

ACT AUDITOR–GENERAL'S **PERFORMANCE AUDIT REPORT**

Management of community facilities

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Contact for this report

General enquiries about this report should be directed to:

Email: actauditorgeneral@act.gov.au

Phone: (02) 6207 0833

Postal address: ACT Audit Office, GPO Box 158, Canberra ACT 2601.

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Audit Team

Laura Thomas

Aidan Carroll

The Speaker
ACT Legislative Assembly
Civic Square, London Circuit
CANBERRA ACT 2601

Dear Speaker

I am pleased to forward to you a Performance Audit Report titled 'Management of community facilities' for tabling in the Legislative Assembly pursuant to Subsection 17(4) of the *Auditor-General Act 1996*.

The audit has been conducted in accordance with the requirements of the *Auditor-General Act 1996* and relevant professional standards including *ASAE 3500 – Performance Engagements*.

Yours sincerely



Ajay Sharma PSM
Auditor-General
21 October 2026

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Summary

The Territory's property portfolio broadly consists of:

- owned estates, where the Territory owns the properties; and
- leased estates, where the Territory leases properties owned by other entities.

The Territory may, in turn, lease or license these properties to other organisations.

The audit considered the management of Territory properties leased or licenced to community organisations. This includes community centres, childcare centres, former schools converted into community spaces, cottages and depots. The audit report refers to these as community facilities. Community facilities are valuable social and financial assets for the Territory, which support the delivery of important services.

Infrastructure Canberra (iCBR) is responsible for the management of the community facilities considered for the purpose of this audit.

The audit considered the effectiveness of iCBR's management of community facilities, including iCBR's management of tenancy and maintenance arrangements.



Conclusions

Planning for the management of community facilities

iCBR's planning for the management of community facilities is ineffective.

iCBR has not implemented any of the strategic asset management elements necessary for the management of an extensive portfolio of community facilities. It does not have a contemporary asset management policy, strategic asset management plan for the portfolio or asset management plans for individual facilities. The absence of asset management planning creates organisational and service delivery risks, including the potential for poor investment decisions, ineffective maintenance activities and an inability to demonstrate effective stewardship of public resources.

Recent initiatives to improve data quality and deliver key asset management planning documents are incomplete and uncertain.

Management of applications for community facilities

iCBR's management of applications for community facility tenancies is ineffective.

iCBR's current Allocation Policy has been in place since 2008, although a draft revised policy signals iCBR's intent to reform its approach. To ensure iCBR allocates community facilities consistently and

fairly, the new policy needs to feature clear guiding principles, fit-for-purpose eligibility criteria and clear and consistent accompanying guidelines and forms.

Weaknesses in recordkeeping, data integrity and process transparency undermine allocation processes. Documentation of the allocation process is incomplete and error-prone, application details are not regularly verified and key decisions lack sufficient documentation and standardised procedures.

Management of agreements for community facilities

iCBR's management of agreements for community facilities is ineffective.

iCBR's management of agreements for community facilities is hampered by missing documentation; it does not have a copy of 38 of the 200 agreements it manages. iCBR manages many community facility agreements through hold-over arrangements, with some original agreements having been entered into 10 to 15 years ago.

The way iCBR sets rental fees lacks clear rationale. Missing agreements, manual invoicing processes and poor record keeping practices undermine confidence that iCBR calculates rental fees accurately and consistently.

iCBR's administration of peppercorn agreements also lacks transparency. There is no public information on eligibility rules, requirements or information on how to apply. Although iCBR has initiated steps to standardise peppercorn agreements and introduce more structured renewal processes, these have yet to be fully implemented.

Maintenance of community facilities

iCBR's maintenance of community facilities is ineffective.

Teams responsible for community facility maintenance lack clear roles and responsibilities, coordination and structure.

Planned maintenance schedules are not informed by asset management plans and are not reliably reviewed and updated or shared with tenants. Undefined priority categories, ad hoc workforce allocation, poor record keeping and quality assurance practices limit iCBR's ability to demonstrate timely responses and whether maintenance work is consistently completed to an appropriate standard.



Key findings

Planning for the management of community facilities

Paragraph

Strategic asset management planning

iCBR does not have a contemporary asset management policy or strategic asset management plan that provides the overarching framework for the management of its community facilities. iCBR also does not have any asset management plans for its community facilities (except for eight community facilities that were addressed in December 2025 through a specific Asset Management Plan Project). 2.26

The *ACTPG Strategic Asset Management Plan 2018-2023* (Strategic Asset Management Plan) sought to 'provide [the ACT Property Group] with a reference document for the financial and operational asset management of the [property] portfolio'. There is no evidence the Strategic Asset Management Plan was reviewed annually, or that the underpinning data was reviewed every three years as envisaged. The plan is outdated and does not provide a satisfactory basis for the strategic management of community facilities. However, as part of the 2026-27 Budget, iCBR received funding to update the Strategic Asset Management Plan. At the time of audit reporting this was in the planning stage. Asset management plans were developed in 2018 for a selection of community facilities. While useful and informative at the time of their development, the plans are now outdated and do not provide a satisfactory basis for the management of the facilities. 2.27

The lack of asset management policy and strategy documents creates organisational and service delivery risks. Asset investments, maintenance activities and asset renewal decisions cannot align with organisational objectives, community expectations or risk profiles if they are not documented. This can lead to inefficient prioritisation, reactive decision-making and the inability for iCBR to demonstrate that they are using resources effectively to maintain facilities. 2.28

Asset management projects

In 2021, the ACT Property Group engaged a consultant to, among other things, 'assess the extent to which existing properties meet the ACT Government's Community Facilities objectives' and 'identify opportunities for facility rationalisation, revitalisation, consolidation, and colocation to meet Community Facilities objectives.' The project involved the assessment of 63 community facilities in Woden, Belconnen and Weston Creek. The resulting reports identified 25 percent of facilities were in a 'run down' or 'poor' condition. The reports included recommendations to use existing portfolio value to modernise community facility provision and re-organise the portfolio for improved community benefit and financial sustainability, either through strategic divestment or increased rents by transitioning away from peppercorn arrangements. 2.41

iCBR has not actioned the reports or used them to inform asset management policies, strategies or plans to date. iCBR reported there is no funding to complete 2.42

similar reviews for the remaining 57 facilities but that it intends to use the evaluation framework to 'complete a more holistic view of the existing properties' in-house. There is a risk that this may not provide the same level of analysis and results the commissioned studies provided.

The ACT Property Group commenced the Asset Management Plan Project in 2024 with a view to 'significantly improve asset management capabilities, processes, and information to better manage the estate, and more cost-effectively deliver the levels of service required'. The project was conceptualised in two distinct phases. 2.51

Phase One, which was delivered on 11 December 2025, focused on depots, roofs and gas assets and only accounted for a small selection of iCBR's overall portfolio. Phase One delivered an Asset Class Management Plan for depots and data on property condition, asset renewal and replacement costs and timing. Asset management plan dashboards were also developed for each depot. It did not produce an overarching asset management policy. 2.52

It is unclear how iCBR will integrate the insights from Phase One into its existing processes and the Property Management System (PTY). The consultant described Phase One as a 'proof of concept' to be applied to the wider portfolio in Phase Two, which includes iCBR's remaining assets, including community facilities. In response to the draft proposed report iCBR advised 'the government has funded an updated portfolio-level SAMP [Strategic Asset Management Plan] for delivery in 2026-27. This will cover all 243 assets, including the community-related assets noted in this audit'. 2.53

The PTY Asset Validation Project commenced in March 2025. The purpose of the PTY Asset Validation Project is to ensure 'PTY data is complete, current and aligned with executive reporting standards' and to 'support other business areas by identifying data inconsistencies across systems and enabling targeted gap analysis reporting'. 2.59

As of February 2026, iCBR had only completed the first four phases of the project. In response to the draft proposed report iCBR advised 'Phase 5 (area validation of iCBR owned assets) is near completion' and 'as of August 2026 iCBR has completed Phase 6 and has developed and rolled out the PTY Asset Register'. The sixth phase of the project, which involves the development and implementation of an asset management register, is very important for asset management planning. 2.60

Management of applications for community facilities

Framework for management of applications

The *Community and Other Tenancies Application and Allocation Policy* (the Allocation Policy) provides the framework for the allocation of community facilities to prospective tenants. The public-facing *Guidelines to Complete an Application for ACT Government Community or Other Tenancy Accommodation* (the Application Guidelines) and application form support the Allocation Policy. The Allocation Policy was published on 18 June 2007 and last reviewed in April 2008. 3.15

The Allocation Policy is underpinned by three guiding principles: consistency with strategic asset management planning; meeting community needs for access to affordable accommodation; and providing an opportunity, where appropriate, to align community and other tenancies with Government policy objectives. In the absence of an asset management policy and supporting strategic asset management plan, Government policy objectives for community facilities are not clear. Relying on eligibility requirement definitions that have not been reviewed since 2008 presents the risk that eligibility criteria are no longer fit-for-purpose.

3.16

There are inconsistencies between the application requirements identified in the Allocation Policy, Application Guidelines and application form. Inconsistencies between the documents increases the risk that applicants unintentionally omit information that iCBR needs to assess an application. This may lead to inefficiencies in administrative processes, as further information is sought from applicants to correct issues, or the unfair rejection of an application based on incorrect information.

3.17

Management of applications

iCBR maintains an Application Register in the form a Microsoft Excel spreadsheet to record and manage community facility applications from potential tenants. A review of the Application Register and supporting documentation for the purpose of the audit showed that iCBR only had copies of 43 community applications (52 percent of those listed on the Application Register). Of those 43 community applications the application date was incorrectly recorded for 20 (46 percent).

3.31

The high proportion of missing and incorrectly recorded applications means iCBR cannot accurately apply the Allocation Policy's prioritisation criteria. Missing documentation also means iCBR has no reliable way to demonstrate compliance with policy requirements or to support transparent and equitable decision-making. This undermines both the integrity of the allocation process and stakeholders' confidence that applications are being managed fairly and consistently and in accordance with the Allocation Policy.

3.32

According to the Allocation Policy, iCBR must verify applications every twelve months to ensure application details remain accurate. iCBR has not verified applications since 2023. By not reviewing and verifying applications every twelve months there is a risk that the information in the Application Register is outdated and incorrect.

3.33

Allocation of community facilities

The Allocation Policy requires iCBR to offer any vacant space to the first eligible applicant. The Allocation Policy also requires iCBR to consider the nature of existing tenancies in the facility and applicants' proposed activities to ensure maximum compatibility among tenancies. iCBR has not developed any standard operating procedures to support its activities to allocate community facilities.

3.48

The Allocation Policy requires iCBR move applicants who have declined two offers that meet their stated requirements to the bottom of the Applications Register and remove their accelerated priority status if applicable. Because of the manual processes and potentially inconsistent interpretation between officers there is a risk that the Applications Register does not accurately record all offers that have been declined. A lack of reporting on declined offers since 2023 further increases the risk that iCBR does not:

- recognise applicants that have declined two offers that meet their needs; and
- apply the Allocation Policy, as required, and de-prioritise them from consideration.

In November 2024, iCBR began developing a revised Allocation Policy. The draft revised Allocation Policy seeks to fundamentally change how iCBR allocates community facilities. iCBR intends to support the revised policy by replacing the Allocation Register. As of July 2026, the revised policy remained in draft and was yet to be approved for use.

Management of agreements for community facilities

Management of agreements for community facilities

iCBR manages community facilities under three types of legal agreement; tenancy agreements, subleases and licences. iCBR does not have a copy of 38 of the 200 agreements that it manages (19 percent). Without a copy of the agreement, iCBR cannot demonstrate that it is effectively managing the agreement or enforcing its terms and conditions as required.

The Allocation Policy provides for a maximum five-year agreement term without the option of renewal. iCBR currently manages two longer-term agreements (one ten-year term and one seven-year term) and five agreements that include options to extend. These agreements are not in accordance with the Allocation Policy and may be viewed as inequitable by tenants not offered similar arrangements.

A review of the 162 agreements for which iCBR has a copy showed that as of February 2026, 136 (84 percent) had continued past their originally agreed term. In circumstances where an agreement continues past its agreed term, iCBR relies on a hold-over clause. Twenty-two of these agreements were managed under the clause for between 10 and 15 years and three for more than 15 years. Although hold-over agreements are valid and enforceable, month-to-month arrangements present challenges for community facility tenants. Tenants reported difficulty undertaking strategic planning and budgeting because of uncertainty of the tenure of their occupancy and increased insurance risk because they don't have the assurance of an updated agreement.

Fifty-seven of the 136 agreements the Audit Office identified as subject to a hold-over clause in February 2026 were peppercorn agreements. The remaining 79 were

community agreements subject to a cost-recovery fee. In response to the draft proposed report, iCBR advised that as of July 2026, a process to renew peppercorn tenancies was 'largely complete'.

Management of fees for community facilities

iCBR uses the *Non-Government Tenants Cost Recovery Rental Policy* (the Cost Recovery Rental Policy) to determine cost-recovery fees. The policy was last updated in 2006. The Cost Recovery Rental Policy is not publicly available. Tenants of community facilities reported this impacts their understanding of how iCBR determines fees. The cost recovery method outlined in the Cost Recovery Rental Policy is based on a benchmark of projected costs for seven community facilities from 2005-06. 4.41

The Allocation Policy provides that fee reviews and fee increases should align with the cost-recovery model, as defined in the Cost Recovery Rental Policy: one-year agreements should include increments of 3.0 percent per annum (or 3.5 percent for commercial rents); and five-year agreements should include a rent review at the end of each five-year period. The assumption of 3.0 percent cost increases for community rents has accurately tracked average Consumer Price Index increases since 2006. Since 2017-18, however, commercial rents have been increasing based on the Consumer Price Index. This does not accord with the Cost Recovery Rental Policy. 4.42

The weighting of different factors for the setting of the cost base for rental fees (e.g. water, electricity, gas, insurance, building management) has not been reviewed since 2006. Periodic re-examination of weightings can provide assurance iCBR is not over or under-recovering specific cost drivers, ensuring pricing aligns with the actual expenditure mix over time. 4.43

Peppercorn agreements

A peppercorn agreement typically involves a nominal or zero payment of rent. iCBR does not have any policy or procedural guidance that explains which organisations are eligible for a peppercorn agreement and under what circumstances they are eligible. There is also no written application process for peppercorn agreements. The Allocation Policy does not mention peppercorn agreements and specifically advises against use of peppercorn rates. 4.53

The Minister for the Public Service (the Minister) has full discretion to grant peppercorn agreements. iCBR advised that the primary considerations for a peppercorn agreement are community benefit and quality of the submission to the Minister. iCBR does not provide a public framework or guidelines outlining the criteria, thresholds or assessment methodology used to determine eligibility. Without such guidance, there is a risk of inconsistent and opaque decision-making. 4.54

Organisations subject to a peppercorn agreement pay a nominal \$0.05 per annum, which the Territory does not collect. Peppercorn agreements also include a charge for the first \$500 (excluding GST) for repairs a maintenance costs. A 2025 brief to the 4.61

Minister for the Public Service noted that approximately \$2 million is being spent on repairs and maintenance for these sites annually but that ‘only minimal and reactive repairs and maintenance are being undertaken...based on minimal available budget and no income stream’. iCBR estimated peppercorn agreements result in approximately \$13 million in forgone revenue annually.

As at February 2026, iCBR managed 72 community facilities under peppercorn agreements. iCBR does not have a record of 12 of these agreements (17 percent). Of the 60 agreements for which it has a copy, 57 were managed under hold-over arrangements (95 percent), having been extended beyond the agreement’s original term. 4.62

In August 2024, the Special Minister of State approved a ‘letter of comfort’ to tenants subject to peppercorn agreements. According to the letter, iCBR would maintain the peppercorn fee arrangement but other costs, for example utilities, maintenance and security, would become the tenant’s responsibility. 4.63

iCBR has since sought to standardise peppercorn rental agreements and renew existing peppercorn agreements for an initial five-year term to ‘ensure that financial and administrative burdens will not be incurred by either the tenant or iCBR’. iCBR expects the initial five-year term to ‘help ensure that appropriate planning is in place to renew peppercorns in a systematic manner without entering holdover’. As of July 2026, iCBR advised the peppercorn tenancy renewal process was ‘largely complete’. 4.64

Maintenance of community facilities

Maintenance roles and responsibilities

The Property Services and Operations (PSO) Branch, within the Delivery – Places and Spaces Division, is responsible for the maintenance of community facilities. The branch has three teams which must work together to deliver maintenance services for community facilities. The Property Maintenance Team, within the PSO Branch, has developed a draft *Roles & Responsibilities* document. The document was a work in progress at the time of audit fieldwork and iCBR could not provide details of the document’s anticipated finalisation. The other teams have not documented their roles and responsibilities. 5.6

iCBR does not have a copy of 38 of 200 agreements for community facilities it manages (19 percent), which means that iCBR does not have any contractual documentation of the maintenance roles and responsibilities for these tenancies. 5.14

Condition reports provide a mutually agreed record of the property’s condition at the start of the agreement. Of the 162 agreements iCBR had a copy of, 116 did not have a condition report (72 percent) and 12 had an incomplete condition report (seven percent). In the absence of a condition report, it is difficult for either of the parties to hold each other to account for maintenance responsibilities, including that the tenant return the property to its original condition as required under the agreement’s ‘make good’ clause. 5.15

Planned maintenance

The Property Maintenance Team within the PSO Branch is responsible for the planned maintenance of community facilities. The team develops workplan activity lists to guide its planned maintenance activities. Workplan activity lists serve as planned maintenance schedules for the year. iCBR has not developed any policy or procedural guidance for how workplan activity lists should be established or adjusted as necessary during the year. iCBR has not developed any equipment catalogues or other documents (including asset management plans) which would otherwise reasonably inform the development of workplan activity lists. iCBR advised that workplan activity lists should be reviewed and updated each year, but that this does not always occur in practice. 5.26

iCBR develops workplan activity lists without consulting tenants. This means tenants do not contribute to maintenance planning or assist in identifying priorities that reflect their operational needs. This also means there is a risk that maintenance is scheduled or prioritised incorrectly and not directed to issues that matter to tenants. 5.27

iCBR does not provide workplan activity lists to tenants of community facilities unless explicitly requested. This limits tenants' ability to plan their own operations effectively. It also increases the risk of misaligned expectations and misunderstandings about maintenance responsibilities undermining trust and iCBR's perceived responsiveness. 5.28

Reactive maintenance

The *Intake and Security – Reactive Maintenance Requests Fact Sheet* (the Fact Sheet) documents iCBR's service level standards for reactive maintenance requests. The Fact Sheet identifies prioritisation categories of 'Urgent', 'Priority' or 'Normal' and expected levels of service (four working hours, three working days and ten working days). 5.38

The Fact Sheet does not define or provide any further guidance on what constitutes an 'Urgent', 'Priority' or 'Normal' work request. Defining what constitutes an 'Urgent' work request reduces the likelihood that staff misallocate limited resources to non-urgent maintenance. It also clarifies the Territory's responsibility to the tenant and helps avoid ambiguity over whether a repair needs immediate action or can wait. In the absence of clear criteria, iCBR may find it difficult to apply service standards reliably, monitor performance and demonstrate accountability for how maintenance requests are triaged and managed. 5.39

Allocation of maintenance activity

As of September 2026, iCBR employed six apprentices, eight field staff and 24 tradespeople as HVAC/fitters, carpentry, plumbing, fields maintenance, locksmithing and electrical trades to perform maintenance for community facilities. iCBR allocates maintenance activities to internal tradespeople based on availability and expertise. 5.43

Without a formal register of staff skills or a structured process for determining availability, decisions rely on ad hoc discussions between teams. This increases the risk that iCBR unnecessarily outsources maintenance tasks and limits accountability and consistency in decision-making.

For work valued between \$25,000 and \$500,000 and for construction-related procurement valued at least \$25,000 but less than \$1,000,000 Regulation 2.2 of the *Government Procurement Regulation 2007* requires iCBR to:

- seek at least three written quotes, or one written quote from a supplier that is a certified Aboriginal and Torres Strait Islander entity or a small to medium business entity based in the ACT or surrounding region, unless provided exemption by the relevant delegate, resulting in a written contract; or
- seek a supplier through an established panel of providers, under which the quotation tender threshold requirements do not apply.

The Audit Office reviewed iCBR's records of maintenance invoices provided by external contractors from 1 January 2021 to 31 December 2025. A review of these records showed that two suppliers delivered substantially more than \$25,000 in services to iCBR across individual work orders between 2023 and 2025: \$72,051 (GST exclusive) in pest control services; and \$488,844 (GST exclusive) for roof safety services. The Audit Office found no evidence these suppliers were engaged through a standing-offer arrangement or that the delivery of services was documented through a written contract. Although individual jobs were valued at less than \$25,000, the jobs were part of a predictable and pre-planned work stream based on an annual maintenance schedule.

iCBR assigned all grounds maintenance and gutter cleaning work orders for community facilities between 2023 and 2025 to a single supplier. While the cost per work order was relatively modest (typically under \$2,000), the supplier provided regular monthly services across multiple community facility sites. This resulted in a total value of services over the three years the Audit Office examined of \$131,505 for grounds maintenance and \$203,302 for gutter cleaning, totalling \$334,807 (GST exclusive).

The provider was part of the Landscaping Trade Services Panel arrangement which consists of 16 suppliers. To achieve value for money it is good practice to approach more than one supplier on a panel when seeking a work order, regardless of whether quotation requirements are outlined in the Panel Deed or not, iCBR did not approach more than one supplier or otherwise assess the appropriateness of a competitive procurement process despite a large volume and predictable stream of work.

It is important for iCBR to communicate its maintenance activities to tenants to allow the tenants to plan, manage risks and ensure their premises remain safe for staff and clients. Tenants of community facilities reported communication from iCBR regarding their maintenance activity was inconsistent. Community organisations highlighted the risk of tradespeople attending community facilities unannounced to conduct maintenance and the risk this posed to vulnerable service users.

