



LEGISLATIVE ASSEMBLY

FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Zed Seselja MLA (Chair), Mary Porter AM MLA (Deputy Chair), Chris Bourke MLA,
Brendan Smyth MLA

STANDING COMMITTEE ON PUBLIC ACCOUNTS

**Inquiry into 2011–12 Annual reports
Treasury portfolio (part 3)**

Responses to questions taken on notice at public hearing of 4 April 2013

QTON # 1
4 April 2013
Inq. into 2011-12
Annual Rpt
Treasury (part 3)

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

QUESTION TAKEN ON NOTICE

4 April 2013



Mr Seselja - Asked the Minister upon Notice on 4 April 2013:

THE CHAIR: You might be able to clarify something for us. I know that in the initial articles of association for ACTEW it did talk about the voting shareholders having a role here. I will just read from it and maybe you can clarify if that was changed at any stage or what the practice is that deviates from what is in the memorandum and articles. Clause 49 of that says:

"Subject to the provisions of any contract between the Company and a Chief Executive Officer or between the Company and an Executive Director the remuneration of a Chief Executive Officer or an Executive Director shall from time to time be fixed by the Directors subject to approval from the Voting Shareholders."

Is that the process that is followed or has that changed? If that has changed, when did that change?

Mr Barr: I would need to take that on notice unless Mr Mackay or Mr Sullivan can provide information.

Mr Barr - The answer to the Member's question is as follows:

The Memorandum and Articles of Association that applied to ACTEW when it was corporatised in July 1996 included the Clause 49 identified in the question.

On 14 January 2000 ACTEW replaced the Memorandum and Articles of Association with a Constitution. Clause 49 was renumbered Clause 57 in the new Constitution but the wording remained the same.

On 28 September 2005 ACTEW made a number of changes to the Constitution, including changing Clause 57 to remove the requirement to obtain the approval of the Voting Shareholders from the process for the determination of the remuneration for the Chief Executive Officer.

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Clause 57 now reads as follows:

"The remuneration of the Chief Executive Officer will be determined by the Board."

The changes to the Constitution were approved at the Annual General Meeting of the company on 28 September 2005 which included the two Voting Shareholders. The Legislative Assembly was notified on 14 February 2006.

Approved for circulation to the Committee.



Andrew Barr MLA
Treasurer

Date: 29.4.2013

QTON # 2
4 April 2013
Ing. in h 2011-12
Annual Rpts
Treasury (part 3)

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

QUESTION TAKEN ON NOTICE

4 April 2013



Dr Bourke - Asked the Minister upon Notice on 4 April 2013:

DR BOURKE: Are you able to tell us any other large corporations which have used the services of this particular consultant?

Mr Mackay: I would have to take that on notice, but there are stacks of them. I am on several, as I say, national boards and I have come across John Egan frequently, with other hats on. He is well regarded.

Mr Sullivan: I think what we can do is provide, from their own web page, their description of the people whom they provide services to. Most of these would not be disclosed by them but they give you a range of whom they consult. They have had a fair bit to do in terms of the commonwealth government's recent review of secretary salaries. They have worked in the government space as well as the ASX space, as well as the private corporations space. They have got a good web site and I will get you that linkage so that you can see their own description of whom they deal with.

Mr Barr - The answer to the Member's question is as follows:

Information on Egan Associates is available on their website at eganassociates.com.au

Approved for circulation to the Committee.


Andrew Barr MLA
Treasurer

Date: 29.4.2013

Authorised for publication



QToW # 3
4 April 2013
Inq. into 2011-12
Annual Rpt
Treasury (part 3)

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

QUESTION TAKEN ON NOTICE

4 April 2013



Mr Smyth - Asked the Minister upon Notice on 4 April 2013:

THE CHAIR: So the government knew on approximately 30 October or within a few days of that date?

Mr Mackay: The ACT bureaucrats knew at that time, yes.

THE CHAIR: Thank you.

MR SMYTH: Who was told in the bureaucracy?

Mr Mackay: There were various people. As I say, there were people in Chief Minister's, there were people attached to the audit office and several others, probably three or four others.

MR SMYTH: Could we have a list of who was told, please?

Mr Sullivan: We will take that on notice.

Mr Barr - The answer to the Member's question is as follows:

I am advised that on 9 November 2012 the ACTEW Company Secretary emailed the following officers advising of the error and sought advice on how to proceed with a corrigendum to correct the 2010-11 ACTEW Annual Report:

The Executive Officer
Workforce Capability and Governance Division
Chief Minister and Cabinet Directorate

With a copy to:
The Senior Manager
Projects and Budgets Branch
Finance and Budgets Division
Treasury Directorate.

Authorised for publication

Approved for circulation to the Committee.



Andrew Barr MLA
Treasurer

Date: 30-4-2013

Q Ton # 4
4 April 2013
Ing. info 2011-12
Annual Rpt
Treasury (part 3)

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

QUESTION TAKEN ON NOTICE

4 April 2013



Mr Smyth - Asked the Minister upon Notice on 4 April 2013:

MR SMYTH: When did you first become aware of this geological fault? My understanding is that there were concerns right at the start about the geology of the site. This fault that required 200 rooms full of concrete—when did you specifically first become aware of that?

