



# **Government Response**

- to the Report of the

**Select Committee on Estimates**

**Appropriation Bill 2001-2002 (No. 3)**

## **Tabling Statement**

// April 2002

Ted Quinlan MLA  
Treasurer

Mr Speaker, I present the Government response to the report of the Select Committee on Estimates 2001-2002 on the Appropriation Bill No.3.

Mr Speaker, this Bill will provide funding to address a number of issues raised by the Commission of Audit. It is largely mechanical.

The report addresses all ten recommendations provided by the Committee.

Mr Speaker, we are happy to address the recommendations of the Committee, but consider the greater part to not be relevant to the Appropriation Bill.

Mr Speaker, the Government will pursue the housekeeping issues raised by the Committee in relation to the onpassing of the First Home Owners' Grant and the completion of Financial Statements after Administrative Orders.

I note, and would like to reiterate to the Assembly, that the Committee did not actually state any concerns with the items listed in the Bill or concerns which would prevent the Bill passing this afternoon.

The Committee did, however, spend much time pursuing issues that related to the 2002-2003 Budget instead of the

matter at hand. I suggest that these issues are better suited to next year's budget.

I commend the Government Response to the Assembly.





AUSTRALIAN  
CAPITAL TERRITORY

**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN  
CAPITAL TERRITORY**

**GOVERNMENT RESPONSE TO THE  
SELECT COMMITTEE ON ESTIMATES 2001-2002**

**APPROPRIATION BILL 2001-2002 (NO. 3)**

11/4/02



## INTRODUCTION

The Select Committee on Estimates tabled its report on the Appropriation Bill 2001-2002 (No. 3) on Tuesday 9 April 2002.

The Committee made 10 recommendations. The Government has responded to all the recommendations. It should be noted that the Government considers several recommendations to be outside the scope of the Committee's terms of reference.

## RESPONSE TO RECOMMENDATIONS

### Recommendation 1

**2.10 That unless unforeseen expenditure cannot be dealt with by a Treasurer's Advance, or some other mechanism, Appropriation bills should be delayed until later in the financial year so as to minimise the number of appropriation bills coming before the Assembly.**

### Government Response

The Government does not support this recommendation. The need for a supplementary appropriation bill should be determined on a case by case basis, taking into consideration issues which relate to financial capacity, urgency and service delivery.

The Government believes that it is in the interests of open and honest governance for these cost pressures to be addressed through a third Appropriation Bill. Unlike a Treasurer's Advance, this mechanism affords the Assembly the courtesy of being able to examine all the issues at hand, and does not presume to make assumptions about the decision making of the Assembly before they have been presented with all the facts.

### Recommendation 2

**2.16 Government needs to clarify quickly whether the \$27 million extra for education promised during the election is on top of the existing budget, or some other base, and how the potential 2 per cent cuts are to be applied to the education budget.**

### Government Response:

The Government disagrees.

The Government sees no need to respond quickly to this recommendation, as all matters concerning Education funding will be settled during the normal budget process and after the receipt of input from various committees and the community in relation to budget consultation.

The question of savings is a matter of deliberation for the government in the development of the 2002-2003 Budget.

### **Recommendation 3**

- 2.21 Amend the Financial Management Act so that appropriations made by the Commonwealth to the Territory for specific purposes may be adjusted as if the appropriations had been specified to be specific purpose payments.**

#### **Government Response**

The Government will seek legal advice on the application of Section 17 of the *Financial Management Act 1996* (FMA) to grants for specific purposes provided as general revenue assistance. If necessary, the FMA will be amended to give effect to the Committee's recommendation.

### **Recommendation 4**

- 2.26 Budget consultation documents need to be available a reasonable period, at least several weeks, before reports of committees dealing with budget issues are due to be brought down.**

#### **Government Response**

An update to the financial position of the Territory was available on 7 March 2002 as part of the Commission of Audit. The information provided as part of the budget consultation document added to the information available from the Commission of Audit information, and given the significance of the financial position indicated in that paper, it required significant consideration by the Government.

