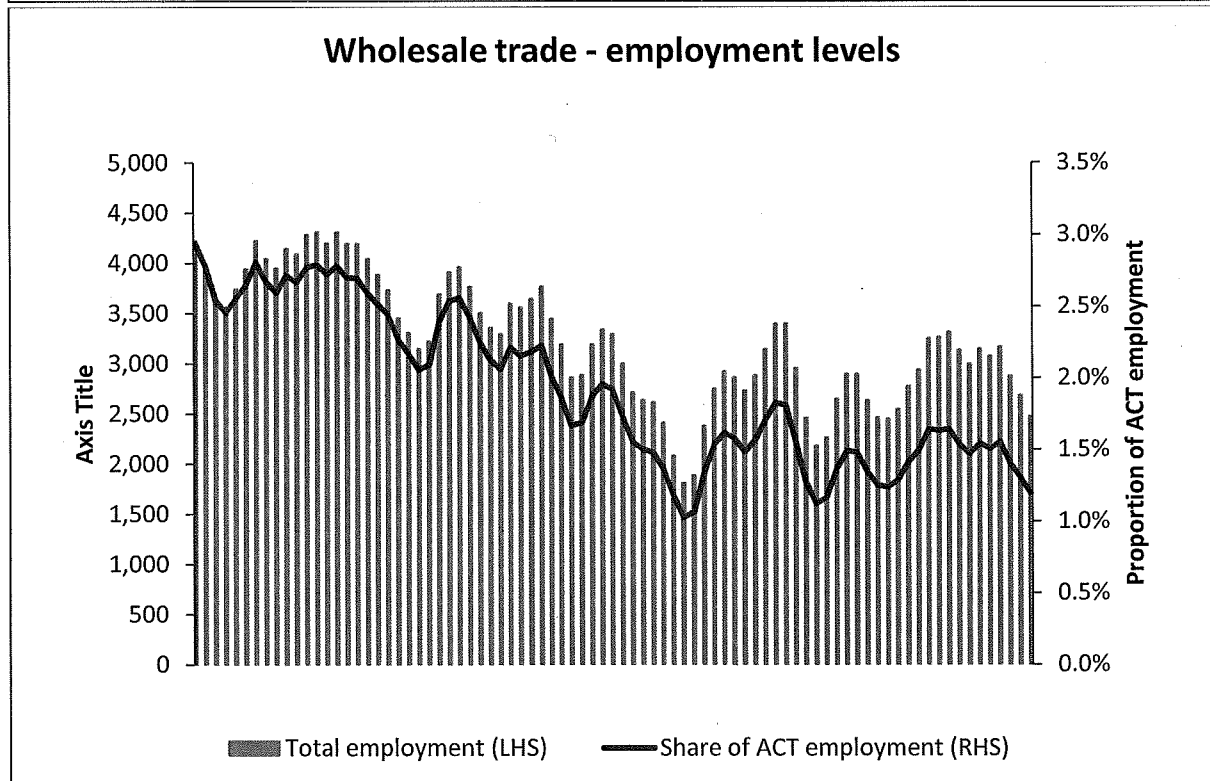
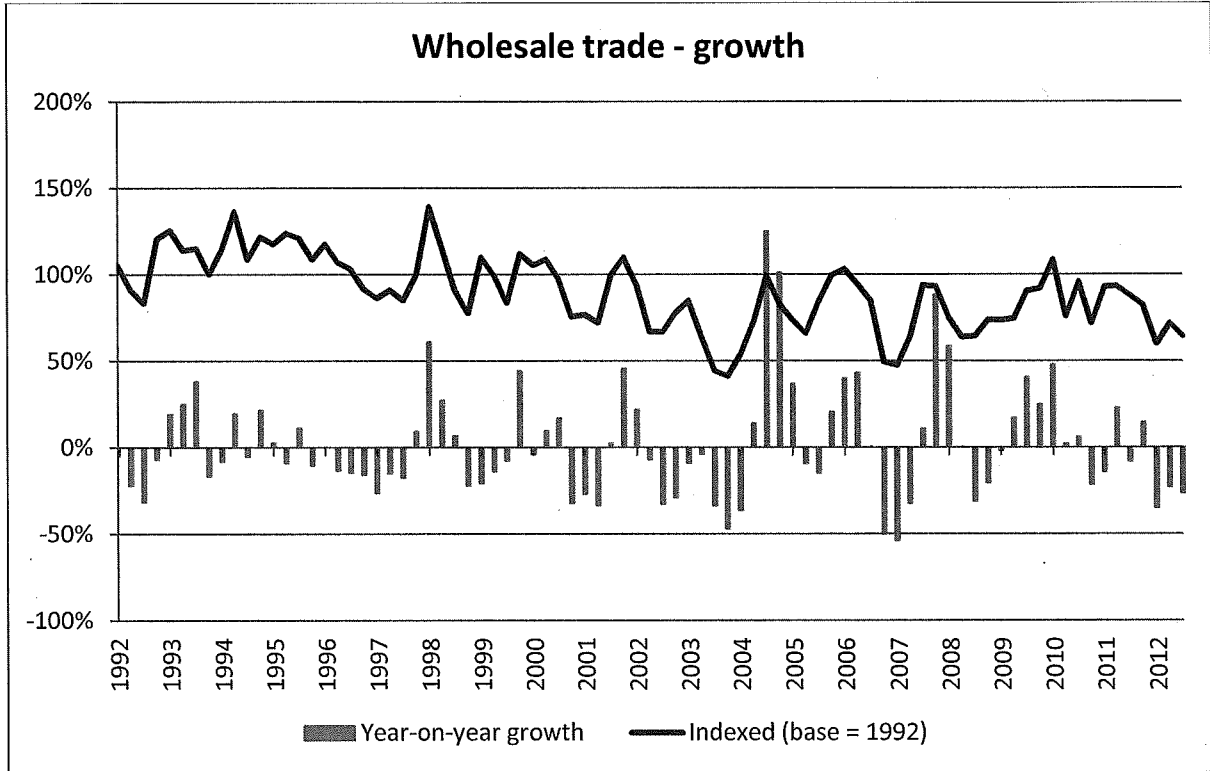
Notwithstanding occasional fluctuations, overall employment in this division has not changed significantly in the long term. Current employment is roughly 4,500, or 2.2% of the ACT total.



