



**Government Response to the
Report of the Select Committee on Estimates 2017-18
on the *Inquiry into Appropriation Bill 2017-2018 and
the Appropriation (Office of the Legislative Assembly)
Bill 2017-2018* including the Government Response to
the Pegasus Economics report *Review of the ACT
Budget 201718***

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Treasurer
August 2017**

INTRODUCTION

The 2017-18 Budget is delivering a better Canberra.

This Budget starts delivering the Government's election commitments and investing in Canberra's future. The Government is renovating Canberra's schools, renewing our city's health services, revitalising our town centres, cleaning up our suburbs, and overhauling the Territory's transport system. This Budget delivers more initiatives to help older Canberrans, support local businesses, and attract more visitors to the Territory.

This Budget reinforces the Government's commitment to a fiscal strategy of achieving a strong operating balance over the medium term, offsetting temporary deficits with surpluses in other periods. The Government also continues its commitment to job creation, the delivery of high-quality services to the community, and investing in transformational infrastructure that will support our city's growth.

This Budget continues along the Government's planned path of returning the Budget to balance in 2018-19. This is the fifth budget update which has forecast a return to balance in that financial year, demonstrating a dedicated focus to achieving this goal.

The Select Committee on Estimates (the Committee) presented its *Report on the inquiry into the Appropriation Bill 2017-2018 and the Appropriation (Office of the Legislative Assembly) Bill 2017-2018* on 1 August 2017.

The Government values the role played by the Committee in scrutinising the proposed expenditures in the Budget, and has endeavoured to respond fully to the questions asked of it during the Estimates process.

The Government notes the Committee engaged the services of Pegasus Economics in undertaking an independent and detailed study of the Territory's Budget. The Pegasus Report addressed a wide range of issues relating to the technical components of the Budget. The ACT Government has already provided a response to the Chair of the Select Committee on Estimates 2017-18 regarding the matters raised in that report on 28 July 2017. For ease of reference, the Government's response to the Pegasus Report is presented at [Attachment A](#) to this volume.

The Government thanks the Committee for its Report, which made 158 recommendations on a wide range of issues across all Government portfolios. In its response, the Government has:

- agreed to 59 recommendations;
- agreed in principle to 36 recommendations;
- agreed in part to 10 recommendations;
- noted 43 recommendations; and
- not agreed to 10 recommendations.

One Recommendation (Recommendation 25) has been presented in several components. The Government has not agreed to half of the six components of this recommendation; the remaining three elements have been agreed.

The Government has provided a response to each of the individual recommendations of the Committee, and these are set out below.

RESPONSE TO RECOMMENDATIONS

RECOMMENDATION 1

The Committee recommends that the ACT Government ensure that all budget papers are accessible on its website and that any website problems are resolved as quickly as possible.

Government response

Agreed.

The Government is committed to providing websites and web-based content that can be accessed by the widest possible audience. ACT Government websites aim to conform to Level A (and in parts, Double A) of the Web Content Accessibility Guidelines Version 2, developed by the World Wide Web Consortium. Similarly, the Government also endeavours to provide documentation in a range of formats (for example HTML, PDF and Microsoft Word) to ensure readers are provided with alternatives to suit their accessibility requirements. The majority of ACT Government website pages also provide details as to how to submit feedback regarding website content, and request documentation in alternative (accessible) formats.

Treasury will continue to review the accessibility of its budget documentation, and will investigate options around document structuring with a view to improving ease of use.

RECOMMENDATION 2

The Committee recommends that the ACT Government provide future Select Committees on Estimates with an outline of all Output Classes for the coming budget on an in-confidence basis, including any significant changes, amalgamations or divisions and movements of Output Class across portfolios, to facilitate more accurate, speedy drafting and release of the hearing schedule.

Government response

Agreed.

Briefing (by way of a list or similar) will be provided in relation to significant changes, as suggested by the Committee.

RECOMMENDATION 3

The Committee recommends that future Estimates committees consider restricting opening statements by Ministers to five minutes. If a Minister has more information to convey, that could be done in a written statement.

Government response

Agreed in principle.

This is a matter for the administration of future Select Committees.

RECOMMENDATION 4

The Committee recommends that future Estimates committees consider restricting the duration of responses to questions.

Government response

Noted.

This is a matter for the administration of future Select Committees.

RECOMMENDATION 5

The Committee recommends that the ACT Government publicly report on the Human Services Cluster (Community Services, Health, Justice and Community Safety and Education and Training Directorates); and consider new models of cross-Directorate policy development.

Government response

Agreed in principle.

Cross directorate policy development currently occurs and outputs of this work are reported in Annual Reports.

In particular, the Community Services Directorate will report on progress of the Human Services Cluster activity as appropriate in its Annual Report. A Human Services Cluster Inter-Directorate Committee will meet for the first time on 16 August 2017 and agree a forward program of cross directorate work, including joint policy development and service system reform.

RECOMMENDATION 6

The Committee recommends the ACT Government build the depth of allied health services available through Hospital in the Home to reflect the service availability of a traditional in-patient setting.

Government response

Noted.

Scoping to build allied health services within Hospital in the Home will be undertaken as part of the Territory Wide Clinical Services Framework. Adjustments or additions to the services provided through Hospital in the Home can then be explored in the context of future Budgets and the Government's community-wide health service offerings.

RECOMMENDATION 7

The Committee recommends the ACT Government increases the current land development program to ensure a sufficient supply of land is available to stabilise peaks and troughs of supply.

Government response

Agree in principle.

The ACT Government's Indicative Land Release Program is designed to supply the market with a stable pipeline of land over and above the anticipated level of demand based on demographic growth.

In the long term, the ACT Government will continue its efforts to ensure that there is a planning pipeline of future dwellings through both urban renewal and new land release fronts.

In terms of developing next year's program, the Government will assess supply and demand and market conditions as part of determining the appropriate amount of land for residential release.

It should be noted that the Government's land supply program is currently not the only source of dwelling site releases within the Territory. The CSIRO's planned release of a significant number of housing sites in Canberra's north must also be factored into future land supply and the availability of a suitable mix of housing to ensure choice for Canberrans.

It should also be noted that the Territory's current land release program for freestanding homes is coming after a period of record high land releases.

In the 10 years between 2001 and 2011, the ACT added 7,148 new freestanding homes; but in just the five years between 2011 and 2016, we added 6,988 new homes – almost the same number in half the time.

Over that time, the ACT Government has also significantly increased the supply of apartments, units and townhouses to help build Canberra's density, improve affordability for those seeking to enter the housing market, and improve the mix of housing choices.

RECOMMENDATION 8

The Committee recommends that the ACT Government respond to the Cool Little Capital Report submitted by Music ACT.

Government response

Agreed.

Following the release of the Cool Little Capital Report, the ACT Government conducted a range of consultations on Urban Sounds, events and a City Action Plan which covered many of the issues raised. There is ongoing policy work being undertaken on the range of issues set out in Cool Little Capital.

RECOMMENDATION 9

The Committee recommends that the ACT Government, in consultation with the arts sector, review the adequacy of CPI as a funding growth factor for key arts organisations.

Government response

Noted.

Any changes to funding growth factors, including for service delivery programs other than those specific to arts, will be considered in the context of budget priorities.

The Government notes that agencies that deliver human services through a multi-year Service Funding Agreement receive indexation to meet increasing wage-related and administrative costs. This is a composite of two separate indexation rates – the Wage Price Index and the Consumer Price Index.

RECOMMENDATION 10

The Committee recommends that the ACT Government increase arts project funding to the level promised during the 2016 election.

Government response

Noted.

The Government notes that the More and better jobs – Growing our creative capital initiative provided \$5.396 million over four years from 2017-18 for a range of arts resources across the Territory. Part of this Budget initiative fully funded the 2016 election commitment to provide additional ongoing funding of \$750,000 per year for the arts grants program, as announced on 5 October 2016.

RECOMMENDATION 11

The Committee recommends that the ACT Government continues to fund headspace Canberra over the out years to provide youth mental health services.

Government response

Noted.

The ACT Government is committed to further improvement in the provision of youth mental health services. Funding decisions for future years will be finalised once ACT Health has evaluated the service but the Government intends to fully meet our election commitments regarding youth mental health services over this term of government.

RECOMMENDATION 12

The Committee recommends the ACT Government conduct a review of access to youth mental health services to ensure timely access and continuing support.

Government response

Agreed.

ACT Health will undertake a review into access to youth mental health services provided by Canberra Hospital and Health Services and non-government organisations.

RECOMMENDATION 13

The Committee recommends that the ACT Government develop specific initiatives to address youth homelessness and housing affordability for youth.

Government response

Agreed.

Young people are a key target group for the ACT Government. In 2015-16, 45 per cent of all people who sought support from ACT Specialist Homelessness Services were young people between the ages of 15 and 24. The Government provides \$4.7 million a year for nine programs targeted at youth homelessness, including a specific program for Indigenous youth homelessness. Young people who are homeless or at risk of homelessness have also been identified as a priority group in the National Partnership Agreement on Homelessness 2017-18 and in the work now being progressed to develop a new ACT Housing Strategy.

Community consultations around the public discussion paper 'Towards a new Housing Strategy' have begun, and a Youth Housing and Homelessness Forum was held on 1 August 2017 to obtain input from youth services and workers on these key issues. The outcome of these community consultations and the Housing and Homelessness Summit to be held on 17 October 2017 will help to inform the shape of the new ACT Housing Strategy. Reducing homelessness and increasing affordable rental housing are key government objectives.

While there remains work to do, recent data indicates the number of first home buyers entering the market has improved significantly over the past 12 months. In June 2017, the number of housing finance commitments taken out by first home buyers was 43.1 per cent higher than in June 2016. First home buyers represented 18.9 per cent of all housing loans taken out in June 2017, which is 4.6 percentage points higher than in June 2016.

RECOMMENDATION 14

The Committee recommends that the Standing Committee on Administration and Procedure clarify, by way of a publicly available document distributed to all Members of the Legislative Assembly, precisely what is considered appropriate use of the Office Support Allowance.

Government response

Noted.

This is a matter for the Standing Committee of Administration and Procedure.

RECOMMENDATION 15

The Committee recommends that the ACT Government consider transferring the function of determining staffing budgets for non-executive Members of the Legislative Assembly to the ACT Remuneration Tribunal.

Government response

Not agreed.

The recommended referral of non-executive staffing budgets to the Remuneration Tribunal would represent a significant departure from the established practices and processes observed in the Legislative Assembly since the introduction of self-government in the ACT.

The Chief Minister (of any government) is uniquely placed to determine appropriate staffing levels having regard to specific business requirements and the financial position of the Territory.

The Government is satisfied that the current arrangement whereby the allocations are tabled in the Assembly as a disallowable instrument provides sufficient transparency and will not be referring the matter to the Remuneration Tribunal.

RECOMMENDATION 16

The Committee recommends that the ACT Government adopt meaningful indicators for diversity in the ACT economy.

Government response

Agreed in principle.

The ACT Budget refers to a range of metrics for diversity, including service export growth. The Government will consider what other meaningful and timely indicators can be used to describe economic diversity in the Territory.

It should be noted that the proportional share of public and private activity in the economy is not the only meaningful indicator of diversity. The diversity of activity *within* the public and private sectors also contributes to the Territory's economic stability and potential for future growth.

RECOMMENDATION 17

The Committee recommends that the ACT Government report on diversity in the ACT economy to the Legislative Assembly as part of the Budget and mid-year update.

Government response

Agreed in principle.

The Government already provides advice on a range of economic indicators throughout the year, including in the Budget and Budget Review, which reflect on the performance and diversity of the ACT economy.

RECOMMENDATION 18

The Committee recommends that the ACT Government commit to engaging the community on possible topics for the citizens' jury trial, to ensure that the topic chosen is one that is interesting and meaningful to the community and is therefore good value for money given the roughly \$2.8 million cost of the trial.

Government response

Not agreed.

Community engagement activities, including any pilot deliberative democracy activities, will be determined by the Government and will be managed within CMTEDD Communications. The Government will use the deliberative democracy approach and broader engagement tools to involve the community in significant decisions at key points during the coming term.

In selecting projects for community engagement, the Government will be guided by a range of factors including the scale of community impact and ongoing reform priorities. The engagement program will be forward-looking in seeking to address new and emerging challenges for the Territory, rather than re-examining areas where the Government already has a clear and established policy or approach.

RECOMMENDATION 19

The Committee recommends that the ACT Government provide the ACT Legislative Assembly with a breakdown of the \$7.228 million expenditure on community engagement and coordinated communications in the 2017-18 Budget, which outlines the expenditure on training ACT public service staff in community engagement, hiring community engagement experts, and any other community engagement related expenditure.

Government response

Noted.

As noted in Budget Statement 'B', this is the total budget for a number of activities, including provision of information and protocol services to the Chief Minister, as well as whole of government advice on strategic communication activities, community engagement policies and practices, and general communication activities. This range of activities will be managed within CMTEDD Communications and will be reported upon in the same manner as all other activities, as required by the Annual Report Directions issued under the *Annual Report (Government Agencies) Act 2004*.

RECOMMENDATION 20

The Committee recommends that the ACT Government provide the ACT Legislative Assembly with a breakdown of the \$2.776 million expenditure under 'More and better jobs – Ensuring your views are heard – Deliberative democracy.'

Government response

Noted.

The Government will be making further announcements in the near future regarding this budget initiative.

The majority of this initiative funding is for an in-depth deliberative process and is an estimate of all expenses associated with this, including the development of information and advice which will support a deliberative process. This project will be used to build expertise and knowledge across government to help inform future deliberative engagements.

The remaining component of the initiative funding is to:

- procure an advice paper on whole of government engagement framework and strategy and updating the guidance on community engagement;
- fund a Strategic Engagement team for a 12 month trial to implement the whole of government framework, provide central tools and services, and support directorates as they embed capacity in their existing resources; and
- procure and establish a whole of government Customer Relationship Management system to ensure stakeholder mapping and liaison is undertaken consistently for all key stakeholders.

Community engagement activities, including any pilot deliberative democracy activities, will be reported upon in the same manner as all other activities, as required by the Annual Report Directions issued under *the Annual Report (Government Agencies) Act 2004*.

RECOMMENDATION 21

The Committee recommends that the ACT Government table in the Assembly, the proportion of Aboriginal and Torres Strait Islander people in the ACT Public Service and targets for that employment, by the end of August 2017.

Government response

Agreed in principle.

Information relating to the proportion of Aboriginal and Torres Strait Islander people in the ACT Public Service and targets for that employment will be provided in the 2016-17 State of the Service Report.

RECOMMENDATION 22

The Committee recommends that the ACT Government review the priority and resourcing given to complaints about non-compliance with approved Development Applications and report its conclusions to the relevant Standing Committee during 2017 annual report hearings.

Government response

Not Agreed.

In line with the Access Canberra Accountability Commitment and the supporting Building and Construction Services: Compliance Framework, Access Canberra has adopted a risk-based compliance approach to ensure that resources are targeted to where the risks of harm, unsafe practices or misconduct are the greatest, thereby strengthening capacity to take action where the community, workers and the environment are most at risk.

Access Canberra prioritises its actions based on a range of considerations, including the following:

- conduct that causes harm or risk to life, health or the environment;
- conduct that is systemic and is likely to have a detrimental effect on the community and/or the environment, and
- conduct that demonstrates a blatant disregard for the law.

Development of the Access Canberra Accountability Commitment was informed by stakeholder consultation with feedback indicating overwhelming support for the approach. In early April 2016, the Government formally adopted the Accountability Commitment and frameworks as Access Canberra's new approach to compliance and enforcement. As the Commitment clearly articulates the priority to be given to complaints received, it is not considered necessary to conduct a further review as proposed by the Committee's recommendation.

RECOMMENDATION 23

The Committee recommends that the ACT Government update the Assembly on progress in revising the Memorandum of Understanding between the racing industry and the ACT Government.

Government response

Agreed.

The Attorney-General will inform the Assembly during the 2017-2018 Appropriation Bill debates that he recently, on behalf of the Territory, signed a new five year Memorandum of Understanding with the Canberra Racing Club and the Canberra Harness Racing Club.

RECOMMENDATION 24

The Committee recommends that the ACT Government table in the Assembly a table showing the distribution of grants for each recipient for the ACT racing industry for the 2017-18 Budget and forward estimates.

Government response

Agreed in principle.

The ACT Government will continue to reflect funding appropriation for grants in the ACT Budget Papers. The budget funding to each club, however, is based on an allocation agreed by the Clubs.

