



STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

JEREMY HANSON MLA (CHAIR), MICHAEL PETERSSON MLA (DEPUTY CHAIR), MARK PARTON MLA,
SUZANNE ORR MLA

**Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION ON NOTICE**



Asked by MR COE MLA:

Chief Minister, Treasurer and Economic Development Directorate 2016/17 Annual Report, Property Services, Output 9.7

In relation to Revenue/Peppercorn leases:

1. Can you please provide a breakdown of rent, delivery of property projects and maintenance services revenue into the relevant streams, such as rental revenue?
2. How much revenue was generated through rent, and by how many properties?
 - a. How do rental properties with peppercorn rate rental arrangements affect the revenue generated?
 - b. Are there criteria that must be met for a property or entity to be eligible for peppercorn arrangements?
 - i. If so, what are these criteria?
3. Please provide a breakdown of:
 - a. The total number of properties that are charged market value rent;
 - b. The total number of properties that are charged peppercorn rent;
 - c. The revenue generated through market value rent payments;
 - d. The revenue generated through peppercorn rent payments.
4. How many properties are subject to lease agreements under which tenants are charged a peppercorn rate?
 - a. What benefits does the Government receive in return for only charging a peppercorn rate?
5. Can you provide a consolidated list of entities who are being charged the peppercorn rate and the period of those agreements?
6. Can you outline why the CFMEU was paying a peppercorn rate and the property in Dickson?
 - a. If there is criteria for peppercorn rates, can you outline how they fit the criteria?
 - b. What benefits did the ACT Government receive in exchange for the peppercorn rate provided to the CFMEU?
7. Please outline the staffing arrangements of the 24 hour, seven day a week trades and services centre as stated in the AR.
 - a. Is it staffed exclusively by public servants?



LEGISLATIVE ASSEMBLY

FOR THE AUSTRALIAN CAPITAL TERRITORY

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- i. If not, who are the contractors used?
- ii. When are the contractors used?
- b. If staffed by contractors, please outline the:
 - i. Total number of contracts, and;
 - ii. The total value of each contract for these services?

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

The detailed information below relates to property and services directly managed by ACT Property Group only, and with the exception of Question 6, does not include properties managed by other directorates.

1. The breakdown of the \$95.5m revenue is as follows

Rent (Owned & Leased)	\$58.0m
Outgoings	\$8.9m
Repairs / Maint / Projects	\$27.4m
Venues Hire	\$0.5m
Other	\$0.7m

2. \$58.0m was generated through rent across 166 properties.

- a. Properties under peppercorn rental arrangements have a negative net impact on ACT Property Group's financial operations.
- b. ACT Property Group lease to community groups in accordance with the community and other tenancies application and allocation policy.

- 3.
- a. 55 owned properties are charged market rent across the portfolio.
 - b. 73 properties are occupied by tenants that are charged a peppercorn rent.
 - c. The annual revenue based on 30 June 2017 generated through market rent for owned properties is \$18,854,953 (GST Inc).
 - d. The revenue generated through peppercorn rent payments is nil.

4. 73 properties are occupied by tenants that are charged a peppercorn rent.

- a. Support for community organisations by way of Government subsidies such as peppercorn rent is an important contribution to reducing costs for the Community Sector. Lowering the costs for community organisations enables the Sector to deliver more community services as the costs for community services are lower. Community facilities have been repurposed and used fully to deliver social benefit. A range of small community organisations are located at sites such as Weston Community Hub which allows Government to maximise the services that can be delivered from each location.

5. List Attached.

6. The payment of the peppercorn rent was part of the commercial arrangement for the sale of the site. As the site was still undergoing community consultation for Section 72, the ongoing tenancy of this building allowed the site to be maintained prior to formalising the future use. The negotiated



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outcome also ensures that the use of the car park site adjacent to the Dickson Tradies building could be continued to be utilised for car parking.

- a. The government considers each case individually.
 - b. All maintenance and rates applicable to the site are the responsibility of the CFMEU as part of the rental agreement.
7. The ACT Property Group Response Centre co-ordinates the work of the trades and services team 24 hours, seven days a week and is staffed by 1 x ASO5 and 4 x ASO3 officers between the hours of 8am and 5pm. From 5pm until 9pm Access Canberra provide the service with Access Canberra's outsourced call centre, One Contact handling calls from 9pm to 8am the following morning.
- a. The Response Centre is staffed by public servants and temporary contract staff. There are no contracts in place for service providers to deliver the Response Centre services as we are in the process of recruiting.
 - i. Temporary contract staff are hired through the Whole of Government provider – Contractor Central – Comensura
 - ii. Contract staff are used 5 days a week.
 - b.
 - iii. Three.
 - iv. Each contract staff costs \$42/hr with the total cost varying on the number of hours worked each week.

