



LEGISLATIVE ASSEMBLY

FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Brendan Smyth MLA (Chair), Mary Porter AM MLA (Deputy Chair), Nicole Lawder MLA,
Meegan Fitzharris MLA

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Inquiry into 2014–15 Annual reports

Tourism portfolios / ACT Government Procurement Board

Responses to questions taken on notice at public hearing of 10 November 2015



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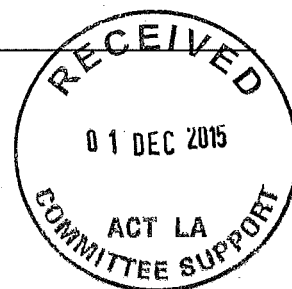
STANDING COMMITTEE ON PUBLIC ACCOUNTS

Brendan Smyth MLA (Chair), Mary Porter AM MLA (Deputy Chair), Nicole Lawder MLA, Meegan Fitzharris MLA

Inquiry into referred 2014–15 Annual and Financial Reports ANSWER TO QUESTION TAKEN ON NOTICE Tuesday, 10 November 2015

Asked by Mr Smyth:

In relation to: Tourism employment plan targets



THE CHAIR: What targets have we set ourselves in the tourism employment plan?

Mr Hill: I would have to take that on notice specifically. I do not know the exact numbers. I am not sure we went too hard on hard targets. It was more about creating opportunities to match job opportunities with employers and employees. I would have to take that one on notice.

THE CHAIR: Are the Australian tourism labour force predictions taken into account as you plan this? **PROOF**

Mr Hill: They are in the macro sense. Like I said, some of the challenges here are so different to hospitality in other parts of the country. We are trying to work out what would be a good measure.

THE CHAIR: So you will take the measures on notice?

Mr Hill: Absolutely. I will take it on notice.

Minister for Tourism and Events: The answer to the Member's question is as follows:—

The Deloitte Access Economics (DAE) Australian Tourism Labour Force Report (2011) estimated that by 2015, an additional 56,000 people will be required to fill tourism jobs nationally. The Report also identified that the ACT had one of the highest unfilled vacancy rates (13%) and one of the greatest recruitment and retention rate challenges in Australia. Canberra was identified as one of eight national tourism employment "hot spots". These "hot spots" were chosen because they have significant employment challenges and are facing major issues in attracting people into (as well as retaining those already working in) the tourism and hospitality sector. As the tourism industry continues to grow, these issues risk becoming more acute, unless realistic solutions can be found.

The Stafford Group was commissioned by the Australian Trade Commission (Austrade) and VisitCanberra to undertake development of the Tourism Employment Plan (TEP) for the ACT. The objectives of the ACT's TEP are to:

- 1) identify the major labour and skills issues impacting the tourism and hospitality sector,
- 2) develop targeted and practical strategies to address the issues over the short, medium and long terms,
- 3) link tourism businesses with government and industry programs geared towards improving education, training and employment outcomes, and
- 4) implement industry-led and cost neutral solutions where gaps were identified.

A Steering Committee, comprising a cross section of representatives from the ACT tourism and hospitality sector, was established to help guide the development of the TEP and to oversee its implementation including short, medium and long term strategies.

In the short term, the Customer Service Champions program was launched in September 2015 and the initial target is for 500 CBR Service Champions to have completed the course within the first 12 months.

Additionally The Stafford Group partnered with Likeajob.com to deliver a Facebook campaign to promote tourism and hospitality career opportunities in Canberra. The first 4 weeks of the campaign engaged 1287 people with a reach of 80,000. The campaign is scheduled to run until April 2016.

Medium term strategies will be defined by responsibility and clear deadlines and targets at the next Steering Committee meeting in early 2016.

Approved for circulation to the Standing Committee on Public Accounts

Signature: 

Date: 30.11.15

By the Minister for Tourism and Events, Andrew Barr MLA



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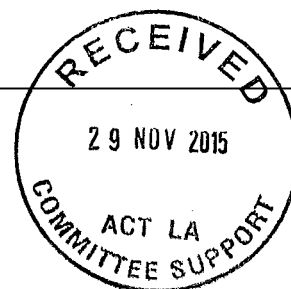
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ANSWER TO QUESTION TAKEN ON NOTICE

Tuesday, 10 November 2015



Asked by Mr Smyth:

In relation to: New edition bulbs at Floriade

THE CHAIR: Going back some years the original concept was to have, as part of Floriade, a very exclusive release of new edition bulbs as is done perhaps in the Netherlands. There have always been discussions about having other venues, other locations and other events like NightFest. Are there any moves to go back to that more exclusive sort of second release of bulbs that a lot in the gardening community seem to have enjoyed?