RECOMMENDATION 25

The Committee recommends that the annual report in relation to gaming and racing include a section dealing with:

- (a) amounts expended on the transition of the Canberra greyhound racing industry;**
- (b) any amounts spent on related litigation;**
- (c) the purposes for which the expenditure was incurred;**
- (d) amounts collected for the Problem Gambling Assistance Levy;**
- (e) an explanation of what the Problem Gambling Assistance Levy was spent on; and**
- (f) a list of reports commissioned by the Gambling and Racing Commission, the amount paid for each report and the recipient of the payment.**

Government response

Parts (a), (b) and (c) – Not agreed.

The Greyhound Racing Industry Transition Taskforce is being managed within CMTEDD and its activities will be reported on in the same manner as all other activities, as required by the Annual Report Directions issued under the *Annual Report (Government Agencies) Act 2004*.

Parts (d), (e) and (f) – Agreed.

The ACT Gambling and Racing Commission annual report already includes amounts collected for the Problem Gambling Assistance Fund and details of expenditure from the Fund. The report also details research projects initiated and completed by the Commission.

RECOMMENDATION 26

The Committee recommends that the ACT Government provide the Assembly with a response to the Access Canberra report on cash withdrawing facilities in gaming machine venues, including any legislative and regulatory changes, by the end of September 2017.

Government response

Agreed in principle.

The ACT Government is responding to the Access Canberra report on cash withdrawal facilities in gaming machine venues by legislating to introduce limitations on EFTPOS cash withdrawals in clubs with gaming machines. This legislation was introduced by the Attorney-General in the ACT Legislative Assembly in August 2017.

RECOMMENDATION 27

The Committee recommends that the ACT Government include a requirement for clubs to provide a brief plan indicating how funds will be used to diversify their business models in order to be eligible for the one off \$10,000 grant as part of the small clubs assistance package.

Government response

Agreed.

Eligible clubs/club groups will be invited to apply to the Justice and Community Safety Directorate for the Community Club Grant, providing details of how the funds will be used for the purposes of diversification towards alternative income streams. A panel will be established to consider the applications received against set criteria.

RECOMMENDATION 28

The Committee recommends that Transport Canberra and City Services maintain a separate budget line for sportsgrounds facilities management, including line items for:

- maintenance;
- lighting and other user charges;
- irrigation;
- capital upgrades – per project itemised;
- capital expenditure – per project itemised;
- user charges income from sportsground facilities management; and
- employee expenses resulting from sportsgrounds facilities management.

Government response

Agreed in Principle.

Detailed line item budgets for sportsground facilities maintenance, revenue and employee expenses are maintained at a Directorate level. However, these detailed budgets are aggregated for the purposes of reporting. Capital Works and Capital Upgrade expenditure is tracked in accordance with the project descriptions published in the Budget Papers.

RECOMMENDATION 29

The Committee recommends that the ACT Government cease reporting on sport and recreation utilising the AusPlay survey and develop more meaningful and accurate ACT-specific measures.

Government response

Noted.

Movement away from use of AusPlay data would remove the ability for the ACT to be compared with other jurisdictions. The development of an ACT-specific data collection tool would also come at significant cost.

The potential to expand the sample size for the ACT will be explored, as will the applicability of other data sets for reporting purposes for sport, recreation and physical activity.

AusPlay is the largest and most comprehensive survey of its kind ever conducted in Australia. It is the first national survey that collects adult and children's sport and physical recreation participation data on the same annual survey vehicle and is the single-source data currency for government and the sport sector for tracking Australian sport participation behaviours. The custodian of the data is the Australian Sports Commission.

The initial AusPlay findings (January 2017) confirm that ACT participation rates remain the highest in the country, which concurs with all previous data collection on sport and recreation since 2001 (Exercise, Recreation and Sport survey followed by the Australian Bureau of Statistics' Participation in Sport survey). This recent data collection reports that over 280,000 Canberrans aged 15 or over (85.1 per cent) participated in a sport or physical activity at least once a week, and 35.6 per cent of children (under 15 years) in the ACT participate at least twice a week outside of school hours. For adults, the highest reported activity by a large degree is walking (recreational) – the derivation of which is 153,500 Canberrans over 15 years of age walk once a week.

RECOMMENDATION 30

The Committee recommends that the ACT Government set a minimum level of local content for all events facilitated by Events ACT to ensure Canberra based artists and producers benefit directly from government investment in events.

Government response

Noted.

The ACT Government is committed to supporting local performers at its major events. It is not practicable to set targets or a minimum level as the nature and drivers of each event are different. Organisers seek to achieve an appropriate balance in event programming that drives attendance from local, interstate and overseas audiences. Central to this is a desire to include local content as a means of showcasing the best of the Canberra region.

RECOMMENDATION 31

The Committee recommends that, in annual reports, all government agencies report on their interaction with artsACT and the initiatives they implement to encourage engagement of the arts in service delivery.

Government response

Noted.

The *Annual Reports (Government Agencies) Notice 2017* (the Annual Report Directions) was notified in June 2017, and sets annual reporting requirements for the 2016-17 and 2017-18 financial years. Consideration will be given to incorporating a reporting requirement into the next set of Annual Report Directions regarding interaction with artsACT and initiatives implemented to encourage engagement of the arts in service delivery.

RECOMMENDATION 32

The Committee recommends that the Suburban Land Agency, Access Canberra and artsACT coordinate to ensure that the Kingston Arts Precinct is able to operate as an effective outdoor events space while minimising the noise impact upon surrounding residences.

Government response

Agreed in principle.

The ACT Government is committed to ensuring the successful operation of the Kingston Arts Precinct including the outdoor events space.

The Kingston Arts Precinct once developed will have a mixture of private and Government tenure of commercial and residential assets surrounding the events space.

The development of the Kingston Arts Precinct by the winning tenderer will be assessed against statutory planning rules, criteria and directorate comments and conditions for the precinct, use and zoning. The ACT Government will direct the winning tenderer towards the recommendation to minimise noise.

RECOMMENDATION 33

The Committee recommends that the ACT Government update the Assembly twice each year on progress in establishing the Kingston Arts Precinct, including transition arrangements for arts organisations to be located in the precinct.

Government response

Noted.

The ACT Government will use the opportunity for scrutiny provided by the Annual Report hearings process to update Members of the Assembly regarding the progress of the Kingston Arts Precinct. The wider Canberra community will also be kept informed of project milestones through government communications as the project progresses, in line with standard government practice.

RECOMMENDATION 34

The Committee recommends that the ACT Government undertake a review and report to the Assembly on the first five years of implementation of the tax reform transition from stamp duty to rates.

Government response

Noted.

Treasury undertook an analysis of the impact of the first five years of tax reform to inform the package of stage two reforms. This second stage of tax reform was announced as part of the 2016-17 Budget. The analysis showed that in the first five years of reform:

- Inefficient taxes (conveyance and insurance duties) reduced from 24 per cent to 16 per cent of overall tax revenues.
- Conveyance duty amounts reduced by more than 30 per cent for three in four residential properties and half of all commercial property transactions.
- Conveyance duty charged for most residential properties in the ACT is now significantly lower than the national average, and the lowest of all jurisdictions except Queensland's rate for owner occupier properties.
- Insurance duty has been fully abolished, saving a household spending \$3,000 on insurance each year around \$300.
- Average general rates increased by \$452 on average over what they would otherwise have increased in the absence of tax reform.
- The increase in general rates was greater for houses than units over the first stage of tax reform because units have significantly lower average unimproved land values than houses.

More details are available at the treasury website

<https://apps.treasury.act.gov.au/budget/budget-2016-2017/budget-booklets/taxreform/impacts-of-reforms-to-date-stage-1>

The Government will continue to monitor the impact of tax reform as this progresses, including commissioning further research on specific outcomes of the reform to date.

RECOMMENDATION 35

The Committee recommends that the ACT Government adhere to the fiscal strategy to return to a headline net operating budget surplus in 2018-19.

Government response

Agreed.

The Government remains committed to its fiscal strategy and returning the budget to balance in 2018-19. In preparing the 2018-19 Budget, the Government will give consideration to the economic environment, decisions made by the Commonwealth, and other external factors to ensure that it continues to strengthen the ACT economy and grow good, local jobs in the short term, while investing in the longer-term needs of Canberra.

RECOMMENDATION 36

The Committee recommends that the ACT Government seek to maintain a AAA credit rating while providing for the delivery of long-term infrastructure assets.

Government response

Agreed.

The ACT Government will continue to manage the Territory's finances responsibly, and seek to maintain the highest possible credit rating. It should be noted, however, that under current guidance from Standard & Poor's, State or Territory Governments in Australia cannot expect to receive a credit rating assessment that exceeds that of the Federal (sovereign) Government. As such, and with a view to the longer term, the Territory's credit rating is subject to Federal Government fiscal policy, and will be determined, to some extent, by factors that are beyond the Government's control.

RECOMMENDATION 37

The Committee recommends a Parliamentary Budget Office be established for the ACT.

Government response

Noted.

The Government will engage with the Committee to gain a better understanding of the needs that are intended to be met by a Parliamentary Budget Office.

The Government recently considered a Parliamentary Budget Office proposal, and determined that the ACT Legislative Assembly was too small to sustain a Parliamentary Budget Office of the size that would be needed to perform the functions and duties as described in the Committee's report.

It remains the case that only the largest jurisdictions in Australia, namely the Commonwealth, NSW and, most recently, Victoria have Parliamentary Budget Offices. The Commonwealth and Victorian offices are full time and permanent, while the NSW office operates during election periods only.

A properly functioning Parliamentary Budget Office needs to sustain a critical mass of staffing to give it the subject matter expertise and experience required to cover the breadth and diversity of portfolios in a jurisdiction. The largest jurisdictions can achieve that. For example, the Commonwealth and NSW offices operate at an acceptable ratio of around one Budget Office staff member to five parliamentarians, giving them robust sized teams. A similar ratio applied to the ACT would be too small to develop subject matter expertise across all of the portfolios in the Territory.

RECOMMENDATION 38

The Committee recommends that the ACT Government identify in the budget the source of the data used for each Accountability Indicator.

Government response

Noted.

The respective agency budget statements already provide additional information as footnotes to the accountability indicator 'Tables', when such information is considered useful to the reader.

It should be noted that the source of data reported in budget statements is, in almost all cases, the ACT Government as such statements involve reporting on the Government's own activities.

RECOMMENDATION 39

The Committee recommends that the ACT Government consider how to better report the impact of machinery-of-government changes on government expenditure.

Government response

Agreed.

The Government will review how to improve reporting of the impact of machinery-of-government changes on government expenditure. In the 2017-18 Budget, the Government included specific details on the number of staff transferring between directorates as a result of the machinery-of-government changes.

RECOMMENDATION 40

The Committee recommends that the ACT Government provide future Estimates Committees with up-to-date organisation charts for each Directorate, showing output classes linked to organisation structure and any changes arising from the budget, at least two weeks prior to hearings commencing.

Government response

Agreed.

Directorates should endeavour to provide this information wherever possible.

RECOMMENDATION 41

The Committee recommends that the ACT Government publish Work Health and Safety data to give the ACT a comparative ranking by key industries compared to other jurisdictions.

Government response

Agreed.

The Government will publish an annual work safety performance report that accords with the national data set for compensation based statistics, which is a nationally agreed reporting standard managed by SafeWork Australia. The annual report will include industry level data for the ACT and links to the corresponding jurisdictional ranking analysis issued by SafeWork Australia.

RECOMMENDATION 42

The Committee recommends that the ACT Government ensure eligible residents with low electricity bills still receive the full concession, for example by being given the option to choose the utility to which the concession will apply.

Government response

Agreed in principle.

All eligible residents, including those with low electricity bills, will receive the full concession. The concession is applied to the electricity bill as every household receives an electricity bill.

If the eligible resident has an electricity account with ActewAGL, any credit on their electricity account can be transferred to their gas or Icon Water account by contacting the ActewAGL Assist Team. For all other energy providers, the eligible resident can request a refund and use the returned funds to pay their other utilities bills.

RECOMMENDATION 43

The Committee recommends that the ACT Government provide a detailed account of the rationale and modelling for the new arrangements to the Lease Variation Charge, announced in the 2017-18 Budget, in the ACT Legislative Assembly, by the last sitting day in September 2017.

Government response

Agreed in part.

Detailed analysis of case-by-case payments would disclose tax payer information. However, the rationale can be explained at a high level as follows.

Lease variation charges (LVC) on residential leases issued pre-2000 are primarily codified charges listed under Schedule 1, *variations to limit the number of dwellings on a residential lease*. These were charged at \$7,500 for the first three dwelling and \$5,000 for each additional dwelling. These amounts reflected administrative costs rather than increases in market values and were significantly less than the charges applying to other residential leases.

Lease variation charges on residential leases issued post 2000 are primarily codified charges listed under Schedule 2, *residential codified charges*. Under Schedule 2, the codified charges are between \$20,000 and \$180,000 (excluding remissions) per additional dwelling. The Schedule 1 charges were also out of step with non-codified LVC charges, determined on a (value after less value before) basis.

To help affected parties with this transition, the government has agreed to a transition package which means that the previous LVC Schedule 1 fees will apply to properties purchased between 1 July 2016 and 30 June 2017. This is conditional upon the applicant submitting a Development Application (DA) by 30 September 2017, and the DA being lodged with all required information by 30 June 2018.

In cases of lease consolidation where the final property in a consolidation was purchased between 1 July 2016 and 30 June 2017, proponents may also apply to have the previous LVC Schedule 1 fees apply. These requests will be considered by the Treasurer on a case-by-case basis. As above, this arrangement is conditional upon the applicant submitting the DA by 30 September 2017, and the DA being lodged with all required information by 30 June 2018.

These arrangements provide a reasonable transition period for people currently planning developments. This component of the LVC scheme will be subject to an implementation review to be conducted in 18 months' time.

RECOMMENDATION 44

The Committee recommends that the ACT Government postpone the planned \$30,000 per unit change in the Lease Variation Charge until urgent modelling of its impact and consultation with industry is complete. The modelling should consider amongst other things the impact on housing affordability and infill. The Committee further recommends that the change to the Lease Variation Charge should not proceed, or be modified with more gradual introduction and/or a changed rate structure, if it has a significant negative impact on housing affordability, environmental sustainability and infill.

Government response

Noted.

The Government updated the codified Lease Variation Charge required to enable unit titling on certain residential leases to improve the consistency with the 'per unit' charges that apply to other types of residential lease variations. As noted in response to Recommendation 43, the Government has implemented transitional arrangements, negotiated with relevant stakeholders, that will assist in this transition to the new charging structure. An implementation review of the new charge will be conducted in 18 months' time.

RECOMMENDATION 45

The Committee recommends that the ACT Government should not make significant changes to the taxation system without public consultation and modelling of the impacts of the change. This modelling should not just include financial impacts.

Government response

Noted.

In general, the Government does not consult on specific budget deliberations; tax schedules are also usually updated every year without consultation. Before embarking on significant reform — such as those being made to the whole taxation system through the ACT tax reform program — the ACT Government undertook significant modelling, analysis and public consultation. This is evident in the detailed ACT Taxation Review and associated public engagement, and is available on the Treasury website at <https://apps.treasury.act.gov.au/publications>.

RECOMMENDATION 46

The Committee recommends that the ACT Government design and implement a phased program, with clear milestones, to place specialised workplace IT applications on a more stable and secure footing, to ensure: improved security; better ability to maintain the currency of installed software; and greater independence from software vendors.

Government response

Agreed in principle.

The Government will undertake a progressive program of related projects that will utilise standardised solutions to ensure the stability, maintainability and ongoing currency of workplace IT applications. The program will incorporate contemporary security management practises that are appropriate to government operations and the specific sensitivities of government information and services. All such investments will be subject to cost-benefit analysis, and future funding decisions will be considered in the usual way in the budget process.

RECOMMENDATION 47

The Committee recommends that the ACT Government list on the ACT Government Notifiable Invoices Register all payments above a value of \$25,000 by Icon Water.

Government response

Not agreed.

As a Territory-owned Corporation, Icon Water is separate from the direct arm of government and is not subject to the *Government Procurement Act 2001*. This places Icon Water on the same footing as Government-owned companies in other jurisdictions.

RECOMMENDATION 48

The Committee recommends that the notifiable invoices register be published in an online searchable format.

Government response

Agreed.

This has already been implemented (commencing in July 2017) with the publication of the data on the ACT Government Open Data Portal at <http://www.data.act.gov.au>.

RECOMMENDATION 49

The Committee recommends that the ACT Government reduce the threshold on the Notifiable Contract Register to \$12,500.

Government response

Not agreed.

