QTON No. QTON 049

**Legislative Assembly** for the
**Australian Capital Territory**
Standing Committee on Environment, Planning, Transport and City Services

# Inquiry into Annual and Financial Reports 2023–24

## Answer to question taken on notice

Asked by: Ed Cocks, Ed MLA

Addressed to: Tara Cheyne MLA, Minister for City and Government Services

In relation to: When was Minister first told by Access Canberra about the FTE overspend for 2023-24?

Hearing: 14 February 2025
Proof Transcript: 14 February 2025 pgs 61-63
Transcript provided: 28 February 2025
Answer Due: 7 March 2025

Tara Cheyne MLA, Minister for City and Government Services took on notice the following question(s):

MR COCKS: Going again to Access Canberra, on page 80 of volume 2.1 of the annual report—this is note 25—it seems to indicate that Access Canberra employee expenses were about $16.8 million above the original budgeted amount. What was the cause of this?

Ms McKinnon: There are things that would have affected that. One is the volume of transactions and the need to ensure frontline services. The second would be the impact, particularly of Fair Work and secure employment, and the ACT government's own secure temporary workforce. We had people on contracts, and the Fair Work amendments offered them permanency, so we are holding more FTE than we budgeted for. Having said that, we have quite a healthy turnover in a number of areas because we are an entryway to the ACT public service—service centres, contact centres and a lot of our transaction processing teams. Eventually, that will level out.

MR COCKS: When did the directorate become aware that an overspend was likely and who signed off on that?

Ms McKinnon: It would have been me, under the FM Act, signing it off. We have been aware for some time that that is where we were tracking to.

MR COCKS: The 2023 actual expenditure was $91.789 million. For some reason, in the 2024 budget, it dropped down to $78.731 million. Of course, then we have our actual for 2024 being back up, at $95½ million. What steps did Access Canberra intend to take that would have enabled it to deliver a budget amount in 2024 that was significantly lower than what was spent in 2023?

Ms McKinnon: Mr Cocks, before I hand over to Yu-Lan, we have been undertaking a whole range of internal efficiencies and customer improvements over the last two or three years. For example, our licensing and registration team, which does most motor vehicle transactions back of house, had three different mailboxes and four different queues. We have now streamlined that and, as a result, we are resolving more of those customer questions on first touch. About 50 per cent are resolved on first touch rather than having to go back and say, "Where is this form?" et cetera.

Right across Access Canberra, there has been a whole range of business improvements that have made a difference. Most of them are very small, but, cumulatively, they do help us to deliver better service and try to get back to budget.

Ms Chan: I have read and acknowledge the privilege statement. Thank you for your question. There are also some changes in the way that some of the costs were allocated. The budgeted amount had gone down a little bit because there were changes in our centralised IT, are they are now accounted for. Previously, directorates received CRP for that amount. DDTS would then invoice us; we would pay that back. That is now handled differently, so that amount does not appear in our budget anymore.

MR COCKS: If accounting changes are the reason for this, is anyone supposed to compare what is budgeted with what is actually spent?

Ms Chan: The budget and the actual amounts are still year by year and are still tracked.

MR COCKS: Are they prepared on the same basis? Are they covering exactly the same thing?

Ms Chan: It is now acknowledged in our actuals. Because we do not pay the invoices from DDTS, they do not come into our actuals. It is now handled through a different appropriation style.

MR COCKS: But we still have an issue where we were tracking at one level of spending. According to the annual report, the budget was then suggesting that there would be more than a 10 per cent saving. Now, expenditure is $16.8 million higher than budgeted. I am trying to understand what has happened.

Ms Chan: We have had a number of pressures, and we have had increased staffing costs, as Ms McKinnon has explained. Some of those contribute to our costs.

MR COCKS: Do you have a precise date for when the directorate knew that you would be overspent on employee costs?

Ms Chan: We do regular projections every month. This is something we have been discussing for some time.

MR COCKS: When did you make the minister aware of those projections?

Ms Cheyne: Through a range of different ways, Mr Cocks. I would not say that I found out in the annual report or in estimates. Through the budget process, and multiple years of budget processes. I would say I am aware of the cost pressures in Access Canberra. A considerable amount of work is done to model, forecast and identify areas where there can be greater efficiency regarding processes. Certainly, there are a lot of pressures on Access Canberra and the services it provides.

MR COCKS: Would you be able to take on notice the first advice you received that there was a likely overspend?

Ms Cheyne: It would probably have been communicated to me in a weekly briefing, and I would not have a date.

MR COCKS: Okay.

THE CHAIR: Is that not something that can be taken on notice, as to when the minister was first made aware of the likely budget overspend?

Ms McKinnon: Obviously, we meet frequently with the minister. The reason we are a bit confused is because Access Canberra is one unit, but there are many different lines of business. I would be saying to the minister, for example, that there were 3,000 customers on our first day back in the service centre, and that was causing pressure downstream in terms of applications and processing of particular licences.

In aggregate, we would continue in the specifics to brief the minister about areas where we were having pressure points et cetera. I am not sure, unless it is through the budget process, whether there would be a date when we definitively called our budget position. I can take that on notice.

MR COCKS: Thank you.

**Tara Cheyne MLA, Minister for City and Government Services:** The answer to the Member's question is as follows:

Agencies continue to monitor their expenses as per standard business processes, and I am regularly briefed by senior Access Canberra officials on service delivery and budget matters.

As part of the Chief Minister, Treasury and Economic Development Directorate, Access Canberra's budget is managed within the total CMTEDD budget, consistent with the Financial Management Act obligations to manage budgets at a directorate level.

Approved for circulation to the Standing Committee on Environment, Planning, Transport and City Services

Signature: Date: 5/3/25

By Tara Cheyne MLA, Minister for City and Government Services