Wholesale trade

Includes units mainly engaged in the purchase and on-selling of goods, without significant transformation, to businesses.

A minor employer in the ACT, the wholesale trade division has contracted by one third since 1992. Current employment is approximately 2,700, or 1.3% of the ACT total.





LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

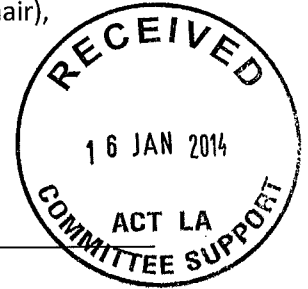
QTON PAC No: 5

19 Dec 13

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Mr Brendan Smyth MLA (Chair), Ms Mary Porter MLA (Deputy Chair),
Dr Chris Bourke MLA, Ms Nicole Lawder MLA

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Smyth on 19 December 2013: Mr Barr took on notice the following question(s):

[Ref: Hansard Transcript, 19 December 2013, page 226-227]

In relation to: Trade Connect Grants—reconciliation of the rationale for the original target for 2012–13 being 12 and the actual result for 2012–13 of 39 grants

THE CHAIR: You have given out approximately 40 grants at the value of \$200,000. That is \$5,000, on average, per grant.

Mr Hassett: Yes.

THE CHAIR: Did you expect to give out \$20,000 for the 12 and have you under-allocated—

Mr Hassett: No. The reason for the higher number for that particular financial year was the support of companies through the trade mission activity. We had a number of companies that were participating in the Indonesia trade mission. We also had a film industry mission. Those grants, as I stated before, were to a much smaller maximum amount of \$3,000. That is the reason why.

THE CHAIR: But the question stands. You have said the amount was expected to be \$3,000 and you only had 12. That is \$36,000. Why would you allocate \$200,000?

Mr Barr: The 12 figure is errant.

THE CHAIR: It is your budget.

Mr Barr: We will take it on notice.

THE CHAIR: Take it on notice and give us some logic.

Mr Barr: We will take on notice why the number 12 was ever there. Certainly my understanding of the program has been—

THE CHAIR: Much bigger?

Mr Barr: Yes, or a greater number of smaller grants.

THE CHAIR: All right; if you can take it on notice and give us a reconciliation of the logic, that would be kind.

Mr Barr: The answers to the Member's questions are as follows:—

a) Why the number 12 was ever there?

The figure of 12 is applied as base figure for the accountability indicators which are predictive. The internal budget for trade connect grants is \$200,000 and 12 is derived by dividing the internal budget by the maximum allowable grant per company of \$15,000, plus a buffer of \$20,000 for contingency purposes ($\$15,000 \times 12 + \$20,000 = \$200,000$).

It is not possible to predict the volume and size of company grants in any one year as circumstances and funding requests vary significantly from case to case. Nor is it possible to predict the size and make up of trade missions and the eligibility or otherwise of participant companies.