This recommendation would create a significant administrative burden if implemented. The current threshold aligns with the Government Procurement Regulation, which requires a three quote process for procurements with a total value over \$25,000. This disconnection would make compliance more difficult. Most significantly, however, is the provision within the *Government Procurement Act 2001* (the Procurement Act) for suppliers to seek removal of commercially sensitive text (Confidential Text) from publicly notified contracts. A large proportion of procurements below \$25,000 are conducted as a single quote and will utilise purchase orders or general suppliers' terms and conditions, commonly from SMEs. The process to negotiate and agree the removal of confidential text will add a high burden to these suppliers, particularly relative to the value of the work/order.

RECOMMENDATION 50

The Committee recommends that the ACT Government introduce amendments to the Government Procurement Act 2001 which, if passed by the Legislative Assembly, would provide that payments for reimbursements, and payments for property that meet the notifiable invoice threshold would be listed in the Notifiable Contract Register.

Government response

Noted.

Currently the Procurement Act does not apply to the grant of a licence or lease of land, or the sale of a lease of land, under the *Planning and Development Act 2007*. The application of the Procurement Act to these transactions would be a significant change to current practice and may be impractical. It may be more feasible to introduce the requirement to the relevant legislation.

RECOMMENDATION 51

The Committee recommends that the ACT Government provide an assessment of what the cost would be of providing HR, IT and accounts payable services to Icon Water through the Shared Services, in comparison with Icon Water's current agreement with ActewAGL, to the Committee.

Government response

Not agreed.

Shared Services is not equipped to provide a major portion of the services provided by ActewAGL to Icon Water, particularly customer-facing services like billing and meter reading. Nor does Shared Services provide general security, legal, technical, regulatory or treasury services.

The operating and service delivery models of Shared Services and ActewAGL are very different. Although Shared Services does provide a level of human resources support, the actual strategic human resources functions are managed separately within each directorate. Similarly, in relation to IT, Icon Water has specialised requirements that cannot be easily or efficiently provided by Shared Services such as those for customer billing and water and sewer asset telemetry.

Shared Services would incur significant costs and require a long lead time to obtain the required resourcing, including adequately trained staff and the required IT platforms to support a broader range of services.

It is relevant to note any potential change to the existing arrangements between Icon Water and ActewAGL would need to take into consideration any existing rights including potential compensation payments if the scope of services provided to Icon Water since the joint venture partnership was first established in 2000 were terminated before the expiry date.

Finally, Shared Services does not operate on a fully commercial basis. It does not have the systems or historical capability to bid for contracts for services outside of the core of the ACT Government. Developing such systems would require a significant investment of resources.

RECOMMENDATION 52

The Committee recommends that ACT Government request advice from the Auditor-General on the constitution and functions of internal audit committees for government agencies and associated entities.

Government response

Agreed.

RECOMMENDATION 53

The Committee recommends that the ACT Government provide a full and complete account of Icon Water’s organisational structure and arrangements to the Legislative Assembly, by the end of November 2017.

Government response

Agreed.

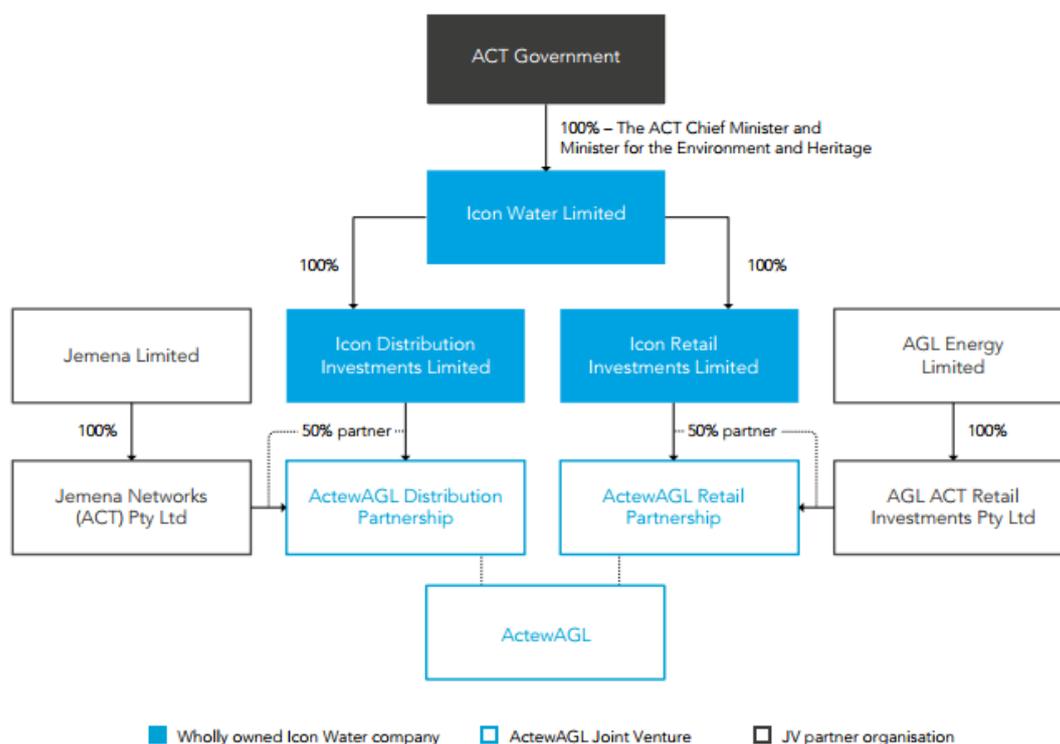
Icon Water Limited is an unlisted public company owned by the ACT Government. Icon Water has two Voting Shareholders: the Chief Minister and the Minister for the Environment and Heritage.

Icon Water is the ACT’s supplier of water and sewerage services and suppliers of bulk water to Queanbeyan and is governed by the *Corporations Act 2001* and the *Territory-owned Corporations Act 1990*.

Icon Water is a 50 per cent owner in ActewAGL, the provider of electricity and gas services to the ACT and surrounding regional NSW centres. Icon water has two subsidiary companies: Icon Distribution Investments Limited and Icon Retail Investments Limited.

ActewAGL consists of two partnerships, both of which are half owned by Icon Water. AGL Energy Limited, a subsidiary company of AGL, is currently Icon Water’s equal partner in the ActewAGL Retail Partnership. Icon Water is represented by Icon Retail Investments Limited, a wholly owned subsidiary of Icon Water.

Jemena Networks (ACT) Pty Ltd, which is jointly owned by State Grid Corporation of China and Singapore Power, is currently Icon Water’s equal partner in the ActewAGL Distribution Partnership. Icon Water is represented by Icon Distribution Investments Limited, a wholly owned subsidiary of Icon Water. The ownership structure of Icon Water is illustrated in the organisational diagram below.



RECOMMENDATION 54

The Committee recommends that the ACT Government provide the Legislative Assembly with full and complete copies of contracts for ActewAGL to provide shared services to Icon Water, by the end of November 2017.

Government response

Agreed in part.

Icon water operates as a commercial entity and its Shareholder Ministers only provide approval for significant decisions such as major asset purchases and board appointments. Having members of the ACT Government make decisions about operational matters such as the release of these contracts would run counter to the long-term practice of requiring the Board and Management to operate on a commercial footing.

Icon Water has been unable to obtain agreement to the full and complete release of the requested contracts from the relevant third-party provider. The Government has therefore asked Icon Water to consider a partial release of the documents to the full extent that can be agreed by the respective parties. On 3 August 2017, the Treasurer wrote to Icon Water requesting the agreements be reviewed at the next board meeting to consider what information can be publicly released.

RECOMMENDATION 55

The Committee recommends that the ACT Government provide the Legislative Assembly a full and complete account of any bonuses received in connection with contracts for ActewAGL to provide shared services to Icon Water, by the end of November 2017.

Government response

Noted.

The Government is unaware of the details of negotiations for, or the full content of, these contracts between Icon Water and ActewAGL. These operational contracts are not within the scope of matters that Shareholder Ministers are consulted on or provide approval for. Rather, they are operational matters that are the responsibility of Icon's board and management team.

RECOMMENDATION 56

The Committee recommends that the ACT Government perform research and analysis on contracts for ActewAGL to provide shared services to Icon Water to ensure that best value for money is being achieved as a result of these contracts, consistent with best results if the services were put to market, to be provided to the Legislative Assembly, by the end of December 2017.

Government response

Noted.

The information provided in response to Recommendation 51 is relevant.

These contracts, which run until 2023, largely reflect existing long-standing agreements that were a feature of the integrated multi utility model adopted when the joint venture partnership was first established in 2000.

The shared provision of services enable economies of scale to be achieved across Icon Water and ActewAGL. Under these arrangements a portion of ActewAGL's staff form a common corporate centre for services to Icon Water as well as both the Retail and Distribution partnerships - such as payroll, IT systems, legal, treasury, human resources and so on. These service arrangements bring access to a large corporate memory and economies of scale that would be diluted or lost if the scope of services to Icon Water were reduced as part of a restructure.

On 3 August the Treasurer wrote to Icon Water on behalf of the Shareholder Ministers to reiterate the Government's expectations regarding contestability and value for money. The Treasurer requested Icon Water's board and management take steps to determine whether the current arrangements continue to represent best value for money in advance of any new contract being signed in 2023.

RECOMMENDATION 57

The Committee recommends that the ACT Government provide clarification of the relationship between Icon water and ACTEW AGL and in particular how the Assembly can have oversight of these bodies.

Government response

Agreed.

Icon Water and ActewAGL are separated from the direct functions of government within certain constraints depending on the extent of their ongoing government ownership. Similar to Government owned companies throughout Australia they operate under structural arrangements and commercial incentives that resemble those that apply to private firms, which are in keeping with the Competition Principles Agreement including competitive neutrality.

In relation to the relationship between Icon Water and ActewAGL, Icon Water is a 50 per cent owner of ActewAGL, through its wholly owned subsidiaries. Icon Retail Investments Limited (IRIL) is a 50 per cent partner with AGL in the ActewAGL Retail Partnership. Icon Distribution Investments Limited (IDIL) is a 50 per cent partner with Jemena in the ActewAGL Distribution Partnership.

Icon Water and its subsidiaries (IRIL and IDIL) are subject to the *Corporations Act 2001 (Cwlth)* and the *Territory-owned Corporations Act 1990 (TOC Act)* provides additional governance and reporting mechanisms.

The TOC Act contains particular provisions in order to maintain public accountability including oversight by the Assembly, which are summarised as follows:

- The Assembly must be notified if a company becomes a TOC or subsidiary.
- The Assembly must be notified if there is a change in the Voting Shareholders who must be Ministers.
- The Voting Shareholders must not appoint a director of a TOC or subsidiary until they have consulted with the Public Accounts Committee.
- A TOC must not dispose of a main undertaking or cause a subsidiary company to cease unless approved by the Assembly.
- The Assembly must be notified if a TOC is issued with a direction by the Voting Shareholders.
- The Auditor-General must be the auditor of the companies.
- A TOC must prepare an annual Statement of Corporate Intent and an Annual Report which must be tabled in the Assembly.

Icon Water and ActewAGL are also subject to independent price regulation to ensure prices are prudent and efficient. Icon Water also regularly attends Public Accounts Committee and the Estimates Committee hearings, participates in other Assembly inquiries from time to time, and provides information to questions raised in the Assembly, responds to Ministerials, and on many occasions has met to provide separate briefings to MLAs on particular issues.

In pursuing the privatisation of ACTEW Corporation the former Carnell Government settled on the ActewAGL joint venture partnership with its attendant governance arrangements, and which is one step further removed from government.

In terms of governance, the ActewAGL joint venture is managed by a Partnerships Board consisting of six members, three of whom are appointed by Icon Water and three by the other two partners. The Partnerships Board members are directors or senior executives of their respective companies.

All decisions by the Partnerships Board must be made unanimously and the representatives are required to act in the best interests of the businesses of both partnerships, not the separate interests of either partnership or any partner, or the ACT Government.

RECOMMENDATION 58

The Committee recommends that the ACT Government provide an updated cost of living statement, incorporating updated electricity and gas retail prices for the 2017-18 year.

Government response

Agreed in part.

The costs and benefits reported in the Cost of Living Statement are determined based on best available information at a point in time. As fees, charges and concessions may change throughout the year, the Statement is revised in each Budget.

In this instance, due to significant increases in electricity and gas prices (which were higher than public reports available at the time of the 2017-18 Budget) the Government provides the following update for the utility charges in the 2017-18 Cost of Living Statement. As noted in the 2017-18 Budget, fees for utilities are not set by the Government and these increases are outside Government's direct control.

Household	Cost of Living Statement utility fees \$	Variance from the 2017-18 Budget \$
Ibrahim and Sadaf	3,817.96	370.06
Samantha and Kelly	4,330.07	323.12
Carol and Warren	2,849.26	136.01
Helen and Samuel	5,699.29	433.06
Mary	1,481.15	107.51

The revised assumptions for utility fees for this updated statement are:

- electricity prices increase by 18.95 per cent, consistent with the Independent Competition and Regulatory Commission's (ICRC) final decision for 2017-18;
- gas prices increase by 17.3 per cent, as announced by ActewAGL Retail, the largest residential natural gas retailer in the Territory; and
- water prices increase by 2.7 per cent and sewerage services by 1.5 per cent, consistent with the ICRC's final decision for 2017-18.

RECOMMENDATION 59

The Committee recommends that the ACT Government ensure that future Budget Papers include the National Efficient Price for the provision of health services.

Government response

Agreed.

Future Directorate Budget Statements will include the National Efficient Price for the provision of health services.

RECOMMENDATION 60

The Committee recommends that the ACT Government ensure accountability indicators include the cost of care as well as National Weighted Activity Units for each accountability item and for each hospital.

Government response

Noted.

The ACT Government will consider this recommendation in future reporting, noting that not all accountability indicators relate to National Weighted Activity Units.

RECOMMENDATION 61

The Committee recommends that the ACT Government ensure future Budget Papers provide an explanation of National Weighted Activity Units for the provision of health services.

Government response

Agreed.

Future Directorate Budget Statements will provide an explanation of National Weighted Activity Units for the provision of health services.

RECOMMENDATION 62

The Committee recommends that the ACT Government update the ACT Legislative Assembly on the issues that cause a deviation from the National Efficient Price by November each year.

Government response

Agreed.

The Government will provide an update on ACT performance relative to the National Efficient Price in the ACT Health Directorate's Annual Report.

RECOMMENDATION 63

The Committee recommends that the ACT Government regularly update the ACT Legislative Assembly on measures to, and progress on, narrowing the gap between the National Efficient Price and ACT-wide cost of care.

Government response

Agreed.

The ACT Government will continue to update the Legislative Assembly annually through existing mechanisms including the ACT Budget, Annual Reports and performance reporting.

RECOMMENDATION 64

The Committee recommends that the ACT Government review the accountability indicators for Output 1.4 (Cancer Services) to cover more services than breast screening services alone, and that they include more meaningful background information and longer-term targets.

Government response

Agreed.

The ACT Government routinely reviews its accountability indicators to ensure they remain relevant. It should be noted that Breast Screen activity targets are set nationally so it is difficult to provide longer term targets. The National Cancer Expert Reference Group has developed a number of Optimal Care Pathways for cancer care. This group plans to develop a number of indicators based on these pathways. As these are developed and implemented, ACT Health will consider the value of their inclusion in Output 1.4.

RECOMMENDATION 65

The Committee recommends that the ACT Government provide a plan to the Legislative Assembly for how the Surgical Procedures Interventional Radiology and Emergency (SPIRE) Centre will be built and opened by 2023.

Government response

Agreed in principle.

The 2017 Budget provided an initial provision for investment in the delivery of this significant new health facility, with further funding allocations to be confirmed and provided in future budgets. The Government will provide further advice to the Assembly on planning for the SPIRE Centre as the planning and scoping work funded through this year's budget is progressed.

RECOMMENDATION 66

The Committee recommends that the ACT Government update the ACT Legislative Assembly on progress on establishment of the Office of Mental Health by the last sitting day in September 2017.

Government response

Agreed.

The Minister for Mental Health will provide an update to the ACT Legislative Assembly by the last sitting day in September 2017 (by 21 September 2017).

RECOMMENDATION 67

The Committee recommends that the ACT Government report to the Assembly twice per year on the progress being made on, and specific outcomes achieved by, the directorate-wide reform agenda currently headed by the Director of Quality.

Government response

Agreed in part.

The ACT Government will report to the Assembly on ongoing reform and performance through existing mechanisms, and will include an update on quality, governance and risk issues.