Quality assurance of maintenance work

iCBR maintains records of completed planned maintenance in PTY and the Objective Electronic Document and Records Management System (EDRMS). A lack of functionality for PTY limits iCBR's ability to assess whether maintenance tasks have been performed according to scheduled timeframes. Furthermore, the challenge of acquitting maintenance work against the timeframes set out in workplan activity lists has been compounded in recent years by:

5.74

- the change in record-keeping from physical records to TRIM in June 2023;
- the migration of TRIM records to Objective in June 2025; and
- the automatic deletion of an invoice in PTY once it has been paid.

iCBR tracks and verifies reactive maintenance activities in PTY, through the direct confirmation of the completion of urgent works and monitoring of work order ageing reports. However, not all invoices submitted by external suppliers provides a clear indication of when the supplier completed the job and when an invoice does identify a date for completion of the work, the 'physical complete' date that is recorded in PTY does not reliably match the date the contractor completed the work as recorded by the invoice. Under these circumstances iCBR cannot manually verify and report on whether external suppliers completed reactive maintenance work orders according to their assigned priority.

5.85

Each month, the Director, Intake and Security receives a work order ageing report, which shows reactive maintenance work orders overdue for completion beyond 28 days. The usefulness of the report is compromised because tasks only appear once they are significantly overdue, meaning the report does not enable timely follow-up immediately after a due date is missed.

5.86

A single Quality Assurance Manager (the QA Manager) is responsible for quality assurance for approximately 50,000 repair actions annually. iCBR has not developed a risk-based approach to determining what activities should be subject to audit. The QA Manager decides what maintenance activities they should review based on their personal judgement of risk.

5.95

Planned maintenance quality assurance activity decreased from 118 in 2022-23 to 30 in 2023-24. Notwithstanding this reduction, the QA Manager identified underperformance and flagged maintenance items for rectification through the quality assurance activities. However, iCBR has no clear governance framework or policy to escalate and systematically address issues identified. iCBR staff reported frequent disagreement over who 'owns' issues, resulting in delays actioning and resolving them.

5.96

Reactive maintenance quality assurance activities increased from 46 in 2022-23 to 170 in 2023-24. However, because iCBR does not track these activities by facility type, there is limited insight into work performed at community facilities. Despite

5.97

the increase, the overall rate of quality assurance remains low relative to the size of iCBR's property portfolio.



Recommendations

Recommendation 1 Asset management planning

iCBR should develop:

- a) an asset management policy and strategic asset management plan for the management of its community facilities; and
- b) individual asset management plans for the community facilities it both owns and holds long-term leasehold interests over.

Recommendation 2 Allocation Policy

iCBR should review and revise its Allocation Policy for community facility tenancies. In doing so iCBR should ensure the policy:

- a) clearly articulates guiding principles for the allocation of community facilities;
- b) clearly identifies eligibility criteria for the allocation of community facilities; and
- c) is supported by public-facing administrative documents, including guidelines for prospective applicants and application forms, that are consistent with the policy.

Recommendation 3 Allocation processes

iCBR should develop and implement policy and procedural guidance for the management of applications for community facilities. The guidance should include:

- a) standard operating procedures to promote consistency in administrative practices; and
- b) requirements for documentation and record-keeping, including with respect to the use of the Allocation Register.

Recommendation 4 Documentation of community facility agreements

iCBR should:

- a) establish and maintain a complete register of all community facility agreements, ensuring that copies of all executed agreements are appropriately stored and accessible; and
- b) identify and document roles and responsibilities for:

- i) managing and maintaining the register; and
- ii) periodically evaluating the register for completeness.

Recommendation 5 Agreement management

iCBR should develop and implement initiatives to reduce the reliance on hold-over agreements and strengthen the management of agreements by:

- a) assigning clear accountability for decision-making associated with the renewal of agreements; and
- b) establishing a process for regular reporting on the status of agreements and timeframes for renewal.

Recommendation 6 Cost Recovery Rental Policy

iCBR should review and revise the Non-Government Tenants Cost Recovery Rental Policy to:

- a) ensure relative input weightings reflect current expenditure patterns;
- b) include scheduled policy and pricing reviews every three to five years to maintain its currency and relevance; and
- c) implement periodic reporting on cost recovery performance.

Recommendation 7 Framework for the assessment of peppercorn agreements

iCBR should develop and implement a framework for assessing eligibility for peppercorn agreements that promotes consistency and fairness in decision-making. The framework should:

- a) define eligibility criteria for peppercorn agreements;
- b) include policy and procedural guidance for staff on processes for the assessment and recommendation of applications for peppercorn agreements; and
- c) provide publicly available guidance to community and other stakeholders on eligibility requirements and processes for the assessment of applications.

Recommendation 8 Condition reports

iCBR should prepare condition reports for all new community facility agreements and for legacy community facility agreements without a complete condition report.

Recommendation 9 Contractual agreements with maintenance suppliers

iCBR should:

- a) review its current arrangements with suppliers that are continually engaged through multiple individual work orders for low-value maintenance services; and
- b) determine whether it is appropriate to undertake a competitive procurement process, in accordance with the *Government Procurement Regulation 2007*, for a larger volume of work.

Recommendation 10 Quality assurance of maintenance activities

iCBR should develop a quality assurance policy and associated procedures for the maintenance of its community facilities. The policy and procedures should outline:

- a) the purpose, objectives and scope of quality assurance activities;
- b) a risk-based approach to collecting and analysing performance information, including the factors that determine the level of quality assurance required;
- c) procedures for undertaking and documenting quality assurance activities; and
- d) governance arrangements, including roles and responsibilities and escalation pathways to systematically address issues with maintenance timeliness and quality.

Agency response

In accordance with subsection 18(2) of the *Auditor-General Act 1996*, Infrastructure Canberra (iCBR) was provided with:

- a draft proposed report for comment. All comments were considered and required changes were reflected in the final proposed report; and
- a final proposed report for further comment. All comments were considered and required changes were reflected in the final report.

As part of the final proposed report process, Infrastructure Canberra (iCBR) was invited to provide comments for inclusion in the Summary chapter of the final report. The following comments were provided for inclusion in the Summary chapter.

The ACT Government acknowledges the findings and recommendations of the ACT Audit Office's report on the management of community facilities. The ACT Government acknowledges the limitations that historical management practices for community facilities has had on community organisations and the users of these important facilities.

Following the transfer of Property Group to Major Projects Canberra in December 2023, the ACT Government initiated and then engaged proactively with the Audit Office on this audit and welcomes the audit process as an opportunity to strengthen how we manage community facilities and the broader property function. ACT Government notes that work to address several of the issues identified have been underway prior to and during the audit process, including:

- updating the allocation policy (with community consultation already complete) and peppercorn lease framework;*
- standardising and modernising licence agreement templates;*
- 94 per cent of peppercorn licenses have been updated in 2026;*
- commenced review of the charging policy;*
- updating central agreement registers (all licence documents are now centrally stored);*
- provision of dedicated procurement and contract management training; and*
- undertaking meaningful structural reform in service delivery.*

A dedicated response to each finding and recommendation is already underway. Infrastructure Canberra is currently undertaking a reform program across the delivery of asset management and property service delivery including organisational structure, processes, people and systems, to build a simpler, more integrated and more effective function.

We continue to support and collaborate with our people on developing and delivering this change to the way we deliver for our community.

1 Introduction

Community facilities

Territory property portfolio

- 1.1 The Territory's property portfolio broadly consists of:
- owned estates, where the Territory owns the properties; and
 - leased estates, where the Territory leases properties owned by other entities.
- 1.2 The Territory may, in turn, lease or license these properties to other organisations.
- 1.3 The audit focused on Territory facilities leased or licenced to community organisations. This includes community centres, childcare centres, former schools converted into community spaces, cottages and depots. These are referred to collectively as community facilities.

Community facilities

- 1.4 Community facilities are valuable social and financial assets for the Territory. They support the delivery of important community services including:
- childcare;
 - crisis counselling;
 - mental health services;
 - youth services; and
 - disability services.

Management of community facilities

- 1.5 The effective management of community facilities can help the Territory maximise the utility of these assets to provide and maintain key services where they are most needed.
- 1.6 Two hundred legal agreements with 151 community organisations were considered for the purpose of the audit. There are three types of agreement; tenancy agreement, sublease and licence. iCBR provided the following definitions:
- **tenancy agreement** - creates an exclusive right to occupy a defined premises for a set period. The tenant has legal possession and the lessor cannot enter or use the premises without permission except as provided in the agreement;

- **sublease** - occurs where a tenant (the head lessee) grants another party exclusive possession of all or part of the premises. A sublease must be consistent with the terms of the head lease and usually requires the lessor's consent; and
- **licence** - provides permission to occupy or use premises but does not grant exclusive possession. The licensor retains control and can access or direct use of the premises. Licences are generally more flexible and are commonly used for community or short-term arrangements.

1.7 The legal agreement specifies the terms of the tenancy including timeframes, fees, review methods, maintenance responsibilities and other conditions. This report uses the term 'agreements' to refer to these documents collectively.

Maintenance of community facilities

1.8 The effective maintenance of community facilities can maximise and maintain the longevity of these assets and allow community organisations to provide important services without disruption or safety concerns for staff and clients.

1.9 The audit considered 120 community facilities of which iCBR is the custodian, for which it is responsible for the facilities' asset management planning and maintenance.

Agencies responsible for entering into agreements

1.10 iCBR was not responsible for entering into all community facility agreements for which it now has responsibility. Table 1-1 shows the ACT Government agencies originally responsible for the 200 agreements considered for the purpose of the audit.

Table 1-1 Agency responsible for entering into agreements

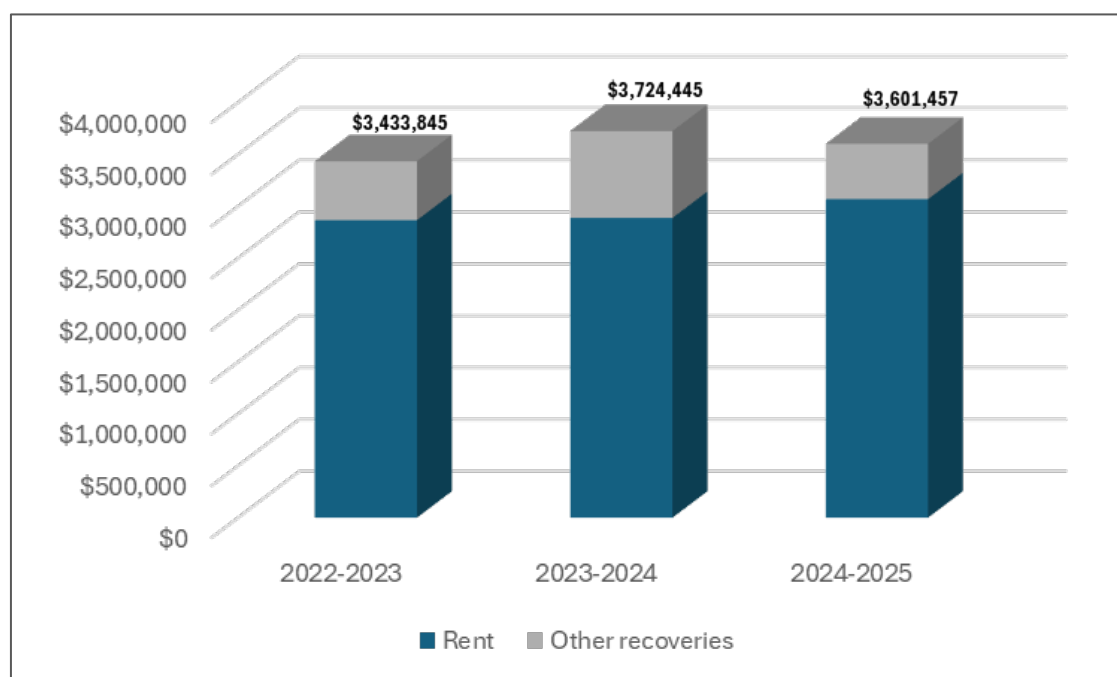
Entity	Number of agreements
ACT Property Group (now iCBR)	107 (54%)
Community Services Directorate (now Health and Community Services Directorate)	29 (15%)
Department of Disability, Housing and Community Services (now Health and Community Services Directorate and Housing ACT)	13 (6%)
Infrastructure Canberra	6 (3%)
Others	7 (3%)
Unclear	38 (19%)
Total	200

Source: Audit Office analysis of community facility agreements.

Revenue from community facilities

- 1.11 iCBR provides community facilities at below-market rates for eligible tenants through community rates (fees are set to recover costs) or peppercorn rates (a nominal \$1 fee is set).
- 1.12 Community facility revenue includes rental income and other recoveries. Other recoveries are funds recouped for outgoings such as utilities and maintenance. Figure 1-1 shows revenue from community facilities between 2022-23 and 2024-25.

Figure 1-1 Community facility revenue (2022-23 to 2024-25)



Source: ACT Audit Office, based on iCBR revenue data.

- 1.13 Figure 1-1 shows community facilities generated \$3,601,457 in revenue in 2024-25. This comprised \$3,068,264 from rent and \$533,193 from other recoveries. Total revenue from community facilities has increased by 4.9 percent since 2022-23.

Demand for community facilities

- 1.14 Vacancy rates for existing community facilities are low and there is a high degree of interest from organisations in occupying a facility.
- 1.15 Subsidised fee arrangements provide a cost advantage to tenants that occupy a facility. The Territory effectively subsidises their operation through reduced rent, giving them a financial advantage over organisations that are subject to market rental rates. Territory decisions on which organisations tenant community facilities, and under what terms, can impact community organisations' financial viability.

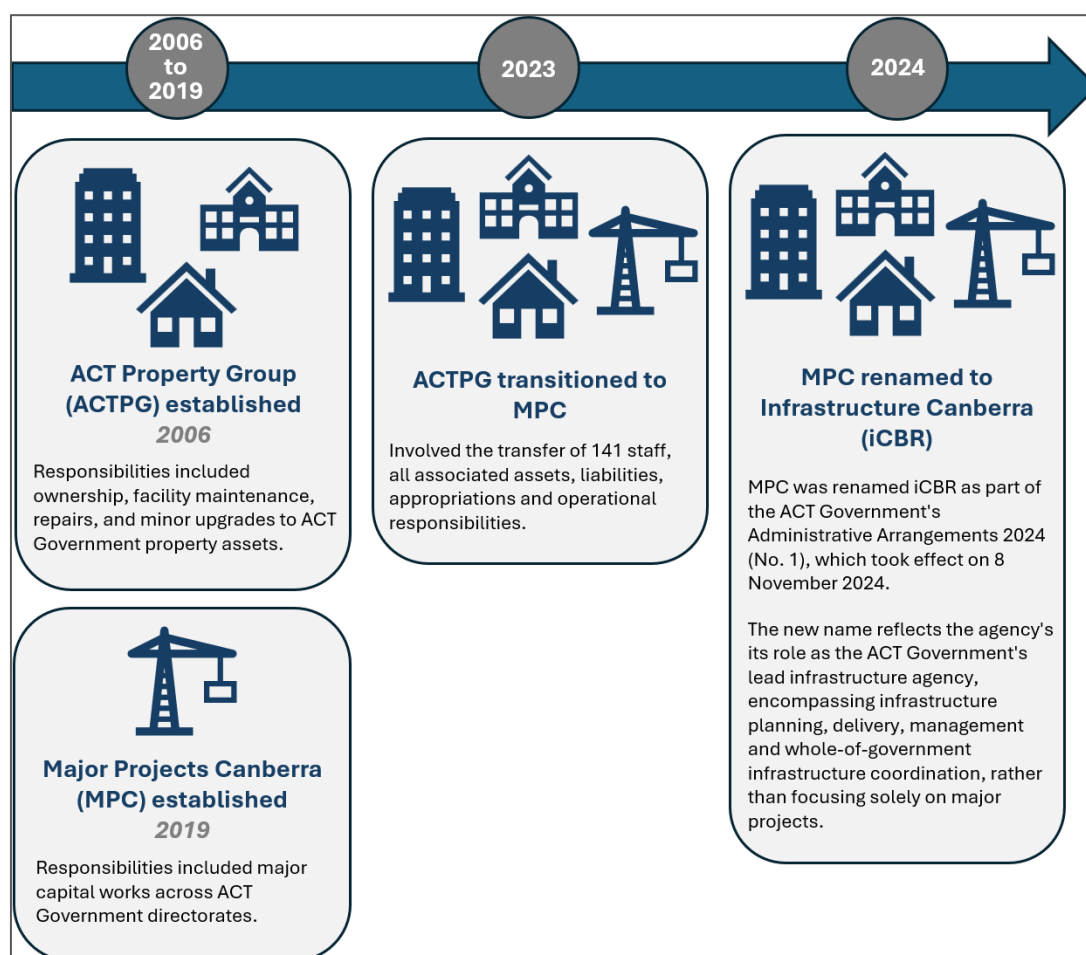
- 1.16 Effective management of community facility agreements, including their allocation and review is key to maintaining equitable and transparent outcomes for applicants and current tenants.

Roles and responsibilities

- 1.17 Infrastructure Canberra (iCBR) currently manages and maintains most community facilities. However, that responsibility has evolved over time.

- 1.18 Figure 1-2 provides an overview of organisational changes from 2006 to 2024.

Figure 1-2 Management of Territory property assets (2006 to 2024)



Source: Audit Office, based on iCBR contextual information provided for the purpose of the audit.

ACT Property Group

- 1.19 The ACT Property Group managed and maintained non-specialist government assets and surplus property assets between 2006 and 2023. In 2023 the ACT Property Group

transferred from the Chief Minister, Treasury and Economic Development Directorate to Major Projects Canberra.

- 1.20 At the time of transfer the ACT Property Group and Major Projects Canberra had different policies, systems, governance structures and service delivery models.
- 1.21 Transferring the ACT Property Group to Major Projects Canberra initiated a full administrative restructure of the Territory's property functions, which were consolidated within Major Projects Canberra's Property and Government Insourcing Group in 2024. This included the transfer of 141 staff together with associated assets, liabilities, appropriations and operational responsibilities, including:
- property and tenancy management of Territory-owned commercial buildings and properties; and
 - property maintenance, upgrades and trade services.

Infrastructure Canberra (iCBR)

- 1.22 In 2024, Major Projects Canberra became iCBR. iCBR is now responsible for the planning, development and management of the infrastructure assets that it has custodianship of, including:
- strategic asset management;
 - property and tenancy management; and
 - property maintenance, upgrades and trade services.
- 1.23 iCBR separated these responsibilities across two divisions:
- Delivery – Places and Spaces Division; and
 - Pipeline, Capability and Estate Division.
- 1.24 On 19 August 2026, as part of an organisational restructure, functions relating to strategic asset planning and management transitioned from the Pipeline, Capability and Estate Division to the Delivery – Places and Spaces Division. The change was intended to better align long-term asset planning and investment decisions with the delivery, operation and performance of physical assets. Unless otherwise stated, the organisational descriptions in this report reflect arrangements in place prior to the 19 August 2026 restructure.

Delivery – Places and Spaces Division

- 1.25 The Delivery – Places and Spaces Division has three branches, two of which are relevant to the audit.

Customer and Asset Management (CAM) Branch

- 1.26 The Customer and Asset Management (CAM) Branch provides property management services for 230 Territory-owned buildings, including the community facilities considered for the purpose of the audit.
- 1.27 The Community and Government Engagement Team within the CAM Branch manages existing government and non-government tenancies by providing:
- centralised customer, business development and lease management services to support and manage tenants, customers and clients;
 - management services for commercial leases of third party owned buildings and tenancy agreements for buildings managed by the CAM Branch; and
 - administrative oversight and support for the management of community facility applications and the establishment and ongoing management of community facility agreements.

Property Services and Operations (PSO) Branch

- 1.28 The Property Services and Operations (PSO) Branch manages planned and reactive maintenance for 470 Territory-owned properties. The branch is the first point of contact for customers, tradespeople and public enquiries regarding property maintenance. In 2025 the PSO Branch reported it:

Handles 15,000 – 17,000 work orders and ~6,000 phone enquiries annually.

- 1.29 The PSO Branch maintains and upgrades Territory-owned properties as required either through engaging external qualified licensed tradespeople or allocating work to internal tradespeople. The PSO Branch employs six apprentices, eight field staff and 24 tradespeople including heating, ventilation and air conditioning (HVAC) specialists and fitters, carpenters, plumbers, locksmiths and electricians.
- 1.30 The PSO Branch also employs one person to undertake quality assurance for maintenance activities.

Pipeline, Capability and Estate Division

- 1.31 The Pipeline, Capability and Estate Division has four branches, one of which is relevant to the audit.

Project Initiation, Planning and Development Branch (PIPD)

- 1.32 The Project Initiation, Planning and Development (PIPD) Branch provides strategic oversight of the iCBR asset portfolio including program design, governance, reporting and advice.

- 1.33 The Planning and Strategic Asset Management (PSAM) Team within the PIPD Branch is responsible for strategic asset management functions including all financial, asset optimisation and planning considerations. The team is responsible for delivering sustainable infrastructure in a manner that ensures financial, social and environmental sustainability over the asset lifecycle.

Audit objective and scope

Audit objective

- 1.34 The objective of the audit was to assess the effectiveness of iCBR's management of community facilities.

Audit scope

- 1.35 The audit considered iCBR's management of the:
- tenancy arrangements for community facilities; and
 - maintenance of community facilities.

Management of community facility agreements

- 1.36 When reviewing the management of community facility agreements the audit considered:
- decision-making frameworks supporting the allocation of community facilities and determination of fees; and
 - administrative processes for the management and review of community facility applications from community organisations.
- 1.37 The audit also considered processes for the ongoing:
- management of agreements for community facilities; and
 - assessment of the community organisation's eligibility for occupancy of a community facility and the type of agreement in place.

Maintenance of community facilities

- 1.38 When reviewing the management of the maintenance of community facilities the audit considered:
- roles and responsibilities for the maintenance of community facilities;
 - processes for the prioritisation and management of proactive and reactive maintenance;

- service level standards for the conduct of maintenance; and
- timeliness of maintenance.

Out of scope

1.39 The audit did not consider:

- the management of major upgrades to community facilities; and
- planning, purchase or building of new facilities including the management of land release and construction of new community facilities as part of the ACT Government's future planning priorities.