Approved for circulation to the Standing Committee on Economic Development and Tourism

Signature: *Andrew Barr*

Date: 20.12.17

By the Treasurer, Andrew Barr MLA

Building Name	Organisation Name	Agreement period		
		From	To	Years
Appletree Early Childhood Centre	Communities @ Work Inc	01/03/2012	28/02/2017	5
Belconnen Community Centre	Belconnen Community Service Inc	01/02/2012	31/01/2017	5
Bonython Neighbourhood Hall	Tuggeranong Link of Community Houses and Centres Inc	N/A	N/A	N/A
Bunyarra Children's Centre	The Uniting Church of Aust (ACT)	01/01/2013	31/12/2017	5
Calwell Childcare and Neighbourhood Centre	Anglicare Canberra and Goulburn	01/01/2013	31/12/2017	5
Campbell Cottage Childcare Centre	The Young Women's Christian Association of Canberra (YWCA of Canberra)	01/11/2007	31/10/2012	5
Causeway Hall - Kingston	Causeway Residents Association	03/08/2004	02/08/2009	5
Causeway Preschool	Causeway Residents Association	01/01/2009	31/12/2013	5
Chapman Community Rooms	Weston Creek Playgroup Association Inc	01/05/2013	30/04/2018	5
Charnwood Neighbourhood & Coolinda Childcare	North Belconnen Community Association	01/08/2011	31/07/2016	5
Chisholm Community Centre	Tuggeranong Link of Community Houses and Centres Inc	01/02/2013	31/01/2018	5
Civic Early Childhood Centre	Northside Community Service Inc	08/12/1999	07/12/2004	5
Civic Youth Centre	Anglicare Canberra	01/03/2013	28/02/2018	5
Conder Community House & Child Care Centre	The Young Women's Christian Association of Canberra (YWCA of Canberra)	01/01/2013	31/12/2017	4
Corrobee Park Community Hall	Northside Community Service Inc	01/02/2013	31/01/2018	5
Downer Community Centre	Downer Community Association	01/02/2013	31/01/2018	5
Erindale Neighbourhood Centre	The Uniting Church of Aust (ACT)	01/02/2013	31/01/2018	5
Flynn Childcare and Community Centre	North Belconnen Community Association	N/A	N/A	N/A
Forrest Early Childhood Centre	Southside Community Services Inc	01/01/2008	31/12/2012	5
Gilmore Community Centre	Tuggeranong Link of Community Houses and Centres Inc	01/02/2013	31/01/2018	5
Ginninderra Community Hall - Higgins	The Gospel Salvation Assembly Inc	01/02/2013	31/01/2018	5
Giralang Community Hall	Giralang Community Centre Association Inc	01/02/2013	31/01/2018	5
Greenway Childcare Centre	Communities @ Work Inc	01/01/2008	31/12/2012	5
Griffith Neighbourhood Hall	Southside Community Services Inc	N/A	N/A	N/A
Gugan Gulwan Youth Centre	Gugan Gulwan Aboriginal Corporation	01/01/2013	31/12/2018	5
Gungahlin Childcare Centre	Samantha Menzie (Gungahlin Children's Centre)	01/12/2003	30/11/2013	10
Gungahlin Community Centre	Communities @ Work Inc	01/07/2013	31/01/2018	<5
Hall Community Precinct	The Village of Hall & District Progress Assoc	01/05/2016	30/06/2018	<5
Hughes Community Centre	Council on the Ageing (ACT) Inc	01/02/2013	31/01/2018	5
Humpy Hall	South Belconnen Community Association Inc	01/02/2013	31/01/2018	5
Iloura Child Care Centre	Communities @ Work Inc	01/08/2011	31/07/2016	5
Isabella Plains Early Childhood Centre	Communities @ Work Inc	31/01/2008	31/12/2012	5
Isabella Plains Neighbourhood Centre	Tuggeranong Link of Community Houses and Centres Inc	01/02/2013	31/01/2018	5
Kaleen Childcare Centre	Kaleen Community Association Inc	01/01/2008	31/12/2012	5
Kaleen Community Hall	Kaleen Community Association Inc	01/02/2013	31/01/2018	5
Kambah Cottage	Diversity ACT	27/08/2012	26/08/2015	3
KU Braddon Children's Centre	KU Children's Services	01/11/2012	31/10/2017	5
Lanyon Community & Lanyon Youth Centre	The Young Women's Christian Association of Canberra (YWCA of Canberra)	01/01/2013	31/12/2017	5
Macrossan Crescent Depot	Belwest Foxes Soccer Club	01/12/2001	30/11/2011	10
Majura Community Centre	Northside Community Service Inc	01/04/2011	31/03/2016	5
Manuka Occasional Childcare Centre	Manuka Occasional Childcare Centre Association	01/01/2013	31/12/2017	5
Narrabundah Children's Cottage (Yamba)	Southside Community Services Inc	01/03/2012	28/02/2017	5