Mr Barr: Not that I am aware of, but I will seek advice from the events area. VisitCanberra does not run Floriade anymore; events do. It is a different set of officials. I will seek an answer to that specific question from those officials. Events was part of an earlier committee hearing. Output class 8.3 is about the marketing and promotion of the city of Canberra.

Minister to Tourism and Events: The answer to the Member's question is as follows:—

Each year, Floriade's main gardens include new and unique varieties of bulbs. These varieties are also displayed and identified in a variety of different containers and pots around the site. The 2015 garden designs featured two special varieties. These were the Fringed Tulip Cuban Night and the Triumph Tulip Red Power.

Approved for circulation to the Standing Committee on Public Accounts

Signature: *Andrew Barr*

Date: 27.11.15

By the Minister for Tourism and Events, Andrew Barr MLA



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Inquiry into referred 2014–15 Annual and Financial Reports ANSWER TO QUESTION TAKEN ON NOTICE Tuesday, 10 November 2015

Asked by Ms Lawder:

In relation to: Breakdown of funding support for aviation development activity

MS LAWDER: In the past, we have had a \$600,000 funding package to woo international carriers and, I think, a \$1.1 million cooperative airline stimulus fund. Is what those packages have been spent on broken down in the annual report?

Mr Hill: There is a range of things that we have invested in, and some things we have carried over, because it is about trying to attract and be part of a package. But a lot of robust economic analysis has been put into the marketplace, really testing the notion of our catchment, which is Canberra plus two hours—900,000 people—and that has done some analysis around consumer behaviour and the likelihood of people utilising direct services if they came to Canberra. It is really trying to show the latent demand to route planners in airlines, that this market is bigger than the 380-odd thousand that they tend to look at Canberra for. We have looked at some consumer choice modelling, to see how sticky people are to certain airline brands, whether that be Qantas, Scoot, Air Asia, Singapore Airlines or Air New Zealand. There has been quite a bit of robust analysis around that. That is fundamental to our business case. If you do not have that analysis, you are talking to route planners who are very dry, economic. Qantas have a \$4 billion fuel bill.

MS LAWDER: Has some of that been included in the annual report?

Mr Hill: It can be. We are happy to provide a breakdown of how we have invested some of that money. Another piece we have done is some consumer awareness work in markets like Singapore. You have to create some awareness of the marketplace for airlines to actually have a look at you.

MS LAWDER: That work is ongoing, and the funding?

Minister for Tourism and Events: The answer to the Member's question is as follows:—

No, that level of detail is not part of the 2014-15 Annual Report. However of the \$600,000, \$42,190 excluding GST, has been invested in building the business case for new direct international aviation services.

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ANSWER TO QUESTION TAKEN ON NOTICE
Tuesday, 10 November 2015



Asked by Mr Smyth:

In relation to: Government Procurement Board membership

THE CHAIR: Why did the board operate only with seven for most of last year?

Ms Overton-Clarke: Bob Samarcq had also retired. I am not quite sure of the timing of his retirement. We were in transition in terms of appointing new members.

THE CHAIR: For the whole year?

Ms Overton-Clarke: Not for the whole year.

THE CHAIR: Perhaps you could provide a list of when people quit and people came on board.

Ms Overton-Clarke: Yes.

