LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS
Zed Seselja MLA (Chair), Mary Porter AM MLA (Deputy Chair), Chris Bourke MLA, Brendan Smyth MLA

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Inquiry into 2011–12 Annual reports
Economic Development portfolio
Tourism and Events portfolio (tourism responsibilities)

Responses to questions taken on notice at public hearing of 7 March 2013

QToN No. 1

EDD / Tourism & Events
2011-12 Annual Reports
Public hearing - 7 March 2013

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

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21 MAR 2013
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ANSWER TO QUESTION TAKEN ON NOTICE DURING PUBLIC HEARINGS

[Ref: Hansard Transcript Thursday 7 March 2013, pg 58 – 59 (Proof)

In relation to : Tourism figures compared to 2003.

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MR SMYTH: I will ask a tourism question. What are the tourism numbers doing, minister, and have they recovered back to the 2003 levels?

MR SMYTH: Where are the current levels in regard to, say, the numbers from 2003?

Mr Barr: As I say, they have been pretty consistently around the two million mark.

MR SMYTH: Yes, but are they back at 2003? Are they better than 2003?

Mr Barr: I would need to go back and have a look at 2003. Why have you chosen 2003? Anything significant about that year as opposed to—

MINISTER FOR TOURISM AND EVENTS : The answer to the Member's question is as follows:–

Visitors

In the year ending September 2003, there were a total of 2.065 million domestic overnight and international visitors to the ACT, broken down as follows:

- Domestic Overnight Visitors: 1,901,000
- International Visitors: 163,986

In the year ending September 2012, there were a total of 2.130 million domestic overnight and international visitors to the ACT (up 3.1% on the 2003 figure), broken down as follows:

- Domestic Overnight Visitors: 1,961,000 (up 3.2% on 2003 figure)
- International Visitors: 168,568 (up 2.8% on the 2003 figure)

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Value of Tourism

A 2002/03 report prepared by Access Economics estimated that tourism contributed $757 million in Gross Territory Product to the ACT economy (direct and indirect effects) and supported some 11,400 jobs.

The latest Tourism Satellite Account prepared for the ACT by Tourism Research Australia estimates that the tourism industry contributes $1.3 billion in Gross Territory Product to the ACT economy and supports approximately 15,000 jobs.

Approved for circulation to the Standing Committee on Public Accounts	
Signature: Andrew Barr	Date: 20.3.2013
By the Minister for Tourism and Events, Andrew Barr MLA	

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2011-12 Annual Reports
EDD / T & Events
7.3.13
QToN #2

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

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ANSWER TO QUESTION TAKEN ON NOTICE DURING PUBLIC HEARINGS

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http://www.hansard.act.gov.au/hansard/2013/comms/public03.pdf

In relation to : Number of times the Aviation Taskforce has met.

MR SMYTH: Just on the flights, how many times has the task force met?

Mr Barr: The task force has met regularly. I do not have the exact number off the top of my head. But there has been the broad task force and then work associated with subcommittees of the task force. Economic Development staff have been meeting regularly with various stakeholders, with the airlines. We have the opportunity next week, when Mr Borghetti is in town to open the new Virgin terminal at Canberra Airport, to pursue some further discussions with Virgin. But we are just not focusing on one airline; we have met with Air New Zealand, Qantas and Virgin. We will take the opportunity to meet with Singapore Airlines and their various subsidiaries in that context.

MR SMYTH: Could you take on notice, if you have not got the number, how many times the broad task force has met?

Mr Barr: Yes.

MR SMYTH: And how many times each of the subgroups has met?

Mr Barr: Yes.

MINISTER FOR TOURISM AND EVENTS : The answer to the Member's question is as follows:–

The full Taskforce met twice.