RECOMMENDATION 68

The Committee recommends that the Justice and Community Safety Directorate publish the reasoning behind the setting of accountability indicators.

Government response

Noted.

JACS' accountability indicators are developed in line with the criteria set out in CMTEEDD's *Guide to the Performance Management Framework*. The statutory performance reporting for these indicators are in accordance with the requirements as outlined in the Section 30A to 30E of the *Financial Management Act 1996*.

RECOMMENDATION 69

That the ACT Government support specific primary and secondary prevention strategies to tackle the root causes of family and personal violence.

Government response

Agreed.

Preventing domestic and family violence (DFV) is a long term and intergenerational endeavour requiring action in multiple settings. There are multiple factors which contribute to the incidence of DFV. These factors are complex and often lie in culture, legislation, policy and practice beyond the domestic and family violence sector. *Change the Story: A shared framework for the primary prevention of violence against women and their children in Australia* (the Framework) recognises the complexity of DFV and, in particular the gendered drivers of violence against women. Developed under the *National Plan to Reduce Violence against Women and their Children 2010-2011*, the Framework provides the strategic direction for the ACT Government in its DFV prevention activity.

The 2016-17 ACT Government Budget allocated \$21.4 million over four years to address family violence in the ACT. The 2017-18 ACT Government Budget extended this commitment to \$23.5 million over four years. Prevention and early intervention are embedded in a number of existing and new measures. Some examples of measures that address prevention or early intervention under the Safer Families agenda include:

- \$2.2 million over four years from 2017-18 to pilot a Family Safety Hub. Priorities emerging for the Hub include improving early identification of people at risk and creating opportunities for early intervention;
- \$770,000 over three years from 2016-17 to improve awareness, understanding and capability of the Government front-line workforce to respond to violence;
- \$2 million over four years from 2016-17 to fund the alcohol and other drugs sector to build capacity to deliver programs that integrate best practice in family violence prevention and early intervention;
- \$850,000 from 2016-17 for the Justice Reinvestment Trial, which was launched in partnership with Winnunga Nimmityjah Aboriginal Health Services to deliver a family focused approach to reducing the over-representation of Aboriginal and Torres Strait Islander people in the justice system; and
- \$964,000 over four years from 2016-17 to establish Room4Change which is an innovative program supporting women and children to stay safely in the home while providing therapeutic interventions for perpetrators or people at risk of using violence.

There are existing commitments or activities that are being implemented outside the Safer Families funded measures that have a prevention or early intervention focus. Some of these include the work the ACT Government is doing around the 16 Days of Activism against Gender-Based Violence Campaign, and the ACT Government commitment to have all Directorates accredited with White Ribbon. The ACT Government has a history of partnering with the community to develop strategies for primary prevention of violence activity—this activity has been funded through the ACT Women’s Grants Program since 2015-16. Some examples of gender-equity promotion and primary prevention of violence activities funded through this grants program include:

- production of pamphlets and workshops in the Chinese language in the area of the prevention of violence against women and children;
- lunch time educational sessions within the construction, building and automotive industries in the Canberra region with the aim of the prevention of domestic and family violence;
- a project targeted towards children and young people to develop skills in communication, problem solving and relationship building with the aim of the prevention of domestic and family violence;
- support for the participation of year nine and ten students in the YWCA leadership program ‘She Leads High Conference’ to empower young women to take on leadership and decision making roles;
- the development of two videos featuring women, children and men from a diverse range of backgrounds and sectors of the Canberra community that explain why it matters how we speak about intimate partner and family violence;
- a prevention of intimate partner and sexual violence in LGBTIQ communities project utilising a bystander approach to prevention; and

- a project to provide online training for workers in the disability sector to understand the nature and effect of violence on women with disabilities, how to identify if women may be victims of violence, as well as how to assist them to improve the safety of women with disabilities in group accommodation settings and the wider community.

The ACT Government is an active member of the Australia's National Research Organisation for Women's Safety (ANROWS) and Our WATCh, contributing both financially as well as providing expertise to the national work they perform in the areas of prevention, early intervention and research relating to DFV.

RECOMMENDATION 70

That the ACT Government establish accountability targets for specific prevention and early intervention measures relating to family and personal violence and report on these to the Assembly quarterly.

Government response

Agreed in part.

The ACT Government agrees to the recommendation to establish accountability targets for specific prevention and early intervention measures, however, does not agree to quarterly reporting of such measures.

The effectiveness of domestic and family violence initiatives, particularly those relating to prevention, should be viewed as a long-term activity. For that reason, any measure of effectiveness of DFV initiatives would need to occur after a significant period of time has passed, following full implementation of each of the funded measures.

According to *Change the Story: A shared framework for the primary prevention of violence against women and their children in Australia*, measuring success of DFV initiatives requires a focus on long-term outcomes as well as regular monitoring and assessment in the short term. To this end, the ACT Government is committed to regular detailed and robust reporting against the Safer Families Levy in the Budget Papers and an annual statement to the Assembly by the Minister for Prevention of Domestic and Family Violence. The ACT Government is working with agencies (government and community) responsible for delivering the Safer Families initiatives, to plan for the measurement of outcomes. It is expected this will provide a meaningful picture of the impacts and merits of each initiative for children, women and men.

RECOMMENDATION 71

That the ACT Government provide a detailed breakdown of expenditures in the Safer Families package, clearly identifying funds used for prevention and early intervention and those used for crisis response.

Government response

Agreed in principle.

Caution needs to be taken when classifying initiatives as prevention, early intervention or crisis response, as one initiative may have multiple outcomes. For example an initiative to train health professionals to better recognise and respond to people experiencing DFV might fall into the categories of early intervention, crisis response and cultural change. Early intervention would occur if a health professional identifies a woman who is at risk of experiencing violence, however, it would be a crisis response if the woman presents to the health professional having been assaulted. Cultural change stems from increased awareness and identification of DFV, which is facilitated through training the health professional.

The Safer Families package was funded in 2016-17 and then expanded in 2017-18. While the majority of the Safer Families initiatives can be categorised as prevention and early intervention or crisis response, several of the initiatives were funded to drive change in the system or to make policy or legislative improvements. These have been categorised as cultural change and system improvements.

Initiative name	2017-18 Budget \$'000
Prevention and early intervention	
Early intervention	411
Early assistance for families at risk of violence	351
Trauma Understanding and Sensitive Teaching (TRUST) project	60
Workforce capability	1,007
Training in domestic violence for frontline workers	507
Support and referral through specialist drug and alcohol treatment services	500
Crisis response	
Improving policing and justice system response	1,684
Stronger police support for family violence victims	295
Implementation of the Joint Australian Law Reform Commission and NSW Law Reform Commission Report on Family Violence	347
Stronger criminal justice responses	366
Improved access to Legal Aid	296
Enhancing access to justice for non-English speakers	380
Crisis support	393
Support for women and children to leave violence	85
Additional resources for the Domestic Violence Crisis Service	205
Additional resources for the Canberra Rape Crisis Centre	103

Cultural change and system improvements	
Service coordination, integration and strategic improvement	2,201
Family Safety Hub Pilot	455
Safer families team/Improving Information Sharing/Risk Assessment Tool	719
Integrated case management	1,027
Better protections for children	924
Reportable conduct scheme for employees	282
Enhanced child protection case management and coordination	642

RECOMMENDATION 72

The Committee recommends that Office of the ACT Director of Public Prosecutions be excluded from the application of the efficiency dividend, and that all programs in this area be maintained or expanded as required to achieve the stated policy outcome.

Government response

Noted.

This will be considered in the context of the review of the Director of Public Prosecutions resources and future budget processes. All agencies are expected to continue to identify efficiencies in their operations to ensure the public are provided with value for money outcomes in the delivery of public services.

RECOMMENDATION 73

The Committee recommends that the ACT Government seek submissions from the ACT Director of Public Prosecutions as to the funding required to attract and retain senior prosecutors and special provision be applied to achieve this aim.

Government response

Agreed in principle.

The current review of the Director of Public Prosecutions' resources will consider feedback from the Director of Public Prosecutions.

RECOMMENDATION 74

The Committee recommends that the ACT Director of Public Prosecutions be authorised to prepare and present its own budget submissions, independent of the Justice and Community Safety Directorate.

Government response

Noted.

This will be considered in the context of the review of the Director of Public Prosecutions' resources and future budget processes.

RECOMMENDATION 75

In light of calls from the Prime Minister for nationwide review, the Committee recommends that the ACT Government undertake a full review of the operation of bail laws in the ACT, and update the Assembly by the last sitting day in 2017.

Government response

Noted.

In the ACT, the *Bail Act 1992* operates effectively and appropriately within the criminal justice framework.

Over recent years the ACT has undertaken a number of reviews of our bail laws.

Remanding people in custody should be used as a last resort in carefully confined circumstances, with a focus on reasonable and proportionate risk management. All bail decisions in the ACT must be made by a police officer, magistrate or judge.

At the June Council of Australian Governments (COAG) meeting all state and territory first ministers agreed to ensure there will be a presumption that neither bail nor parole will be granted to those persons who have demonstrated support for, or have links to, terrorist activity.

This commitment is being progressed through the Australia-New Zealand Counter Terrorism Committee in preparation for a special COAG meeting focused on terrorism related issues in October 2017.

RECOMMENDATION 76

The Committee recommends that the ACT Government start collecting information and statistics on offences committed by those who were subject to either bail or parole orders.

Government response

Agreed in principle.

The ACT Government is progressing a significant body of work to implement new information management systems including: the Integrated Case Management System for the ACT Law Courts and the Corrective Services Information Solution for ACT Corrective Services. This will see significant improvements in the way information is recorded and available for reporting and other purposes.

RECOMMENDATION 77

The Committee recommends that the ACT Government commit to transparent and accurate record keeping in terms of staffing numbers across the ACT Public Service.

Government response

Agreed.

Information on staffing allocations is included in Budget Paper 3 and detailed staffing data is published annually through the State of the Service Report.

RECOMMENDATION 78

The Committee recommends that the ACT Government report in the budget on the number of potentially excess staff resulting from budget measures or machinery of government changes.

Government response

Noted.

Note that information on staffing allocations is included in Budget Paper 3.

RECOMMENDATION 79

The Committee recommends that the ACT Government provide the Assembly with updated figures on the executive expenses of the newly merged structure of the Human Rights Commission before the end of the last sitting period in August 2017.

Government response

Agreed.

RECOMMENDATION 80

The Committee recommends that the ACT Government set targets for, and report on, the number of Aboriginal and Torres Strait Islander participants in the Throughcare program.

Government response

Agreed.

ACT Corrective Services already has a target for 90 per cent participation by sentenced Aboriginal and Torres Strait Islander detainees in the Extended Throughcare program by 2017, set in the Aboriginal and Torres Strait Islander Justice Partnership 2015-2018.

ACT Corrective Services currently reports on performance against this target to the Aboriginal and Torres Strait Islander Elected Body. This information will be provided in JACS annual reporting from 2017-18.

RECOMMENDATION 81

The Committee recommends that the ACT Government immediately address the lack of dedicated accommodation in the Alexander Maconochie Centre for the growing number of women detainees.

Government response

Noted.

ACT Corrective Services is currently reviewing accommodation usage within the Alexander Maconochie Centre to better meet the needs of female detainees in the short to medium term.

The 2017-18 Budget provided funding for a feasibility study to consider future accommodation needs. The needs of female detainees is the first priority for the feasibility study.

RECOMMENDATION 82

The Committee recommends that the ACT Government advise the Assembly as to any plans for expanding or altering the accommodation of the Alexander Maconochie Centre for women detainees.

Government response

Noted.

The ACT Government will advise the Assembly of any expansion or significant alteration to the accommodation for women detainees in the Alexander Maconochie Centre as required.

Given that operational requirements can and do change frequently it may not always be possible to advise of changes in advance of operationalisation.

RECOMMENDATION 83

The Committee recommends that the ACT Government implement, as a matter of priority, industry and educational programs for the women detainees in the Alexander Maconochie Centre.

Government response

Agreed.

Industry and educational programs are already available to women detainees in the Alexander Maconochie Centre. As provided to the Assembly on 10 April 2017 in response to a question on notice, approximately 88 per cent of eligible female detainees were in education and training for the 2015-16 financial year.

A review of accommodation usage within the Alexander Maconochie Centre is currently underway for women detainees and a key consideration in this process is the access to industries and education.

RECOMMENDATION 84

The Committee recommends that the ACT Government ensures that access to training and support programs for female detainees at the Alexander Maconochie Centre is at least equal to that of the male detainees.

Government response

Noted.

The needs of male and female detainees in custody can be very different, so the number of programs available to men and women may be very different as these are tailored to address criminogenic factors. The ACT Government is committed to providing training and support programs for women according to need. This must be balanced with the implications for resourcing, maintaining separation of male and female detainees, and the safety and security of detainees and the community.

RECOMMENDATION 85

The Committee recommends that the Attorney-General provide the ACT Legislative Assembly with an update on progress of the courts construction project by the last sitting day in August 2017.

Government response

Agreed.

The Attorney-General will table an update in the ACT Legislative Assembly.

RECOMMENDATION 86

The Committee recommends that the ACT Government report to the Assembly on the new organisational standard procedure on providing portable toilets and other sanitation and health basics at fire sites.

Government response

Agreed.

The ACT Government provides the following information to the Assembly on providing portable toilets and other sanitation and health basics at fire sites.

An internal Emergency Services Agency (ESA) working group, including officers from each of the emergency services, was established to develop a whole-of-organisation Standard Operating Procedure for the provision of toilet facilities at emergency incidents.

The internal working group has finalised a whole-of-ESA procedure to strengthen procedures currently in place within each of the emergency services.

The ESA procedure gives Incident Controllers guidance when determining the circumstances under which toilet facilities will be provided at an emergency incident. This includes guidance on whether to deploy ACT Fire & Rescue's Decontamination Platform on Demand (POD) (which contains a toilet and showers) or portable toilets.

In making this decision, the Incident Controller may take into account matters such as the location, size, scale, and complexity of the emergency incident, and whether any facilities are already available at or near the Staging Area or Forward Command Point.

RECOMMENDATION 87

The Committee recommends that the ACT Government advise the Assembly as to the timeline for the Emergency Services Agency to acquire a fully operational aerial pumper, a crew to operate the aerial pumper, and an estimated budget.

Government response

Agreed in principle.

The Government is committed to providing an additional aerial pumper appliance during the term of this Assembly. The Government is taking advice from the ACT Emergency Services Agency on the most appropriate way to progress this important initiative and will make announcements in due course.

RECOMMENDATION 88

The Committee recommends that the ACT Government works with the owners of the Ginninderry development and Dr Jason Sharples to reassess the bushfire risk at the Ginninderry site and undertake the necessary planning adjustments in response to the findings of Dr Sharples' 2017 report.

Government response

Agreed in principle.

The Ginninderry Project is a Joint Venture between the ACT Government and Riverview Developments. The Ginninderry project bushfire management measures have been developed on the basis of the standards set by ACT and NSW emergency services agencies and are considered to be best practice.

In particular, the bushfire risk of the Ginninderry site was assessed against the Australian Standard for Construction of Buildings in Bushfire Prone Areas (AS3959). The AS3959 is the current national standard that covers the bushfire safety requirements of building in a bushfire prone area as well as providing the methodology for calculating the bushfire attack level. Dr Jason Sharples' 2017 report focuses on changes to the extreme wildfire spectrum that falls outside of the AS3959.

The ACT Government will consult Dr Sharples to clarify outcomes of his report in relation to building standards at the Ginninderry site. The ACT Government will also consult with Standards Australia Committee FP-020 and the Bushfire and Natural Hazards Cooperative Research Centre regarding any changes that may be required in its approaches to assessing bushfire risk.

The work of Dr Sharples and other researchers in this field is ongoing and it would be expected that, as more scientific information comes to light, the standards will continue to evolve over time to reflect best practice. This is expected to occur over the life of the Ginninderry project given its 40 year timeframe, and planning will be adjusted to suit.

The Government welcomes Dr Sharples' input. His work is an important contribution to the broad spectrum of academic research being conducted into bushfire management both in Australia and overseas. The Ginninderry project's expert bushfire consultants have already met with Dr Sharples, and will continue to explore options for further improving the proposed measures at Ginninderry along with the emergency services authorities.

RECOMMENDATION 89

The Committee recommends the ACT Government take steps to ensure that closed development applications are accessible online.

Government response

Agreed in principle.

EPSDD is exploring ways to increase the capacity of business systems that would permit more completed development applications remaining online and publicly accessible. EPSDD is currently upgrading the eDevelopment business system to improve functionality and will consider storage capacity in addition to that upgrade.