Minister for Economic Development: The answer to the Member's question is as follows:—

Details of Board membership is provided at [Attachment A](#)

Approved for circulation to the Standing Committee on Public Accounts

Signature: *Andrew Barr*

Date: 2.12.2015

By the Minister for Economic Development, Andrew Barr MLA

2014-15 ACT Government Procurement Board Membership

NOMINEE (full name and title)	POSITION e.g. Chair, Member etc	START DATE	EXPIRY DATE
Ms Bronwen Overton-Clarke	Chair	1 April 2014	7 May 2016
Mr Stephen Goggs	Deputy Chair	1 April 2014	30 June 2015 (retired)
Mr Kim Smith	Public Employee Member	1 April 2014	31 March 2016
Ms Karen Doran	Public Employee Member	1 April 2014	31 March 2016
Mr Richard Bear	Non-Public Employee Member	20 May 2013	19 May 2016
Mr Roger Broughton	Non-Public Employee Member	20 May 2013	19 May 2016
Ms Diane Fielding	Non-Public Employee Member	1 May 2013	30 April 2015
Bob Samarcq	Non-Public Employee Member	20 May 2013	30 April 2014
Ms Jill Divorty	<i>Ex-Officio</i> Member nominated by the Chair	n/a	<i>Ex Officio</i> appointment ended 4 July 2014
Mr George Tomlins	<i>Ex-Officio</i> Member nominated by the Chair	n/a	<i>Ex Officio</i> appointment commenced 4 July 2014

Government Procurement Board Members appointed after 30 June 2015

NOMINEE (full name and title)	POSITION e.g. Chair, Member etc	START DATE	EXPIRY DATE
Mr Paul Carmody	Public Employee Member	4 September 2015	3 September 2018
Mr Stephen Goggs	Non-Public Employee Member	4 September 2015	3 September 2018
Ms Virginia Shaw	Non-Public Employee Member	4 September 2015	3 September 2018



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ANSWER TO QUESTION TAKEN ON NOTICE
Tuesday, 10 November 2015



Asked by Mr Smyth:

In relation to: Projects considered by the Government Procurement Board

THE CHAIR: The role of the board is obviously to advise on procurement, and it breaks it up into low, medium and high by risk and by method. Is it possible to get a list of all of the projects that were looked at?

Ms Overton-Clarke: Yes I can table that for you.

THE CHAIR: That is kind of you.

Ms Overton-Clarke: The 67 projects?

Minister for Economic Development: The answer to the Member's question is as follows:—

A list of all of the projects that were considered by the Government Procurement Board during 2014-15 is provided on the attached report. It should be noted that the risk plans and ratings are developed by the proponent, not the Government Procurement Board.

Approved for circulation to the Standing Committee on Public Accounts

Signature: *Andrew Barr*

Date: 2.12.2015

By the Minister for Economic Development, Andrew Barr MLA

Projects considered by the Government Procurement Board during 2014-15

Project Name
Ngunnawal Bush Healing Farm (NBHF)
Head Contractor for UCPH
EOI: ACT Court Facility
Elective Joint Replacement Program
Campbell Section 5 - Open Space Landscaping
Panel of Minor Works Project Managers
Coombs Residential Estate
Alexander Maconochie Centre Additional Facilities (AMC-AF)
Variation to Environmental Specialist Advisory Services RFT
Homenet as a Service
ACT Legislation Register Replacement
Denman Prospect Stage 1B
Isabella Weir Upgrade Construction
Demolition of former Urambi school buildings
Aranda ESA Station Upgrade and Relocation
Whole of Government Electricity provision
Variation and Single Select for Technical Advisory services for Capital Metro Agency
Capital Metro Agency EOI
Belconnen Region Trades and Skills Centres Upgrade
Investment Advice, Management Services & Financial Management Products
Revenue Collection Transformation Project
Procurement of a Panel of Civil and Demolition Specialist Services
Furzer Street Precinct – Civil Construction Including Landscaping
Denman Prospect (Stage 1A1)
Variations - Interim Emergency Department expansion
ACT Law Courts PPP Briefing and Proposal
Barton Highway Roundabout Signalisation
WhoG Gas Contract
Strategic Procurement Plan for Infrastructure Maintenance Agreements - ACTPG Sites
Variation - Domestic and Environmental Services for Health Directorate Facilities
e-Development Renovation Project
New Panel Arrangements for the Housing Renewal Program (CSD)
Health Directorate Capital Upgrades Program 2015-2018
Denman Prospect Stage 1A2
University of Canberra Public Hospital: revised evaluation criteria
Territory Revenue Collection System - RFT
Panel of Civil contractors for minor works
Variation for Out of Home Care Services
Out of Home Care Services
Government Budget Management System (Proof of Concept/system design)
REOI for the Provision of an Asset Management System
Accounts Payable Invoice Automation Solution (APIAS)
Variation: Panel of Minor Works Project Managers
Variation: Black Mountain Slipway
City to the Lake - West Basin Waterfront
Currong Flats Block 1 Section 52 Braddon: Demolition Activities
Territory Fleet Leasing and Management Arrangements
Variation to Strategic Sub-Sector Plan: Children's Services Program
TCF Commercial Advisors Panel
iConnect Project
Management of Reusable Facilities at Mugga Lane Resource Management Centre (RMC)
Specialist Advisors Panel for the Capital Metro Agency
Forest Planning, Harvesting, Haulage and Marketing Services
Variation - Health Directorate Strategic Sub Sector Plan - Community Care Services 2012-2015
Office of the Legislative Assembly expansion
Throsby Construction - 3 construction packages
Microsoft Enterprise Agreement 2015-18
ACTPS Workers' Compensation – Insurer Selection Process
Variation - CSD Strategic Sub-Sector Plan - Community Development Services
Lawson Open Space Landscape Construction, Stages 1D and 1B1
Demolition & Remediation of ACT Government properties
EOI: Public Housing Renewal Taskforce
Variation - Maintenance Services for Public Lighting Assets
Concrete Works Panel 2015-17
Variation - National Partnership Agreement on Homelessness
Contract Variation - chris21 Rator Project
Provision of Tyres and Ancillary Services for ACTION Bus Fleet