Audit criteria, approach and method

Audit criteria

1.40 To form a conclusion against the objective, the Audit Office used the following criteria:

- 1) Does iCBR effectively manage agreements for community facilities?
 - Does iCBR manage applications for community facilities consistently and fairly?
 - Does iCBR determine fees consistently and fairly?
 - Are existing arrangements for community facility agreements reviewed on a regular basis to assess their continuing appropriateness?
- 2) Does iCBR effectively maintain community facilities?
 - Is there an appropriate framework that defines roles and responsibilities for the maintenance of community facilities?
 - Does iCBR have effective asset management plans in place to guide asset maintenance activities?
 - Has iCBR developed proactive maintenance schedules for community facilities and is maintenance undertaken in accordance with these schedules?
 - Does iCBR have effective processes to manage reactive maintenance requests to ensure requests are prioritised and actioned in a timely way and completed to an appropriate standard?

Audit approach and method

- 1.41 The audit was conducted in accordance with *ASAE 3500 – Performance Engagements*. The audit adopted the policy and practice statements outlined in the Audit Office’s *Performance Audit Methods and Practices* (PAMPr) which is designed to comply with the requirements of the *Auditor-General Act 1996* and *ASAE 3500 – Performance Engagements*.
- 1.42 The Audit Office complied with the independence and other relevant ethical requirements related to assurance engagements in the conduct of this audit.
- 1.43 The audit approach and method consisted of:
- discussions with relevant iCBR staff;
 - identification, review and analysis of information iCBR provided including policies, procedures and records;
 - analysis of data in iCBR’s Property Management System (PTY); and
 - examination of written contracts between external contractors and iCBR.

Stakeholder engagement and insights

- 1.44 On 29 September 2025, the Audit Office participated in a forum with members of the ACT Council of Social Services (ACTCOSS) to discuss the audit and provide feedback from a user perspective in relation to the management of community facilities. The meeting was attended by:
- three ACTCOSS representatives; and
 - 14 representatives from 11 ACTCOSS member organisations.
- 1.45 Feedback provided by forum attendees is included throughout this report.

Analysis conducted

- 1.46 The following information related to community facilities was analysed:
- data sourced from community facility agreements including agreement type, status and rental rates;
 - invoices issued between 2023 and 2025 for a selection of ten agreements;
 - maintenance data for a selection of eight community facilities; and
 - a selection of quality assurance activity reports from March 2023 to October 2025.

Community facility agreement data

1.47 Data from 162 agreements between the Territory and community organisations that occupy community facilities was analysed. This included data related to:

- licensee/lessee and licensor/lessor;
- agreement terms;
- fees;
- method and frequency of review; and
- maintenance and repair responsibilities.

Maintenance data

1.48 Maintenance data from community facilities representative of iCBR's overall portfolio was also reviewed and analysed. Facilities were selected based on the following criteria:

- **geographic location** - selection of an equal number of properties from North and South Canberra. This was limited to the districts of Woden (South Canberra) and Belconnen (North Canberra) due to limitations on information about asset characteristics and conditions in other districts;
- **facility type** - selection of one facility of each type described in iCBR documentation;
- **fee type** - selection of properties representing an equal number of each of the two types of fees iCBR charges for community facilities - community rate (paid) and peppercorn rate (nominal fee of \$1);
- **number of tenants** - selection of both multi-tenanted and single-tenanted facilities; and
- **facility condition** - selection of facilities in varying states of condition from 'poor' to 'excellent' as assessed by a consulting firm iCBR contracted.

1.49 Table 1-2 shows the facilities that were selected for analysis and their key characteristics.

Table 1-2 Community facility selection for maintenance data

Facility no.	Location	Type	Fee type	No. of tenants	Condition
1	South Canberra	Community Hub	Community	12	Normal
2	South Canberra	Childcare Centre	Community	1	Normal
3	South Canberra	Community Centre	Peppercorn	1	Poor
4	South Canberra	Single Tenant Community Space	Community	1	Normal
5	North Canberra	Community Hub	Community	6	Normal

Facility no.	Location	Type	Fee type	No. of tenants	Condition
6	North Canberra	Childcare Centre	Community	1	Poor
7	North Canberra	Community Meeting Room	Peppercorn	1	Poor
8	North Canberra	Specific Purpose Community Facility	Community	2	Excellent

Source: Audit Office based on Community Facilities Asset Optimisation Reports (Woden and Belconnen Districts) produced by Lockbridge Consulting for ACT Property Group in 2022.

1.50 iCBR provided the following maintenance data for each facility listed in Table 1-2:

- planned maintenance schedules for the 2024-25 financial year;
- planned maintenance work orders, reports and invoices provided by external and internal contractors from June 2022 to June 2025;
- reactive maintenance invoices provided by external contractors from 1 January 2021 to 31 December 2025; and
- planned and reactive maintenance reports generated from PTY.

Quality assurance activities

1.51 Quality assurance inspection reports for 15 different community facilities conducted between March 2023 and October 2025 were analysed. A total of 21 inspection reports were reviewed for the purpose of the audit.

2 Planning for the management of community facilities

- 2.1 This chapter considers iCBR's planning for the management of community facilities. Planning for the management of community facilities should provide the structured, long-term view needed to ensure community facilities remain safe, functional and aligned with community needs over time.

Summary



Conclusions

iCBR's planning for the management of community facilities is ineffective.

iCBR has not implemented any of the strategic asset management elements necessary for the management of an extensive portfolio of community facilities. It does not have a contemporary asset management policy, strategic asset management plan for the portfolio or asset management plans for individual facilities. The absence of asset management planning creates organisational and service delivery risks, including the potential for poor investment decisions, ineffective maintenance activities and an inability to demonstrate effective stewardship of public resources.

Recent initiatives to improve data quality and deliver key asset management planning documents are incomplete and uncertain.



Key findings

Strategic asset management planning

Paragraph

iCBR does not have a contemporary asset management policy or strategic asset management plan that provides the overarching framework for the management of its community facilities. iCBR also does not have any asset management plans for its community facilities (except for eight community facilities that were addressed in December 2025 through a specific Asset Management Plan Project).

2.26

The *ACTPG Strategic Asset Management Plan 2018-2023* (Strategic Asset Management Plan) sought to 'provide [the ACT Property Group] with a reference document for the financial and operational asset management of the [property] portfolio'. There is no evidence the Strategic Asset Management Plan was reviewed annually, or that the underpinning data was reviewed every three years as envisaged. The plan is outdated and does not provide a satisfactory basis for the strategic management of community facilities. However, as part of the 2026-27 Budget, iCBR received funding to update the Strategic Asset Management Plan. At

2.27

the time of audit reporting this was in the planning stage. Asset management plans were developed in 2018 for a selection of community facilities. While useful and informative at the time of their development, the plans are now outdated and do not provide a satisfactory basis for the management of the facilities.

The lack of asset management policy and strategy documents creates organisational and service delivery risks. Asset investments, maintenance activities and asset renewal decisions cannot align with organisational objectives, community expectations or risk profiles if they are not documented. This can lead to inefficient prioritisation, reactive decision-making and the inability for iCBR to demonstrate that they are using resources effectively to maintain facilities.

2.28

Asset management projects

In 2021, the ACT Property Group engaged a consultant to, among other things, 'assess the extent to which existing properties meet the ACT Government's Community Facilities objectives' and 'identify opportunities for facility rationalisation, revitalisation, consolidation, and colocation to meet Community Facilities objectives.' The project involved the assessment of 63 community facilities in Woden, Belconnen and Weston Creek. The resulting reports identified 25 percent of facilities were in a 'run down' or 'poor' condition. The reports included recommendations to use existing portfolio value to modernise community facility provision and re-organise the portfolio for improved community benefit and financial sustainability, either through strategic divestment or increased rents by transitioning away from peppercorn arrangements.

2.41

iCBR has not actioned the reports or used them to inform asset management policies, strategies or plans to date. iCBR reported there is no funding to complete similar reviews for the remaining 57 facilities but that it intends to use the evaluation framework to 'complete a more holistic view of the existing properties' in-house. There is a risk that this may not provide the same level of analysis and results the commissioned studies provided.

2.42

The ACT Property Group commenced the Asset Management Plan Project in 2024 with a view to 'significantly improve asset management capabilities, processes, and information to better manage the estate, and more cost-effectively deliver the levels of service required'. The project was conceptualised in two distinct phases.

2.51

Phase One, which was delivered on 11 December 2025, focused on depots, roofs and gas assets and only accounted for a small selection of iCBR's overall portfolio. Phase One delivered an Asset Class Management Plan for depots and data on property condition, asset renewal and replacement costs and timing. Asset management plan dashboards were also developed for each depot. It did not produce an overarching asset management policy.

2.52

It is unclear how iCBR will integrate the insights from Phase One into its existing processes and the Property Management System (PTY). The consultant described Phase One as a 'proof of concept' to be applied to the wider portfolio in Phase Two, which includes iCBR's remaining assets, including community facilities. In response

2.53

to the draft proposed report iCBR advised 'the government has funded an updated portfolio-level SAMP [Strategic Asset Management Plan] for delivery in 2026-27. This will cover all 243 assets, including the community-related assets noted in this audit'.

The PTY Asset Validation Project commenced in March 2025. The purpose of the PTY Asset Validation Project is to ensure 'PTY data is complete, current and aligned with executive reporting standards' and to 'support other business areas by identifying data inconsistencies across systems and enabling targeted gap analysis reporting'. 2.59

As of February 2026, iCBR had only completed the first four phases of the project. In response to the draft proposed report iCBR advised 'Phase 5 (area validation of iCBR owned assets) is near completion' and 'as of August 2026 iCBR has completed Phase 6 and has developed and rolled out the PTY Asset Register'. The sixth phase of the project, which involves the development and implementation of an asset management register, is very important for asset management planning. 2.60

Strategic asset management planning

- 2.2 Asset management planning provides a structured framework to guide how assets (i.e. community facilities) are operated, maintained, renewed and disposed of. Asset management planning facilitates a holistic view of an organisation's property assets and provides clarity on long-term intentions and the ability to monitor them.
- 2.3 Asset management plans, which are an output of asset management planning, facilitate the conduct of systematic maintenance activity for the property assets. Asset management plans ensure the prioritisation of maintenance based on asset condition, lifecycle stage and risk. The result should be more consistent, efficient maintenance that prolongs asset life and supports reliable service delivery.

Community facility asset management planning

- 2.4 The Planning and Strategic Asset Management (PSAM) Team within the Project Initiation, Planning and Development Branch is responsible for the strategic management of iCBR's property portfolio, including consideration of future asset requirements.
- 2.5 According to the International Organisation for Standardisation Asset Management Standards (ISO 55000 series), asset management planning should be informed by key asset management documents including:
- an asset management policy, which identifies the organisation's:
 - approach to asset management; and
 - service delivery priorities, outcomes and financial sustainability goals;

- a strategic asset management plan, which is a strategy document that outlines how the organisation will achieve its asset management policy objectives. Outputs include an asset register, asset condition assessment and asset criticality assessment; and
 - asset management plans, which operationalise the strategic asset management plan by detailing maintenance activities to be performed on assets. Outputs include an asset lifecycle plan, annual works plan and work orders.
- 2.6 iCBR does not have a contemporary asset management policy, strategic asset management plan or asset management plans for community facilities beyond eight community facilities completed under the Asset Management Plan Project.¹
- 2.7 The ACT Property Group developed the following documents before transitioning to iCBR:
- *ACTPG Strategic Asset Management Plan 2018-2023*;
 - *ACTPG Asset Class Management Plans for Community Facilities, Childcare Centres and Depots (2018)*; and
 - *Asset Management Plans for a selection of community facilities* published in May 2018.

ACTPG Strategic Asset Management Plan 2018-2023

- 2.8 The *ACTPG Strategic Asset Management Plan 2018-2023* (Strategic Asset Management Plan) sought to 'provide [the ACT Property Group] with a reference document for the financial and operational asset management of the [property] portfolio'. The plan included asset data and financial information as at July 2018.
- 2.9 The Strategic Asset Management Plan required review 'on an annual basis to assess strategic directions and progress against planned activities ... the data underpinning [the plan should be] reviewed in detail every three years'.
- 2.10 The Strategic Asset Management Plan is outdated. There is no evidence the plan was reviewed annually or that the underpinning data was reviewed every three years. Table 2-1 shows outdated features of the plan.

¹ In December 2025, iCBR published an asset class management plan (an asset management plan that relates to a grouping of assets by asset class) and individual asset management plans, for 52 depot sites, eight of which are community facilities for the purpose of the audit. These plans were completed under the Asset Management Plan Project and are discussed further from paragraph 2.43.

Table 2-1 ACTPG Strategic Asset Management Plan 2018-2023

Plan section	Outdated features
Strategic Environment	Refers to the <i>ACTPG Strategic Plan 2017-2020</i> .
Property Business Overview	Refers to the ACT Property Group's role and business structure, which changed under iCBR. Also notes 'key facts' (e.g. staffing levels, work activity, age and number of properties) that have changed since the plan was published.
Levels of Service	Levels of service are dictated by the strategic environment outlined in the <i>ACTPG Strategic Plan 2017-2020</i> .
Property Environment Stewardship	References outdated legislation and government frameworks.
Growth and Demand	References priorities of the <i>2017-18 ACT Budget</i> and alignment with government policy of the day. Government priorities and policy have changed since the plan was published.
Property Risk Management	References the Chief Minister, Treasury and Economic Development Directorate's Risk Management Framework and Policy, which has since been updated in 2023. Includes links to a risk management register and risk treatment plan that was developed in 2017 and which is no longer accessible.
Lifecycle Management	Identifies major projects for the period 2018 to 2023 and references <i>2017-18 ACT Budget</i> priorities.
Property Business Processes	Refers to the ACT Property Group's business structure, which has since changed under iCBR.
Asset Management Plans and Financial Data	References asset management plans published in May 2018 and financial information for 2016-17 which is no longer relevant.

Source: Audit Office analysis of the *ACTPG Strategic Asset Management Plan 2018-23*.

2.11 As part of the 2026-27 Budget, iCBR received funding to update the Strategic Asset Management Plan. At the time of audit reporting this was in the planning stage.

ACT Property Group asset class management plans

2.12 The ACT Property Group published several asset class management plans. Of relevance to the audit are:

- Community Centres (November 2018); and
- Childcare Centres (draft, undated).

2.13 The asset class management plans:

... have been developed for each asset class with the intention of documenting the specific resources required for these assets in [order] to achieve ACT Property Group's (ACTPG's) asset management objectives. This ensures that the assets can perform at the required levels of service while optimising lifecycle costs. [The plans] ... describe the assets contained within each asset class and is intended to provide details on their capacity, performance, condition, risks, maintenance strategies as well as the major maintenance and proposed capital works programs.

2.14 The information in the asset class management plans is significantly outdated. Table 2-2 shows outdated features of the plans.

Table 2-2 ACT Property Group asset class management plans 2018

Plan section	Outdated features
Introduction	Includes 'key statistics' such as portfolio size and maintenance expenditure, which have changed since 2018. Also contains an outdated responsibility matrix.
Asset Class Objectives and Performance	References alignment with the <i>ACTPG Strategic Plan 2017-2020</i> and outdated regulatory requirements.
Asset Class Principles	Includes building maintenance audit and capital activities that reflect 2018 processes and references a 2014 program.
Future Demand	References old and outdated ACT Government priorities for community facilities.
Risks	Includes point-in-time risks for 2017-18.
Capital Maintenance and Expenditure	Includes 2017-18 expenditure and depreciation figures.
Capital Maintenance Plans	Includes 2017-18 estimates for replacement of key capital infrastructure.
Improvements	Recommends point-in-time improvements for 2017-18.

Source: Audit Office analysis of ACTPG Community Asset Class Management Plans 2018.

Asset management plans

2.15 The Strategic Asset Management Plan references asset management plans for the following community facilities, published in May 2018:

- 1 Moore Street;
- Belconnen Community Centre;
- Chifley, Cook, Holt and Weston Community Hubs;
- childcare centres (individual centres not specified);
- Erindale Business Park;
- Grevillia Park Rowing Club;

- Griffin Centre; and
- Hackett Community Centre (Maitland House).

2.16 iCBR advised that the asset management plans were:

... intended to provide information on the current condition of the sites and inform and plan required works and funding to ensure the buildings were maintained to industry standard and provide a safe and accessible environment for our tenants and visitors to the building.

2.17 A selection of three asset management plans were considered for the purpose of the audit (1 Moore Street, Erindale Business Park and Hackett Community Centre (Maitland House)). A review of the asset management plans shows they provided a detailed overview and financial summary for the property, including:

- information on its market value, rental revenue, gross floor area, number of car parks, market value forecast, market rental value, leased area and tenancy mix; and
- projected revenue and expenditure, profit (or loss) and projected value, as well as information on projected asset management expenditure (e.g. planned maintenance, reactive maintenance, maintenance recover percentage) over a ten-year period.

2.18 The asset management plans also included information on key issues and maintenance risks including:

- recommendations for the facility, usually related to its structure or systems (e.g. replacement of asbestos fire retardants, HVAC works and lift upgrades); and
- maintenance risks including suggested remedies and associated costs or savings (e.g. building code breaches or safety hazards that require immediate rectification).

2.19 The asset management plans also included key information necessary for the ongoing management and maintenance of the property, including:

- asset performance criteria measuring property yield, utilisation, lease life, planned to reactive maintenance ratio, maintenance costs per meter squared, capital upgrades reinvestment, building condition rating, remaining life and sustainability;
- an assessment of maintenance and utility expenditure, recommended actions for open work orders, projections for capital reinvestment; and
- sustainability information including asset energy consumption (electricity, gas and water) against sustainability targets defined in the *Carbon Neutral ACT Government Framework 2014*.

2.20 Each asset management plan discussed a range of key issues for each site and made recommendations, for example:

- **1 Moore Street** - identified structural asbestos and fire retardants used throughout the building. Recommended removal at a cost of approximately \$1 million and decreased utilisation over a two-year period;
- **Hackett Community Centre (Maitland House)** - facility revenue was \$160,000 less than expected due to a preference to negotiate holdover rents, rather than renew licences. The plan recommended 'immediate attention be given to licence renewals'; and
- **Erindale Business Park** - all four buildings showed evidence of long-term water leaks. The plan recommended investigation.

2.21 The Audit Office was unable to determine the extent to which the ACT Property Group, or iCBR most recently, had addressed the recommendations because there is no systematised record or evaluation of the plans' progress. The three asset management plans that were considered include outdated information.

2.22 iCBR advised maintenance planning at the individual facility level is contingent on staff knowledge and ad-hoc reports from maintenance staff about building condition and maintenance requirements.

Risks and challenges of the current state

2.23 The lack of asset management policy and strategy documents creates organisational and service delivery risks. Asset investments, maintenance activities and asset renewal decisions cannot align with organisational objectives, community expectations or risk profiles if they are not documented. This can lead to inefficient prioritisation, reactive decision-making and an inability for iCBR to demonstrate that it is using resources effectively to maintain facilities.

2.24 Without contemporary asset management plans, iCBR also does not understand the condition of individual facilities beyond ad-hoc reports by maintenance staff or tenants. This could result in iCBR missing key information, including:

- the facility's market value, rental potential, utilisation and condition;
- ongoing expenditure on property maintenance and projected expense in the future;
- key building systems and timelines for their maintenance or replacement; and
- potential hazards or work, health and safety issues specific to the building.

2.25 Contemporary asset management plans for each community facility would inform management decision-making about resource allocation (e.g. budgeted planned maintenance and reactive maintenance, end-of-life replacement), investment in capital upgrades or divestment.



2.26 iCBR does not have a contemporary asset management policy or strategic asset management plan that provides the overarching framework for the management of its community facilities. iCBR also does not have any asset management plans for its community facilities (except for eight community facilities that were addressed in December 2025 through a specific Asset Management Plan Project).



2.27 The *ACTPG Strategic Asset Management Plan 2018-2023* (Strategic Asset Management Plan) sought to 'provide [the ACT Property Group] with a reference document for the financial and operational asset management of the [property] portfolio'. There is no evidence the Strategic Asset Management Plan was reviewed annually, or that the underpinning data was reviewed every three years as envisaged. The plan is outdated and does not provide a satisfactory basis for the strategic management of community facilities. However, as part of the 2026-27 Budget, iCBR received funding to update the Strategic Asset Management Plan. At the time of audit reporting this was in the planning stage. Asset management plans were developed in 2018 for a selection of community facilities. While useful and informative at the time of their development, the plans are now outdated and do not provide a satisfactory basis for the management of the facilities.



2.28 The lack of asset management policy and strategy documents creates organisational and service delivery risks. Asset investments, maintenance activities and asset renewal decisions cannot align with organisational objectives, community expectations or risk profiles if they are not documented. This can lead to inefficient prioritisation, reactive decision-making and the inability for iCBR to demonstrate that they are using resources effectively to maintain facilities.

Asset management projects

2.29 The ACT Property Group, and subsequently iCBR, has initiated three projects since 2022 to improve asset management planning.

- **Community Facilities Asset Optimisation Project (complete)** – initiated and completed by the ACT Property Group between 2021 and 2024, the project aimed to establish a clear understanding of the state of community facilities and provide recommendations to improve their financial sustainability while maintaining or improving community benefit;
- **Asset Management Plan Project (ongoing)** – initiated by the ACT Property Group in 2024 and currently managed by iCBR, the project aims to collect property data and deliver a strategic asset management framework, strategic asset management plan and individual asset management plans for iCBR properties, including community facilities, in two phases; and

- **Property Management System (PTY) Asset Validation Project (ongoing)** – commenced in 2025 under iCBR to improve the accuracy of property data in iCBR’s property management software, PTY.

Community Facilities Asset Optimisation Project

2.30 In 2021, the ACT Property Group engaged a consultant to develop:

A framework for contemporary community facilities that enables the ACT Government to evaluate current and plan for future community facilities considering factors such as contemporary community service provision, government priorities, building residual life, location, accessibility, community groups, need, rental arrangements (e.g. Community rent paying, peppercorn, government subsidy etc), and developed in line with legislation and ACT Government policy.