For these reasons the above approach is used to determine a base number for the accountability indicators.

The actual number of grants awarded in 2012-13 was 39. The following table summarises the performance and make-up of Trade Connect grant funding in 2012-13.

Year	Maximum Funding	Budgeted Funding	Committed Funding	Target	Result	Average Funding
2012-13	\$15,000	\$200,000	\$204,722	12	39	\$5,249

b) Were any of the funds used to supplement the costs for the government attending these missions?
Was any of that funding used to assist in getting the minister or staff overseas?

- i) No
- ii) No

Approved for circulation to the Standing Committee on Public Accounts

Signature: 

Date: 15.1.14

By the Minister for Economic Development, Andrew Barr MLA



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

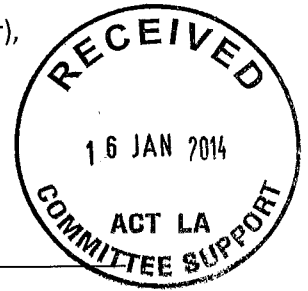
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PAC No: 6

19 Dec 13

STANDING COMMITTEE ON PUBLIC ACCOUNTS
Mr Brendan Smyth MLA (Chair), Ms Mary Porter MLA (Deputy Chair),
Dr Chris Bourke MLA, Ms Nicole Lawder MLA

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Smyth on 19 December 2013: Mr Barr took on notice the following question(s):

[Ref: Hansard Transcript, 19 December 2013, page 227]

In relation to: Trade Connect Grants—breakdown of percentage of grants allocated for mission related and non-mission related activities

THE CHAIR: Were any of the grants used for non-trade mission activities?

Mr Hassett: For trade connect?

THE CHAIR: For trade connect.

Mr Hassett: Yes. Companies can access trade connect grants to do their individual market development activities, which might be to do trade shows overseas, bring in prospective buyers or do their own market development activities based on their trade plans or their export plans.

THE CHAIR: Can you give us a breakdown on the percentage?

Mr Barr: Between mission related and not mission related?

THE CHAIR: Yes.

Mr Barr: Yes.

Mr Barr: The answer to the Member's question is as follows:—

In 2012-13, Trade Connect approved a total of 39 grant applications.

Percentage breakdown between mission-related and non-mission related grants is as follows:

	Approved Grants	
	No.	%
Mission-related	22	56
- Indonesian Trade Mission (ministerial-led)	11	28
- Marche du Film Cannes (industry-led)	11	28
Non-mission related	17	44
Total	39	100

Approved for circulation to the Standing Committee on Public Accounts

Signature: 

Date: 15.1.14

By the Minister for Economic Development, Andrew Barr MLA



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

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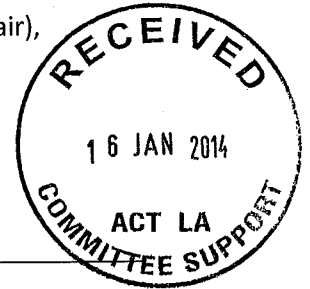
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19 Dec 13

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Mr Brendan Smyth MLA (Chair), Ms Mary Porter MLA (Deputy Chair),
Dr Chris Bourke MLA, Ms Nicole Lawder MLA

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Smyth on 19 December 2013: Ms Hartley took on notice the following question(s):

[Ref: Hansard Transcript, 19 December 2013, page 233-234]

In relation to: Government contracting—contracts to Relocation Made Easy Pty Ltd

THE CHAIR: Perhaps we could go to some of the procurement data on pages 278, 279 and 280 of the annual report. I am curious that a firm called Relocations-Made-Easy got two contracts in the reporting period. Why do we have two contracts with Relocations-Made-Easy? It is on page 278, the fifth and sixth lines.

Mr Barr: One for \$21,725 and one for \$9,952.

THE CHAIR: Correct.

Mr Barr: Good question.

Ms Hartley: The reason we have two contracts there is that we changed the service delivery model for Relocations-Made-Easy. Relocations-Made-Easy is an online discovery system for skilled migrants to punch in their family details. It gives them the best suburb for their family that may be conducive to their relocating to Australia. The reason that the first contract was for \$21,000 and the second one was for \$9,952 is because we moved to a month-by-month basis with Relocations-Made-Easy from April.

THE CHAIR: They are the only firm that provides that sort of service?

Ms Hartley: Yes, that is my understanding. They are the only firm that provides that sort of service.

THE CHAIR: This is the first time that the government has had a contract with them?

Ms Hartley: Relocations-Made-Easy?

THE CHAIR: Yes.

Ms Hartley: No, we have had a contract with them in the past.

THE CHAIR: How did the government find out about Relocations-Made-Easy?