Following the initial Taskforce meeting the Tourism, Events and Sport Division of EDD have met with Taskforce member organisations (e.g. Canberra Convention Bureau, Canberra Business Council, National Convention Centre) and other key stakeholders (e.g. New Zealand High Commission, Qantas, Air New Zealand, Virgin Australia, Tourism Australia, Wellington Airport Corporation, Auckland Airport Corporation, Directors of National

Attractions, ACT ATEC Branch, National Capital Attractions Association Executive and others).

The total number of meetings in this context is approximately 20.

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By the Minister for Tourism and Events, Andrew Barr MLA

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EDD / Tourism & Events
Public Hearing 2011-12
7 March 2013 Annual Rpts

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

ANSWER TO QUESTION TAKEN ON NOTICE DURING PUBLIC HEARINGS

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[Ref: Hansard Transcript Thursday 7 March 2013, pg 78 (Proof)
http://www.hansard.act.gov.au/hansard/2013/comms/public03.pdf

In relation to : Internal Audit Committee reports.

MR SMYTH: Can the committee have copies of those recommendations from each of the reports?

Ms Hargreaves: Absolutely. We can give you copies.

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MINISTER FOR ECONOMIC DEVELOPMENT : The answer to the Member's question is as follows:–

The following recommendations have been extracted from the relevant audit reports.

Audit Report for Territory Venues and Events Practice and Procedures Review (July 2011, Protiviti)

"Recommendation 1:

- TVE should ensure:
  - (i) Compliance with the Circular.
  - (ii) It is recommended that staff involved in procurement for TVE undergo training in proper application of the Circular.
  - (iii) The Circular should also be re-communicated to staff members.
  - (iv) Improved monitoring of all material procurements should be undertaken to improve compliance with requirements."

"Recommendation 2:

- TVE should create a Uniform Purchasing Policy to ensure the effective and efficient utilisation of uniform funds. As a minimum, the following should be addressed within the policy:

(i) Approvals required to procure new uniforms;
(ii) Funding the purchase of new uniforms;
(iii) The frequency of staff uniform applications (i.e. new starter and every 2 years, etc.); and
(iv) Replacement of garments.

- It is also recommended that the new policy to be communicated to all staff and make available to staff at all times."

"Recommendation 3:

(i) The use of the TVE corporate suite should be for promotional purposes only and a formal log for recording TVE hosted events should be created.
(ii) As a minimum, the log should record and keep on file the following details:
  a. Event date and description;
  b. Invitee full name, representative company and detailed business justification for attendance (i.e. corporate networking, development of supplier relations, sales pitching etc.); and
  c. Status of invitee tickets.
(iii) Further investigation should be performed to determine the correlation of the events hosted to the impact of sales revenue (i.e. sponsorship, ticket sales)."

"Recommendation 4:

- TVE should:

(i) develop a Gift Register that records all incoming and outgoing gifts and benefits. At a minimum, the gift register should record the following information:
  a. Whether the gift was received or given away;
  b. The date the gift was received or given away;
  c. The gift giver / receiver's full name and TVE affiliation;
  d. The nature of the gift or benefit; and
  e. The value of the gift or benefit.
(ii) The register should be reviewed on regular basis (quarterly or annually) by the TVE Group General Manager to ensure appropriateness.
(iii) An annual assurance sign-off of compliance with guidelines on gifts may provide additional transparency."

Stromlo Forest Park Risk and Security Audit Report (PwC – March 2012)

"Recommendation 1

(i) TV&E should review and update the operational risk assessment to ensure all current key risks, including relevant security risks, are identified, assessed and that appropriate risk management strategies are operating. Where risks are deemed unacceptable, TV&E should identify additional risk management strategies and assign responsibility and a timeframe for implementation. The additional risk management strategies may support business cases were additional resources are required to address unacceptable risks.

(ii) A simple template risk register is provided at Appendix B which may assist in this process. The risk register should be reviewed on a periodic basis to ensure any changes to risks are identified and that risk management strategies are operating effectively."

