

MEDIA RELEASE**22 October 2026**

Management of community facilities

A report by the ACT Auditor-General, **Mr Ajay Sharma PSM**, on the **Management of community facilities** was tabled in the ACT Legislative Assembly today.

Community facilities are important social and public assets that support the delivery of a wide range of services across the Territory. These facilities include community centres, childcare centres, former schools repurposed for community use, cottages and depots.

The audit examined Infrastructure Canberra's management of community facilities leased or licensed to community organisations. It also assessed the effectiveness of Infrastructure Canberra's administration of tenancy arrangements and maintenance activities.

The audit found that Infrastructure Canberra is not managing community facilities effectively.

Key findings include:

- a lack of asset management planning, which increases the risk of poor investment decisions, ineffective maintenance and weak oversight of public assets;
- weaknesses in how Infrastructure Canberra allocates and manages tenancies, which reduces transparency, consistency and fairness; and
- poor maintenance practices, which limit Infrastructure Canberra's ability to demonstrate maintenance is conducted promptly and to an appropriate standard.

Mr Sharma noted that effective management of community facilities is essential to ensuring public assets continue to support community needs and deliver value to the Territory.

The report makes 10 recommendations aimed at strengthening Infrastructure Canberra's management of community facilities, improving governance arrangements, enhancing tenancy management practices and supporting more effective maintenance of public assets.

The summary of **Report 10/2026 Infrastructure Canberra**, with audit conclusions and key findings, is attached to this media release.

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).

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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.

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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.

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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:

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- 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.

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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.

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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.

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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.

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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

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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.