The Government will ensure that in future, consultation documents are available in a reasonable period.

### **Recommendation 5**

- 2.28 The Government needs to ensure that agency negotiations, necessary to the issuing of revised financial statements, are completed in a timely manner.**

#### **Government Response**

Agree in principle. The process of transferring resources as part of the AAOs is complicated, particularly where businesses are major and the asset or liability bases are large. There has been consideration of this issue as part of the review of the *Financial Management Act 1996*. Consideration is being given to providing only a two month time limit for finalisation of these transfers, and this approach will be pursued.



## **Recommendation 6**

**2.30 That Government gives consideration to extending, by time and scope, its recycling education campaign to reinforce and support all good recycling practices.**

### **Government Response**

Currently the Government has in place an education program, which is conducted through the existing contractor that requires the contractor to spend \$40,000 annually to educate and encourage residents to recycle and to do so correctly. For the current financial year this has been achieved by:

- ◆ Brochures;
- ◆ Radio advertisements; and
- ◆ Newspaper advertisements.

Similar contract provisions, including enhanced educational requirements, will be included in all future recycling contracts.

## **Recommendation 7**

**2.32 Work on a policy framework for Office of Sustainability needs to be accelerated to allow it to operate for the 2002-2003 Budget.**

### **Government Response**

The Government has already articulated a strong social, environmental and economic agenda, which provides the context for the development of the 2002-2003 Budget.

The Office of Sustainability is developing a sustainability framework which, when finalised, is proposed to be used in the development of future budgets and policy development. Government strategic planning will include sustainability principles and incorporate a triple bottom line approach to the planning and development of the ACT. The Framework will identify the key sustainability issues for the ACT, a definition, operating principles, goals and headline indicators, and will provide direction and focus for agencies to develop supporting policies and strategies.

The Office of Sustainability cannot be formally established until the Legislative Assembly has approved the Appropriation.

The Government has foreshadowed that its draft policy statement is being developed over the next three months.

Community input is an essential element of the finalisation of the framework, as implied by Recommendation 8, and this phase is planned to commence in July 2002.

### **Recommendation 8**

**2.34 The Government should establish a reference Committee of stakeholders and/or experts to oversight the development and operating ethos of the Office of Sustainability.**

#### **Government Response**

The Government proposes to establish a reference group to assist the Office of Sustainability, firstly in the development of the sustainability framework. Once the Assembly has approved the Appropriation, the government will begin to actively seek the views of stakeholders, including, individual members of the community, community based organisations, industry and business and professional bodies. This includes tapping existing consultative bodies that deal with social, environment and business matters, and establishing new mechanisms such as a reference group.

### **Recommendation 9**

**2.35 The Government provides an explanation as to why answers to questions taken on notice at the public hearing of the Select Committee on Estimates were not provided in a timely manner.**

#### **Government Response**

It is understood that answers were forwarded to the Committee by COB 5 April 2002 (4 working days late, after allowing for the Easter Break).

The Government acknowledges this was late. The Departments involved had major workload issues which, on this occasion, did not permit the timely preparation of these responses.

### **Recommendation 10**

**2.38 Pursuant to Government protocols in this area, consultants should not be appointed without a tender process and, where consultants have been appointed with a tender process, the documents relating to such appointments should in appropriate circumstances be made available to the Assembly for its scrutiny.**

#### **Government Response**

The government is committed to achieving best value for money through its procurement activities and agrees that subject to there being demonstrably sound reasons for doing otherwise public tenders should be invited for all procurement activities, including consultancies, with an estimated value in excess of \$50,000. Between \$2,000 and \$50,000 a minimum of 3 written local quotations are required to be sought. For consultancies less than \$2,000 a minimum of one local oral quotation is required.

The government fully supports and promotes openness and transparency in government procurement and requires all contractual arrangements (including consultancy arrangements) valued at over \$50,000 to be available to the public in

accordance with the requirements of the *Public Access to Government Contracts Act 2000*.