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By the Minister for Economic Development, Andrew Barr MLA

QToN No. 4

EDD
2011-12 Annual Report
Public hearing 7 March 12

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

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ANSWER TO QUESTION TAKEN ON NOTICE DURING PUBLIC HEARINGS

[Ref: Hansard Transcript – Thursday 7 March 2013 pg 78 – 79

In relation to : Reconciliation of staff costs.

MR SMYTH: If you go to the chart on page 150, your staff numbers actually went up. The head count went from 217 to 225. How many staff are actually involved in that? And if the total number of staff actually increased, why were people made redundant or moved on?

Ms Hudson: The staffing structure, in terms of positions, was 260, and we moved down to 220 as part of the restructuring.

MR SMYTH: But that was done in 2010-11.

Ms Hudson: Some of it still carried over. Altogether, 44 staff were identified as potentially excess. Then you go through these processes and they take longer than you expect. In terms of setting up our processes, for example, if the unions or staff ask for a longer time for consulting, we consult for longer before we say, "This is the structure." Then we go through advertising. When you want to go through advertising, and you want to do this well, you usually start with the section head or a leader so that they can do the processes underneath. So you cannot necessarily do it all at once.

If you reflect back on that time, it was not until September, I think, that the head of service agreed to the executive structure. So there is the timing and the effect of going through the organisation. I know you are thinking about the extra part of the financial part, because you asked about the $900,000 and the number of people. I thought he was calculating how many that would be. Dermot can probably identify that.

MR SMYTH: You divide one by the other. It is very easy.

Mr Walsh: Cathy has touched on some of the transitional costs in terms of the restructure of the directorate. There are some other elements of employee costs in there that are across the directorate—for example, the changes in the loading and discounting in long service leave provisions. Across the directorate, that costs close to half a million extra. Also, with movements of staff we had staff coming in with accrued employee entitlements, which was a $1 million additional cost across the directorate that we did not have funding to offset. So within that it is not just FTE as part of the restructure; there are other costs within that $900,000. I do not have the details of that breakdown.

MR SMYTH: Can you provide a reconciliation?

MINISTER FOR ECONOMIC DEVELOPMENT : The answer to the Member's question is as follows:–

The total costs of Output 1.2 (Business and Industry Development) in 2011-12 were $874,000 higher than the budgeted total cost of $8,339,000. This primarily related to additional employee costs of $988,000 associated with the restructure of the Directorate, offset by $114,000 lower non employee costs. The higher than budgeted employee costs comprised:

(a) direct employee costs $322,000
(b) indirect employee costs $470,000
(c) employee provision adjustments $196,000

The higher than budgeted direct employee expenses related to delays in realising employee savings within the Business Development Branch. These were not able to be fully realised within the financial year due to restructure and redeployment processes taking longer than anticipated.

The indirect employee costs of $470,000 related to corporate and enabling services employee costs attributed to this output (ie executive management, HR and governance). These attributed costs were not included in the original 2011-12 budgeted employee costs for this output.

The employee provision adjustments of $196,000 relate to the present value determination of employee liability provision balance at 30 June 2012.

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By the Minister for Economic Development, Andrew Barr MLA

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2011-12 Annual Reports
EDD / T & Events
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LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

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ANSWER TO QUESTION TAKEN ON NOTICE DURING PUBLIC HEARINGS

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[Ref: Hansard Transcript Thursday 7 March 2013, pg 80-81 (Proof)

http://www.hansard.act.gov.au/hansard/2013/comms/public03.pdf

In relation to : Employee expenditure – increase in liabilities

THE CHAIR: I will move on to some questions. On page 150, the triple bottom line report, there are obviously some big numbers there—primarily because of transition, I think, if I read that correctly in terms of the footnotes. Obviously the big increase in employee expenditure is because you were talking about a small period of the last financial year versus—

Mr Barr: Six weeks versus 52 weeks, yes.

THE CHAIR: It does not necessarily explain some of the others, which are the ones I want to explore. The total liabilities have gone up 116 per cent. That would not be fully explained, I would think, by the shorter period. Is there a particular reason for the liabilities going up that much?