2.31 The consultant undertook site visits to apply the framework to community facilities within the Woden and Belconnen districts, with Weston Creek subsequently added in 2024. In applying the framework, the ACT Property Group required the consultant to:

- Assess the extent to which existing properties meet the ACT Government’s Community Facilities objectives;
- Assess whether the existing property portfolio is suitable for the community with respect to location and functionality;
- Identify opportunities for facility rationalisation, revitalisation, consolidation, and colocation to meet Community Facilities objectives;
- Explore options and models for delivery of contemporary community facilities and more effective and efficient use of retained facilities such as collaboration, collocation, shared tenancing and sub-letting arrangements;
- Identify options for accountability for tenants use of facilities and delivery of community priorities and outcomes; and
- Identify areas/themes for future consideration including growth corridors and urban intensification.

2.32 Table 2-3 shows the six-stage evaluation framework.

Table 2-3 Evaluation framework stages

Stage	Description
1 - Alignment to policy	Assessed how the provision of community facilities aligned with broad policy objectives such as the <i>ACT Wellbeing Framework</i> and <i>ACT Climate Change Strategy</i> .
2 - Defining the portfolio	Community facilities were categorised according to their scale and service provision function.
3 - Evaluation criteria	Involved undertaking a site planning review, benchmarking demand, undertaking a geospatial assessment of the facilities, conducting a physical

Stage	Description
	site inspection, completing a financial assessment of each facility, and identifying alternative use opportunities for each site.
4 - Optimisation	Outcomes of previous stages were assessed to determine the most effective approach to future facility provision.
5 - Funding assessment	Potential funding mechanisms were considered to achieve the optimised scenarios.
6 - Implementation	Synthesised the analysis undertaken through the previous stages to develop a series of practical and tangible actions for consideration.

Source: ACT Property Group - Community Facilities Asset Optimisation Evaluation Framework, page 4.

2.33 The consultant delivered the following three reports:

- *Community Facilities Asset Optimisation - Woden Detailed Assessment* (June 2022);
- *Community Facilities Asset Optimisation - Belconnen Detailed Assessment* (June 2022); and
- *Community Facilities Asset Optimisation – Weston Creek Community Facilities Assessment* (February 2024).

2.34 Each report defined the community facility portfolio within the district, according to:

- facility categories (e.g. community hub, community centre, childcare centre);
- service provision hierarchy (e.g. ACT-wide, district, sub-district and local);
- approximate floor space; and
- build date or estimate of facility age where a definitive build date was unavailable.

2.35 The consultant applied the framework to 63 facilities across the three reports, 18 from Woden, 33 from Belconnen and 12 from Weston Creek. The reports summarised evaluation outcomes in tables, which included the following information:

- site planning review – the type and number of agreements for each facility as well as its block size and net lettable area;
- current and future needs analysis – whether the current number of community facilities in the district exceeded or fell behind the district’s current and future needs;
- geospatial analysis - whether the facility is in an urban intensification zone and its proximity to town/group centres and local shops;
- physical site inspection – star rating of the building’s current condition, refurbishment cost for one- and two-star sites and the facility’s rebuild cost;
- financial assessment – five-year average revenue, expenses, operating profit/loss, operating profit/loss including capital costs and overall impact per net lettable area; and

- alternative use assessment – potential divestment value and whether the facility represents an opportunity for partial divestment.

2.36 The consultant provided key conclusions, recommendations, indicative financial impact and an implementation timeline for the 63 facilities considered across the three reports. Table 2-4 summarises the recommendations.

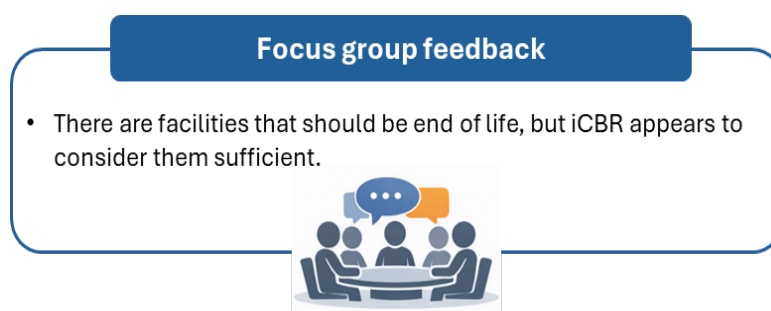
Table 2-4 Optimisation report recommendations

Recommendation	Number of facilities
Consider divestment	6
Divest	3
Knockdown rebuild	1
Retain	19
Retain and investigate opportunities to increase rent	4
Retain and investigate transition to community lease	4
Retain and investigate transition to community or commercial lease	4
Retain and transition to cost recovery	13
Alternative use	6
Consider refurbishment	1
Renew/refurbish	2
Total	63

Source: Audit Office analysis of optimisation reports.

2.37 The reports identified 25 percent of facilities were in a 'run down' or 'poor' condition. The recommendations identified opportunities to use existing portfolio value to modernise community facility provision and re-organise the portfolio for improved community benefit and financial sustainability, either through strategic divestment or increased rents by transitioning away from peppercorn rental arrangements.

2.38 iCBR has not actioned the reports or used them to inform asset management policies, strategies or plans to date.



2.39 There are up to 57 community facilities in other districts that were not assessed as part of this process. iCBR cannot confidently determine whether risks, renewal demands or divestment opportunities exist for these facilities.

2.40 iCBR reported there is no funding to complete similar reviews for the remaining 57 facilities but that it intends to use the evaluation framework to 'complete a more holistic view of the existing properties' in-house. There is a risk that this may not provide the same level of analysis and results that the commissioned studies provided.



2.41 In 2021, the ACT Property Group engaged a consultant to, among other things, 'assess the extent to which existing properties meet the ACT Government's Community Facilities objectives' and 'identify opportunities for facility rationalisation, revitalisation, consolidation, and colocation to meet Community Facilities objectives.' The project involved the assessment of 63 community facilities in Woden, Belconnen and Weston Creek. The resulting reports identified 25 percent of facilities were in a 'run down' or 'poor' condition. The reports included recommendations to use existing portfolio value to modernise community facility provision and re-organise the portfolio for improved community benefit and financial sustainability, either through strategic divestment or increased rents by transitioning away from peppercorn arrangements.



2.42 iCBR has not actioned the reports or used them to inform asset management policies, strategies or plans to date. iCBR reported there is no funding to complete similar reviews for the remaining 57 facilities but that it intends to use the evaluation framework to 'complete a more holistic view of the existing properties' in-house. There is a risk that this may not provide the same level of analysis and results the commissioned studies provided.

Asset management plan project

2.43 The ACT Property Group commenced the Asset Management Plan Project in 2024. The project's statement of requirements notes:

It has been identified that there is a requirement to improve the maturity and capability of ACTPG's approach to asset management and maintenance through a unified approach to the development of asset management and maintenance plans, and a single asset management system.

2.44 The ACT Property Group started the Asset Management Plan Project to 'significantly improve asset management capabilities, processes, and information to better manage the estate, and more cost-effectively deliver the levels of service required' and:

- To establish a sound base of asset inventory and condition data from which [iCBR] can make evidence-based decisions
- To understand the performance of [iCBR's] assets relative to the service expectations of [iCBR's] tenants and communities

- To better identify and manage asset risks
- To be able to better target, priorities and justify works programs
- To establish a planning framework which pulls together all of the above.

2.45 Table 2-5 shows the ACT Property Group conceptualised the Asset Management Plan Project in two phases, with two sets of deliverables:

- 1) depots, roofs and gas assets; and
- 2) the remainder of the estate and overall governance.

Table 2-5 Asset Management Plan Project key deliverables by phase

Phase	Deliverable	Description
Phase One (delivered December 2025) – Depot estate, gas and roof assets only.	Site inspection reports	<ul style="list-style-type: none"> • Asset register; • Asset photos; • Inspection reports; • Condition and compliance assessment; • Measurable characteristics/rating type assessment; • Functionality assessment; • Risk assessment; • Floor plan – marked up with asset locations; • Asset ID; and • Consolidated reports.
	Works planning	<ul style="list-style-type: none"> • 3-year reactive maintenance work plan covering all depots presented in Microsoft Excel; • 3-year capital replacement work plan presented in Microsoft Excel; and • 20-year comprehensive capital works plan presented in Microsoft Excel.
	Asset Management Plan and Asset Class Management Plan	<ul style="list-style-type: none"> • 20-year asset management plan for each depot site; and • 20-year strategic asset class management plan.
Phase Two (not commenced) – the remainder (or parts) of estate assets potentially including: <ul style="list-style-type: none"> • Aquatic centres; • Childcare centres; 	Asset Management Plans	<ul style="list-style-type: none"> • 20-year asset management plan for each site; • Consolidated recommendation of planned maintenance works; • Executive summary of findings; and • Recommendations of high priority works based on High Risk Assessment.
	Asset Class Management Plans	<ul style="list-style-type: none"> • 20-year strategic asset class management plan for all asset classes.

Phase	Deliverable	Description
<ul style="list-style-type: none"> Community Centres; Community Facilities; Commercial and Office Accommodations; and Libraries. 	Strategic Asset Management Framework	<ul style="list-style-type: none"> Prepare an overall asset management policy; and Prepare framework documentations and templates for acceptance by [iCBR].
	Strategic Asset Management Plan	<ul style="list-style-type: none"> An analysis of service delivery requirements; An options assessment of how service delivery can be achieved by asset and non-asset-based solutions; An acquisition plan which defined the assets to be acquired or replaced, and which establishes the sources and costs of funding acquisitions; Disposal plans identifying assets to be disposed, expected proceeds on disposal and the application of the proceeds; A funding plan which defines the options available for funding capital and recurrent asset costs; and A risk management plan which describes the risk management strategies and actions to be implemented for controlled assets.

Source: Audit Office, based on the Asset Management Plan Project Statement of Requirements.

2.46 Phase One, delivered on 11 December 2025, only accounted for a small selection of iCBR's overall portfolio. It did not produce an overarching asset management policy. Of the 120 community facility sites the audit considered, eight were depots (seven percent), which were covered in this phase of the project.

2.47 Phase One delivered an Asset Class Management Plan for depots and data on property condition, asset renewal and replacement costs and timing. Asset management plan dashboards were also developed for each depot.

2.48 It is unclear how iCBR will integrate the insights from Phase One of the Asset Management Plan Project into its existing processes and the Property Management System (PTY). The consultant described Phase One as a 'proof of concept' to be applied to the wider portfolio in Phase Two.

2.49 Phase Two of the Asset Management Plan Project represents a potential re-invigoration of iCBR's community facility data and asset management planning, resulting in the replacement of the legacy documents discussed earlier in the chapter. Phase Two involves producing:

- a **strategic asset management framework** providing an overall asset management policy, workshoping with project teams and stakeholders to enable good practice

asset management, new frameworks and subsidiary policies for topics including risk management, capital works approvals, asset acquisition, asset disposal;

- a **strategic asset management plan** comprising an analysis of service delivery requirements, options assessment of how service delivery can be achieved, acquisition plan, disposal plan, funding plan and risk management plan; and
- **asset management plans** for each community facility, providing iCBR with the 'characteristics and condition of assets, how the assets should be managed over its service life, and a financial summary of life-cycle costs and risk mitigation strategies'.

2.50 In response to the draft proposed report, iCBR advised:

The government has funded an updated portfolio-level SAMP [Strategic Asset Management Plan] for delivery in 2026-27. This will cover all 243 assets, including the community-related assets noted in this audit.

To work within both the funding provided in the 2026-27 Budget and current staffing, iCBR has paused further asset class plan development, i.e. Phase 2, to focus on the updated SAMP. A contemporary SAMP will allow iCBR to reset its strategic asset management focus from the portfolio level down. Financial modelling and analysis of portfolio-wide trends, and sampling of assets in each class, will provide a sound basis to seek further government investment in completing the remaining asset class and asset management plans.



2.51 The ACT Property Group commenced the Asset Management Plan Project in 2024 with a view to 'significantly improve asset management capabilities, processes, and information to better manage the estate, and more cost-effectively deliver the levels of service required'. The project was conceptualised in two distinct phases.



2.52 Phase One, which was delivered on 11 December 2025, focused on depots, roofs and gas assets and only accounted for a small selection of iCBR's overall portfolio. Phase One delivered an Asset Class Management Plan for depots and data on property condition, asset renewal and replacement costs and timing. Asset management plan dashboards were also developed for each depot. It did not produce an overarching asset management policy.



2.53 It is unclear how iCBR will integrate the insights from Phase One into its existing processes and the Property Management System (PTY). The consultant described Phase One as a 'proof of concept' to be applied to the wider portfolio in Phase Two, which includes iCBR's remaining assets, including community facilities. In response to the draft proposed report iCBR advised 'the government has funded an updated portfolio-level SAMP [Strategic Asset Management Plan] for delivery in 2026-27. This will cover all 243 assets, including the community-related assets noted in this audit'.

Property Management System (PTY) Asset Validation Project

2.54 The Property Management System (PTY) is iCBR's property management software. First introduced in 1999, PTY is used to record information and generate reports related to:

- details of buildings owned and leased across iCBR's property portfolio;
- smaller scale work requested on sites;
- property revenues and expenses (including cost centres, cost groups and cost categories to allow upload and payment the Oracle financial management system); and
- details of various stakeholders (e.g. tenants and external trade contractors).

2.55 The PTY Asset Validation Project commenced in March 2025. The project involves the review and verification of all PTY asset records across six phases. Table 2-6 shows the project phases and proposed timing.

Table 2-6 Property Management System (PTY) asset validation project phases

Phase	Proposed timing
Phase 1 - Spatial Data Validation & Core Property Details	March - April 2025
Phase 2 - Drawing Review and Central Register	April - May 2025
Phase 3 - HazMat, Conservation Management Plans (CMP) & Report Reconciliation	April 2025
Phase 4 - High Risk Infrastructure Data Entry	April - May 2025
Phase 5 - Gross Floor Area/Net Lettable Area Reconciliation and Leasing Gap Analysis	May - June 2025
Phase 6 - Asset Register Implementation and Operational Alignment	May - July 2025

Source: Audit Office, based on the *Property Management System (PTY) asset validation Project Plan*.

2.56 The purpose of the PTY Asset Validation Project is to ensure 'PTY data is complete, current and aligned with executive reporting standards' and to 'support other business areas by identifying data inconsistencies across systems and enabling targeted gap analysis reporting'. Accurate data is an important facet of asset management planning.

2.57 In response to the draft proposed report, iCBR advised:

Phase 5 (area validation of iCBR owned assets) is near completion, awaiting final review by stakeholders.

As of August 2026, iCBR has completed Phase 6 and has developed and rolled out the PTY Asset Register, which provides data on age, HAZMAT information, heritage, high-risk plant, Crown leases and Conservation Management Plans. The data is continuing to be expanded to include further operational alignment as detailed in the PTY Project Plan.

iCBR is also focusing on integrating existing asset-related data into a single asset register of owned assets, with consistent asset names and cleansed data in a spreadsheet, and business

processes in place to update PTY as soon as there is a change to the register. This new asset register, while still being added to, has been in use between PCE and DPS since May 2026.

- 2.58 The sixth phase of the project, which involves the development and implementation of an asset management register, is very important for asset management planning. An asset management register could be expected to provide a centralised component-level record of all properties that iCBR manages, including community facilities. Such a register would support the scheduling of maintenance and provision of reactive works and assist in asset condition tracking and lifecycle planning.



- 2.59 The PTY Asset Validation Project commenced in March 2025. The purpose of the PTY Asset Validation Project is to ensure 'PTY data is complete, current and aligned with executive reporting standards' and to 'support other business areas by identifying data inconsistencies across systems and enabling targeted gap analysis reporting'.



- 2.60 As of February 2026, iCBR had only completed the first four phases of the project. In response to the draft proposed report iCBR advised 'Phase 5 (area validation of iCBR owned assets) is near completion' and 'as of August 2026 iCBR has completed Phase 6 and has developed and rolled out the PTY Asset Register'. The sixth phase of the project, which involves the development and implementation of an asset management register, is very important for asset management planning.



Recommendation 1

Asset management planning

iCBR should develop:

- a) an asset management policy and strategic asset management plan for the management of its community facilities; and
- b) individual asset management plans for the community facilities it both owns and holds long-term leasehold interests over.

3 Management of applications for community facilities

- 3.1 This chapter considers iCBR's processes for managing applications from potential tenants for community facilities. Robust processes for the management of applications are essential to ensure community facilities are allocated fairly and transparently and in a way that best supports community need.

Summary



Conclusions

iCBR's management of applications for community facility tenancies is ineffective.

iCBR's current Allocation Policy has been in place since 2008, although a draft revised policy signals iCBR's intent to reform its approach. To ensure iCBR allocates community facilities consistently and fairly, the new policy needs to feature clear guiding principles, fit-for-purpose eligibility criteria and clear and consistent accompanying guidelines and forms.

Weaknesses in recordkeeping, data integrity and process transparency undermine allocation processes. Documentation of the allocation process is incomplete and error-prone, application details are not regularly verified and key decisions lack sufficient documentation and standardised procedures.



Key findings

Framework for management of applications

Paragraph

The *Community and Other Tenancies Application and Allocation Policy* (the Allocation Policy) provides the framework for the allocation of community facilities to prospective tenants. The public-facing *Guidelines to Complete an Application for ACT Government Community or Other Tenancy Accommodation* (the Application Guidelines) and application form support the Allocation Policy. The Allocation Policy was published on 18 June 2007 and last reviewed in April 2008.

3.15

The Allocation Policy is underpinned by three guiding principles: consistency with strategic asset management planning; meeting community needs for access to affordable accommodation; and providing an opportunity, where appropriate, to align community and other tenancies with Government policy objectives. In the absence of an asset management policy and supporting strategic asset management plan, Government policy objectives for community facilities are not clear. Relying on

3.16

eligibility requirement definitions that have not been reviewed since 2008 presents the risk that eligibility criteria are no longer fit-for-purpose.

There are inconsistencies between the application requirements identified in the Allocation Policy, Application Guidelines and application form. Inconsistencies between the documents increases the risk that applicants unintentionally omit information that iCBR needs to assess an application. This may lead to inefficiencies in administrative processes, as further information is sought from applicants to correct issues, or the unfair rejection of an application based on incorrect information. 3.17

Management of applications

iCBR maintains an Application Register in the form a Microsoft Excel spreadsheet to record and manage community facility applications from potential tenants. A review of the Application Register and supporting documentation for the purpose of the audit showed that iCBR only had copies of 43 community applications (52 percent of those listed on the Application Register). Of those 43 community applications the application date was incorrectly recorded for 20 (46 percent). 3.31

The high proportion of missing and incorrectly recorded applications means iCBR cannot accurately apply the Allocation Policy's prioritisation criteria. Missing documentation also means iCBR has no reliable way to demonstrate compliance with policy requirements or to support transparent and equitable decision-making. This undermines both the integrity of the allocation process and stakeholders' confidence that applications are being managed fairly and consistently and in accordance with the Allocation Policy. 3.32

According to the Allocation Policy, iCBR must verify applications every twelve months to ensure application details remain accurate. iCBR has not verified applications since 2023. By not reviewing and verifying applications every twelve months there is a risk that the information in the Application Register is outdated and incorrect. 3.33

Allocation of community facilities

The Allocation Policy requires iCBR to offer any vacant space to the first eligible applicant. The Allocation Policy also requires iCBR to consider the nature of existing tenancies in the facility and applicants' proposed activities to ensure maximum compatibility among tenancies. iCBR has not developed any standard operating procedures to support its activities to allocate community facilities. 3.48

The Allocation Policy requires iCBR move applicants who have declined two offers that meet their stated requirements to the bottom of the Applications Register and remove their accelerated priority status if applicable. Because of the manual processes and potentially inconsistent interpretation between officers there is a risk that the Applications Register does not accurately record all offers that have been declined. A lack of reporting on declined offers since 2023 further increases the risk that iCBR does not: 3.49

- recognise applicants that have declined two offers that meet their needs; and
- apply the Allocation Policy, as required, and de-prioritise them from consideration.

In November 2024, iCBR began developing a revised Allocation Policy. The draft revised Allocation Policy seeks to fundamentally change how iCBR allocates community facilities. iCBR intends to support the revised policy by replacing the Allocation Register. As of July 2026, the revised policy remained in draft and was yet to be approved for use.

3.55

Framework for management of applications

Roles and responsibilities

3.2 The Community and Government Engagement Team within the Customer and Asset Management (CAM) Branch is responsible for:

- centralised customer, business development and tenancy management services; and
- managing community facility applications and developing and managing community facility agreements.

Policies and procedures for assessing applications

3.3 The *Community and Other Tenancies Application and Allocation Policy* (the Allocation Policy) provides the framework for the allocation of community facilities to prospective tenants. The public-facing *Guidelines to Complete an Application for ACT Government Community or Other Tenancy Accommodation* (the Application Guidelines) and application form support the Allocation Policy.

3.4 The Allocation Policy identifies:

- eligibility criteria based on definitions of 'community groups' and 'other groups'; and
- priorities for applications.

3.5 The Allocation Policy also identifies:

- the method for recording and managing applications (i.e. the Application Register);
- the information applicants should provide in their application;
- the process for updating applications; and
- the process for iCBR to allocate community facilities.

3.6 The ACT Property Group published the Allocation Policy on 18 June 2007 and last reviewed it in April 2008. The policy is underpinned by three guiding principles:

- consistency with strategic asset management planning;
- meeting community needs for access to affordable accommodation; and
- providing an opportunity, where appropriate, to align community and other tenancies with Government policy objectives.

3.7 As discussed in paragraphs 2.8 to 2.11, iCBR does not have a contemporary strategic asset management plan against which 'consistency' can be measured. In the absence of an asset management policy and supporting strategic asset management plan, Government policy objectives for community facilities are unclear.

Eligibility criteria

3.8 The Allocation Policy describes eligibility criteria for 'surplus properties for community or other tenancing' based on specific definitions of 'community groups' and 'other groups'. Table 3-1 shows the definitions of 'community groups' and 'other groups' as described in the policy.