RECOMMENDATION 90

The Committee recommends the ACT Government examine options that could be implemented to improve development application processing times and quality of processing applications.

Government response

Agreed in principle.

EPSDD has implemented simpler notices of decision for minor development applications and introduced a gateway team to provide assistance to those who wish to lodge development applications. EPSDD is currently focussing on further improvement to the development application process, noting that many development applications are incomplete, complex, require further information from proponents and are subject to representations of third parties.

RECOMMENDATION 91

The Committee recommends that the ACT Government reports to the ACT Legislative Assembly on a quarterly basis on the status of Master Plans currently under development.

Government response

Agreed.

EPSDD is progressing the final three master plans in the Master Plan Program for the Curtin and Kippax group centres and Tharwa village.

RECOMMENDATION 92

The Committee recommends that the ACT Government continue to report in the Budget Papers the completion and publication of Master Plans.

Government response

Agreed.

The Directorate will reinstate the accountability indicator for Master Plans. The indicator will be three master plans for 2017-18.

RECOMMENDATION 93

The Committee recommends that the ACT Government provide better detail for Output 1:2 Planning Policy, in future Budget Papers, with respect to accountability indicators and key performance indicators.

Government response

Agreed.

RECOMMENDATION 94

The Committee recommends the ACT Government continue to keep the Dickson community informed on the progress of consultation and planning for Section 72, Dickson.

Government response

Agreed.

Select sites within Dickson Section 72 were first put on the Indicative Land Release Program in June 2014. Consultation with the community commenced at that time and a number of traffic and environmental studies were carried out. Between August and December 2014, the Government attended meetings with various North Canberra Community Groups culminating in a facilitated community design workshop. Maps and the intentions around Section 72 were provided at the meetings and also put on the Government's website. Advice on the consultation outcomes and the Government's decision were the subject of a presentation to the North Canberra Community Council and Dickson Residents Group in July 2015.

During the 2016 Territory Election the Government indicated an intention to pursue the establishment of a second Common Ground development on this site in Dickson, offering supported and inclusive housing for homeless individuals and families, as well as low-income earners.

RECOMMENDATION 95

The Committee recommends that the ACT Government include more accountability indicators for heritage matters in future budgets, so as to provide a greater level of clarity about the number of nominations received, assessed and the length of time taken to assess them.

Government response

Agreed in principle.

The *Heritage Act 2004* does not provide statutory timeframes for a provisional registration decision to be made once a nomination application is accepted.

Each year, the Heritage Council sets a priority list of places for assessment over the coming 12 months. Assessments are carefully prioritised by development threat, related themes to allow comparative assessment and appeal risk.

The length of time taken to assess a nomination is not necessarily reflective of the age of the nomination, for example – a nomination may be made five years ago but under active assessment for one year before a provisional registration decision is made.

In some cases, nominations may be straightforward and can be easily and quickly assessed. In others – such as with precincts – a single nomination may take many months to assess, due to the complexities involved and extensive consultation due to significant numbers of interested parties.

RECOMMENDATION 96

The Committee recommends that the ACT Government engage more with the ACT heritage stakeholders, and give consideration to their input into heritage decisions.

Government response

Agreed in principle.

Details of who must be notified and consulted with, as well as the timeframe and method in which to notify and consult are determined under the *Heritage Act 2004*.

ACT Heritage also informs other key interest groups of decisions such as the National Trust, the Canberra and District Historical Society, and the United Ngunnawal Elders Council.

The Heritage Council notifies nominators and other interested parties when a nomination is received and additionally when a decision is made whether to accept or reject the nomination.

As a courtesy, interested parties are also notified when assessment commences or a pending decision is likely in the coming months.

Additionally these parties are again notified of decisions such as provisional registration where they are also invited to make comment and final registration.

RECOMMENDATION 97

The Committee recommends that the eastern grey kangaroo fertility control program be reviewed to examine whether it contributes, or has the potential to contribute, in any significant way, as part of the overall control program, to the management of kangaroo populations in the ACT and whether it is a fiscally responsible and sustainable method of control.

Government response

Agreed.

RECOMMENDATION 98

The Committee recommends that the ACT Government consult with relevant recreation groups (for example, mountain bike riders, anglers, etc), relevant environmental groups, and other stakeholders to seek resolution of issues arising with regard to management of, and access to, reserves.

Government response

Agreed.

RECOMMENDATION 99

The Committee recommends that the ACT Government consider including additional accountability indicators related to the Conservator of Flora and Fauna in the 2017-18 ACT Budget.

Government response

Agreed in principle.

The Directorate did include additional indicators in the 2017 18 Budget following the Committee's recommendation in the last Budget. Additional indicators will be considered again in the 2018-19 Budget.

RECOMMENDATION 100

The Committee recommends that the ACT Government consider how they plan to maintain 100 per cent renewable electricity post 2020.

Government response

Agreed.

The ACT Government is developing a comprehensive policy framework (the Our Canberra by 2050 – A vision for a smart, sustainable and liveable city) towards achieving net zero emissions by 2050 at the latest. Within this framework, options for reduced emissions from the electricity sector, including maintaining post 2020 the 100 percent renewable electricity target, will be considered.

RECOMMENDATION 101

The Committee recommends that the ACT Government inform ACT residents that load shedding may be required in the forthcoming summer months and that households need to prepare a plan to manage their own power needs and use over the hot summer months.

Government response

Noted.

The Australian Energy Market Operator (AEMO) is working with the energy sector on its preparedness for the summer of 2017-18. The ACT Government will continue to monitor this work, and the outlook for summer, and determine what public communications are appropriate in consultation with NSW and other jurisdictions through the COAG Energy Council.

RECOMMENDATION 102

The Committee recommends that the ACT Government support the Office of Commissioner for Sustainability and the Environment to re-examine its role and functions, to ensure best practice and effective use of resources for review of matters in the environmental space.

Government response

Agreed.

RECOMMENDATION 103

The Committee recommends the ACT Government continue to update the Assembly on the status of the demolition program being undertaken by the Asbestos Response Taskforce.

Government response

Agreed.

RECOMMENDATION 104

The Committee recommends the ACT Government continue to engage and consult with public housing tenants who are being relocated, as well as residents in suburbs where additional public housing is being considered within Community Facility Zones, on the changes that will impact on them as a result of the housing renewal process.

Government response

Agreed.

Tenant relocation through the public housing renewal program is determined on a case-by-case basis in consultation with each household. Multiple tenant engagement methods are used to ensure that tenants living in the redevelopment sites have opportunities to raise issues and to be informed of progress. Housing ACT works with our community sector partners to relocate tenants to new homes, with a key component of the program being the support provided to tenants before, during and after their relocation. Tenant Relocation Officers work alongside tenants for up to 12 months (nine months prior to relocation and three months post-relocation) to facilitate a smooth transition to their homes and communities.

The ACT Government has continued to engage with the communities surrounding proposed public housing developments on Community Facility-zoned land since the proposals for public housing were announced in March 2017. The Public Housing Renewal Taskforce (Taskforce) has been addressing the feedback received from the community and is working with community representatives to refine the designs and layouts. During this process, the Taskforce has refined the designs and has been making regular updates to its website with the outcomes of each meeting. The Taskforce has found the process of working with smaller representative groups a valuable part of the design process and has appreciated the efforts of the various stakeholder groups and community councils that have been involved.

RECOMMENDATION 105

The Committee recommends that once the housing renewal program is complete, the ACT Government should have an ongoing program of public housing renewal so that the proportion of public housing does not fall.

Government response

Agreed.

Housing ACT is developing a Public Housing Asset Management Plan to deliver a contemporary and responsive asset base capable of meeting the broader social policy objectives of the ACT Government. This works sits within the broader framework of the ACT Housing Strategy (which is currently in development). While Housing ACT renews approximately one per cent of its portfolio annually, development of the Plan will consider targets for increased renewal and growth. The Plan will progress the Government's commitment to building inclusive communities where people from different economic, cultural and social backgrounds live cohesively together.

RECOMMENDATION 106

The Committee recommends that the ACT Government develop a website that provides details of every ACT Government Board/Advisory Panel and which outlines details of the scope of the appointment, remuneration if applicable, term of appointment, name of appointee and Minister responsible.

Government response

Noted.

The Government manages a range of websites that provide details on the operation and membership of individual Government Boards and Advisory Panels. A number of consultation processes are also undertaken before making statutory ministerial appointments including with the relevant Standing Committee, and through disallowable instruments in the Legislative Assembly.

RECOMMENDATION 107

The Committee recommends that the ACT Government publish how the City Centre Marketing Improvements Levy is spent, as part of relevant directorate annual reports.

Government response

Agreed in principle.

The performance and accountability framework for the City Centre Marketing and Improvements Levy is currently being developed. An appropriate reporting process and location will be developed as part of this process. It should also be noted that responsibility for this function is being transferred to the City Renewal Authority to ensure maximum funds are expended on city improvements, not administration.

RECOMMENDATION 108

The Committee recommends that the ACT Government develop strategic and accountability indicators for initiatives funded by the City Centre Marketing Improvements Levy and that these are documented in the Environment, Planning and Sustainable Development Directorate Annual Report.

Government response

Agreed in principle.

The performance and accountability framework for the City Centre Marketing and Improvements Levy is currently being developed. An appropriate reporting process and location will be developed as part of this.

RECOMMENDATION 109

The Committee reiterates Recommendation 5 of the Standing Committee on Planning and Urban Renewal's Inquiry into Annual and Financial Reports for 2015-16, that the ACT Government informs the Legislative Assembly of the reasons for the recent rural land purchases and how they fit in with strategic land use planning for the ACT.

Government response

Noted.

The purchases of rural land by the former Land Development Agency were for the purpose of facilitating the future growth of Canberra. The purchases will provide the Territory with options that will facilitate positive economic, social and environmental outcomes for current and future generations in the ACT region. The purchases align with the Territory's strategy for planning and sustainable development and are consistent the vision for growth in the Canberra Spatial Plan 2004 and the current ACT Planning Strategy 2012.

RECOMMENDATION 110

The Committee calls on the Government to review the 2012 ACT Planning Strategy through a comprehensive process that reviews all housing growth options – not just options where the Land Development Agency has already purchased land – and includes genuine community consultation on the options.

Government response

Noted.

EPSDD is progressing actions in the Minister for Planning's Statement of Planning Intent (2015) to review residential zoning and the residential codes of the Territory Plan to improve housing choice.

Under Section 110 of the *Planning and Development Act 2007* the Executive must consider, at least once every five years, whether a review of the ACT Planning Strategy is necessary. This consideration is scheduled for later this year.

RECOMMENDATION 111

The Committee recommends that the ACT Government apply only short term leases on rural land that has been identified for possible future urban expansion and/or for purchase by the ACT Government.

Government response

Noted.

Where possible, EPSDD will preserve the short-term nature of rural leases, noting that some rural leases have been issued for 99 years.

RECOMMENDATION 112

The Committee recommends that the ACT Government undertake a review of the accessibility of ACT Government funded mental health services for students in non-government schools.

Government response

Agreed in part.

ACT Health will provide advice to the Assembly in relation to mental health services available for students in non-government schools.

RECOMMENDATION 113

The Committee recommends that the ACT Government publicly provide information on school facilities available for use by community groups after hours, including cost per hour and other requirements.

Government response

Agreed in part.

The ACT Government currently provides details of school facilities available for hire (with the exception of pricing details) at the following link through the Education Directorate website: https://www.education.act.gov.au/about_us/A-Z .

Community use of schools policies and procedures place a positive obligation on schools to make their facilities available for public use on a cost recovery basis. Principals also have the discretion to provide school facilities at no cost to community groups.

RECOMMENDATION 114

The Committee recommends that the ACT Government consider insurance arrangements for low risk groups using its venues to facilitate low cost use of these facilities by community groups, incorporated or informal.

Government response

Noted.

Community use of schools policies and procedures currently provide the capacity for low risk community group activities to access school premises without insurance coverage.

RECOMMENDATION 115

The Committee recommends that the ACT Government consider implementing any small capital investments that will help to improve access and security arrangements for community groups using school premises outside standard operating hours.

Government response

Agreed.

The ACT Government has established a cross-agency working group and provided funding of \$100,000 through the 2017-18 Budget to improve access and security for community groups using premises outside standard operating hours. This builds on \$100,000 provided in the previous term.

RECOMMENDATION 116

The Committee recommends that the ACT Government conduct an annual survey of teachers who are in their first four years of teaching to determine whether they are receiving an induction commensurate with the Education Directorate's intent.

Government response

Agreed in principle.

A survey of beginning teachers is proposed from 2018 to gain an understanding of the beginning teacher experience. This survey will go beyond responses regarding induction, and will include feedback on student placements and university training experiences.

RECOMMENDATION 117

The Committee recommends that the ACT Government take appropriate action to rectify any shortfalls identified through the annual 'new teacher survey.'

Government response

Agreed.

A plan will be developed to respond to feedback.

RECOMMENDATION 118

The Committee recommends that the ACT Government sets targets for indigenous students' attendance during NAPLAN testing and report on those targets.

Government response

Noted.

Participation in NAPLAN testing is expected by all students in ACT public schools. Students may be withdrawn from the testing program by their parent or carer. The Directorate acknowledges that the reasons behind withdrawals and absences from NAPLAN testing are varied and can be personal. The Directorate does not support setting specific targets for NAPLAN participation for any one cultural group.

RECOMMENDATION 119

The Committee recommends that the ACT Government set clear targets on closing the gap, in percentage points, for each year of NAPLAN and report on those targets.

Government response

Noted.

The ACT Education Directorate currently reports on closing the gap targets which have been set through the National Indigenous Reform Agreement (NIRA). One such target is to halve the gap between Aboriginal and Torres Strait Islander and non-Indigenous students in NAPLAN reading, writing and numeracy by 2018. ACT and other Australian jurisdictions are also working with the Commonwealth Government to progress work on a refresh of the Closing the Gap targets and framework. It would not be appropriate for the ACT to begin reporting on a new, related target while this work is underway.

RECOMMENDATION 120

The Committee recommends that the ACT Government publish a list of approved groups and entities who deliver educational programs in ACT schools on a regular basis, including an outline of programs being delivered.

Government response

Noted.

It would not be practicable to regularly publish an exhaustive list of all approved groups and entities who deliver educational programs in ACT schools. A large number of different organisations and entities are present in ACT schools, once approved. For any program run by an external provider, schools must refer to the Working with Children and Young People – Volunteers and Visitors (Interim) Policy.

The ACT has a system wide school based decision making model in place, where each school network and leadership team is able to make decisions on the engagement of groups and entities to meet the varying requirements of their students and school communities. Principals, in conjunction with school boards are able to make decisions about engaging industry expertise to provide input on specific learning. This can vary based on each school's educational and improvement priorities.

RECOMMENDATION 121

The Committee recommends that the ACT Government investigate options for encouraging more members of the community to become Learning Support Assistants.

Government response

Agreed.

The role of the learning support assistant continues to evolve. Work will commence shortly on better defining this role in various settings and looking at best fit recruitment strategies. Following the completion of this work, the Education Directorate will investigate the development of options as per the Committee's recommendation.

RECOMMENDATION 122

The Committee recommends that the ACT Government conduct an analysis of home-education requirements in other jurisdictions, with a view to determining whether the ACT's approach is consistent or could be improved.

Government response

Agreed.

The Directorate will undertake an analysis of its home education program, particularly with reference to practices in other jurisdictions.

RECOMMENDATION 123

The Committee recommends that the ACT Government write to the National Disability Insurance Agency and request that feedback be provided to unsuccessful ACT applicants for Information Linkages and Capacity building grants.

Government response

Noted.

Minister Stephen-Smith wrote to the Hon Christian Porter MP in relation to feedback for organisations that were unsuccessful in receiving an Information, Linkages and Capacity Building (ILC) grant. This matter was raised during a teleconference between both Ministers (and referenced in the letter) on 18 May 2017. The ACT Government will continue to work with the Commonwealth to ensure that important and valued community supports and investments are not lost.

The ACT Government has worked closely with the National Disability Insurance Agency (NDIA) to support four organisations who were not successful in the Commonwealth's first ACT ILC grant round, to receive additional ILC transition funding. The ACT Government is aware that the NDIA met with a number of organisations, including Technical Aid to the Disabled ACT and Radio 1RPH, to provide feedback on their ILC grant applications.

The Office for Disability met with senior staff from the NDIA on 3 August 2017 and discussed how both agencies can work together moving forward. Discussions included the involvement of the Office for Disability in a local ILC Community of Practice and how the two agencies can support providers in the ILC grant round which opens in the ACT in October 2017.