Mr Dawes: Dermot Walsh, the chief finance officer, will address that.

Mr Walsh: I might have to take that one on notice, please.

MINISTER FOR ECONOMIC DEVELOPMENT: The answer to the Member's question is as follows:–

The 116% increase in liabilities for the Economic Development Directorate between 30 June 2011 and 30 June 2012, mainly comprised:

- an increase in payables of $17.7 million, mainly relating to invoices for capital works projects; and
- an increase in employee benefits of $1.5 million.

Approved for circulation to the Standing Committee on Public Accounts

Signature: Andrew Barr Date: 26.3.2013

By the Minister for Economic Development, Andrew Barr MLA

QToN No. 6 of 7

EDD / Tourism & Events
2011-12 Annual Reports
Public hearing – 7 March 2013

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

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In relation to : Energy use.

Authorised for publication

THE CHAIR: When we go back to page 150, it refers to total office energy use or office energy use per FTE per square metre. Is that office energy use including sportsgrounds? If it is not including sportsgrounds, what accounts for the large—

Ms Hargreaves: We have actually got a comprehensive list that I would be happy to provide as to how we came to that calculation, from the ACT Property Group.

THE CHAIR: That would be very useful. Likewise, with the greenhouse emissions, and we might have to flick between a couple of pages here as well, from page 150 they have gone up 296 per cent per FTE. And again total office greenhouse emissions per square metre, which again presumably do not include sportsgrounds, have gone up 140 per cent. Is there an explanation for that?

Ms Hargreaves: I cannot give you that right now. I would be happy to take that on notice.

THE CHAIR: So there is not another part of the annual report which we have missed that might explain that?

Ms Hargreaves: No. When I am looking at the stationary energy, I can explain to you about the renewable energy use and how that is calculated. But to give you a thorough and comprehensive answer, I would like to take that on notice.

MINISTER FOR ECONOMIC DEVELOPMENT : The answer to the Member's question is as follows:–

In answer to the initial query, sportsground energy data has only been included in the total energy use, it has not been included in the office energy use.

In relation to the remaining queries, the large increase from 2010-11 to 2011-12 in energy use per FTE per square metre, and the greenhouse gas emissions per FTE per square metre, is due to a combination of factors including the following:

- improved data capture systems;
- data was collected from more locations during the 2011-12 reporting period (please refer to the information provided below); and
- the FTE reported on page 290 of the 2011-12 Annual Report increased from 2010-11 by 38%, while the office area reported on, increased by 155%.

In 2010-11, from 17 May 2011 to 30 June 2011, the Directorate held tenancies at:

- 490 Northbourne Avenue;
- Canberra Nara Centre;
- Macarthur House; and
- Brindabella Business Park.

and had staff located at the Canberra and Region Visitors Centre and at the Canberra Stadium.

In the 2010-11 Annual Report, ecologically sustainable development data was only available for two out of the six locations, that is, 490 Northbourne Avenue and the Canberra Nara Centre. As a result, only the FTE and the Net Lettable Area for the two locations were reported on.

In the 2011-12 Annual Report, full year energy data was reported on the following locations:

- 490 Northbourne Avenue; and
- Canberra and Region Visitors Centre.

The following tenancies were reported on for half of the year:

- Brindabella Business Park;
- 220 Northbourne Avenue;
- Canberra Nara Centre; and
- TransACT House.

Data from the following locations was unavailable:

- Canberra Stadium; and
- National Hockey Centre.

The attached table provides further clarification.