Table 3-1 Definitions for 'community groups' and 'other groups'

Group type	Definition	Description
Community groups (For example, local art societies, carer support organisations or larger non-profit organisations)	Incorporated association	An incorporated association under the <i>Associations Incorporation Act 1991</i> .
	or	
	Company limited by guarantee	An organisation registered under the <i>Corporations Act 2001 (Cth)</i> with its main business location in the ACT.
	which has	
	Income tax exempt non-profit status	An income tax exempt non-profit under the <i>Income Tax Assessment Act 1936 (Cth)</i> . Organisations must provide evidence of self-assessment for this status and constituent documents like a constitution or rules ensuring they include non-profit clauses consistent with Australian Taxation Office (ATO) requirements.
	Exempt entity category (exclusions apply)	An organisation that falls under one of the ATO's exempt entity categories detailed in the <i>Income Tax Guide for Non-Profit Organisations</i> .

Group type	Definition	Description
Other groups	Groups that do not fit the definition of 'community group' as defined by the Policy	Organisations incorporated under the <i>Associations Incorporation Act 1991</i> which do not meet the eligibility criteria for 'community group'.
		Companies registered in the ACT that do not meet the eligibility criteria for 'community group'.
		Other organisational structures such as trusts.

Source: Audit Office analysis based on the ACT Property Group *Community and Other Tenancies Application and Allocation Policy*.

3.9 Relying on eligibility requirement definitions that have not been reviewed since 2008 presents the risk that eligibility criteria are no longer fit-for-purpose. For example, reliance on formal incorporation and tax exemption categories may mean de-prioritisation of organisations that could provide community benefit such as:

- **social enterprises** – a social enterprise delivering employment services to disadvantaged groups may operate commercially (no tax exemption) and therefore would be treated as an 'other group' and deprioritised, even though their services might be valuable; or
- **organisations formed around a trust structure** – a religious or cultural body that provides community benefit where trustees manage assets and activities.

Application requirements

3.10 Community and commercial organisations can apply to occupy community facilities via an application form that is available on the iCBR 'Leasing a property' webpage. The webpage includes links to the Allocation Policy and Application Guidelines. Applicants must complete:

- a three-page form for emailing or posting to iCBR; or
- an online contact form.

3.11 The Allocation Policy requires applicants to provide:

- information on the intended use of the premises; and
- details of any previous ACT government tenancies.

3.12 The Allocation Policy also requires applicants to identify:

- the type of accommodation required;
- the building requirements (e.g. size in square metres);
- a preferred location; and

- any other special requirements particular to the organisation e.g. colocation preferences or issues.

3.13 Table 3-2 shows the result of a review of the Allocation Policy and the Application Guidelines and supporting application form.

Table 3-2 Application document inconsistencies

Allocation Policy requirement	Reflected in Application Guidelines?	Reflected in application form?
Evidence of Income Tax Exemption status and relevant clauses in Constitution documents if an applicant is applying for consideration as a community group.	No	No
Details of any previous ACT Government tenancies.	No	No
Details of any current ACT or Australian Government assistance, financial or otherwise.	No	No
Applications nominate an indicative commencement date and desired duration of tenancy.	No	No

Source: Audit Office analysis of the *Community and Other Tenancies Application and Allocation Policy*.

3.14 Table 3-2 shows that there are inconsistencies between the Allocation Policy, the Application Guidelines and supporting application form. Inconsistencies between the documents increases the risk that applicants unintentionally omit information that iCBR needs to assess an application. This may lead to inefficiencies in administrative processes, as further information is sought from applicants to correct issues, or the unfair rejection of an application based on incorrect information.



3.15 The *Community and Other Tenancies Application and Allocation Policy* (the Allocation Policy) provides the framework for the allocation of community facilities to prospective tenants. The public-facing *Guidelines to Complete an Application for ACT Government Community or Other Tenancy Accommodation* (the Application Guidelines) and application form support the Allocation Policy. The Allocation Policy was published on 18 June 2007 and last reviewed in April 2008.



3.16 The Allocation Policy is underpinned by three guiding principles: consistency with strategic asset management planning; meeting community needs for access to affordable accommodation; and providing an opportunity, where appropriate, to align community and other tenancies with Government policy objectives. In the absence of an asset management policy and supporting strategic asset management plan, Government policy objectives for community facilities are not clear. Relying on eligibility requirement definitions that have not been reviewed since 2008 presents the risk that eligibility criteria are no longer fit-for-purpose.



- 3.17 There are inconsistencies between the application requirements identified in the Allocation Policy, Application Guidelines and application form. Inconsistencies between the documents increases the risk that applicants unintentionally omit information that iCBR needs to assess an application. This may lead to inefficiencies in administrative processes, as further information is sought from applicants to correct issues, or the unfair rejection of an application based on incorrect information.

Management of applications

Use of an Application Register

- 3.18 iCBR maintains an Application Register in the form of a Microsoft Excel spreadsheet to record and manage community facility applications from potential tenants.
- 3.19 The Application Register contains tabs that categorise application information according to:
- the nature of the organisation, i.e. whether it is a community organisation or commercial organisation;
 - organisations interested in marina spaces; and
 - current tenants that have requested additional space.
- 3.20 iCBR uses the Application Register to record the following information for each application received:
- application date;
 - area/s of Canberra for which the organisation would like to be considered;
 - details of the space that the organisation requires; and
 - contact details for the applicant organisation.
- 3.21 Table 3-3 shows the number of applications recorded in the Application Register as of November 2025, including dates for the oldest and newest applications.

Table 3-3 Number of applications recorded as of November 2025

Organisation type	Number	Oldest application date	Newest application date
Community	83	2 November 2007	02 October 2025
Commercial	53	14 March 2005	22 October 2025
Current tenants requesting additional space	27	Not recorded	Not recorded
Marina	1	17 August 2022	17 August 2022

Source: Audit Office analysis of iCBR Application Register.

3.22 iCBR advised that it conducted a review of the Application Register in 2025 to:

1. ensure a structured approach to tenant contact in line with the allocations policy; and
2. re-link each tenant's original application for space to the master spreadsheet following the file transition [to iCBR's recordkeeping system].

3.23 The review identified:

- of the 83 community applications on the register, iCBR only had copies of 66 applications (80 percent); and
- of the 53 commercial applications on the register, iCBR only had copies of two applications (4 percent) on file.

3.24 A review of the Application Register for the purpose of the audit found discrepancies with the iCBR review. The review found iCBR:

- had copies of 43 community applications on the register (52 percent);
- recorded the application date for 20 incorrectly on the Application Register (46 percent); and
- did not have any copies of requests from existing tenants for additional space.

3.25 Inaccurate application dates may affect the order by which iCBR offers tenancies. For example, one application was recorded as received on 22 December 2009, which places it second in line for allocation on the Application Register. However, the actual application date was 9 April 2018, which places it 13th on the Application Register.

3.26 Without access to all application copies, the Audit Office could not confirm whether information recorded in the Application Register is accurate, complete or consistent with the information provided on the application form. This limited the Audit Office's ability to verify whether iCBR assessed and prioritised applications according to the Allocation Policy.

3.27 The high proportion of missing and incorrectly recorded applications means iCBR cannot accurately apply the Allocation Policy's prioritisation criteria (refer to paragraph 3.34 to 3.36). Missing documentation also means iCBR has no reliable way to demonstrate compliance with policy requirements or to support transparent and equitable decision-making. This undermines both the integrity of the allocation process and stakeholders' confidence that applications are being managed fairly and consistently and in accordance with the Allocation Policy.

Maintenance and review of applications

3.28 According to the Allocation Policy, iCBR must verify applications every twelve months to ensure the application details remain accurate.

- 3.29 A review of the Application Register for the purpose of the audit showed iCBR did not record details of the contact with the applicant beyond a high-level written record that applicants would like to remain on the register. This was manually entered by iCBR staff. Table 3-4 shows the number of annual confirmations from applicants recorded on the register.

Table 3-4 Record of annual communication with applicants

Organisation type	Number of applications recorded on the Applications Register	Number of annual contact records
Community	83	38 (46 percent)
Commercial	53	17 (32 percent)
Current tenants requesting additional space	27	5 (18 percent)
Marina	1	0 (0 percent)

Source: Audit Office analysis of iCBR Application Register.

- 3.30 The register contains no contact records after 2023. The Community and Government Engagement Team advised staffing levels and other priorities impacted its ability to complete this task. The team expects a new Allocation Policy to replace the existing Applications Register (this is discussed further in paragraphs 3.50 to 3.54).



- 3.31 iCBR maintains an Application Register in the form a Microsoft Excel spreadsheet to record and manage community facility applications from potential tenants. A review of the Application Register and supporting documentation for the purpose of the audit showed that iCBR only had copies of 43 community applications (52 percent of those listed on the Application Register). Of those 43 community applications the application date was incorrectly recorded for 20 (46 percent).



- 3.32 The high proportion of missing and incorrectly recorded applications means iCBR cannot accurately apply the Allocation Policy's prioritisation criteria. Missing documentation also means iCBR has no reliable way to demonstrate compliance with policy requirements or to support transparent and equitable decision-making. This undermines both the integrity of the allocation process and stakeholders' confidence that applications are being managed fairly and consistently and in accordance with the Allocation Policy.



- 3.33 According to the Allocation Policy, iCBR must verify applications every twelve months to ensure application details remain accurate. iCBR has not verified applications since 2023. By not reviewing and verifying applications every twelve months there is a risk that the information in the Application Register is outdated and incorrect.

Allocation of community facilities

Prioritisation

- 3.34 According to the Allocation Policy, iCBR must offer vacant community facilities to community groups before other types of tenants. The Allocation Policy requires the terms and conditions of these tenancies be based on cost-recovery principles. After exhausting all potential registered community groups, iCBR can then offer facilities to other registered groups based on commercial rental principles.
- 3.35 The Allocation Policy establishes the following priority order:
- 3) Community Groups approved for accelerated priority.
 - 4) Community Groups in order of date and time of registration.
 - 5) Other Groups approved for accelerated priority.
 - 6) Other Groups in order of date and time of registration.
- 3.36 iCBR sorts received applications into the Application Register's 'community organisation' tab or 'commercial organisation' tab. iCBR then allocates applications a sequential number based on the date and time of registration, which denotes their priority.

Accelerated priority

- 3.37 iCBR identifies applications that have been assigned accelerated priority in the Applications Register.
- 3.38 According to the Allocation Policy, iCBR may recommend the Minister consider accelerated priority under the following circumstances:

Defined circumstances - Where an existing tenant is forced to move premises due to circumstances such as destruction or damage by fire, or as a requirement of Government to resume use of the existing accommodation, or at the request of ACT Property Group to move to another location for asset or tenancy management reasons, Accelerated Priority may be granted by ACT Property Group if/when accommodation is available.

Discretionary circumstances - In circumstances where a community group or other group has an application registered in the Application Register and considers it has an urgent need aligned with priority Government social or business policies (eg health related or small business incubation).

- 3.39 There have been two accelerated-priority requests to the relevant Minister since 2023. The Minister agreed to both. Justification for the recommendations aligned with the circumstances outlined in the Allocation Policy.

Shortlisting and offer

- 3.40 The Allocation Policy requires iCBR to offer any vacant space to the first eligible applicant. The Allocation Policy also requires iCBR to consider the nature of existing tenancies in the facility and applicants' proposed activities to ensure maximum compatibility among tenancies. iCBR has not developed any standard operating procedures to support its activities to allocate community facilities.
- 3.41 When a property becomes available, Community and Government Engagement Team members meet to identify applicants for allocation. This process results in a 'shortlist' of potential tenants for the vacant property (in case the first choice declines the offer). The meetings are not minuted, but iCBR advised it develops shortlists based on the Allocation Policy, the requirements of the prospective tenants and knowledge of the existing tenants to ensure 'best fit'.
- 3.42 After the shortlist meeting, shortlisted applicants progress through a delegation process. The Customer Relationship Manager, a representative of the Customer Relationship Team, sends a complete 'Shortlist for Vacant Space' template to the Leasing Manager for approval. Once approved, the Customer Relationship Team commences property inspections with the successful applicant.
- 3.43 The 'Shortlist for Vacant Space' template provides the Leasing Manager with the following information:
- building name and size of the space available;
 - a ranked order of potential tenants; and
 - supporting notes, if applicable.
- 3.44 The 'Shortlist for Vacant Space' template does not provide sufficient information to the Leasing Manager to make an allocation decision in accordance with the Allocation Policy. Three template examples were reviewed for the purpose of the audit. In all three examples, the template did not:
- identify whether the shortlisted applicant(s) are a community or other group; and
 - provide details of shortlisting meeting discussions.

Declined offers

- 3.45 The Allocation Policy requires iCBR move applicants who have declined two offers that meet their stated requirements to the bottom of the Applications Register and remove their accelerated priority status if applicable.

- 3.46 iCBR records declined offers in the Application Register notes column. Application Register movements are based on those entries. In relation to the accuracy of these movements, iCBR advised:

... because the declines are entered manually and interpretation has varied across officers (e.g. some recording “not shortlisted as the tenant did not view the building” versus explicitly noting a “formal decline”), the Register may not consistently capture all qualifying declines without conducting a targeted review of both notes and shortlist records. At this stage, no automated reporting exists to confirm the total number of formal two offer declines since 2023, and a specific retrospective review would be required to validate this.

- 3.47 Because of the manual processes and potentially inconsistent interpretation between officers there is a risk that the Applications Register does not accurately record all offers that have been declined. A lack of reporting on declined offers since 2023 further increases the risk that iCBR does not:

- recognise applicants that have declined two offers that meet their needs; and
- apply the Allocation Policy, as required, and de-prioritise them from consideration.



- 3.48 The Allocation Policy requires iCBR to offer any vacant space to the first eligible applicant. The Allocation Policy also requires iCBR to consider the nature of existing tenancies in the facility and applicants’ proposed activities to ensure maximum compatibility among tenancies. iCBR has not developed any standard operating procedures to support its activities to allocate community facilities.



- 3.49 The Allocation Policy requires iCBR move applicants who have declined two offers that meet their stated requirements to the bottom of the Applications Register and remove their accelerated priority status if applicable. Because of the manual processes and potentially inconsistent interpretation between officers there is a risk that the Applications Register does not accurately record all offers that have been declined. A lack of reporting on declined offers since 2023 further increases the risk that iCBR does not:

- recognise applicants that have declined two offers that meet their needs; and
- apply the Allocation Policy, as required, and de-prioritise them from consideration.

Revised Allocation Policy

- 3.50 In November 2024, iCBR began developing a revised Allocation Policy. The draft revised Allocation Policy seeks to fundamentally change how iCBR allocates community facilities. iCBR intends to support the revised policy by replacing the Allocation Register.
- 3.51 According to the draft revised Allocation Policy, iCBR is expected to maintain a register of organisations interested in occupying iCBR-managed facilities via an online Registration of Interest (ROI) form. The ROI will not guarantee allocation but will be valid for twelve months.

iCBR will use ROIs to identify suitable candidates when vacancies arise and for data to help iCBR understand the type and volume of property most in demand.

3.52 iCBR intends to undertake an Expression of Interest (EOI) process to select suitable tenants when a vacancy arises. iCBR will advertise an EOI package including the prescribed selection criteria and provide the EOI package to:

- all existing tenants who have a current tenancy arrangement with ACT Government; and
- all organisations who submitted a ROI.

3.53 iCBR intends to establish a Property Review Panel (PRP) to review all applications against the selection criteria. The PRP will recommend the preferred tenant for delegate approval.

3.54 As of September 2026, the revised policy remained in draft and is yet to be approved for use.



3.55 In November 2024, iCBR began developing a revised Allocation Policy. The draft revised Allocation Policy seeks to fundamentally change how iCBR allocates community facilities. iCBR intends to support the revised policy by replacing the Allocation Register. As of July 2026, the revised policy remained in draft and was yet to be approved for use.



Recommendation 2 Allocation Policy

iCBR should review and revise its Allocation Policy for community facility tenancies. In doing so iCBR should ensure the policy:

- a) clearly articulates guiding principles for the allocation of community facilities;
- b) clearly identifies eligibility criteria for the allocation of community facilities; and
- c) is supported by public-facing administrative documents, including guidelines for prospective applicants and application forms, that are consistent with the policy.



Recommendation 3 Allocation processes

iCBR should develop and implement policy and procedural guidance for the management of applications for community facilities. The guidance should include:

- a) standard operating procedures to promote consistency in administrative practices; and
- b) requirements for documentation and record-keeping, including with respect to the use of the Allocation Register.

4 Management of agreements for community facilities

- 4.1 This chapter discusses iCBR's management of agreements for community facilities. The effective management of the agreements is important to support transparent decision-making and the efficient use of the facilities.

Summary



Conclusions

iCBR's management of agreements for community facilities is ineffective.

iCBR's management of agreements for community facilities is hampered by missing documentation; it does not have a copy of 38 of the 200 agreements it manages. iCBR manages many community facility agreements through hold-over arrangements, with some original agreements having been entered into 10 to 15 years ago.

The way iCBR sets rental fees lacks clear rationale. Missing agreements, manual invoicing processes and poor record keeping practices undermine confidence that iCBR calculates rental fees accurately and consistently.

iCBR's administration of peppercorn agreements also lacks transparency. There is no public information on eligibility rules, requirements or information on how to apply. Although iCBR has initiated steps to standardise peppercorn agreements and introduce more structured renewal processes, these have yet to be fully implemented.



Key findings

Management of agreements for community facilities

Paragraph

iCBR manages community facilities under three types of legal agreement; tenancy agreements, subleases and licences. iCBR does not have a copy of 38 of the 200 agreements that it manages (19 percent). Without a copy of the agreement, iCBR cannot demonstrate that it is effectively managing the agreement or enforcing its terms and conditions as required.

4.6

The Allocation Policy provides for a maximum five-year agreement term without the option of renewal. iCBR currently manages two longer-term agreements (one ten-year term and one seven-year term) and five agreements that include options to

4.18

extend. These agreements are not in accordance with the Allocation Policy and may be viewed as inequitable by tenants not offered similar arrangements.

A review of the 162 agreements for which iCBR has a copy showed that as of February 2026, 136 (84 percent) had continued past their originally agreed term. In circumstances where an agreement continues past its agreed term, iCBR relies on a hold-over clause. Twenty-two of these agreements were managed under the clause for between 10 and 15 years and three for more than 15 years. Although hold-over agreements are valid and enforceable, month-to-month arrangements present challenges for community facility tenants. Tenants reported difficulty undertaking strategic planning and budgeting because of uncertainty of the tenure of their occupancy and increased insurance risk because they don't have the assurance of an updated agreement. 4.19

Fifty-seven of the 136 agreements the Audit Office identified as subject to a hold-over clause in February 2026 were peppercorn agreements. The remaining 79 were community agreements subject to a cost-recovery fee. In response to the draft proposed report, iCBR advised that as of July 2026, a process to renew peppercorn tenancies was 'largely complete'. 4.20

Management of fees for community facilities

iCBR uses the *Non-Government Tenants Cost Recovery Rental Policy* (the Cost Recovery Rental Policy) to determine cost-recovery fees. The policy was last updated in 2006. The Cost Recovery Rental Policy is not publicly available. Tenants of community facilities reported this impacts their understanding of how iCBR determines fees. The cost recovery method outlined in the Cost Recovery Rental Policy is based on a benchmark of projected costs for seven community facilities from 2005-06. 4.41

The Allocation Policy provides that fee reviews and fee increases should align with the cost-recovery model, as defined in the Cost Recovery Rental Policy: one-year agreements should include increments of 3.0 percent per annum (or 3.5 percent for commercial rents); and five-year agreements should include a rent review at the end of each five-year period. The assumption of 3.0 percent cost increases for community rents has accurately tracked average Consumer Price Index increases since 2006. Since 2017-18, however, commercial rents have been increasing based on the Consumer Price Index. This does not accord with the Cost Recovery Rental Policy. 4.42

The weighting of different factors for the setting of the cost base for rental fees (e.g. water, electricity, gas, insurance, building management) has not been reviewed since 2006. Periodic re-examination of weightings can provide assurance iCBR is not over or under-recovering specific cost drivers, ensuring pricing aligns with the actual expenditure mix over time. 4.43

Peppercorn agreements

A peppercorn agreement typically involves a nominal or zero payment of rent. iCBR does not have any policy or procedural guidance that explains which organisations are eligible for a peppercorn agreement and under what circumstances they are eligible. There is also no written application process for peppercorn agreements. The Allocation Policy does not mention peppercorn agreements and specifically advises against use of peppercorn rates.

4.53

The Minister for the Public Service (the Minister) has full discretion to grant peppercorn agreements. iCBR advised that the primary considerations for a peppercorn agreement are community benefit and quality of the submission to the Minister. iCBR does not provide a public framework or guidelines outlining the criteria, thresholds or assessment methodology used to determine eligibility. Without such guidance, there is a risk of inconsistent and opaque decision-making.

4.54

Organisations subject to a peppercorn agreement pay a nominal \$0.05 per annum, which the Territory does not collect. Peppercorn agreements also include a charge for the first \$500 (excluding GST) for repairs and maintenance costs. A 2025 brief to the Minister for the Public Service noted that approximately \$2 million is being spent on repairs and maintenance for these sites annually but that 'only minimal and reactive repairs and maintenance are being undertaken...based on minimal available budget and no income stream'. iCBR estimated peppercorn agreements result in approximately \$13 million in forgone revenue annually.

4.61

As at February 2026, iCBR managed 72 community facilities under peppercorn agreements. iCBR does not have a record of 12 of these agreements (17 percent). Of the 60 agreements for which it has a copy, 57 were managed under hold-over arrangements (95 percent), having been extended beyond the agreement's original term.

4.62

In August 2024, the Special Minister of State approved a 'letter of comfort' to tenants subject to peppercorn agreements. According to the letter, iCBR would maintain the peppercorn fee arrangement but other costs, for example utilities, maintenance and security, would become the tenant's responsibility.

4.63

iCBR has since sought to standardise peppercorn rental agreements and renew existing peppercorn agreements for an initial five-year term to 'ensure that financial and administrative burdens will not be incurred by either the tenant or iCBR'. iCBR expects the initial five-year term to 'help ensure that appropriate planning is in place to renew peppercorns in a systematic manner without entering holdover'. As of July 2026, iCBR advised the peppercorn tenancy renewal process was 'largely complete'.