Ms Hartley: I will have to take that on notice. It was before my time in the position.

Mr Barr: The answer to the Member's question is as follows:—

I have been advised by the Economic Development Directorate that contact with Relocations-Made-Easy was likely to have been made through earlier attendance at a Migration Institute of Australia Conference.

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Signature: *Andrew Barr*

Date: 15.1.14

By the Minister for Economic Development, Andrew Barr MLA



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

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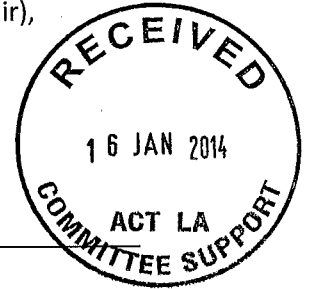
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19 Dec 13

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Mr Brendan Smyth MLA (Chair), Ms Mary Porter MLA (Deputy Chair),
Dr Chris Bourke MLA, Ms Nicole Lawder MLA

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Smyth on 19 December 2013: Mr Dawes took on notice the following question(s):

[Ref: Hansard Transcript, 19 December 2013, page 235-236]

In relation to: Government contracting – Projects Assured

THE CHAIR: All right. The next one, Projects Assured—project management consultancy for website development: why would you go to single-select for that?

Mr Dawes: Some of these also come off a panel. Depending on the price range of some of these contracts as well—as you would be aware, the basic purchasing for some of these things can be up to \$25,000.

THE CHAIR: But if they come off a panel it is listed as a procurement pre-qualified panel as in across the page on dialogue information.

Mr Dawes: I will just have to double-check on that particular one. My understanding was that they were off the panel.

Mr Barr: The answer to the Member's question is as follows:—

The contract in question was approved under a select request for quotation in accordance with ACT Government procurement guidelines and in consultation with Shared Services procurement. Three providers submitted written quotations and these were panel assessed prior to a decision to award the contract.

Approved for circulation to the Standing Committee on Public Accounts

Signature: *Andrew Barr*

Date: 15.1.14

By the Minister for Economic Development, Andrew Barr MLA



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

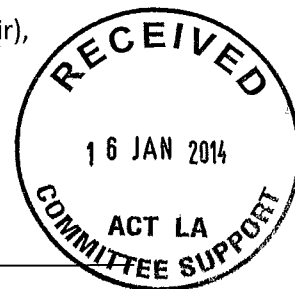
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19 Dec 13

STANDING COMMITTEE ON PUBLIC ACCOUNTS
Mr Brendan Smyth MLA (Chair), Ms Mary Porter MLA (Deputy Chair),
Dr Chris Bourke MLA, Ms Nicole Lawder MLA

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Smyth on 19 December 2013: Mr Dawes took on notice the following question(s):

[Ref: Hansard Transcript, 19 December 2013, page 235]

In relation to: Government contracting – SGS Economics and Planning Pty Ltd

THE CHAIR: All right. The next one—SGS Economics: are they the only firm that could prepare an economic paper on investment opportunities in the ACT?

Mr Horsburgh: Can I comment on that? The SGS procurement was not a single-select.

THE CHAIR: It was or it was not?

Mr Horsburgh: It was not a single-select. There were three tenders for that piece of work.

THE CHAIR: Well, you need to correct the annual report because it is listed as a single-select. So that is not correct?

Mr Horsburgh: There were three tenders for that piece of work.

THE CHAIR: Okay. That is not what it says, so you might want to correct your annual report.

Mr Dawes: We can confirm that.

Mr Barr: The answer to the Member's question is as follows:—

The contract in question was approved under a single select process in accordance with ACT Government procurement guidelines and in consultation with Shared Services procurement. The key issues influencing the decision were:

- The contractor had successfully and recently undertaken ICT project management for a similar CRM and website build project in the Directorate.
- Their detailed understanding of Economic Development Directorate's operational environment and governance requirements were deemed to underpin the project success.

Approved for circulation to the Standing Committee on Public Accounts

Signature: *Andrew Barr*

Date: 15.1.14

By the Minister for Economic Development, Andrew Barr MLA



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

Q To N

PAC No: 10

19 Dec 13

STANDING COMMITTEE ON PUBLIC ACCOUNTS
Mr Brendan Smyth MLA (Chair), Ms Mary Porter MLA (Deputy Chair),
Dr Chris Bourke MLA, Ms Nicole Lawder MLA

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS



Asked by Mr Smyth on 19 December 2013: Mr Dawes took on notice the following question(s):

[Ref: Hansard Transcript, 19 December 2013, page 236-237]

In relation to: Government contracting - clarification whether any Directorate contracts have been awarded to ex ACT Government employees

THE CHAIR: All right. In that case, on the single-select procurements, were any of the contracts awarded to ex-ACT government staff and, in particular, former staff from business ACT?