RECOMMENDATION 124

The Committee recommends that the Minister for Community Services work with other relevant directorates to develop a clear strategy to ensure ongoing support for community groups in the allied health and disability sectors who are unable to access funds under the National Disability Insurance Scheme framework, but who nevertheless provide valuable services to the disabled and wider ACT community and have done so for many years.

Government response

Agreed.

The ACT continues to work with the National Disability Insurance Agency to ensure ongoing support for community groups in the allied health and disability sectors. Staff from the ACT Office for Disability are currently represented on the National Market Sector Workforce Working Group. The ACT Office for Disability is working with National Disability Services who have been commissioned to develop a project to address workforce issues.

The ACT NDIS Inter Directorate Committee is led by the Office for Disability to facilitate cross-government interaction on the implementation of NDIS and ensure a comprehensive understanding of the financial and operational implications on the ACT Government as it moves to the full scheme.

RECOMMENDATION 125

The Committee recommends that the ACT Community Services Directorate takes steps to publicise the functions of the Child Development Service that are co-located with the Childhood Early Intervention Service at Holder.

Government response

Agreed.

The Community Services Directorate publicises the functions of the Child Development Service on the Community Services Directorate's webpage. This information is also circulated to stakeholders and families. The Government will consider additional steps that can be taken to publicise the Child Development Service to families with young children.

RECOMMENDATION 126

The Committee recommends that the ACT Government provide assurance to parents of children who require special student transport that this service will continue to be delivered.

Government response

Agreed.

The ACT Government will work with the National Disability Insurance Agency to ensure the ongoing delivery of special needs transport in the ACT.

RECOMMENDATION 127

The Committee recommends that the ACT Government report quarterly to the ACT Legislative Assembly on the progress made in reducing the need for out-of-home care places.

Government response

Agreed in part.

The Minister for Disability, Children and Youth will provide an annual update on the progress of *A Step Up for Our Kids*. The total out of home care days used annually is already reported to the Legislative Assembly in the Community Services Directorate's Annual Report and in the half-yearly performance report.

RECOMMENDATION 128

The Committee recommends that the ACT Government report to the ACT Legislative Assembly on the following:

- **Which data and factors were considered when making the decision to merge early intervention and prevention programs and child protection into a new Children, Youth and Families Service;**
- **What it understands to be the drivers behind the surge in need for out-of-home care places, as well as specific measures that it is using to reduce this demand; and**
- **Details on how the 2017–18 funding for the Child Protection System will be expended, as well as required reporting and accountability targets.**

Government response

Agreed.

In relation to the first dot point – The importance and efficacy of early intervention and primary prevention was a key factor in the creation of the Child, Youth and Family Division of the Community Services Directorate (CSD). The Division will be responsible for the integration of the Community Services Directorate's service lifecycle across all child, youth and family services. The opportunity to support the continuum of services from early intervention and primary prevention services through to statutory services will allow for greater flow of knowledge, integration and effective service delivery for our clients. This supports the delivery of a service system that is cohesive and coherent for the community. This change will build on the existing community relationships to extend the full spectrum of CSD services and capabilities. It will facilitate demand management practices that may assist in the management of the volume of children requiring statutory services. The Directorate continues to monitor this data and to take action across the spectrum of responses.

In relation to the second dot point – The three main precursors for children and young people entering out of home care are mental illness, drug and alcohol abuse and family violence. Under *A Step Up for Our Kids* the ACT Government commissioned new services to reduce the demand for out of home care places. Uniting was selected under *A Step Up for Our Kids* to deliver a number of services including the Children and Families ACT program, which provide supports tailored to meet the individual needs of the family and focuses on areas such as managing the home and family, building relationships and addressing mental health, drug and alcohol or domestic violence issues. Uniting has also partnered with Karralika to help families deal with Alcohol and Other Drugs issues. The Community Services Directorate provides funding through the Community Development Program and the Child, Youth and Family Service Program to support:

- The Young Men Mentoring and Counselling through Menslink.
- Therapeutic Services through Relationships Australia and YWCA Canberra.
- Crisis intervention, Counselling and Education through the Canberra Rape Crisis Centre.
- The Nguru Program through the Canberra Rape Crisis Centre.
- Service Assistant Male Survivors of Sexual Assault through the Canberra Rape Crisis Centre.

The Minister for Disability, Children and Youth will provide an annual update on the progress of *A Step Up for Our Kids* to the Legislative Assembly.

In relation to the third dot point – Reporting on Child Protection expenditure and accountability targets will be reported through the Community Services Directorate Annual report to the Legislative Assembly, or other available reporting mechanisms.

RECOMMENDATION 129

The Committee recommends that the ACT Government develop specific initiatives that address youth unemployment and underemployment.

Government response

Agreed in principle.

As noted in the Government response to Question on Notice E17-347, the ACT Government recognises that youth unemployment and underemployment have a range of causal factors, and subsequently there are a range of ACT Government programs available to assist young people to secure employment by supporting transitions from school to work or further education and training. Participation in the range of vocational education and training programs available both during and post school assists young people to make connections with potential employers while they are studying, and contributes to many young people making successful transitions.

As detailed in the response to Question on Notice E17-347, the ACT Government supports a range of:

- government and/or community projects that assist young people to secure employment and/or access pathways to employment,

- specific measures to increase young people’s participation in education, training and employment,
- services and programs designed to help youth access meaningful work experience and connect young people to entrepreneurial thinking and the ACT’s innovation eco-system.

The ACT Government will continue to explore new options and strengthen collaborative partnerships across relevant government and community organisation programs, to improve understanding of how unemployed or underemployed youth may better access and navigate existing employment-related vocational education and training initiatives. As an example, Skills Canberra is working collaboratively with the Community Services Directorate to inform the design of the \$1.2 million 2017-18 ACT Government Budget initiative to support employment pathways for refugees and asylum seekers, many of whom are young people.

RECOMMENDATION 130

The Committee recommends that the ACT Government provide the ACT Legislative Assembly with an accountability target for the number of asylum seekers and refugees to be served by the new job brokering service and then report on the success of this program.

Government response

Agreed in principle.

The Community Services Directorate will report on the success of the program and the numbers of asylum seekers and refugees accessing services in its Annual Report.

RECOMMENDATION 131

The Committee recommends that the ACT Government provide the ACT Legislative Assembly with an accountability target for the number of migrants to be served by the expanded English language program and then report on the success of this program.

Government response

Agreed.

The Community Services Directorate will develop and provide an accountability target for the number of migrants to be served by the expanded English language program as the program is designed. The implementation and success of this program will be reported via the Community Services Directorate Annual Report.

RECOMMENDATION 132

The Committee recommends that the ACT Government continue to support affordable access to public spaces, including the Theo Notaras Centre and school halls, for community groups.

Government response

Agreed.

The Community Services Directorate agrees to continue to support affordable access to the Theo Notaras Multicultural Centre for multicultural community use. The ACT Government is committed to making ACT public schools available to sport, recreation and community groups outside school hours and a working group has been established with the Education Directorate, Active Canberra and the Community Services Directorate to facilitate increased access.

RECOMMENDATION 133

The Committee recommends that the ACT Government provide a separate annexe to the Budget papers that details Indigenous progress for relevant output classes/accountability indicators.

Government response

Not agreed.

The ACT Government currently reports progress on Aboriginal and Torres Strait Islander Affairs in the Annual Reports for each directorate under 'Aboriginal and Torres Strait Islander Report' as per the *Annual Reports (Government Agencies) Notice 2017* (Notifiable Instrument NI2017-280).

RECOMMENDATION 134

The Committee recommends that the appropriate directorate set and report to the Legislative Assembly on the Elected Body's budget allocation each year including additional spending during the triennial election year.

Government response

Agreed in principle.

The Aboriginal and Torres Strait Islander Elected Body is funded through the Office for Aboriginal and Torres Strait Islander Affairs, which provides secretariat support for the body with two full-time positions. All administrative costs are met by the Office. Remuneration for the Elected Body positions is benchmarked by the Remuneration Tribunal based on the Elected Body providing advice to Government. The budget for the Elected Body is approximately \$440,000 per annum, which provides for administration, secretariat support and member wages.

The Government will consider the most appropriate form to report.

RECOMMENDATION 135

The Committee recommends that future Select Committees on Estimates consider holding separate hearings on cross-portfolio Indigenous matters so that all matters pertaining to Aboriginal and Torres Strait Islanders are responded to appropriately and with transparency. The Committee notes this approach is used in other jurisdictions.

Government response

Agreed in principle.

This is a matter for the administration of future Select Committees. The Government does, however, acknowledge the important role of the Aboriginal and Torres Strait Islander Elected Body's Hearings.

RECOMMENDATION 136

The Committee recommends that the ACT Government outline the appointment process and criteria for membership to the Veterans Advisory Council.

Government response

Agreed.

Appointments to the Veterans' Advisory Council were made in accordance with processes outlined in the *Governance Principles, Appointments, Boards and Committees in the ACT* handbook. The positions on the Veterans Advisory Council were advertised and applied for through the SmartyGrants online portal. The opening of this process was supported by a media release and through outreach to relevant stakeholder groups and ex-service organisations. The selection criteria required members of the Veterans Advisory Council to have a broad range of knowledge, skills, qualifications and experience relevant to the veterans' community in the ACT. As outlined in the Terms of Reference, no less than half the membership may be current or ex-members of the Australian Defence Force. Once the applications were received, a panel was formed and interviews conducted. The process is subject to a Cabinet Submission.

RECOMMENDATION 137

The Committee recommends that the ACT Government ensure that meeting times for the Veterans Advisory Council be published, that the minutes be published, and that there be an open means for stakeholder groups and, where possible, members of the public contribute.

Government response

Agreed in principle.

The Veterans Advisory Council meetings are planned in advance and those times could be published with the Council's and Minister's agreement. The Council represents a cross section of the veteran community, and is charged with consulting with key stakeholders and providing a forum for the veteran's community, in acting as a direct contact point between it and the ACT Government, as part of its terms of reference. They may seek to issue a communiqué where appropriate regarding meetings; however, minutes are not for public distribution, as they form advice to the Minister, as noted in its terms of reference. As part of the terms of reference, the Veterans Advisory Council will be required to undertake at least one round of community consultation a year on a specific issue to comprehensively gauge how the issue affects veterans in the ACT and what steps the ACT Government might take to address it.

RECOMMENDATION 138

The Committee recommends that the ACT Government establish a grants program, similar to the seniors program, specifically to assist veterans and veterans' groups.

Government response

Noted.

The Community Participation (Veterans and Senior) Grants seek applications from organisations that can utilise project funding to support veterans in the ACT.

RECOMMENDATION 139

In recognition that not all veterans are seniors, the Committee recommends that the ACT Government develop programs specifically aimed at veterans of all ages to provide services for veterans and their families.

Government response

Agreed.

The ACT Government recognises that not all veterans are seniors. The Community Services Directorate website will be updated to direct veterans to available programs, many of which are funded by the Commonwealth. The Government is currently investigating a number of possible veterans' initiatives targeted at younger veterans, including those supporting transition from the defence force into civilian employment.

RECOMMENDATION 140

The Committee recommends that the ACT Government establish an online presence to assist veterans to source and apply for programs for veterans, separate from seniors.

Government response

Agreed.

The Community Services Directorate website is currently updating its website to provide separate information for veterans and seniors.

RECOMMENDATION 141

The Committee recommends that ACT Government expenditure providing services for veterans be a separate line item of the budget, with programs and funding clearly separated from the seniors' portfolio.

Government response

Not agreed.

Expenditure is reported at Output Class level in the Budget Papers and both the veterans and seniors portfolio is included in the Inclusion and Participation expenditure.

RECOMMENDATION 142

The Committee recommends that the ACT Government include additional data on Social and Public Housing in Table 32 relating to Output 1.1 Social Housing, Budget Statements G, as outlined in the Committee's report.

Government response

Agreed in principle.

The format of Table 32 conforms to a whole of government standard on reporting of targets (prior and current year) and estimated outcome. Housing ACT reports on the number of social and public housing properties in stock in the Community Services Directorate Annual Report. The ACT Government is currently developing a Public Housing Asset Management Plan. Development of the plan will consider reporting on stock forecast as well as reporting on repairs and maintenance, and potential accountability indicators.

There are many factors to consider in relation to accountability indicators for complaints. The Community Services Directorate is considering the proposed reporting outlined by the Committee and will examine the best way of incorporating measures in future reports. Implementing this recommendation would also require changes to data collection and IT systems.

RECOMMENDATION 143

The Committee recommends that the ACT Government create and publish a long-term bus replacement strategy, outlining thresholds for bus retirement, when Transport Canberra will phase out buses over fifteen years old, and the schedule for adding new buses to the fleet.

Government response

Agreed.

Transport Canberra will develop and publish a long term bus replacement strategy in due course.

RECOMMENDATION 144

The Committee recommends that the ACT Government outline the replacement strategy for all 93 Renault buses within the Transport Canberra fleet.

Government response

Agreed in part.

The profile and timing of replacing all Renault buses within the fleet is subject to network requirements and asset condition assessments.

RECOMMENDATION 145

The Committee recommends that the ACT Government release indicative plans and modelling of the Transport Canberra bus network following the commencement of Light Rail, including changes to bus routes, stops, timetables, and number of buses in the Transport Canberra fleet.

Government response

Agreed.

Transport Canberra will release plans for the bus network following the commencement of Light Rail, including associated community consultation, in due course.

RECOMMENDATION 146

The Committee recommends that the ACT Government release a timeframe for the commencement of the Rapid Network, including the scheduled month and year of commencement, timetables, and the resources needed for each Rapid Route.

Government response

Agreed.

Transport Canberra will release a timeframe for the commencement of the Rapid Network. As Rapid routes are introduced, Transport Canberra will release the associated timetables.

RECOMMENDATION 147

The Committee recommends that the ACT Government outline what additional direct support will be provided to local businesses to increase participation in the Light Rail project.

Government response

Agreed.

TCCS continues to work with the Canberra Business Chamber through its Business Link program, together with other stakeholders, on local industry participation matters.

RECOMMENDATION 148

The Committee recommends that the ACT Government release indicative plans for the Light Rail network, including the length of each stage, the estimated construction timetables for future stages, and the capital and operating costs per stage.

Government response

Not agreed.

The 2017-18 Budget contains funding for the development of a business case for the second stage of light rail (between the City and Woden). Design considerations such as those nominated by the Committee will be considered by the Government following completion of the business case, with costs to be detailed in the Budget Papers at the appropriate time. As such, it is too early in the design and procurement process to provide this information, given the work that is currently underway.

Further stages of the light rail network beyond this will be considered in light of a range of factors including the city's future rates of growth, the utilisation rates and lessons learned on stage 1 and 2, and the Territory's future budget position.

RECOMMENDATION 149

The Committee recommends that the ACT Government collaborate with the National Capital Authority and the CSIRO to develop a plan for the realignment and duplication of Kuringa Drive so that it better connects with Kingsford Smith Drive.

Government response

Agreed in principle.

There is already a road reserve for the Kuringa Drive duplication.

RECOMMENDATION 150

The Committee recommends that the ACT Government consider the effectiveness of, and need for, traffic calming measures in town centres and group centres, given the introduction of 40-kilometre-per-hour zones.

Government response

Agreed.

RoadsACT routinely reviews road safety arrangements within the Territory, and will implement measures as appropriate to improve safety for pedestrians, cyclists and other road users in light of introduction of the new zones.

RECOMMENDATION 151

The Committee recommends that the number of unique borrowers of physical library items, for each ACT public Library, be reported annually.

Government response

Agreed in principle.

Libraries ACT will investigate the availability of this information with the current library management system.

RECOMMENDATION 152

The Committee recommends that the ACT Government release the outcomes of the 2017 Green Waste trial, particularly the issues of contamination, prior to any decision to expand the scheme.

Government response

Agreed in part.

The pilot is not scheduled to be completed until June 2018. At that time the Government will consider the best channels through which to communicate the trial's findings. The Government has, however, made a clear commitment and decision, fully funded in the *2016 Pre-Election Budget Update*, to expand the green bin scheme to every Canberra region, and every household that wants one, by 2020.

RECOMMENDATION 153

The Committee recommends that the ACT Government release the outcomes of the Waste Feasibility Study by the end of October 2017 and commit to further community consultation on the implementation of any accepted recommendations.

Government response

Noted.

The Government will release the outcomes of the Waste Feasibility Study once completed and agreed. Any further community consultation required will be conducted accepted recommendations have been agreed.

RECOMMENDATION 154

The Committee recommends that the ACT Government establish and publish the criteria for assessing the declaration of a 'dangerous dog.'