4.64

Management of agreements for community facilities

4.2 iCBR manages community facilities under three types of legal agreement; tenancy agreements, subleases and licences. iCBR provided the following definitions for these agreements:

- **tenancy agreement** - creates an exclusive right to occupy a defined premises for a set period. The tenant has legal possession and the lessor cannot enter or use the premises without permission except as provided in the agreement;
- **sublease** - occurs where a tenant (the head lessee) grants another party exclusive possession of all or part of the premises. A sublease must be consistent with the terms of the head lease and usually requires the lessor's consent; and
- **licence** - provides permission to occupy or use premises but does not grant exclusive possession. The licensor retains control and can access or direct use of the premises. Licences are generally more flexible and are commonly used for community or short-term arrangements.

4.3 iCBR has no policy or procedural guidance on which type of agreement should be used under what circumstances. iCBR advised that:

Historically, ACT Property Group used Licence Agreements, with the template developed by the Government Solicitor's Office [GSO] which allows us to prepare licences in-house.

By contrast, prior to the 2015 transfer of facilities from CSD, subleases were more commonly used. Subleases require preparation by GSO and registration with the Titles Office, whereas licences do not require registration, which is one of the reasons they have been preferred.

4.4 As discussed in paragraph 1.6, Audit Office analysis showed that iCBR manages 200 agreements for community facilities with 151 different organisations.

4.5 iCBR does not have a copy of 38 of the 200 agreements that it manages (19 percent). Without a copy of the agreement, iCBR cannot demonstrate that it is effectively managing the agreement or enforcing its terms and conditions as required.

Focus group feedback

- Community organisations reported having to produce a copy of their agreement because iCBR did not have one on record.





- 4.6 iCBR manages community facilities under three types of legal agreement; tenancy agreements, subleases and licences. iCBR does not have a copy of 38 of the 200 agreements that it manages (19 percent). Without a copy of the agreement, iCBR cannot demonstrate that it is effectively managing the agreement or enforcing its terms and conditions as required.

**Recommendation 4****Documentation of community facility agreements**

iCBR should:

- a) establish and maintain a complete register of all community facility agreements, ensuring that copies of all executed agreements are appropriately stored and accessible; and
- b) identify and document roles and responsibilities for:
 - i) managing and maintaining the register; and
 - ii) periodically evaluating the register for completeness.

Agreement status**Agreement term**

- 4.7 The Allocation Policy provides a maximum five-year agreement term without the option of renewal. iCBR currently manages two agreements that have a longer term, including:
- one ten-year agreement the ACT Property Group entered in August 2020; and
 - one seven-year agreement iCBR entered in January 2025.
- 4.8 iCBR advised that it executed the ten-year agreement because:
- ... there was an intention for the tenant to potentially purchase the site. This did not proceed but a longer term arrangement (10 years) was agreed at the time as a special arrangement to provide some security for the tenant.
- 4.9 iCBR advised that the ACT Property Group executed the seven-year agreement because the tenant had:
- ... around 20 years of continuous occupancy. Historically, longer leases have been negotiated in support of the ACT Block Grant Authority's requirements for non-government schools.
- 4.10 Notwithstanding the above explanations, entering agreements that exceed five years is not in accordance with the Allocation Policy and may be viewed as inequitable by tenants not offered similar arrangements.

Options to extend

- 4.11 The Allocation Policy provides that the agreement will give ‘neither warranty nor guarantee that any renewal beyond the initial tenancy period will be possible’.
- 4.12 iCBR currently manages five agreements that include options to extend, as shown in Table 4-1.

Table 4-1 Agreements with options to extend

Type of agreement	Initial option term	Number
Licence	5 years	3
Sublease	5 years	2

Source: Audit Office analysis of iCBR community facility agreement records.

- 4.13 Entering into agreements that include options to extend is not in accordance with the Allocation Policy and may be viewed as inequitable by tenants who were not offered similar arrangements.

Hold-over agreements

- 4.14 A review of the 162 agreements for which iCBR has a copy showed that as of February 2026, 136 (84 percent) had continued past their originally agreed term. In circumstances where an agreement continues past its agreed term, iCBR relies on a hold-over clause. Under the hold-over clause, the terms and conditions of the original agreement remain valid on a month-to-month basis until either party chooses to terminate the agreement.
- 4.15 Of the 136 agreements subject to a hold-over clause:
- twenty-two (16 percent) were managed under the clause for between 10 and 15 years; and
 - three (2 percent) were managed under the clause for more than 15 years.
- 4.16 Although hold-over agreements are valid and enforceable, month-to-month arrangements present challenges for community facility tenants. Tenants reported difficulty undertaking strategic planning and budgeting because of uncertainty about the tenure of their occupancy and increased insurance risk because they don’t have the assurance of an updated agreement.

Focus group feedback

- Hold over agreements can impact insurance arrangements. Some community organisations described this as a 'high risk' to their operations.



4.17 Fifty-seven of the 136 agreements the Audit Office identified as subject to a hold-over clause in February 2026 were peppercorn agreements. The remaining 79 were community agreements subject to a cost-recovery fee. In response to the draft proposed report, iCBR advised that as of July 2026 a process to renew peppercorn tenancies was 'largely complete'. This renewal process is discussed further in paragraphs 4.55 to 4.60.



4.18 The Allocation Policy provides for a maximum five-year agreement term without the option of renewal. iCBR currently manages two longer-term agreements (one ten-year term and one seven-year term) and five agreements that include options to extend. These agreements are not in accordance with the Allocation Policy and may be viewed as inequitable by tenants not offered similar arrangements.



4.19 A review of the 162 agreements for which iCBR has a copy showed that as of February 2026, 136 (84 percent) had continued past their originally agreed term. In circumstances where an agreement continues past its agreed term, iCBR relies on a hold-over clause. Twenty-two of these agreements were managed under the clause for between 10 and 15 years and three for more than 15 years. Although hold-over agreements are valid and enforceable, month-to-month arrangements present challenges for community facility tenants. Tenants reported difficulty undertaking strategic planning and budgeting because of uncertainty of the tenure of their occupancy and increased insurance risk because they don't have the assurance of an updated agreement.



4.20 Fifty-seven of the 136 agreements the Audit Office identified as subject to a hold-over clause in February 2026 were peppercorn agreements. The remaining 79 were community agreements subject to a cost-recovery fee. In response to the draft proposed report, iCBR advised that as of July 2026, a process to renew peppercorn tenancies was 'largely complete'.



Recommendation 5

Agreement management

iCBR should develop and implement initiatives to reduce the reliance on hold-over agreements and strengthen the management of agreements by:

- a) assigning clear accountability for decision-making associated with the renewal of agreements; and
- b) establishing a process for regular reporting on the status of agreements and timeframes for renewal.

Management of fees for community facilities

4.21 iCBR calculates fees for community facilities using either:

- a cost recovery method, whereby the rental fee is set to recover property costs; or
- a peppercorn rental arrangement, whereby a fixed nominal fee is set.

4.22 Of the 162 agreements for which iCBR has a copy:

- 102 featured the cost recovery method for calculating rental fees; and
- 60 are peppercorn agreements, which include a nominal fee.

Cost recovery

4.23 iCBR uses the *Non-Government Tenants Cost Recovery Rental Policy* (the Cost Recovery Rental Policy) to determine cost-recovery fees. The policy was last updated in 2006.

4.24 The Cost Recovery Rental Policy is not publicly available. Tenants of community facilities reported that this impacts their understanding of how iCBR determines fees.

Focus group feedback

- Community organisations lack of understanding of how iCBR determines fees. One organisation commented, 'we pay what we are told to pay.'



Cost recovery methodology

4.25 The cost recovery method outlined in the Cost Recovery Rental Policy is based on a benchmark of projected costs for seven community facilities from 2005-06, which considered:

- operating costs over the previous six years;
- estimated insurance costs;
- management costs of eight percent of overall costs (based on a 2005 industry estimate);
- building price increases over the previous six years (based on 2005 industry data);
- minimum of two percent of the building replacement value for building works, repairs and maintenance;
- depreciation based on average building costs; and
- construction estimates for garages, carports and enclosed parking.

4.26 Estimates were also based on the following assumptions:

- properties included areas that could not attract full rent, e.g. five percent of the property would be leased/licensed at 50 percent of the estimated rent;
- properties would have two percent vacancy; and
- there would be a nine percent rate of return for commercial tenancies.

4.27 The Cost Recovery Rental Policy includes tables that show the total community and commercial rents based on Net Lettable Area (NLA) and Gross Floor Area (GFA) up to 2010-11. The policy provides for the use of NLA for multi-tenanted facilities and GFA for single-tenant facilities.

4.28 As discussed in paragraph 4.5, iCBR does not have a copy of 38 of the 200 agreements that it manages (19 percent). This creates risk for the Territory and tenants as there is no way to reliably determine whether the rental calculation is consistent with original agreement terms. None of the existing agreements identified whether the NLA or GFA benchmark underpinned the rental calculation.

Determination of cost-recovered rents

4.29 The Cost Recovery Rental Policy provides step-by-step instructions for tenancy managers to determine cost recovery fees. A finance officer and senior officer in the iCBR Community and Government Engagement Team scrutinise fees before they are applied.

Fee reviews

- 4.30 The 'Schedule 5 – Licence Fee Review' section of each agreement:
- establishes the date the lessor/licensor must review the rental fee; and
 - sets the method of review.
- 4.31 The Allocation Policy provides that fee reviews and fee increases should align with the cost-recovery model, as defined in the Cost Recovery Rental Policy:
- one-year agreements should include increments of 3.0 percent per annum (or 3.5 percent for commercial rents) with increments to occur on 1 July of each year; and
 - five-year agreements should include a rent review at the end of each five-year period.
- 4.32 The Cost Recovery Rental Policy does not explain how the Territory determined that the 3.0 or 3.5 percent increase was appropriate.
- 4.33 iCBR staff use a rent calculator tool to determine cost recovery and fees. The calculator shows rental rates from 2017-18 to 2025-26. While community rates were subject to 3.0 percent increases, the calculator shows commercial rents were subject to Consumer Price Index increases since 2017-18. This does not accord with the Cost Recovery Rental Policy.
- 4.34 The assumption of 3.0 percent cost increases for community rents has accurately tracked average Consumer Price Index increases since 2006. Since 2006, overall CPI has increased by 3.0 percent on average.
- 4.35 A simple 3.0 percent increase is convenient and easy to apply. It also broadly tracks cost increases over time. However, the weighting of different factors in the cost base set in 2006 (e.g. water, electricity, gas, insurance, building management) has not been reviewed since 2006. Periodic re-examination of weightings can provide assurance iCBR is not over or under-recovering specific cost drivers, ensuring pricing aligns with the actual expenditure mix over time. The Australian Government *Cost Recovery Policy* requires periodic review of all existing and potential charging activities at least every five years, or at other times agreed by the Finance Minister.

Rate increase arrangements

- 4.36 iCBR records showed 94 of the 102 agreements using the cost recovery method (92 percent) include a rate increase of 3.0 percent. Table 4-2 shows the terms of the remaining eight agreements.

Table 4-2 Rate increase arrangements that vary from the typical policy requirements

Method of increase	Number of agreements
Consumer Price Index (CPI)	2
CPI or no more than 3.0%	1
Market rent review	1
No information included in relation to rate increase arrangements	1
Wage Price Index review	2
Yearly 3.0% increase plus 10.0% step increase	1

Source: Audit Office analysis of iCBR community facility agreement records.

4.37 iCBR does not have a process to notify tenants of rent increases. Tenants typically become aware of rent increases when they receive an invoice. iCBR advised that it assumes knowledge of annual rental reviews and agreement terms. iCBR acknowledged that this alone may not provide sufficient clarity or notice to tenants regarding specific changes to their fees.

4.38 iCBR advised:

Work is underway to develop a clear and consistent notification process, which will be formalised as part of a new SOP [Standard Operating Procedure]. This SOP will ensure that all tenants are provided formal notice of the annual rental increase.

Fee review terms

4.39 The Allocation Policy provides for an annual review of rental rates from 1 July.

4.40 Ninety-three of the 162 agreements that iCBR has a record of (57 percent) include a 1 July review date. Of the remaining 69 agreements, 57 are subject to a peppercorn rental arrangement and do not incur rental fees. Table 4-3 shows the rate review terms for the remaining 12 agreements.

Table 4-3 Rate review arrangements in place

Rate review arrangement	Number
Annually on 1 January	1
As per a defined rate review table included in the agreement	1
No information included in relation to rate reviews	1
On the anniversary of the commencement date	8
15 December 2010	1

Source: Audit Office analysis of iCBR community facility agreement records.



4.41 iCBR uses the *Non-Government Tenants Cost Recovery Rental Policy* (the Cost Recovery Rental Policy) to determine cost-recovery fees. The policy was last updated in 2006. The Cost Recovery Rental Policy is not publicly available. Tenants of community facilities reported this impacts their understanding of how iCBR determines fees. The cost recovery method outlined in the Cost Recovery Rental Policy is based on a benchmark of projected costs for seven community facilities from 2005-06.



4.42 The Allocation Policy provides that fee reviews and fee increases should align with the cost-recovery model, as defined in the Cost Recovery Rental Policy: one-year agreements should include increments of 3.0 percent per annum (or 3.5 percent for commercial rents); and five-year agreements should include a rent review at the end of each five-year period. The assumption of 3.0 percent cost increases for community rents has accurately tracked average Consumer Price Index increases since 2006. Since 2017-18, however, commercial rents have been increasing based on the Consumer Price Index. This does not accord with the Cost Recovery Rental Policy.



4.43 The weighting of different factors for the setting of the cost base for rental fees (e.g. water, electricity, gas, insurance, building management) has not been reviewed since 2006. Periodic re-examination of weightings can provide assurance iCBR is not over or under-recovering specific cost drivers, ensuring pricing aligns with the actual expenditure mix over time.



Recommendation 6

Cost Recovery Rental Policy

iCBR should review and revise the *Non-Government Tenants Cost Recovery Rental Policy* to:

- a) ensure relative input weightings reflect current expenditure patterns;
- b) include scheduled policy and pricing reviews every three to five years to maintain its currency and relevance; and
- c) implement periodic reporting on cost recovery performance.

Peppercorn agreements

4.44 A peppercorn agreement typically involves a nominal or zero payment of rent.

4.45 Various agencies have transferred existing peppercorn agreements to iCBR, including:

- Department of Urban Services;
- Department of Education, Youth and Family Services;

- Department of Disability, Housing and Community Services;
- Community Services Directorate; and
- ACT Property Group.

Peppercorn fees

4.46 Peppercorn agreements incur a nominal \$0.05 fee per annum, which the Territory does not collect. Peppercorn agreements also include a charge for the first \$500 of maintenance and repair costs.

4.47 According to a 2025 brief to the Minister for the Public Service:

Average repairs and maintenance at community facilities under a peppercorn arrangement costs approximately \$2 million per annum. Only minimal and reactive repairs and maintenance are being undertaken at these sites based on minimal available budget and no income stream.

4.48 iCBR further estimated that peppercorn agreements cost approximately \$13 million in forgone revenue for the Territory.

Peppercorn agreement eligibility

4.49 iCBR does not have any policy or procedural guidance that explains which organisations are eligible for a peppercorn agreement and under what circumstances they are eligible. There is also no written application process for peppercorn agreements.

4.50 The Allocation Policy does not mention peppercorn agreements and specifically advises against use of peppercorn rates:

No reduction in either community cost-recovery or commercial, market based rental rates will be given – as both rates are specifically calculated to adequately maintain the Government’s portfolio of surplus properties used by community or other groups. Any reduction would threaten ACT Property Group’s ability to maintain the availability, condition and safety of the community property portfolio.

Focus group feedback

- Community organisations reported the perception that peppercorn agreements were made on unclear historical grounds.
- Organisations with access to peppercorn arrangements can deliver services more cost-effectively, giving them an advantage.



4.51 The Minister for the Public Service (the Minister) has full discretion to grant peppercorn agreements. Organisations either write to the Minister requesting a peppercorn agreement or contact iCBR who advocate on their behalf. iCBR advised that a request for a peppercorn rental agreement has not been refused.

4.52 iCBR advised that the primary considerations for a peppercorn agreement are community benefit and quality of the submission to the Minister. iCBR does not provide a public framework or guidelines outlining the criteria, thresholds or assessment methodology used to determine eligibility. Without such guidance, there is a risk of inconsistent and opaque decision-making.



4.53 A peppercorn agreement typically involves a nominal or zero payment of rent. iCBR does not have any policy or procedural guidance that explains which organisations are eligible for a peppercorn agreement and under what circumstances they are eligible. There is also no written application process for peppercorn agreements. The Allocation Policy does not mention peppercorn agreements and specifically advises against use of peppercorn rates.



4.54 The Minister for the Public Service (the Minister) has full discretion to grant peppercorn agreements. iCBR advised that the primary considerations for a peppercorn agreement are community benefit and quality of the submission to the Minister. iCBR does not provide a public framework or guidelines outlining the criteria, thresholds or assessment methodology used to determine eligibility. Without such guidance, there is a risk of inconsistent and opaque decision-making.



Recommendation 7

Framework for the assessment of peppercorn agreements

iCBR should develop and implement a framework for assessing eligibility for peppercorn agreements that promotes consistency and fairness in decision-making. The framework should:

- a) define eligibility criteria for peppercorn agreements;
- b) include policy and procedural guidance for staff on processes for the assessment and recommendation of applications for peppercorn agreements; and
- c) provide publicly available guidance to community and other stakeholders on eligibility requirements and processes for the assessment of applications.

Peppercorn agreement review

4.55 As at February 2026, iCBR managed 72 community facilities under peppercorn agreements. iCBR does not have a record of 12 of these agreements (17 percent). Of the 60 agreements for which it has a copy, 57 were managed under hold-over arrangements (95 percent), having been extended beyond the agreement's original term. The oldest peppercorn agreement was established in 2001.

4.56 On 19 August 2024, the Special Minister of State approved a 'letter of comfort' to tenants subject to peppercorn agreements. According to the letter, iCBR would maintain the peppercorn fee arrangement but other costs, for example utilities, maintenance and security, would become the tenant's responsibility.

4.57 The renewal of peppercorn agreements is complicated by the origins of the agreements. In a brief to the Minister for the Public Service dated 27 March 2025, iCBR advised:

... no existing peppercorn arrangement for renewal is the same. Licences include sub leases and licences that were prepared over a twenty-year period, under different terms and conditions which has resulted in iCBR managing over 68 variations of a peppercorn licence.

4.58 iCBR, in consultation with the ACT Government Solicitor's Office, has sought to standardise peppercorn agreements. In a March 2025 brief to the Minister for the Public Service, iCBR also proposed a periodic review of peppercorn eligibility:

... undertaking relevant checks in accordance with the Australian Charities and Not-for-profits Commission register, the Australian Business Register Lookup tool, and the *Community and Other Tenancies Application and Allocation Policy*. These checks will be included as part of any renewal process and held on file including periodic review of peppercorn eligibility.

4.59 iCBR proposed to renew all existing peppercorn agreements for an initial five-year term to 'ensure that financial and administrative burdens will not be incurred by either the tenant or iCBR'. According to iCBR:

The five-year term will help ensure that appropriate planning is in place to renew peppercorns in a systematic manner without entering holdover. Any period shorter than this proposed term would require tenants to get a lawyer to certify the lease, therefore this duration reduces costs for community organisations. New applications for peppercorn tenancies require ministerial approval.

4.60 An *Implementation Plan for Progressing Peppercorn Arrangements* was provided in support of the brief. It indicated iCBR would issue letters of offer in batches across four tranches between August and November 2025. As of July 2026, iCBR advised the standardised licence was approved, and the peppercorn tenancy renewal process was 'largely complete'.



4.61 Organisations subject to a peppercorn agreement pay a nominal \$0.05 per annum, which the Territory does not collect. Peppercorn agreements also include a charge for the first \$500 (excluding GST) for repairs a maintenance costs. A 2025 brief to the Minister for the

Public Service noted that approximately \$2 million is being spent on repairs and maintenance for these sites annually but that ‘only minimal and reactive repairs and maintenance are being undertaken...based on minimal available budget and no income stream’. iCBR estimated peppercorn agreements result in approximately \$13 million in forgone revenue annually.



4.62 As at February 2026, iCBR managed 72 community facilities under peppercorn agreements. iCBR does not have a record of 12 of these agreements (17 percent). Of the 60 agreements for which it has a copy, 57 were managed under hold-over arrangements (95 percent), having been extended beyond the agreement’s original term.



4.63 In August 2024, the Special Minister of State approved a ‘letter of comfort’ to tenants subject to peppercorn agreements. According to the letter, iCBR would maintain the peppercorn fee arrangement but other costs, for example utilities, maintenance and security, would become the tenant’s responsibility.



4.64 iCBR has since sought to standardise peppercorn rental agreements and renew existing peppercorn agreements for an initial five-year term to ‘ensure that financial and administrative burdens will not be incurred by either the tenant or iCBR’. iCBR expects the initial five-year term to ‘help ensure that appropriate planning is in place to renew peppercorns in a systematic manner without entering holdover’. As of July 2026, iCBR advised the peppercorn tenancy renewal process was ‘largely complete’.

5 Maintenance of community facilities

- 5.1 This chapter considers iCBR's activities to maintain the Territory's community facilities. Effective maintenance activities allow community organisations to operate without disruption or safety concerns and maximise facility value and longevity.

Summary



Conclusions

iCBR's maintenance of community facilities is ineffective.

Teams responsible for community facility maintenance lack clear roles and responsibilities, coordination and structure.

Planned maintenance schedules are not informed by asset management plans and are not reliably reviewed and updated or shared with tenants. Undefined priority categories, ad hoc workforce allocation, poor record keeping and quality assurance practices limit iCBR's ability to demonstrate timely responses and whether maintenance work is consistently completed to an appropriate standard.