Approved for circulation to the Standing Committee on Public Accounts Signature: Andrew Barr   Date: 20.5.13 By the Minister for Economic Development, Andrew Barr MLA

EDD Locations Energy Use 2011-12

	490 Northbourne Ave	470 Northbourne Ave	220 Northbourne Ave	Canberra Nara Centre	Brindabella Business Park	Canberra and Region Visitors Centre	Macarthur House	Canberra Stadium	Lyneham Hockey Centre	Sports grounds
Floor area	Full year	Yes – proportional with the LDA	Half year	Half year	Half year	Full year	Included in TAMS Annual Report	n/a	n/a	n/a
FTE	Yes	Yes	Yes	n/a – included in 490	n/a – included in 220	Yes	Included in TAMS Annual Report	n/a	n/a	n/a
Electricity	Yes	Yes – proportional with the LDA Inc central services	Yes - part year	Including central services	Part yes	Yes	Included in TAMS Annual Report	n/a	n/a	Yes – total energy use
Renewable energy	Yes	Yes – proportional with the LDA	Part year - yes	Yes	No	No	Included in TAMS Annual Report	n/a	n/a	No
Gas	No	Yes – proportional with the LDA	No	Yes	No	No	Included in TAMS Annual Report	n/a	n/a	No

QToN No. 8

2011-12 Annual Reports
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7.3.13

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

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ANSWER TO QUESTION TAKEN ON NOTICE DURING PUBLIC HEARINGS

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http://www.hansard.act.gov.au/hansard/2013/comms/public03.pdf

In relation to : Energy use.

THE CHAIR:	Going back to page 290 of the annual report, it makes mention that the Canberra and Region Visitors Centre became an accredited recharge point for electric vehicles under the better place network following the installation of two charge sockets on site. Firstly, how much did it cost for those two charge sockets to be installed?
Mr Dawes:	I would have to take that on notice, but my understanding is that was part of the rollout of the organisation that was running better places.
THE CHAIR:	And the electricity supply, presumably the CRVC, is all 100 per cent renewable?
Mr Dawes:	I would have to take that on notice, but I would assume that would be the case. But let me take that on notice.
THE CHAIR:	Otherwise it would undermine the bit that says that it helped visitors contribute positively to environmental sustainability. How much has that been taken up? Obviously there have been problems with better place, but do we have figures on how many cars have been using that recharge facility?
Mr Dawes:	Again, I would have to take that on notice, I am sorry, Mr Seselja. I can certainly come back to you on that.

MINISTER FOR TOURISM AND EVENTS : The answer to the Member's question is as follows:–

All costs of electricity used to operate the Charge Spot, and the cost of installing the charge spot and associated metering (including wiring), was paid for by Better Place.

Better Place has committed to purchasing 100% renewable energy to power the Better Place network and electric vehicles in Canberra.

Better Place have advised that the charge spot has not been utilised to date.

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By the Minister for Tourism and Events, Andrew Barr MLA

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2011-12 Annual Reports
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LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

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In relation to : Half yearly performance report – Canberra Business Point.

MR SMYTH: My Economic Development Directorate statement of performance, 1 July to 31 December 2012, has magically appeared. To go back to that question, under (a) on page C there is a reference to "Canberra BusinessPoint one-to-many advisory service". For the half-year there were meant to be 275. Actuals are 93, minus 66 per cent. It says:
Workshop and master classes have not been fully subscribed. Review of marketing efforts and reinvigorated workshop and master classes will be developed.
Is there a reason why they have been under-subscribed?

....

Mr Cox: It is not something I am familiar with. As I said, our experience of the program, one-to-many, is that it has been increasing.

Mr Barr: We will take the question on notice.

MINISTER FOR ECONOMIC DEVELOPMENT : The answer to the Member's question is as follows:–

'One-to-many' services are principally networking or group training activities delivered by Lighthouse Innovation and Commercialisation Centre against the Module 2 services contract for Canberra Business Point. Lighthouse advise that during this period it developed and introduced a number of new products and services that were undersubscribed in actual attendance. Lighthouse also reported that, anecdotally, business event attendance was unexplainably weaker through this period; a trend also experienced by other providers. However, 'one-to-one' client contacts with Lighthouse remain strong and demand has been growing.

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