Narrabundah Community House	Winnunga Nimmityyah Aboriginal Health Service	01/07/2013	30/06/2018	5
Nellie Hall	North Belconnen Community Hall Association Inc	01/02/2013	31/01/2018	5
Ngunnawal Neighbourhood Centre	Communities @ Work Inc	01/07/2013	30/06/2018	5
Nicholls Community Centre	Community Services of Gungahlin	01/03/2008	28/02/2013	5
Oaks Estate Community Hall	Southside Community Services Inc	01/03/2008	28/02/2013	5
Old Tuggeranong Schoolhouse	Elizabeth Burness	01/07/2017	30/06/2022	5
Palmerston Community Hall	Northside Community Service Inc	N/A	N/A	N/A
Pearce Community Centre	Pearce Community Centre	01/02/2013	31/01/2018	5
Rainbow Cottage Early Childhood Centre	Rainbow Cottage Early Childhood Centre	01/01/2013	31/12/2017	5
Richardson Community House	Tuggeranong Link of Community Houses and Centres Inc	01/02/2013	31/01/2018	5
Richardson Family Centre and Child Care Centre	Communities @ Work Inc	01/12/2012	30/11/2018	5
Salem Children's Centre	The Uniting Church of Aust (ACT)	01/01/2013	31/12/2017	5
Southside Community Centre	Southside Community Services Inc	01/02/2013	31/01/2018	5
Spence Children's Cottage	Spence Children's Cottage Association Inc	01/01/2013	31/12/2017	5
Stirling Early Childhood Centre	Communities @ Work Inc	01/11/2012	31/10/2018	5
Theiss Cottage	kambah Playgroups Association Inc	01/02/2013	31/01/2018	5
Torrens Community Hall	Torrens Community Hall Association Inc	01/07/2013	30/06/2018	5
Totom House Multicultural Early Childhood Centre	Totom House Incorporated	01/08/2011	31/07/2016	5
Tuggeranong 55 Plus Club	Tuggeranong 55 Plus Club	01/07/2015	30/06/2018	3
Tuggeranong Childcare & Education Centre	Communities @ Work Inc	01/01/2013	31/12/2017	5
Tuggeranong Community Centre	Communities @ Work Inc	01/02/2013	31/01/2018	5
Tuggeranong Youth Resource Centre	Communities @ Work Inc	01/01/2013	31/12/2017	5
Turner Childcare Centre	Northside Community Service Inc	01/01/2008	31/12/2012	5
Vocal House	Victims of Crime Association Inc	01/02/2013	31/01/2018	5
Waldorf Unit 150	C.A.R.E Incorporate	15/02/2006	14/02/2011	5
Wanniassa Community House	Sharing Places Incorporated	01/02/2013	31/01/2018	5
Weston Creek Children's Centre	Projects on Parkinson Ltd	01/07/2017	31/12/2018	1.5
Weston Creek Community Centre	Weston Creek Community Centre	07/05/2008	06/05/2013	5
Woden Community & Lollipop Children's Centre	Woden Community Service Inc.	01/08/2011	31/07/2016	5
Woden Youth Centre	Woden Community Service Inc.	01/01/2013	31/12/2017	5
Youth Coalition of the ACT	Youth Coalition of the ACT	01/11/2008	31/10/2013	5

Total = 73 Assets