Key findings

Maintenance roles and responsibilities

Paragraph

The Property Services and Operations (PSO) Branch, within the Delivery – Places and Spaces Division, is responsible for the maintenance of community facilities. The branch has three teams which must work together to deliver maintenance services for community facilities. The Property Maintenance Team, within the PSO Branch, has developed a draft *Roles & Responsibilities* document. The document was a work in progress at the time of audit fieldwork and iCBR could not provide details of the document's anticipated finalisation. The other teams have not documented their roles and responsibilities.

5.6

iCBR does not have a copy of 38 of 200 agreements for community facilities it manages (19 percent), which means that iCBR does not have any contractual documentation of the maintenance roles and responsibilities for these tenancies.

5.14

Condition reports provide a mutually agreed record of the property's condition at the start of the agreement. Of the 162 agreements iCBR had a copy of, 116 did not have a condition report (72 percent) and 12 had an incomplete condition report (seven percent). In the absence of a condition report, it is difficult for either of the parties to hold each other to account for maintenance responsibilities, including that

5.15

the tenant return the property to its original condition as required under the agreement's 'make good' clause.

Planned maintenance

The Property Maintenance Team within the PSO Branch is responsible for the planned maintenance of community facilities. The team develops workplan activity lists to guide its planned maintenance activities. Workplan activity lists serve as planned maintenance schedules for the year. iCBR has not developed any policy or procedural guidance for how workplan activity lists should be established or adjusted as necessary during the year. iCBR has not developed any equipment catalogues or other documents (including asset management plans) which would otherwise reasonably inform the development of workplan activity lists. iCBR advised that workplan activity lists should be reviewed and updated each year, but that this does not always occur in practice. 5.26

iCBR develops workplan activity lists without consulting tenants. This means tenants do not contribute to maintenance planning or assist in identifying priorities that reflect their operational needs. This also means there is a risk that maintenance is scheduled or prioritised incorrectly and not directed to issues that matter to tenants. 5.27

iCBR does not provide workplan activity lists to tenants of community facilities unless explicitly requested. This limits tenants' ability to plan their own operations effectively. It also increases the risk of misaligned expectations and misunderstandings about maintenance responsibilities undermining trust and iCBR's perceived responsiveness. 5.28

Reactive maintenance

The *Intake and Security – Reactive Maintenance Requests Fact Sheet* (the Fact Sheet) documents iCBR's service level standards for reactive maintenance requests. The Fact Sheet identifies prioritisation categories of 'Urgent', 'Priority' or 'Normal' and expected levels of service (four working hours, three working days and ten working days). 5.38

The Fact Sheet does not define or provide any further guidance on what constitutes an 'Urgent', 'Priority' or 'Normal' work request. Defining what constitutes an 'Urgent' work request reduces the likelihood that staff misallocate limited resources to non-urgent maintenance. It also clarifies the Territory's responsibility to the tenant and helps avoid ambiguity over whether a repair needs immediate action or can wait. In the absence of clear criteria, iCBR may find it difficult to apply service standards reliably, monitor performance and demonstrate accountability for how maintenance requests are triaged and managed. 5.39

Allocation of maintenance activity

As of September 2026, iCBR employed six apprentices, eight field staff and 24 tradespeople as HVAC/fitters, carpentry, plumbing, fields maintenance, locksmithing 5.43

and electrical trades to perform maintenance for community facilities. iCBR allocates maintenance activities to internal tradespeople based on availability and expertise. Without a formal register of staff skills or a structured process for determining availability, decisions rely on ad hoc discussions between teams. This increases the risk that iCBR unnecessarily outsources maintenance tasks and limits accountability and consistency in decision-making.

For work valued between \$25,000 and \$500,000 and for construction-related procurement valued at least \$25,000 but less than \$1,000,000 Regulation 2.2 of the *Government Procurement Regulation 2007* requires iCBR to:

- seek at least three written quotes, or one written quote from a supplier that is a certified Aboriginal and Torres Strait Islander entity or a small to medium business entity based in the ACT or surrounding region, unless provided exemption by the relevant delegate, resulting in a written contract; or
- seek a supplier through an established panel of providers, under which the quotation tender threshold requirements do not apply.

The Audit Office reviewed iCBR's records of maintenance invoices provided by external contractors from 1 January 2021 to 31 December 2025. A review of these records showed that two suppliers delivered substantially more than \$25,000 in services to iCBR across individual work orders between 2023 and 2025: \$72,051 (GST exclusive) in pest control services; and \$488,844 (GST exclusive) for roof safety services. The Audit Office found no evidence these suppliers were engaged through a standing-offer arrangement or that the delivery of services was documented through a written contract. Although individual jobs were valued at less than \$25,000, the jobs were part of a predictable and pre-planned work stream based on an annual maintenance schedule.

iCBR assigned all grounds maintenance and gutter cleaning work orders for community facilities between 2023 and 2025 to a single supplier. While the cost per work order was relatively modest (typically under \$2,000), the supplier provided regular monthly services across multiple community facility sites. This resulted in a total value of services over the three years the Audit Office examined of \$131,505 for grounds maintenance and \$203,302 for gutter cleaning, totalling \$334,807 (GST exclusive).

The provider was part of the Landscaping Trade Services Panel arrangement which consists of 16 suppliers. To achieve value for money it is good practice to approach more than one supplier on a panel when seeking a work order, regardless of whether quotation requirements are outlined in the Panel Deed or not, iCBR did not approach more than one supplier or otherwise assess the appropriateness of a competitive procurement process despite a large volume and predictable stream of work.

It is important for iCBR to communicate its maintenance activities to tenants to allow the tenants to plan, manage risks and ensure their premises remain safe for staff and clients. Tenants of community facilities reported communication from iCBR regarding their maintenance activity was inconsistent. Community organisations

highlighted the risk of tradespeople attending community facilities unannounced to conduct maintenance and the risk this posed to vulnerable service users.

Quality assurance of maintenance work

iCBR maintains records of completed planned maintenance in PTY and the Objective Electronic Document and Records Management System (EDRMS). A lack of functionality for PTY limits iCBR's ability to assess whether maintenance tasks have been performed according to scheduled timeframes. Furthermore, the challenge of acquitting maintenance work against the timeframes set out in workplan activity lists has been compounded in recent years by:

5.74

- the change in record-keeping from physical records to TRIM in June 2023;
- the migration of TRIM records to Objective in June 2025; and
- the automatic deletion of an invoice in PTY once it has been paid.

iCBR tracks and verifies reactive maintenance activities in PTY, through the direct confirmation of the completion of urgent works and monitoring of work order ageing reports. However, not all invoices submitted by external suppliers provides a clear indication of when the supplier completed the job and when an invoice does identify a date for completion of the work, the 'physical complete' date that is recorded in PTY does not reliably match the date the contractor completed the work as recorded by the invoice. Under these circumstances iCBR cannot manually verify and report on whether external suppliers completed reactive maintenance work orders according to their assigned priority.

5.85

Each month, the Director, Intake and Security receives a work order ageing report, which shows reactive maintenance work orders overdue for completion beyond 28 days. The usefulness of the report is compromised because tasks only appear once they are significantly overdue, meaning the report does not enable timely follow-up immediately after a due date is missed.

5.86

A single Quality Assurance Manager (the QA Manager) is responsible for quality assurance for approximately 50,000 repair actions annually. iCBR has not developed a risk-based approach to determining what activities should be subject to audit. The QA Manager decides what maintenance activities they should review based on their personal judgement of risk.

5.95

Planned maintenance quality assurance activity decreased from 118 in 2022-23 to 30 in 2023-24. Notwithstanding this reduction, the QA Manager identified underperformance and flagged maintenance items for rectification through the quality assurance activities. However, iCBR has no clear governance framework or policy to escalate and systematically address issues identified. iCBR staff reported frequent disagreement over who 'owns' issues, resulting in delays actioning and resolving them.

5.96

Reactive maintenance quality assurance activities increased from 46 in 2022-23 to 170 in 2023-24. However, because iCBR does not track these activities by facility type, there is limited insight into work performed at community facilities. Despite the increase, the overall rate of quality assurance remains low relative to the size of iCBR's property portfolio. 5.97

Maintenance roles and responsibilities

Roles and responsibilities within iCBR

5.2 The Property Services and Operations (PSO) Branch within the Delivery – Places and Spaces Division is responsible for the maintenance of community facilities. The branch has three teams:

- Property Maintenance – manages the planning and delivery of planned maintenance;
- Intake and Security – manages the delivery of reactive maintenance. The team also undertakes compliance activities and acts as the first point of contact for tenants, tradespeople and the public regarding maintenance activities; and
- Property Operations – consists of the qualified professional tradespeople that perform maintenance work for iCBR.

5.3 The Operational Estates Team (Estates Team) within the Customer and Asset Management (CAM) Branch is responsible for approving reactive maintenance requests.

5.4 The Property Maintenance team within the PSO Branch has developed a draft *Roles & Responsibilities* document. The draft *Roles and responsibilities* document:

- outlines the core function and broad responsibilities of the team;
- provides an overview of the sub-teams, including key roles and responsibilities; and
- outlines key team members' roles and responsibilities (including responsibility for decision-making and risk).

5.5 The document was a work in progress at the time of audit fieldwork and iCBR could not provide details of the document's anticipated finalisation. The other teams have not developed a similar document outlining roles and responsibilities.



5.6 The Property Services and Operations (PSO) Branch, within the Delivery – Places and Spaces Division, is responsible for the maintenance of community facilities. The branch has three teams which must work together to deliver maintenance services for community facilities. The Property Maintenance Team, within the PSO Branch, has developed a draft *Roles & Responsibilities* document. The document was a work in progress at the time of audit

fieldwork and iCBR could not provide details of the document's anticipated finalisation. The other teams have not documented their roles and responsibilities.

Roles and responsibilities between iCBR and tenants

- 5.7 Agreements between iCBR and tenants should clearly identify maintenance roles and responsibilities to prevent ambiguity and misunderstanding, including:
- which party is accountable when contract terms are breached; and
 - what remedy or consequences apply for that breach.
- 5.8 A review of 45 agreements signed between December 2003 and January 2025 shows 43 of the agreements (95 percent) had clearly documented roles and responsibilities for maintenance activities. The remaining two agreements were uploaded to iCBR's Electronic Document Records Management System with missing pages.
- 5.9 The agreements had a 'Repairs, Maintenance, Replacement and Inspection' section, which included the following clauses:
- **repair/replacement obligations** - outlines each party's obligations to keep the property in tenantable condition, repair or replace damaged property and notify if damage occurs;
 - **make good** – outlines the tenant's obligation to return the property to its original condition;
 - **notices to repair** – provides the property owner with the right to serve the tenant a notice to repair a defect. Requires the tenant to pay the cost of these repairs;
 - **right to enter** – provides the property owner the right to enter the property to perform repairs.
- 5.10 The agreements also included a schedule demonstrating the percentage of responsibility each party to the contract has for service charges including window cleaning, gutter cleaning, landscaping and pest control.
- 5.11 As discussed in paragraph 4.5, iCBR does not have a copy of 38 of 200 agreements for community facilities it manages (19 percent). Accordingly, iCBR does not have any documentation of the maintenance roles and responsibilities for these tenancies. This exposes the Territory to several risks including:
- accountability gaps (including disputes of liability for damages), which may result in delays to the performance of maintenance, duplication of effort or inconsistent maintenance practices; and
 - health and safety and regulatory compliance requirements not being met.

5.12 Many of the agreements for which iCBR does have a copy lacked a condition report. Condition reports provide a mutually agreed record of the property's condition at the start of the agreement. Of the 162 agreements iCBR had a copy of, 116 did not have a condition report (72 percent) and 12 had an incomplete condition report (seven percent).

5.13 In the absence of a condition report it is difficult for either of the parties to hold each other to account for maintenance responsibilities, including that the tenant return the property to its original condition as required under the agreement's 'make good' clause.



5.14 iCBR does not have a copy of 38 of 200 agreements for community facilities it manages (19 percent), which means that iCBR does not have any contractual documentation of the maintenance roles and responsibilities for these tenancies.



5.15 Condition reports provide a mutually agreed record of the property's condition at the start of the agreement. Of the 162 agreements iCBR had a copy of, 116 did not have a condition report (72 percent) and 12 had an incomplete condition report (seven percent). In the absence of a condition report, it is difficult for either of the parties to hold each other to account for maintenance responsibilities, including that the tenant return the property to its original condition as required under the agreement's 'make good' clause.



Recommendation 8

Condition reports

iCBR should prepare condition reports for all new community facility agreements and for legacy community facility agreements without a complete condition report.

Planned maintenance

5.16 Planned maintenance includes scheduled maintenance activities that aim to preserve community facilities' structural integrity, safety and functionality. Examples of planned maintenance include:

- heating, ventilation and air conditioning (HVAC) servicing;
- automatic door (auto-door) maintenance;
- building management system maintenance;
- switchboard maintenance;
- groundskeeping;
- roof safety; and/or
- fire protection and monitoring.

- 5.17 Planned maintenance can help fix problems before they become more costly or dangerous, thereby preserving a facility's value and reducing unexpected business disruptions for tenants.

Workplan activity lists

- 5.18 The Property Maintenance Team within the PSO Branch is responsible for the planned maintenance of community facilities. The team develops workplan activity lists to guide its planned maintenance activities. Workplan activity lists serve as planned maintenance schedules for the year.
- 5.19 For each community facility, a workplan activity list provides:
- a list of maintenance tasks organised by 'cost group' (e.g. HVAC, auto-doors, roof safety);
 - the month(s) in which the task should be completed;
 - the contractor or internal tradesperson engaged to complete the task;
 - the annual cost of the task;
 - a quoted price for the task. The 'quote' does not represent a quote sought by iCBR. It represents the annual cost divided by the number of yearly instances of the maintenance activity minus GST; and
 - for internal tradespeople, the estimated number of hours required for the task.
- 5.20 The Audit Office selected eight community facilities to identify whether a workplan activity list had been developed for each facility. A workplan activity list had been developed for seven of the eight facilities. One of the facilities did not require one, because iCBR leases the building from an external party, which is responsible for planned maintenance.

Establishing and adjusting workplan activity lists

- 5.21 iCBR has not developed any policy or procedural guidance for how workplan activity lists should be established or adjusted as necessary during the year. iCBR has not developed any equipment catalogues or other documents (including asset management plans) which would otherwise reasonably inform the development of workplan activity lists.
- 5.22 iCBR advised that workplan activity lists should be reviewed and updated each year, but that this does not always occur in practice. In at least one instance, a missed review led to the cost base for services not being updated and consequent under-payment of the supplier by iCBR.
- 5.23 The review of workplan activity lists identified one instance where maintenance activities remained on a workplan activity list, even though they were no longer required because the

system to be serviced was no longer present in the building. This indicates iCBR may not have a full understanding of its assets and associated requirements. There is a risk that resources are directed to unnecessary or obsolete tasks while genuine maintenance needs are overlooked.

Communicating workplan activity lists to tenants

- 5.24 iCBR develops workplan activity lists without consulting tenants. This means tenants do not contribute to maintenance planning or assist in identifying priorities that reflect their operational needs. This also means there is a risk that maintenance is scheduled or prioritised incorrectly and not directed to issues that matter to tenants.
- 5.25 iCBR does not provide workplan activity lists to tenants of community facilities unless explicitly requested. This limits tenants' ability to plan their own operations effectively. It also increases the risk of misaligned expectations and misunderstandings about maintenance responsibilities. Without communication, community organisations may be unaware of upcoming works that affect facility access or service continuity.



- 5.26 The Property Maintenance Team within the PSO Branch is responsible for the planned maintenance of community facilities. The team develops workplan activity lists to guide its planned maintenance activities. Workplan activity lists serve as planned maintenance schedules for the year. iCBR has not developed any policy or procedural guidance for how workplan activity lists should be established or adjusted as necessary during the year. iCBR has not developed any equipment catalogues or other documents (including asset management plans) which would otherwise reasonably inform the development of workplan activity lists. iCBR advised that workplan activity lists should be reviewed and updated each year, but that this does not always occur in practice.



- 5.27 iCBR develops workplan activity lists without consulting tenants. This means tenants do not contribute to maintenance planning or assist in identifying priorities that reflect their operational needs. This also means there is a risk that maintenance is scheduled or prioritised incorrectly and not directed to issues that matter to tenants.



- 5.28 iCBR does not provide workplan activity lists to tenants of community facilities unless explicitly requested. This limits tenants' ability to plan their own operations effectively. It also increases the risk of misaligned expectations and misunderstandings about maintenance responsibilities undermining trust and iCBR's perceived responsiveness.

Reactive maintenance

- 5.29 Reactive maintenance refers to maintenance activity that has not been planned. Reactive maintenance is typically instigated by a tenant request to iCBR's 24/7 service desk (the Response Centre). Requests for reactive maintenance can relate to a variety of issues including plumbing issues, electrical faults, HVAC failure and broken glass.
- 5.30 Effective administrative practices are key to delivering reactive maintenance services due to the volume and unpredictability of requests. Requests should be prioritised by severity and based on clear and measurable standards for how quickly the jobs should be completed.

Priority levels and service level standards

- 5.31 Written guidance that defines maintenance request types and sets out service level standards, including levels of urgency, can provide a clear basis for what tenants can reasonably expect from iCBR when submitting a maintenance request. The guidance also creates an accountability framework through which iCBR can assess the performance of internal tradespeople and external suppliers.
- 5.32 The *Intake and Security – Reactive Maintenance Requests Fact Sheet* (the Fact Sheet) documents iCBR's service level standards for reactive maintenance requests. It includes priority key performance indicators (KPIs) and associated timeframes for a response to reactive maintenance requests as shown in Table 5-1.

Table 5-1 Reactive maintenance KPIs

Key performance indicator	Timeframe
Reactive Maintenance: Ensure requests received from the client are actioned and attended within agreed timeframes: <ul style="list-style-type: none"> • Urgent; • Priority; and • Normal. 	Tradesperson on site within: <ul style="list-style-type: none"> • 4 working hours; • 3 working days; and • 10 working days.
Urgent Reactive Maintenance: Follow up with the trades team, contractors, or the client to confirm Urgent Work Orders have been responded to within 4 Hours.	To confirm attendance for urgent work orders the intake team will contact the contractor or tradesperson at 12:00pm and 4:00pm each weekday to seek an update. The Intake team will send the client an email within 24 hours of request

Key performance indicator	Timeframe
	with an update, which may also include confirmation of completion.
Urgent Reactive Maintenance: On completion of works, the Response team will notify the delegate.	Once the work has been completed, the Intake Team will send an email confirming completion to the client within 48 hours of confirming completion.
On Call: After hours (5pm-8am) phone calls are taken or responded to in 15 minutes.	Trade person on site within an hour of dispatch.
Quotes: Quotes submitted from planned or RM's [reactive maintenance].	All quotes to have detailed scope of works and value of works. Quotes sent for consideration within 48 hours of receiving and processed according to the <i>Quotes Procedure</i> .
Venue Hire: Respond to hire request or general query.	3 days from initial communication.

Source: Audit Office, based on *Intake and Security – Reactive Maintenance Requests Fact Sheet*.

5.33 The Fact Sheet also outlines the following 'Community Facility Specific Requirements':

- urgent repairs and maintenance work orders have cost approval limits;
- repairs and work orders require approval from the Estate Team (Territory-owned) or Community and Government Engagement Team (for a leased facility) (both teams are in the Customer and Asset Management Branch);
- tenants subject to peppercorn rental arrangements must pay the first \$500 of the repairs and maintenance invoice with the residual to be paid by iCBR; and
- works over \$25,000 are referred to the iCBR Project Upgrades team for a competitive process.

5.34 The Fact Sheet identifies prioritisation categories of 'Urgent', 'Priority' or 'Normal' and expected levels of service (four working hours, three working days and ten working days). The Fact Sheet does not define or provide any further guidance on what constitutes an 'Urgent', 'Priority' or 'Normal' work request.

5.35 Defining what constitutes an 'Urgent' work request reduces the likelihood that staff misallocate limited resources to non-urgent maintenance. It also clarifies the Territory's responsibility to the tenant and helps avoid ambiguity over whether a repair needs immediate action or can wait. In the absence of clear criteria, iCBR may find it difficult to apply service standards reliably, monitor performance and demonstrate accountability for how maintenance requests are triaged and managed.



Assigning priority indicators

5.36 Upon receipt of a work request, iCBR Response Centre staff create a work order in PTY and assign a priority level based on their judgement of the job's urgency. The Response Centre then sends a completed work order to the Operational Estates Team for approval. If the Operational Estates Team does not agree with the assigned priority level, they may change it. Once approved, the work order is returned to the Response Centre for distribution to the relevant tradesperson.

5.37 PTY retains a record of the priority level that is ultimately assigned to a work order upon distribution, but it does not include record of any changes made prior to approval. This impairs traceability in the prioritisation process, making it difficult to verify whether and why priority levels were adjusted.



5.38 The *Intake and Security – Reactive Maintenance Requests Fact Sheet* (the Fact Sheet) documents iCBR's service level standards for reactive maintenance requests. The Fact Sheet identifies prioritisation categories of 'Urgent', 'Priority' or 'Normal' and expected levels of service (four working hours, three working days and ten working days).



5.39 The Fact Sheet does not define or provide any further guidance on what constitutes an 'Urgent', 'Priority' or 'Normal' work request. Defining what constitutes an 'Urgent' work request reduces the likelihood that staff misallocate limited resources to non-urgent maintenance. It also clarifies the Territory's responsibility to the tenant and helps avoid ambiguity over whether a repair needs immediate action or can wait. In the absence of clear criteria, iCBR may find it difficult to apply service standards reliably, monitor performance and demonstrate accountability for how maintenance requests are triaged and managed.

Allocation of maintenance activity

5.40 The Property Maintenance Team allocates internal or external tradespeople to planned maintenance activities. The Response Centre within the Intake and Security Team does the same for reactive maintenance.

Internal tradespeople

- 5.41 As of September 2026, iCBR employed six apprentices, eight field staff and 24 tradespeople, eight apprentices and two high school participants to perform reactive maintenance for community facilities. Tradespeople include HVAC/fitters, carpenters, plumbers, fields maintenance, locksmiths and electricians.
- 5.42 iCBR allocates maintenance activities to internal tradespeople based on staff availability and expertise. iCBR does not have an internal register of staff expertise, and availability is decided based on ad hoc interactions between teams. This increases the risk that iCBR unnecessarily outsources maintenance tasks. It also limits accountability and consistency in decision-making as well as iCBR's ability to plan, schedule, and resource maintenance activities effectively.