Mr Dawes: I do not believe so. This is one thing where I would always say that I would like to double-check but, to my knowledge, certainly not.

THE CHAIR: So are you going to double-check?

Mr Dawes: I will double-check.

THE CHAIR: You will take that on notice; thank you.

Mr Barr: The answer to the Member's question is as follows:—

In 2012-13 no contracts were awarded to ex-BusinessACT staff. I am informed by the Economic Development Directorate, however, that, although there is no record kept of the employees of contracted companies or of any past connections those employees may have had with BusinessACT, the Directorate is aware of two contracted companies that employ ex-BusinessACT staff.

Approved for circulation to the Standing Committee on Public Accounts

Signature: *Andrew Barr*

Date: 15.1.2014

By the Minister for Economic Development, Andrew Barr MLA



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LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

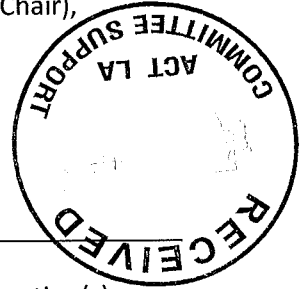
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19 Dec 2013

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Mr Brendan Smyth MLA (Chair), Ms Mary Porter MLA (Deputy Chair),
Dr Chris Bourke MLA, Ms Nicole Lawder MLA

**ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS**



Asked by Mr Smyth on 19 December 2013: Mr Walsh took on notice the following question(s):

[Ref: Hansard Transcript, 19 December 2013, page 223]

In relation to: Total Expenditure Increase

THE CHAIR: Total expenditure went from \$101 million to \$155 million. What are the ins and outs on that?

Mr Barr: I suspect that will be a part financial year impact, will it not, because of the—

Mr Dawes: Dermot will be able to give you that detail.

Mr Walsh: In terms of the major element of that increase, it was actually asset transfers to other directorates. There were capital works undertaken on behalf of TAMS—ACTEW—where we built the infrastructure and then transferred it. That was \$44 million of the increase between the two years. The others would be a range of ups and downs in administrative costs and initiatives coming off between the two years, which I am happy to provide on notice.

THE CHAIR: All right.

Mr Barr: The answer to the Member's question is as follows:—

The \$55.9 million increase in total expenses by the Directorate in 2012-13 mainly comprised

- \$1.1 million reduction in long service leave expenses, due to a reduction in the rate used to estimate the present value of the future long service leave payments;
- \$2.3 million increase in cost of goods sold related to costs incurred to stage the National Rugby League test match, the Super 15 rugby match and a major concert;
- \$2.3 million increase in marketing costs, due to the increased tourism and events marketing related to the Centenary of Canberra;
- \$1.0 million decrease in professional fees, due to an increased use of in-house expertise;
- \$3.0 million increase in utilities, the increase was mainly due to the amount of sportsground watering required during the warm and dry summer/autumn and the increase in the cost of water;
- \$3.0 million reduction Works in Progress expensed, relates to a reduction in capital works project deemed not be capital in nature and written off compared to the previous financial year;




- \$6.7 million increase in grants to community organisations, the increase mainly related to business support initiatives funded in the 2012-13 Budget (including National ICT Australia) and the payment to Pace Farm to convert its facilities from cage egg to barn egg production;
- \$44.5 million in asset transfers, relating to capital works projects completed by the Directorate and transferred to other ACT Government directorates/agencies (see **Table A** below for details).

Table A – 2012-13 Economic Development Directorate Asset Transfers

	TOTAL	TAMS	ACTEW	CMTD	CWD	LDA	ESDD	JACS
Watson Stormwater	2,224,927	2,062,328	162,599					
Forde Intersection	4,240,285	4,149,420	90,865					
Fyshwick Intersection	3,274,460	3,174,078	100,382					
Harrison Wells Station	8,756,822	8,670,704	86,118					
Transport For Canberra Street Lighting	2,023,000	2,023,000						
City West Infrastructure Stage 3	1,875,070	1,875,070						
Casey Clarrie Hermes Drive	17,659,887	17,659,887						
Govt office accommodation & relocation fit-out	4,453,060	123,359		957,517	278,072	533,764	644,435	1,915,913
Total	44,507,511	39,737,846	439,964	957,517	278,072	533,764	644,435	1,915,913

Approved for circulation to the Standing Committee on Public Accounts

Signature: 

Date: 28-1-14

By the A/g Minister for Economic Development, Katy Gallagher MLA