Government response

Noted.

Dangerous dogs are declared according to the provisions of the *Domestic Animals Act 2000*. The legislation provides for the exercise of discretion and judgement about the unique circumstances of each and every case. It is not possible to create a set of criteria that would remove the need to exercise discretion and judgement and in every case, achieve a consistent and fair outcome. An outline of declaring a dog dangerous and conditions of keeping a dangerous dog are publicly available on the TCCS website: <http://www.tccs.act.gov.au/city-living/pets/dogs/dangerous-dogs/dog-attack-factsheet>.

RECOMMENDATION 155

The Committee recommends that the ACT Government release and publish the business case for the expansion of cat accommodation at Domestic Animal Services establishments.

Government response

Noted.

The expansion of the cat accommodation is being considered as part of the larger Domestic Animal Services program.

RECOMMENDATION 156

The Committee recommends that the ACT Government publish data in the relevant directorates' annual report quantifying the health of all trees, and state of irrigation, in the Arboretum.

Government response

Agreed in principle.

Within the Venues Canberra annual report, the section on the National Arboretum Canberra will include data on tree health and irrigation.

RECOMMENDATION 157

The Committee recommends that the ACT Government report in the relevant Annual Report on the number of operational picnic barbecues and public toilets in each suburb for each month.

Government response

Agreed in principle.

Annual Reports represent a through the year snapshot of an agency's operations. TCCS will explore how best to present information on operational picnic barbecues and public toilets in suburbs across the Territory for its annual reporting.

RECOMMENDATION 158

The Committee recommends that the ACT Government prepare a long term plan for cemetery space in the ACT, including the Woden Cemetery, and that this plan be made public.

Government response

Agreed.

Attachment A

Government Response to Pegasus Economics'

Review of the ACT Budget 2017-18



Government Response
to the Pegasus Economics report
Review of the ACT Budget 2017-18

Andrew Barr MLA
Treasurer
July 2017

Introduction

In its *Inquiry into the Appropriation Bill 2017-2018 and the Appropriation (Office of the Legislative Assembly) Bill 2017-2018*, the Select Committee on Estimates 2017-18 (the Committee) commissioned Pegasus Economics (Pegasus) to review the 2017-18 ACT Budget, consistent with the Committee's Terms of Reference. Pegasus has subsequently produced the *Review of the ACT Budget 2017-18* (the Pegasus Report) for the Committee's consideration.

The Pegasus Report is necessarily broad reaching in scope, and provides a range of factual assessments regarding the 2017-18 Budget. As stated by Pegasus (page 1), this '...report has been produced to assist the Committee in its consideration of the 2017-18 Budget'. A copy of the report can be found on the Legislative Assembly website:

http://www.parliament.act.gov.au/_data/assets/pdf_file/0005/1074389/Pegasus-ACT-Budget-Report-19Jun17.pdf

The Government remains committed to open, transparent and accountable practices in its management of the Territory's public finances, ensuring that sustainable taxation revenues are closely aligned with service delivery levels that meet community standards. The independent review of the 2017-18 Budget undertaken by Pegasus provides a number of important observations regarding these activities. These observations are welcomed and, in turn, the Government wishes to present this response to the matters raised by Pegasus' assessment for the Committee's consideration.

Economic forecasts

1. ACT Final Demand, Employment, Wage Price Index and Population Growth

(Pegasus Report, section 2.1, pages 2 to 5; Pegasus Report, section 2.2, page 5; section 2.3, pages 5 to 6; section 2.5, page 7)

The Government notes the Pegasus commentary in relation to the validity of the projection of ACT final demand returning to its long-term trend rate of 4 per cent in the outyears, with Pegasus suggesting that ACT final demand projections of around 3 per cent would be more realistic. It notes that Pegasus considers projections in relation to employment, Wage Price Index, and population growth to be optimistic.

Response:

State Final Demand

Pegasus considers that the estimate for 2016-17 as well as the forecast for 2017-18 are reasonable. It has reservations, though, as to whether it is feasible to assume that it will return to long-run trend growth rates of around 4 per cent.

This is on the basis of real Commonwealth payments being only 1.9 per cent on average over the forward estimates.

The ACT Budget forecasts economic parameters one year in advance, for 2017-18. Beyond this, medium-term assumptions, including long-term trend growth rates, are used to inform the projections.

The Pegasus Review notes that it is real Commonwealth expenditure that drives growth in State Final Demand (SFD). We would note that it is ultimately, though, expenditure that occurs in, or is attributed to, the ACT that affects our SFD. For this purpose it is useful to also consider growth in selected components of Total Gross Operating Expenses as a better proxy for Commonwealth spending in the ACT.

Total Gross Operating Expenses are forecast in the Commonwealth Budget to grow by an average of 5.7 per cent in nominal terms, or 3.2 per cent in real terms¹ over the years 2018-19 to 2020-21.

Employment

Pegasus considers that the ACT Budget estimate of 1¼ per cent employment growth in 2016-17 seems reasonable, while that of 1½ per cent for 2017-18 may appear to be a little on the upside, though not unreasonably so.

It also considers that the 1½ per cent projected growth rate from 2018-19 to 2020-21 represents an upper limit due to the low 1.9 per cent increase in real Commonwealth payments over this time.

¹ Using the national CPI as the deflator.

The ACT Budget forecasts economic parameters one year in advance, for 2017-18. Beyond this, medium term assumptions, including long term trend growth rates, are used to inform the projections.

Wage Price Index (WPI)

Pegasus considers that the ACT Budget estimate of 1¾ per cent in 2016-17 are consistent with the latest data. It also considers that the 2 per cent estimate for 2017-18 may not appear unreasonable, but is more likely to be 1¾ per cent.

It further considers that 1¾ per cent would be a more realistic growth rate for the projection period.

The ACT Budget forecasts economic parameters one year in advance, for 2017-18. Beyond this, medium-term assumptions, including long-term trend growth rates, are used to inform the projections.

The Government notes that the 2017-18 Budget adopted lower rates for the projection period than in previous budgets, reflecting the impact of a lower wage growth environment on the medium-term trend growth rates.

Consumer Price Index (CPI)

Pegasus considers that the ACT Budget estimate of 2½ per cent in 2016-17 is consistent with the latest data. The Report also states that the ACT Budget forecast for CPI in 2017-18 is 2¼ per cent (it is actually 2 per cent). Pegasus also considers that the ACT Budget forecasts (and projection period) appear entirely reasonable.

Population growth

Pegasus considers that the ACT Budget estimate for 2016-17 of 1½ per cent growth is consistent with the latest data. It also considers that the 1½ per cent population growth rate anticipated over the forward estimates is somewhat optimistic due to the low rate of real Commonwealth payments of 1.9 per cent.

The Government notes that Real Total Gross Operating Expenses grew by an average of 3.2 per cent (real) over the period 2018-19 to 2020-21, and growth in selected components of Total Gross Operating Expenses is a better proxy for Commonwealth spending in the ACT, demand for employment and hence support for continued population growth.

The 2016 Census also showed that the ACT's population was 7,052 higher than previously estimated.

2. The ACT as a diversifying economy (Pegasus Report, section 2.6, pages 7 to 9)

The Government notes the Pegasus commentary in relation to the progress made in diversifying the ACT economy, particularly in the private sector. The Pegasus report states that ‘...any claim that the ACT is becoming a more diversified economy appears difficult to justify’.

Response: There are clear signs of the changing nature of the ACT’s economy: service exports, for example, have grown by 65 per cent since 2010-11. The statement on page 7 of Budget Paper 1 acknowledges such evidence, and refers to expected jobs growth across a range of industries in the future – the statement could be considered to be largely prospective in nature.

In addition, the Pegasus conclusion appears to be based on the proportion of the ACT economy that is reliant on Commonwealth Government spending. This level of activity is largely outside the control of the ACT Government. Diversification of the economy can also occur in the non-Commonwealth related components of the Territory’s economy.

In this regard, there is evidence of this diversification, such as the strong growth in service exports.

Fiscal outlook

3. Superannuation Return Adjustment (Pegasus Report, section 3.1, page 11)

The Government notes the Pegasus commentary in relation to the Superannuation Return Adjustment, which Pegasus considers is problematic in terms of application within the formal Government Finance Statistics reporting framework. The Government’s superannuation investment return objective of CPI plus 4.75 per cent is also queried.

Response: The Government supports the conclusion reached by Pegasus that it is reasonable that the Budget documents should make some provision for the emerging cost of the superannuation schemes, and that the provisions be expressed in terms of closely comparable revenue and expense items as far as possible. This is the express purpose of the superannuation return adjustment.

The Australian and global economic environments are currently experiencing low inflation, low cash and bond interest rates, low wages growth and low GDP growth. There is uncertainty whether there has been a structural change in terms of lower long-term CPI and interest rates going forward. There is a body of advice supporting expectations for lower interest rates and investment returns going forward, and the outlook for investment returns over the next ten years remains challenging with a general view for returns to be lower and more volatile. The reduction in the long-term objective to CPI plus 4.75 per cent is considered a reasonable initial adjustment in the context of the uncertainty around this long-term assumption.

4. Superannuation liability valuation

(Pegasus Report, section 3.1, pages 11 to 12)

The Government notes the Pegasus commentary in relation to the presentation of the Superannuation Liability Valuation in this year's Budget Papers, in that Pegasus considers a different treatment has been applied in comparison to the 2016-17 Budget.

Response: For the 2016-17 Budget presentation, the 30 June 2016 estimated outcome valuation was based on an estimated spot discount rate at 30 June of 3.2 per cent (rate at 31 March 2016) with the forward estimates reverting to the valuations based on the long-term discount rate assumption (6 per cent).

This was a change from the usual approach of presenting the valuation estimates for the budget and forward years based on a long-term discount rate and dealing with any adjustment arising from the actual financial year end valuation outcome in the Budget Review. This approach was a 'once-off' presentational change to ensure there was a better degree of consistency between the 2016-17 Budget estimates and the 2016-17 Pre-Election Budget Update issued in September 2016.

The 2017-18 Budget reverted to presenting the budget estimates for all years using the long-term discount rate valuation in order to maintain a consistent approach to the presentation of the superannuation liability estimates in the annual budget and subsequently communicating the adjustment arising from actual financial year end valuation outcome in the mid-year budget review.

5. Return to surplus

(Pegasus Report, section 3.4, pages 14 to 15)

The Government notes the Pegasus commentary in relation to the Government achieving a planned operating surplus in the outyears.

Response: Similar matters were raised in the Pegasus' *Review of the ACT Budget 2016-17*, and the Government's views on this issue are effectively unchanged.

The Government has previously indicated that budgets necessarily rely on assumptions as they are framed around circumstances existing at the time of publication, as well as predictions of future movements in a broad number of variables. The estimates in the ACT Budget cover a broad range of circumstances, including economic and fiscal assumptions, and Commonwealth grants revenue. These assumptions as well as changed circumstances will be reviewed at future estimates updates and the estimates will be amended as necessary.

As detailed previously, the ACT Budget has been subject to an uncertain economic environment and significant financial pressures, such as the global financial crisis, cuts to Commonwealth spending as well as employment, reductions in Commonwealth revenue in relation to health and GST, and the Loose-fill Asbestos Insulation Eradication Scheme. In these instances, the Government chose not to cut services to the ACT community but opted to use the Territory's balance sheet to support the economy. This is consistent with the Government's fiscal strategy which entails achieving an operating balance over time, offsetting temporary deficits with surpluses in other periods.

The Government has routinely stated that as the effects of the aforementioned economic and fiscal shocks ease, the budget will return to surplus. The dissipation of these effects, coupled with the fact that the Territory's economy is now on a strong growth footing, has given rise to the forward projections presented in the 2017-18 Budget papers. The Government's fiscal strategy remains on track, and the forecast to return to balance remains the 2018-19 financial year. In the absence of any further shocks, the Government anticipates that this target will be achieved.

In respect of the 2017-18 Budget, the Government draws the Committee's attention to the significant expected improvement in the 2016-17 Budget outcome (namely from an estimated deficit of \$205.2 million as published in the *Pre-Election Budget Update 2016* to the estimated outcome deficit of \$73.9 million, as published in the 2017-18 Budget). As this is based on a significant period of actual data, such an improvement points to the strengthening of the underlying position of the ACT budget.

Revenue

6. Cost of Living Statement

(Pegasus Report, section 4.3, pages 19 to 20)

The Government notes the Pegasus commentary that '...the available evidence suggests in the case of both health and education that high levels of public expenditure by the ACT Government do not necessarily equate with quality service provision'. The Pegasus Report also states that no explanation is provided in the ACT Budget papers for an increase in the Fire and Emergency Services levy. The Pegasus Report further states that utility prices were excluded from the cost of living statement.

Response:

Education expenditure

The ACT Government prioritises resources to education and delivers a high standard of education by supporting quality teaching and leadership, reflecting high expectations and high performance, while also ensuring all students have access to a quality built environment. This position is in line with National Education Funding Reform and the recent passage of the *Australian Education Act 2013* amendments that are a commitment to increase levels of investment in schooling across Australia, which will bring them more in line with ACT funding levels.

It is important to note the cost of public education in the ACT is affected by higher superannuation costs due to legacy Commonwealth superannuation arrangements. The additional superannuation costs have a significant impact on the average per student costs in Canberra public schools.

Health expenditure

In relation to health services, the Government went to the last election with a 10-year Health Plan to renew local hospitals and health facilities so these can better cater to community needs and offer appropriate treatment when most needed.

The significant investment in new health facilities and programs announced in the 2017-18 Budget are key steps towards realising this 10-year Health Plan and delivering improvements in service quality. For example, boosting the number of operating theatres from 13 to 20 in the new SPIRE Centre will provide more capacity and flexibility in scheduling and improve accessibility of services.

However, the primary goal is to keep Canberrans healthy through better preventative, primary and community care. That is why the Government, for example, is increasing access to bulk billing GPs in Canberra's south, funding extra dental vans, providing more vaccinations and health checks in schools.

Fire and Emergency Services Levy

As announced in the 2015-16 Budget, the Government is transitioning the Emergency Services Agency to a more sustainable funding model. By 2018-19, the Fire and Emergency Services Levy and other emergency services charges (the Road Rescue Fee and the Ambulance Levy) will account for around 75 to 80 per cent of the total cost of delivering emergency services to the Canberra community. This is the standard used by other jurisdictions across Australia (2015-16 Budget Paper 3, page 137). No additional information was included in the 2017-18 Budget papers because the increases simply represent a continuation of this policy position.

The cost of living statement includes utility prices on page 51 of Budget Paper 3 and in the five examples provided. The price increases were based on information publically available at the time. While utility prices are largely outside the control of the ACT Government, the Government does fund the Utilities Concession.

7. Contributed assets and dividends **(Pegasus Report, section 4.5, pages 21 to 23)**

The Government notes the Pegasus commentary in regarding the underlying factors that contributed to the significant reprofiling of revenue items associated with the land release program items, namely contributed assets and dividends from the Land Development Agency and its successor agencies (the City Renewal Authority and the Suburban Land Agency).

Response: Changes to contributed assets reported over the forward estimates across the 2016-17 and 2017-18 budget years is predominantly the result of inclusion of Renewable Energy Certificates generated from the production of renewable energy by the Territory.

Total dividends estimated for 2017-18 were \$275.7 million, representing a \$78.1 million increase on the \$197.6 million estimated for the same period in the 2016-17 Budget Statements. This variation across the forward estimates is predominantly the result of changes to the land release program.

The Indicative Land Release Program represents the Government's plan for the release of land at a particular point in time. The timing of release of land is subject to change throughout the planning, investigation, due diligence and development stages. Overall, total dividends for the four year period from 2016-17 to 2019-20 have increased from \$1.020 billion to \$1.122 billion.

Expenditure

8. Safer Families

(Pegasus Report, section 5.5, page 27)

The Government notes the Pegasus commentary in relation to the need for further information on the outcomes achieved by the *Safer Families* program.

Response: The Budget Papers contain a range of details regarding the outcomes achieved in relation to the *Safer Families* program (specifically Appendix J of Budget Paper 3). Additional details are presented in the *Safer Families Statement* released with the 2017-18 Budget Papers. It is not clear what reporting would be expected beyond the extensive detail presented in these two sources.

9. Savings and offsets

(Pegasus Report, section 5.7, pages 28 to 32)

The Government notes the Pegasus commentary in relation to the offsets included in the Budget Papers.

Response: Details regarding the nature of the offsets included in the 2017-18 Budget Papers are provided at [Attachment A](#).