- 5.43 As of September 2026, iCBR employed six apprentices, eight field staff and 24 tradespeople as HVAC/fitters, carpentry, plumbing, fields maintenance, locksmithing and electrical trades to perform maintenance for community facilities. iCBR allocates maintenance activities to internal tradespeople based on availability and expertise. Without a formal register of staff skills or a structured process for determining availability, decisions rely on ad hoc discussions between teams. This increases the risk that iCBR unnecessarily outsources maintenance tasks and limits accountability and consistency in decision-making.

External tradespeople

- 5.44 Agreements between iCBR and external tradespeople take different forms depending on the scope and cost of the work required. The *Government Procurement Act 2001* (the Procurement Act), *Government Procurement Regulation 2007* (the Procurement Regulation) and the *Government Procurement Rules 2024* (the Procurement Rules) are the key legislative instruments for procuring contract arrangements for the Territory.

Planned maintenance procurement practices

- 5.45 Regulation 2.2 of the *Government Procurement Regulation 2007* defines work with a value less than \$25,000 as a 'low-value procurement'. For low-value procurements, iCBR may engage a supplier through a standing-offer arrangement or seek a single quote from a supplier. In both instances this results in a work order.
- 5.46 For goods and services valued at least \$25,000 but less than \$500,000 and for construction-related services valued at least \$25,000 but less than \$1,000,000, Regulation 2.2 of the *Government Procurement Regulation 2007* requires iCBR to either:
- seek at least three written quotes, or one written quote from a supplier that is a certified Aboriginal and Torres Strait Islander entity or a small to medium business

entity based in the ACT or surrounding region, unless exemption is granted by the relevant delegate, resulting in a written contract; or

- seek a supplier through a standing offer arrangement, which may include an established panel of providers. Quotation tender threshold requirements do not apply to standing offer arrangements, but panel members are subject to the terms of the Panel Deed under which they're engaged.

5.47 The Audit Office reviewed iCBR's records of maintenance invoices provided by external contractors from 1 January 2021 to 31 December 2025. A review of these records showed that two suppliers delivered substantially more than \$25,000 in services to iCBR across multiple individual work orders between 2023 and 2025:

- \$72,051 (GST exclusive) for pest control services; and
- \$488,844 (GST exclusive) for roof safety services.

5.48 A third supplier delivered plumbing services worth \$27,030 (GST exclusive) through similar arrangements.

5.49 The Audit Office found no evidence these suppliers were engaged through a standing-offer arrangement or that the delivery of services was documented through a written contract. Although individual jobs were valued at less than \$25,000, the jobs were part of a predictable and pre-planned work stream based on an annual maintenance schedule.

5.50 Splitting a predictable stream of work that is worth more than \$25,000 into smaller components:

- circumvents *Government Procurement Regulation 2007* requirements to engage suppliers through a standing-offer arrangement or obtain written quotations from suppliers if not using a standing-offer arrangement; and
- results in a sizeable amount of work being procured without a competitive, market-based process.



5.51 For work valued between \$25,000 and \$500,000 and for construction-related procurement valued at least \$25,000 but less than \$1,000,000 Regulation 2.2 of the *Government Procurement Regulation 2007* requires iCBR to:

- seek at least three written quotes, or one written quote from a supplier that is a certified Aboriginal and Torres Strait Islander entity or a small to medium business entity based in the ACT or surrounding region, unless provided exemption by the relevant delegate, resulting in a written contract; or
- seek a supplier through an established panel of providers, under which the quotation tender threshold requirements do not apply.



- 5.52 The Audit Office reviewed iCBR's records of maintenance invoices provided by external contractors from 1 January 2021 to 31 December 2025. A review of these records showed that two suppliers delivered substantially more than \$25,000 in services to iCBR across individual work orders between 2023 and 2025: \$72,051 (GST exclusive) in pest control services; and \$488,844 (GST exclusive) for roof safety services. The Audit Office found no evidence these suppliers were engaged through a standing-offer arrangement or that the delivery of services was documented through a written contract. Although individual jobs were valued at less than \$25,000, the jobs were part of a predictable and pre-planned work stream based on an annual maintenance schedule.

Grounds maintenance and gutter cleaning services

- 5.53 A review of iCBR work orders for planned maintenance shows that iCBR assigned all grounds maintenance and gutter cleaning work orders for community facilities between 2023 and 2025 to a single supplier. While the cost per work order was relatively modest (typically under \$2,000), the supplier provided regular monthly services across multiple community facility sites. This resulted in a total value of services over the three years the Audit Office examined of \$131,505 for grounds maintenance and \$203,302 for gutter cleaning, totalling \$334,807 (GST exclusive).
- 5.54 The current provider is part of the Landscaping Trade Services Panel arrangement, which consists of 16 suppliers. The panel arrangement contains a work allocation schedule that provides iCBR with the 'absolute discretion' to 'use a competitive process in selecting a contractor to provide the [grounds maintenance or gutter cleaning] works'.
- 5.55 To achieve value for money it is good practice to approach more than one supplier on a panel when seeking a work order, regardless of whether quotation requirements are outlined in the Panel Deed or not. In this case, iCBR did not approach more than one supplier or otherwise assess the appropriateness of a competitive procurement process despite a large volume and predictable stream of work.



- 5.56 iCBR assigned all grounds maintenance and gutter cleaning work orders for community facilities between 2023 and 2025 to a single supplier. While the cost per work order was relatively modest (typically under \$2,000), the supplier provided regular monthly services across multiple community facility sites. This resulted in a total value of services over the three years the Audit Office examined of \$131,505 for grounds maintenance and \$203,302 for gutter cleaning, totalling \$334,807 (GST exclusive).



- 5.57 The provider was part of the Landscaping Trade Services Panel arrangement which consists of 16 suppliers. To achieve value for money it is good practice to approach more than one supplier on a panel when seeking a work order, regardless of whether quotation requirements are outlined in the Panel Deed or not, iCBR did not approach more than one supplier or otherwise assess the appropriateness of a competitive procurement process despite a large volume and predictable stream of work.



Recommendation 9

Contractual agreements with maintenance suppliers

iCBR should:

- a) review its current arrangements with suppliers that are continually engaged through multiple individual work orders for low-value maintenance services; and
- b) determine whether it is appropriate to undertake a competitive procurement process, in accordance with the *Government Procurement Regulation 2007*, for a larger volume of work.

Communication with tenants

5.58 It is important for iCBR to communicate its maintenance activities to tenants to allow the tenants to plan, manage risks and ensure their premises remain safe for staff and clients.

5.59 For community organisations, particularly those supporting vulnerable clients, knowing when iCBR will address maintenance requirements is important to maintaining a safe, stable and accessible environment. Consistent communication also builds trust, reduces unnecessary follow-ups and ensures maintenance is carried out efficiently and transparently. Tenants of community facilities reported communication from iCBR regarding their maintenance activity was inconsistent.

Focus group feedback

- Community organisations provided examples of instances where tradespeople attended community facilities to conduct maintenance unannounced, posing a risk to vulnerable clients.



5.60 It is important for iCBR to communicate its maintenance activities to tenants to allow the tenants to plan, manage risks and ensure their premises remain safe for staff and clients. Tenants of community facilities reported communication from iCBR regarding their maintenance activity was inconsistent. Community organisations highlighted the risk of tradespeople attending community facilities unannounced to conduct maintenance and the risk this posed to vulnerable service users.

Quality assurance of maintenance work

Quality assurance frameworks

- 5.61 As described in paragraphs 5.45 to 5.46, iCBR typically seeks to manage the maintenance needs of a large and diverse portfolio of properties by:
- directly issuing work orders to suppliers for low-value services;
 - engaging suppliers through a standing-offer arrangement; or
 - engaging suppliers after seeking quote(s).
- 5.62 Each of these arrangements provides for different levels of contractual oversight and documentary evidence.
- 5.63 Maintenance Services Agreements, which derive from the engagement of suppliers following the seeking of quotations, include prescriptive requirements, which are supported by specific KPIs related to:
- prescribed reporting;
 - customer sign-off;
 - annual testing; and
 - response time.
- 5.64 Panel Deeds, which support a standing-offer arrangement, are less prescriptive than a Maintenance Service Agreement. The Panel Deed provides that ‘the Panel Member’s performance may be reviewed by the Territory at any time...’. Reviews may cover different aspects of the service including:
- work commencement and completion within required timeframes;
 - quality of services provided;
 - report quality and accuracy; and
 - record keeping.
- 5.65 For suppliers engaged through one-off work orders (as well as internal trades) iCBR may assess the delivery of services against the terms of the work order and the service level standards described in Table 5-1.

Actioning quality assurance frameworks

- 5.66 To assess and enforce the timeliness and quality of maintenance services, iCBR must collect and record key information, including information relating to:
- timing of the delivery of the services; and
 - the quality of work performed.
- 5.67 The quality of work performed may be assessed through a risk-based approach, which could include consideration of completion records, inspections of work performed and review of customer feedback. A risk-based approach would be necessary due to the high volume of maintenance activities (~50,000 yearly) and the significant variation in the work performed (e.g. low value and simple versus high-value and complex). Assessment and inspection of all maintenance activity that is undertaken would consume significant resources.
- 5.68 iCBR should have documented processes for assessing, escalating and addressing underperformance, including for determining when corrective action, increased monitoring or changes to future work allocations are warranted.

Planned maintenance

- 5.69 iCBR holds records of completed planned maintenance activities in two forms:
- a maintenance activity record within PTY (the system iCBR uses to initiate and track maintenance tasks); and
 - invoices and/or service reports provided by suppliers or internal trades after they have completed the maintenance task. These are stored in the Objective Electronic Document and Records Management System (EDRMS).
- 5.70 A lack of functionality in PTY limits iCBR's ability to assess whether maintenance tasks have been performed according to scheduled timeframes. PTY shows a completion date for work performed, but this reflects the date iCBR paid the invoice, not the date the work was completed. iCBR can only reliably confirm that an invoice for work was received or paid, but not whether the work was completed in a timely way in accordance with the workplan activity list.
- 5.71 iCBR only began keeping digital records of invoices from 2023 and migrated records from the TRIM Content Manager System EDRMS to the Objective EDRMS in June 2025. From the June 2025 Objective migration, iCBR organised records in folders according to facility and maintenance category. Currently iCBR uses Objective alongside PTY as a backup for maintenance reporting and invoice records because PTY automatically deletes the invoice once it is paid.

5.72 Accordingly, the challenge of acquitting maintenance work against the timeframes set out in workplan activity lists has been compounded in recent years by:

- the change in record-keeping from physical records to TRIM in June 2023;
- the migration of TRIM records to Objective in June 2025; and
- the automatic deletion of an invoice in PTY once it has been paid.

5.73 iCBR record-keeping of its planned maintenance activities is poor. iCBR provided workplan maintenance activity schedules for a selection of community facilities that showed 462 individual planned maintenance jobs assigned to internal tradespeople and private contractors between April 2024 and October 2025. However, the available records did not contain sufficient information for the Audit Office to reliably acquit work orders and invoices against individual jobs.



5.74 iCBR maintains records of completed planned maintenance in PTY and the Objective Electronic Document and Records Management System (EDRMS). A lack of functionality for PTY limits iCBR's ability to assess whether maintenance tasks have been performed according to scheduled timeframes. Furthermore, the challenge of acquitting maintenance work against the timeframes set out in workplan activity lists has been compounded in recent years by:

- the change in record-keeping from physical records to TRIM in June 2023;
- the migration of TRIM records to Objective in June 2025; and
- the automatic deletion of an invoice in PTY once it has been paid.

Reactive maintenance

5.75 iCBR tracks and verifies reactive maintenance activities in PTY, through the direct confirmation of the completion of urgent works and monitoring of work order ageing reports.

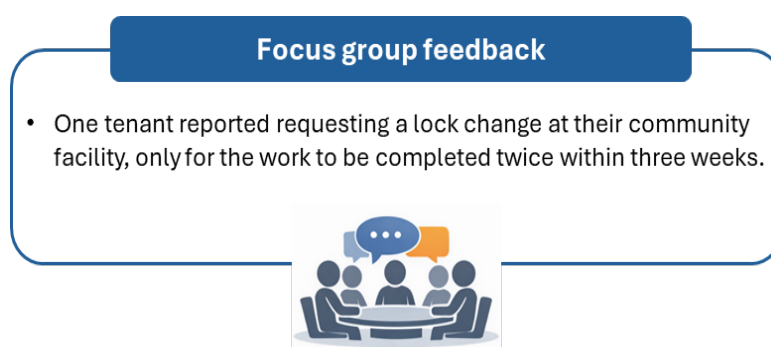
5.76 PTY records a 'created date' (the date that iCBR created and assigned the work order), a 'physical complete' date and a 'financial complete' date. In relation to maintenance work undertaken by internal tradespeople, iCBR advised:

This data is collated when completed jobs (mobile phone) are uploaded via Gamma (tablet) to the PTY database. We suffer latency from when the trades person does their admin and when Gamma data is approved for upload.

5.77 In relation to maintenance work undertaken by external suppliers, iCBR advised:

Date completed is taken from the date provided on the contractors' invoice. In this case, the latency is the time taken to receive the invoice then input the data...

- 5.78 The 'financial complete' date reflects when iCBR has processed and paid the invoice. This may occur up to thirty days after the completion of the work order.
- 5.79 Not all invoices submitted by external suppliers provides a clear indication of when the supplier completed the job. Analysis of 143 reactive maintenance invoices showed that 51 (36 per cent) did not provide a clear completion date for work performed. Under these circumstances iCBR cannot manually verify and report on whether external suppliers completed reactive maintenance work orders according to their assigned priority.
- 5.80 Furthermore, when an invoice does identify a date for completion of the work, the 'physical complete' date that is recorded in PTY does not reliably match the date the contractor completed the work as recorded by the invoice.
- 5.81 Poor and untimely recordkeeping increases the risk that trades do not complete jobs or completes them late as well as the risk that iCBR assigns the same job twice. Community organisations reported instances where the same problem was addressed multiple times while other necessary repairs were left unattended. iCBR has no formal procedure for recording or actioning tenant feedback on maintenance activities.



Communication with tenants

- 5.82 In accordance with the reactive maintenance key performance indicators described in Table 5-1, the intake team is required to contact the responsible contractor or tradesperson daily and provide the tenant with an update within 24 hours of their work request. iCBR only established this requirement in the 2024-25 financial year.
- 5.83 A review of PTY records shows that iCBR staff include comments against each work order, including updates and communications. Comments against urgent work orders from 2024-25 show that staff did not consistently record daily contact with tradespeople to seek an update on work, or email updates to requestors after 24 hours.

Work order ageing reports

5.84 Each month, the Director, Intake and Security receives a work order ageing report, which shows reactive maintenance work orders overdue for completion beyond 28 days. iCBR advised a staff member determines why work orders the report identifies by contacting involved parties to investigate and resolve delays. While these reports provide a useful indication of work orders that are significantly overdue, their effectiveness is limited by the requirement for a work order to be outstanding for 28 days before it appears in the report. As a result, staff are unable to identify and follow up overdue tasks promptly once they pass their due date. This delay is particularly inadequate for urgent and priority work orders involving critical issues, such as loss of heating or flooding, where timely action is essential.



5.85 iCBR tracks and verifies reactive maintenance activities in PTY, through the direct confirmation of the completion of urgent works and monitoring of work order ageing reports. However, not all invoices submitted by external suppliers provides a clear indication of when the supplier completed the job and when an invoice does identify a date for completion of the work, the 'physical complete' date that is recorded in PTY does not reliably match the date the contractor completed the work as recorded by the invoice. Under these circumstances iCBR cannot manually verify and report on whether external suppliers completed reactive maintenance work orders according to their assigned priority.



5.86 Each month, the Director, Intake and Security receives a work order ageing report, which shows reactive maintenance work orders overdue for completion beyond 28 days. The usefulness of the report is compromised because tasks only appear once they are significantly overdue, meaning the report does not enable timely follow-up immediately after a due date is missed.

On-site audits

5.87 iCBR undertakes quality assurance of maintenance activities through on-site audits where a staff member visits a facility to examine whether works were completed to an appropriate standard.

5.88 The Intake and Security Team has one full-time employee, the Trade Compliance and Quality Assurance Manager (the QA Manager), who is responsible for planned and reactive maintenance quality assurance activities for approximately 50,000 repair actions across the iCBR portfolio each year. According to the position description for the role, the QA Manager:

Ensures ACT Property Group [now iCBR] delivers a high-quality maintenance and upgrades service to its clients. The role will spend time in the field quality assuring work done by trades...

5.89 iCBR has not developed a risk-based approach to determining which maintenance activities should be subject to audit. The QA Manager decides what maintenance activities should be reviewed based on their personal judgement of risk.

- 5.90 Table 5-2 shows the number of quality assurance activities designed to assess the quality of workplan maintenance completed between 2022 and 2024. iCBR does not keep these records by facility type, which means there is no data on how many audits were conducted on work performed at community facilities.

Table 5-2 Planned maintenance quality assurance activity 2022 to 2024

Activity type	Number performed in 2022-23	Number performed in 2023-24
Workplan audit	1	0
Fire compliance	52	24
Grounds maintenance	65	6
Total	118	30

Source: Audit Office based on iCBR quality assurance activity data.

- 5.91 Table 5-2 shows planned maintenance quality assurance activity decreased from 118 in 2022-23 to 30 in 2023-24. iCBR advised the decrease was due to changed priorities for the QA manager role, which was previously performed by a staff member with other responsibilities, impacting the amount of time that they were able to devote to quality assurance activities.
- 5.92 iCBR records show the QA Manager successfully identified underperformance and flagged maintenance items for rectification through the quality assurance activities. However, iCBR has no clear governance framework or policy to systematically escalate and address issues identified. iCBR staff reported frequent disagreement over who 'owns' issues, resulting in delays actioning and resolving them.
- 5.93 Table 5-3 shows the number of reactive maintenance-related quality assurance activities the QA Manager completed between 2022 and 2024. iCBR did not keep these records by facility type, which means there is no data on how many audits were conducted on work performed at community facilities.

Table 5-3 Reactive maintenance quality assurance activities (2022 to 2024)

Activity type	Number performed in 2022-23	Number performed in 2023-24
R&M [reactive maintenance] Audits	46	164
R&M [reactive maintenance] Investigations	0	6
Total	46	170

Source: Audit Office based on iCBR quality assurance activity data.

- 5.94 Table 5-3 shows reactive maintenance quality assurance activities increased year on year. However, as a percentage of the over 50,000 yearly maintenance activities, the overall rate of activity is low.



5.95 A single Quality Assurance Manager (the QA Manager) is responsible for quality assurance for approximately 50,000 repair actions annually. iCBR has not developed a risk-based approach to determining what activities should be subject to audit. The QA Manager decides what maintenance activities they should review based on their personal judgement of risk.



5.96 Planned maintenance quality assurance activity decreased from 118 in 2022-23 to 30 in 2023-24. Notwithstanding this reduction, the QA Manager identified underperformance and flagged maintenance items for rectification through the quality assurance activities. However, iCBR has no clear governance framework or policy to escalate and systematically address issues identified. iCBR staff reported frequent disagreement over who 'owns' issues, resulting in delays actioning and resolving them.



5.97 Reactive maintenance quality assurance activities increased from 46 in 2022-23 to 170 in 2023-24. However, because iCBR does not track these activities by facility type, there is limited insight into work performed at community facilities. Despite the increase, the overall rate of quality assurance remains low relative to the size of iCBR's property portfolio.



Recommendation 10

Quality assurance of maintenance activities

iCBR should develop a quality assurance policy and associated procedures for the maintenance of its community facilities. The policy and procedures should outline:

- a) the purpose, objectives and scope of quality assurance activities;
- b) a risk-based approach to collecting and analysing performance information, including the factors that determine the level of quality assurance required;
- c) procedures for undertaking and documenting quality assurance activities; and
- d) governance arrangements, including roles and responsibilities and escalation pathways to systematically address issues with maintenance timeliness and quality.

Audit reports

Reports Published in 2026-27	
Report No. 09 - 2026	Road maintenance
Report No. 08 - 2026	Annual Report 2025-26
Reports Published in 2025-26	
Report No. 07 - 2026	Changes to the Territory Plan requirements for the Phillip pool
Report No. 06 - 2026	ACT Corrective Services rostering
Report No. 05 - 2026	Concession, rebate and social support schemes
Report No. 04 - 2026	Implementation of the Carers Recognition Act 2021
Report No. 03 - 2026	University of Canberra financial governance arrangements
Report No. 02 - 2026	Management of the Home Buyer Concession Scheme
Report No. 01 - 2026	Diversity, equity and inclusion in the ACT Public Service
Report No. 07 - 2025	2024-25 Financial Audit Program – Overall Results
Report No. 06 - 2025	Annual Report 2024-25
Report No. 05 - 2025	Specialist assessment services for dementia and cognitive decline
Reports published in 2024-25	
Report No. 04 - 2025	Gaming machine licensee regulation
Report No. 03 - 2025	ACT Government long-term plans and strategies
Report No. 02 - 2025	Energy efficiency standard for rental properties
Report No. 01 - 2025	Management of the Growing and Renewing Public Housing Program
Report No. 14 - 2024	Facilities management and support services for ACT Courts
Report No. 13 - 2024	Invoicing and payments for Digital Health Record hosting services
Report No. 12 - 2024	2023-24 Financial Audits – Financial Results and Audit Findings
Report No. 11 - 2024	Governing boards of selected ACT Government entities
Report No. 10 - 2024	Safer Families Levy
Report No. 09 - 2024	2023-24 Financial Audits – Overview
Report No. 08 - 2024	Annual Report 2023-24
Report No. 07 - 2024	Reusable Facility Services Procurement
Report No. 06 - 2024	Business Transformation Program: ICT renewal activities

These and earlier reports can be obtained from the ACT Audit Office's website at <http://www.audit.act.gov.au>.