Mr Sullivan: We became aware of that towards the conclusion of the laying of the foundation and, if you were aware of it, your partners would never have signed up to the budget as they did. There had been a lot of geotechnical testing done of the site which did not reveal the problem. It was only when the excavation of the right-hand side of the foundation, which is an engineer's right-hand side—it is probably your or my left-hand side—revealed significant geological problems, and then it was chased. It was chased and chased until it was concluded.

MR SMYTH: Can you take it on notice and give us an exact date as to when that became apparent?

Mr Barr - The answer to the Member's question is as follows:

The fault was discovered in late May 2011.

Approved for circulation to the Committee.


Andrew Barr MLA
Treasurer

Date: 21.4.2013

Authorised for publication



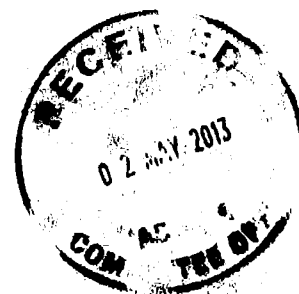
PAC QTON # 5
Treasury point 3
2011-12 Annual Rpt
Public Hearing -
4 April 2013

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

QUESTION TAKEN ON NOTICE

4 April 2013



Mr Smyth - Asked the Minister upon Notice on 4 April 2013:

MR SMYTH: Just another quick question. On page 24 of the annual report I see the arboretum received \$30,000 for Voices in the Forest. Could we have a reconciliation of how much ACTEW has donated both in cash and in kind to the arboretum project since its inception?

Mr Sullivan: Voices in the Forest is a venture coordinated by the Village Building company, which was seen by us as being a community event for sponsorship. Of course, we moved the garden from Weston Creek, on the closure of that garden space, to the arboretum grounds. ACTEW has built a garden. Its discovery garden is now in the arboretum grounds. Other than that we have, of course, provided water services to the arboretum, which we would to any leasehold in Canberra. I will try and get you details. It is how far you spread it out. Some of it is purely the provision of water services—that is, potable water services, not irrigation services, which they do themselves. But potable water and sewerage we provide, as we provide to any leasehold.

Mr Barr - The answer to the Member's question is as follows:

In 2007-08 ACTEW contributed \$75,000 to the establishment of the arboretum.

In 2008-09 ACTEW contributed \$8,400 towards the sculpture "*Bird's Nest*".

In support of the Village Building Company's community event initiative "*Voices in the Forest*" concerts held at the arboretum, ACTEW sponsored concerts held in 2011-12 and 2012-13 at a cost of \$30,000 each.

ACTEW has established the Canberra Discovery Garden at the arboretum. The garden, which was completed in February 2012, replaces the former Xeriscape Garden which was located at the CIT in Weston and closed in 2010. The cost to design and construct the garden was \$1.160 million.

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In kind support to the arboretum includes:

- The donation in 2010 of five unique Grass Trees which were relocated from the enlarged Cotter Dam site to the arboretum.
- During high level water restrictions ACTEW provided access to non potable water across the business and industry sector in the ACT including the arboretum. The water was provided from Lower Molonglo Water Quality Control Centre and the supply cost was free though the users were responsible for covering their own transportation and usage costs.

ACTEW has also facilitated the connection of the Arboretum's water and sewage infrastructure to the ACTEW network, which is consistent with the practice applying to any other development or new site.

Approved for circulation to the Committee.



Andrew Barr MLA

Treasurer

Date: 2.5.2013

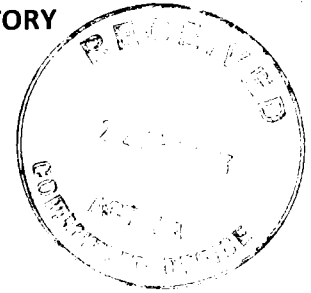
PAC QTON # 6
Treasury part 3
2011-12 Annual reports
Public hearing 4 April 13

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

QUESTION TAKEN ON NOTICE

4 April 2013



Mr Smyth - Asked the Minister upon Notice on 4 April 2013:

DR BOURKE: With this government ownership of ACTTAB, have you had much in the way of community representations around that question which you just raised?

Mr Barr: In the initial feedback, in relation to the terms of reference for the review, it has been very strongly raised that the community benefit and the support that ACTTAB has provided to the Canberra community in a number of different ways, be it in sponsorship at high profile events or support of a number of other organisations over the organisation's history, is an important factor that we need to consider. And we do, because there are a number of organisations and a number of events and activities that simply would not be either at the levels they are now or in existence at all if it were not for the support of ACTTAB. That needs to be acknowledged and it needs to be very much a part of our consideration for the future of the organisation.

MR SMYTH: The report is still due in May?

Mr Barr: I am anticipating that, yes. I will take some further advice on exactly when in that month. Yes, I would be anticipating that time frame, although, again, my preference would be to ensure that all stakeholders have been consulted. If it slips into early June in order to ensure that, I am comfortable with that. I am not suggesting that we want to draw it out any longer, but I do want to ensure that all stakeholders are consulted.

MR SMYTH: The cost of the report?

Mr Barr: I will need to take that on notice. Obviously there will be some costs associated with it, but I will take that on notice.

Mr Barr - The answer to the Member's question is as follows:

The contract amount is \$189,398

Approved for circulation to the Committee.

Andrew Barr

Andrew Barr MLA

Treasurer

Date: 19. 4. 2013

Authorised for publication

Authorised for publication