Capital works and infrastructure

10. Capital works program

(Pegasus Report, section 6.2, pages 34 to 35)

The Government notes the Pegasus commentary regarding a steep decline in the forward estimates for the Territory's capital works expenditure from 2018-19 and beyond. The Government also notes the Pegasus forecast of future increases in capital expenditure, which would have '...implications for the projected return to surplus in the forward years'.

Response: The trend of declining capital works expenditure over the forward estimates of the 2017-18 Budget reflects the forecast progress for major infrastructure projects such as Light Rail stage 1, ACT Law Courts Facilities, the University of Canberra Hospital and public housing renewal as they near completion.

The Government's commitment to future major projects such as Light Rail stage 2 and the Surgical Procedures, Interventional Radiology and Emergency Centre (SPIRE) at Canberra Hospital will see further capital investment in the Territory, supporting growth and employment. Components of these major projects have been provisioned in the forward estimates for capital investment. Further provisioning and investment is expected in future budgets as detailed early planning is finalised.

The Government has publicly noted that future Budgets will include announcements of additional capital works projects. The Government notes that capital works spending increases the Headline Net Operating Balance deficit through depreciation and the cost of financing the capital works. Such projects, however, also improve the public finances by facilitating economic growth in the city, thereby supporting land sales, sustainable population growth and other revenues such as payroll tax.

11. Public Private Partnerships (Pegasus Report, section 6.3, page 35)

The Government notes the Pegasus commentary seeking further information regarding the potential financial impacts that the construction of Stage 2 of Canberra's light rail network could have on future budgets.

Response: The 2017-18 Budget contains funding for the development of a business case for the second stage of light rail (between the City and Woden). This business case will be prepared following investigations into route selection, design and procurement methodology, along with an urban renewal strategy.

Construction costs of the project will be formally considered by the Government following completion of the business case, with costs to be detailed in the Budget Papers at the appropriate time. It is too early to estimate the cost impact of Stage 2, given the work being undertaken in relation to the design and delivery of this stage.

Fiscal sustainability

12. Other indicators (Pegasus Report, section 8.3, pages 42 to 43)

The Government notes the Pegasus commentary in relation to the suggested application of alternative indicators of fiscal sustainability to those contained in the Budget Papers.

Response: The Government considers a range of indicators and ratios in the development and management of the annual budget. The Government also publishes a consolidated operating statement, balance sheet and cash flow statement for the ACT, allowing a full consideration of the sustainability of the ACT's public finances. In addition, the credit rating assessment of the Territory's finances by Standard & Poor's involves an assessment of a number of ratios, including interest expense to revenue and gross debt to revenue by way of example.

The AAA credit rating currently assigned to the Territory is the highest possible rating assigned to an entity's bonds, reflecting the bonds' exceptional creditworthiness and the entity's capacity to meet its financial commitments.

Risks

13. Other risks – savings and offsets (Pegasus Report, section 9.4, page 47)

The Government notes the Pegasus commentary relating to the Government's ability to deliver savings and offsets as planned, which Pegasus considers '...represents a risk to the Budget and could potentially jeopardise the planned return to surplus'.

Response: As any funding previously identified as savings has been removed from the relevant agency's base funding and returned to the budget to be spent on other Government priorities, it can be assumed that these savings have been realised.

The fact that there was no requirement for any supplementary appropriation in 2016-17 demonstrates that affected agencies have been able to find efficiencies and re-prioritise their expenditure and continue to deliver the relevant services.

The Government will continue to periodically review the functions and programs it currently undertakes with a view to determining whether more efficient structures and arrangements can be introduced.

Savings Offsets

(Pegasus Report, section 5.7, pages 28 to 32)

The Government notes the Pegasus commentary in relation to the offsets identified in the Budget Papers and provides further information in Table A.1 (expense offsets) and Table A.2 (capital offsets).

Response: The following tables detail the nature of the expense and capital offsets included in the calculation of the Budget estimates.

Table A.1 – Expense offsets/savings associated with 2017-18 Budget initiatives

Agency	Initiative Title	2017-18 Budget \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000	Total \$'000	Nature of Offset ¹
CMTEDD	Better support when it matters – Helping injured employees back into work	150	350	450	450	1,400	The cost of this program will be met by reprioritising existing resources.
CMTEDD	Building a better city – Civic and Dickson office accommodation	0	0	1,915	7,246	9,161	The move to new, more efficient office buildings will generate savings in rental expenses and other operating costs.
CMTEDD	Building a better city – Macarthur House Data Centre decommissioning program	2,097	3,996	1,063	1,115	8,271	The costs of relocating the data centre will be largely met from within the existing resources of the Chief Minister, Treasury and Economic Development Directorate. These resources were allocated to the ongoing upkeep of the Macarthur House Data Centre, which will no longer exist.
CMTEDD	More and better jobs – Ensuring continuity of the Human Resources Information Management System	0	610	2,218	3,196	6,024	The initiative is expected to generate efficiencies through additional functionality and increased automation, thereby reducing manual processing related to payroll management.
CMTEDD	More and better jobs – Growing the tourism industry	50	0	0	0	50	Existing unallocated program funding in 2017-18 will be reallocated to this initiative.
CMTEDD	More and better jobs – Improving infrastructure planning and delivery	274	0	0	0	274	The cost of this program will be partially offset by reprioritising existing resources.
CMTEDD	More and better jobs – Improving Manuka Oval broadcast and media facilities	0	700	0	0	700	The cost of this initiative will be partially offset by no longer having to hire temporary infrastructure for events.
CMTEDD	More and better jobs – Sporting capital	807	90	90	90	1,077	The cost of this initiative will be offset by reprioritising existing resources.
CMTEDD	Smarter government spending – Centralising property custodianship	17	1,015	2,236	4,639	7,907	This initiative is expected to generate savings over time through the efficiencies created by centralised contracts, including those related to cleaning, security, maintenance, and utilities.

Agency	Initiative Title	2017-18 Budget \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000	Total \$'000	Nature of Offset ¹
CMTEDD	Smarter government spending – Reducing expenditure on excess staff	0	3,134	3,211	3,277	9,622	The Government will focus on better aligning the skills base of back office staff with current and future service delivery needs by actively managing the redeployment, or other options, of excess staff. Excess staff are those whose previous positions no longer exist, such as through the expiration of programs or technology change.
CMTEDD	Smarter government spending – Smart Modern Strategic Procurement Reform extension	0	4,500	6,000	6,000	16,500	The savings relate to more efficient spending on goods and services by directorates, in areas such as property maintenance, medical/health related goods and services, and ICT.
CSD	Better support when it matters – Disability Justice Strategy	150	152	0	0	302	This initiative will be funded from within the existing resources of the Community Services and Justice and Community Safety Directorates.
CSD	Better support when it matters – Recognising Canberra's carers	50	0	0	0	50	This initiative will be partially funded by the Community Services Directorate reprioritising its existing resources.
CSD	Better support when it matters – Support for new and emerging Aboriginal and Torres Strait Islander organisations	25	25	25	25	100	This initiative will be offset from within the existing resources of the Community Services Directorate.
Education	Better schools for our kids – Investing in our teachers – STEM and language scholarships	125	250	250	250	875	The Education Directorate will fund this initiative from within existing resources.
Education	Better schools for our kids – More support for teachers	1,928	0	0	0	1,928	The Education Directorate will partially fund this initiative from within existing resources.
Education	Better schools for our kids – Nongovernment school infrastructure upgrades	3,750	3,750	3,750	3,750	15,000	The Education Directorate will fund this initiative through capacity existing in the existing forward estimates as enrolment levels are lower than budgeted.
Education	Better schools for our kids – Safe Schools program	50	50	50	50	200	The Education Directorate will partially fund this initiative from within existing resources.
Education	Better schools for our kids – Safe workplaces for teachers, educators and support staff	310	317	324	0	951	The Education Directorate will fund this initiative from within existing resources.
EPSDD	Better services in your community – Enhancing environmental stewardship	200	0	0	0	200	The Education Directorate will fund this initiative from within existing resources.

Agency	Initiative Title	2017-18 Budget \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000	Total \$'000	Nature of Offset ¹
EPSDD	Building a better city – Staff funded through the Renewable Energy Innovation Fund	565	730	770	775	2,840	The Government will continue to provide dedicated staffing resources in support of innovation activities provided from the Renewable Energy Innovation Fund for a period of four years.
EPSDD	More and better jobs – 3D Canberra Planning Tool – Supporting urban renewal	200	200	200	0	600	The cost of the initiative will be covered by contributions from relevant government agencies.
EPSDD	More and better jobs – Canberra International Airport – Guarding against the spread of pests and diseases	10	10	10	10	40	A grant from the Department of Agriculture and Water Resources through the National Plant Health Surveillance Program will partially offset the cost of this initiative.
EPSDD	More and better jobs – Ensuring continuity of the Spatial Data Management System	0	72	75	79	226	The offsets of this initiative are related to a software licence which is no longer required under the new system.
EPSDD	More and better jobs – Sustainably managing our forests	500	500	500	500	2,000	The Government will increase harvesting and replanting of softwood in the ACT Forest Estate through the use of more efficient and sustainable management practices.
EPSDD	Smarter government spending – Googong Foreshore access gate upgrade	76	81	85	91	333	The Government will improve the efficiency of access to Googong Foreshores by implementing an automated gate system and reducing the drive-in public access points from two to one.
EPSDD	Smarter government spending – Improving efficiency in biodiversity management	250	253	257	260	1,020	The Government will achieve savings through prioritising work directly relevant to the ACT and introducing more efficient engagement on biosecurity matters.
EPSDD	Smarter government spending – Streamlining customer service delivery	152	154	156	158	620	The Government will increase the efficiency of its planning and delivery functions by streamlining customer service delivery, consolidating functional areas and improving planning and leasing services to the community.
EPSDD	Smarter government spending – Streamlining master planning processes	125	127	128	130	510	The Government will streamline and modernise the strategic planning function within the directorate and reduce duplication in its land use planning work.
Health	Better care when you need it – Expanding Hospital in the Home	136	0	0	0	136	The Health Directorate will fund this initiative from within existing resources.
Health	Better care when you need it – Helping patients navigate the health system	100	0	0	0	100	The Health Directorate will fund this initiative from within existing resources.
Health	Better care when you need it – Improving health facilities	844	0	0	0	844	The Health Directorate will fund the expense component of this initiative from within existing resources.

Agency	Initiative Title	2017-18 Budget \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000	Total \$'000	Nature of Offset ¹
Health	Better care when you need it – More nurses for Canberra	4,492	7,977	10,894	12,638	36,001	This will be funded from within existing Health resources. The ACT Health budget across the forward estimates (and including the Health Central Provision) is approximately \$6.858 billion. This initiative represents 0.52 per cent of ACT Health funding.
JACS	Better support when it matters – Better mental health services for emergency services personnel	201	204	207	209	821	This initiative will be offset by the benefits flowing to the Emergency Services Agency from these services in the form of lower absenteeism, lower workers' compensation costs, and a more productive workforce.
JACS	Better support when it matters – Community Legal Centres	0	283	286	289	858	This initiative is partially offset by savings associated with administrative changes in the justice system.
JACS	Better support when it matters – Diverting offenders from the justice system	226	0	0	0	226	This initiative will be partially offset by unutilised funding in 2016-17 for the Aboriginal Justice Centre.
JACS	Better support when it matters – Enhanced security for ACT Policing	73	74	0	0	147	The cost of this initiative is partially offset by ACT Policing redirecting existing resources.
JACS	Better support when it matters – Equipping more ACT Police with TASERS	219	0	0	0	219	The cost of training officers in 2017-18 is partially offset by the use of existing ACT Policing resources.
JACS	Better support when it matters – Family Safety Hub	358	0	587	701	1,646	This initiative is partially offset by Safer Families initiatives that did not fully utilise the available budget in 2016-17, and by reprioritising available funds following the completion of initiatives in future years.
JACS	Better support when it matters – Planning for the future of policing in the ACT	461	468	0	0	929	The cost of this initiative will be partly offset by ACT Policing redirecting existing resources.
JACS	Smarter government spending – Portfolio efficiencies	748	1,236	1,455	1,451	4,890	The Government will implement a number of administrative improvements within the Justice and Community Safety Directorate to deliver more efficient services to the community.
TCCS	Better services in your community – Investing in community transport	424	435	445	457	1,761	This initiative will be partially funded from within ACTION's existing resources.
TCCS	Building a better city – Bus service improvements	3,800	1,025	1,050	1,077	6,952	The offset will be funded from within existing resources.

Agency	Initiative Title	2017-18 Budget \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000	Total \$'000	Nature of Offset ¹
TCCS	Smarter government spending – Portfolio efficiencies	308	1,312	1,816	1,820	5,256	The Government will create efficiencies through adjusting service levels, streamlining delivery of services, and realigning the Transport Canberra and City Services Directorate's workforce capabilities.
Total Expense Offsets		24,251	34,080	40,503	50,733	149,567	

Note:

1. The Pegasus Report contains a revenue offset in the table presented on page 31 of that report (ie *Better services in your community – Increasing recycling and reducing waste*). That initiative has been removed from the above table on the grounds that it represents the introduction of a one-off registration fee for waste transporters, to be collected under the *Waste Recovery and Resource Management Act 2016* (enacted 1 July 2017) – it does not represent a savings or efficiency.

Table A.2 – Capital offsets associated with 2017-18 Budget initiatives

Agency	Initiative Title	2017-18 Budget \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000	Total \$'000	Nature of Offset
CFC	Building a better city – Upgrading lighting at the Canberra Museum and Gallery	50	0	0	0	50	This initiative will be partially funded from within existing resources.
CIT	Better facilities for our students – Improving vocational training facilities	2,642	0	0	0	2,642	This initiative will be funded through the <i>Better Infrastructure Fund</i> .
CMTEDD	Building a better city – Improving major venues	2,815	0	0	0	2,815	These works will be undertaken through the Chief Minister, Treasury and Economic Development Directorate's <i>Better Infrastructure Fund</i> allocation and from savings on other capital projects.
CMTEDD	Building a better city – Macarthur House Data Centre decommissioning program	4,277	0	0	0	4,277	The costs of relocating the data centre will be largely met from within the existing resources of the Chief Minister, Treasury and Economic Development Directorate.
CMTEDD	More and better jobs – Improving arts facilities	145	245	245	245	880	This initiative will be funded through the <i>Better Infrastructure Fund</i> .
CMTEDD	More and better jobs – Sporting capital	125	0	0	0	125	The Government will install a permanent basketball court for use by the Capitals in the National Convention Centre, which will be funded by reprioritising existing resources.
CSD	Better support when it matters – Improving community facilities	395	405	415	426	1,641	This initiative will be funded through the <i>Better Infrastructure Fund</i> .
Education	Better schools for our kids – Public school infrastructure upgrades	14,934	15,308	15,690	16,083	62,015	This initiative will be partially funded through the <i>Better Infrastructure Fund</i> .
EPSDD	Better services in your community – Improving our parks and nature reserves	530	0	0	0	530	This initiative will be funded from the <i>Better Infrastructure Fund</i> .
Health	Better care when you need it – Improved infrastructure for acute aged care and cancer inpatients	10,000	7,310	0	0	17,310	This initiative will be fully funded through savings achieved in the Health Directorate's existing capital works program.
Health	Better care when you need it – Improving health facilities	4,245	0	0	0	4,245	This initiative will be funded through the <i>Better Infrastructure Fund</i> .
TCCS	Better schools for our kids – Safer walking and cycling around schools	525	525	0	0	1,050	This initiative will be funded from the <i>Better Infrastructure Fund</i> .
TCCS	Better services in your community – Expanding the Domestic Animal Shelter	400	0	0	0	400	This initiative will be partially funded from the <i>Better Infrastructure Fund</i> .

Agency	Initiative Title	2017-18 Budget \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000	Total \$'000	Nature of Offset
TCCS	Better services in your community – Revitalising Woden Library	1,000	573	0	0	1,573	This initiative will be funded from the <i>Better Infrastructure Fund</i> .
TCCS	Building a better city – Active Travel – Footpath and cycleway upgrades	1,220	1,000	1,000	1,000	4,220	This initiative will be funded from the <i>Better Infrastructure Fund</i> .
TCCS	Building a better city – Gundaroo Drive duplication – Stage 2	0	2,800	0	0	2,800	This initiative will be partially funded from the <i>Better Infrastructure Fund</i> .
TCCS	Building a better city – Revitalising local town centres	4,000	4,000	0	0	8,000	This initiative will be funded from the <i>Better Infrastructure Fund</i> .
Total Capital Offsets		47,303	32,166	17,350	17,754	114,573	