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ANSWER TO QUESTION TAKEN ON NOTICE
Tuesday, 10 November 2015



Asked by Mr Smyth:

In relation to: Risk assessments for Capital Metro projects

THE CHAIR: That is okay, but if you are there and you grade projects by low, medium and high risk, it is not unreasonable to ask how you evaluated capital metro, whether low, medium or high risk.

Mr Tomlins: No. We can get that information for you.

Minister for Economic Development: The answer to the Member's question is as follows:—

Capital Metro Agency presented the top 10 retained risks to the Government Procurement Board on 16 September 2014, prior to submitting the Expression of Interest. Of the top 10 risks, seven were rated as 'High' and three as 'Medium'. It should be noted that the risks presented were only the top 10 risks and there were other risks rated 'Medium' and 'Low' which were not provided. Mitigation strategies were identified for all risks and a robust risk management process put in place to manage the risks on an ongoing basis in accordance with ISO 31000:2009.

Approved for circulation to the Standing Committee on Public Accounts

Signature: *Andrew Barr*

Date: 7.12.15

By the Minister for Economic Development, Andrew Barr MLA



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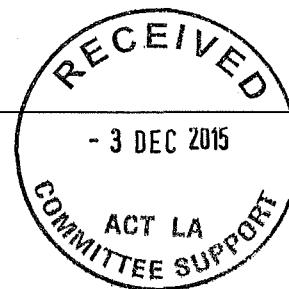
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ANSWER TO QUESTION TAKEN ON NOTICE

Tuesday, 10 November 2015



Asked by Ms Lawder:

In relation to: Breakdown of procurement methods and risk assessment

MS LAWDER: With the breakdown by procurement method and by risk, are you able to provide the committee with an outline by directorate, which procurement methods were used by which directorates?

Mr Tomlins: Yes we do have that here. Procurement methods, high, medium and low. I have—

MS LAWDER: That is the risk, I think—the public tender variation, single select. PROOF

Mr Tomlins: I have a range of information but we could provide that if we take that on notice.

Minister for Economic Development: The answer to the Member's question is as follows:—

A breakdown of procurement method by directorate for the 67 procurement proposals considered by the Government Procurement Board, during 2014-15, is provided below in Table 1:

Table 1 Procurement method

	Public Tender	Select Tender	Single Select	Mixed	Variation
CMTEDD	24	6	1	1	3
JACS	2			2	1
HD	4		2		1
CSD	1		1	1	5
CMA			1	1	1
ETD	1				
TAMSD	7				1
	39	6	5	5	12

A breakdown of procurement risk by directorate for the 67 procurement proposals considered by the Government Procurement Board, during 2014-15, is provided below in Table 2:

Table 2 Procurement risk

	High	Medium	Low	N/A
CMTEDD	15	16	3	1
JACS	3	1		1
HD	1	5		1
CSD	3	5		
CMA	1	1		1
ETD		1		
TAMSD	1	7		
	24	36	3	4

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