



**Legislative Assembly for the
Australian Capital Territory**

Standing Committee on Public Accounts

Inquiry into responses to Auditor-General recommendations for reports 5/2017, 7/2019 and 6/2020

Legislative Assembly for the Australian Capital Territory
Standing Committee on Public Accounts

Approved for publication

Report 19
10th Assembly
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About the committee

Establishing resolution

The Assembly established the Standing Committee on Public Accounts on 2 December 2020.

The Committee is responsible for the following areas:

- ACT Auditor-General
- Office of the Legislative Assembly
- Accounts of the receipts and expenditure of the ACT and its authorities
- All reports of the Auditor-General which have been presented to the Assembly
- Treasury including taxation and revenue

You can read the full establishing resolution [on our website](#).

Committee members

Mrs Elizabeth Kikkert MLA, Chair

Mr Michael Pettersson MLA, Deputy Chair

Mr Andrew Braddock MLA

Secretariat

Ms Sophie Milne, Committee Secretary

Mr Consul O'Reilly, Assistant Committee Secretary (until 7 August 2023)

Ms Kate Mickelson, Assistant Secretary (from 14 August 2023)

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About this inquiry

Under Standing Order 216, standing committees can self-initiate an inquiry into any subject area it is given responsibility for by the establishing resolution. The Standing Committee on Public Accounts (the Committee) resolved to conduct an inquiry into the Government's responses to the ACT Auditor-General's recommendations in reports 5/2017, 7/2019 and 6/2020. The Committee informed the Assembly of its intention to conduct this inquiry on 26 October 2022.

Terms of Reference

The Standing Committee on Public Accounts will inquire into and report on matters relating to the Government responses to performance audit recommendations made in the Auditor-General reports:

- 1) No 5/2017 – Maintenance of selected road infrastructure assets;
- 2) No 7/2019 – Referral processes for the support of vulnerable children;
- 3) No 6/2020 – Transfer of workers' compensation arrangements from Comcare; and
- 4) any other related matter.

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Acronyms and abbreviations

Acronym	Long form
ACT	Australian Capital Territory
Auditor-General	The ACT Auditor-General
CMTEDD	Chief Minister, Treasury and Economic Development Directorate
The Committee	Standing Committee on Public Accounts
DHR	Digital Health Record
GP	General practitioner
km	Kilometre(s)
MOC	Model of Care
MACH	Maternal and Child Health service
MLA	Member of the Legislative Assembly
PSWCF Act	<i>Public Sector Workers Compensation Fund Act 2018</i>
PSWC Fund	Public Sector Workers Compensation Fund
SRC Act	<i>Safety, Rehabilitation and Compensation Act 1988</i> (Cth)
TCCS	Transport Canberra and City Services Directorate

Recommendations

Recommendation 1

The Committee recommends that the ACT Government provide a report on its use of sustainable materials in road or path construction to the Assembly before the end of the financial year.

Recommendation 2

The Committee recommends that the ACT Government continue to collect and analyse data on instances and reasons for non-take up of first home visits and health and development checks, and report on these to the Assembly before the end of the financial year.

Recommendation 3

The Committee recommends that the ACT Government liaise with the Australian Digital Health Agency to consider ways to improve privately practising midwives' access to Digital Health Records.

Recommendation 4

The Committee recommends that the ACT Government report to the Assembly on the pilot program of running MACH clinics alongside immunisation clinics before the end of the financial year.

Recommendation 5

The Committee recommends that the ACT Government publish the Model of Care for the MACH nurses and midwives by the end of calendar year 2023.

1. Introduction

- 1.1. Reports of the ACT Auditor-General (Auditor-General) form a significant part of the work of the Standing Committee on Public Accounts (the Committee). The Committee plays an important role to the Assembly through the provision of further independent advice on certain reports of the Auditor-General (which are also prepared and submitted on behalf of the Assembly).¹
- 1.2. This Committee inquiry report is titled: *Inquiry into responses to Auditor-General recommendations for reports 5/2017, 7/2019 and 6/2020*, considers the Government responses to the recommendations contained within each report.
- 1.3. Committee held this inquiry ‘on the papers’, that is, without a public hearing.
- 1.4. The Auditor-General’s *Report No. 5/2017: Maintenance of Selected Road Infrastructure Assets* was released on 9 June 2017. At that time, the then (Ninth Assembly) Standing Committee on Public Accounts resolved not to conduct an inquiry and advised the Assembly of this on 20 March 2018.²
- 1.5. *Report No. 7/2019: Referral processes for the Support of Vulnerable Children* was released on 27 June 2019.³ The then (Ninth Assembly) Standing Committee on Public Accounts resolved not to undertake an inquiry into this Auditor-General’s report. The Government response to this report was tabled in the Assembly on 24 October 2019.⁴
- 1.6. *Report No. 6/2020: Transfer of Workers’ Compensation Arrangements from Comcare* was tabled on 2 July 2020.⁵ The Committee resolved to conduct an inquiry into the report on 5 May 2021.⁶ At a public hearing on 16 June 2021, the Committee heard evidence from the then Minister for Industrial Relations and Workplace Safety, senior officials of the Chief Minister, Treasury, and Economic Development Directorate (CMTEDD), the Auditor-General, and his staff.⁷ On 8 February 2022, the Committee tabled its report on the *Inquiry into Auditor-General’s Report: 6/2020 – Transfer of workers’ compensation arrangements from Comcare*.

¹ Standing Committee on Public Accounts, *Inquiry into Auditor-General’s Report No. 6 of 2020: Transfer of Worker’s Compensation Arrangements from Comcare*, p 1.

² ACT Legislative Assembly, *Minutes of Proceedings*, No 50, Tuesday 20 March 2018, p 721.

³ ACT Audit Office, ‘Referral processes for the support of vulnerable children’, *Media Release*, 27 June 2019.

⁴ ACT Legislative Assembly, *Minutes of Proceedings*, No 119, 24 October 2019, p 1765.

⁵ ACT Legislative Assembly, *Minutes of Proceedings*, No 134, 2 July 2020, p 2019.

⁶ Standing Committee on Public Accounts, *Inquiry into Auditor-General’s Report No. 6 of 2020: Transfer of Workers’ Compensation Arrangements from Comcare*, p 2.

⁷ Standing Committee on Public Accounts, *Inquiry into Auditor-General’s Report No. 6 of 2020: Transfer of Workers’ Compensation Arrangements from Comcare*, February 2022.

2. Audit Report No. 5/2017: Maintenance of Selected Road Infrastructure Asset

- 2.1. The Auditor-General's Performance Audit Report No. 5/2017: *Maintenance of Selected Road Infrastructure Assets* was released on 9 June 2017.⁸
- 2.2. Road infrastructure assets include assets such as road pavements, streetlights, traffic signals and community paths (pathways and cycle lanes).⁹ Roads ACT, a business unit within the Transport Canberra and City Services Directorate (TCCS), is responsible for planning, managing, and maintaining these road infrastructure assets.¹⁰
- 2.3. Roads ACT is responsible for managing and maintaining:
- 3,100 kilometres (km) of roads (equivalent to 6,700 lane km);
 - 2,533 km of community paths in 106 suburbs, consisting of 2,190 km of footpaths and 343 km of off-road cycle paths;
 - approximately 79,000 streetlights; and
 - 316 traffic signals and 48 signalised pedestrian crossings.¹¹
- 2.4. The audit examined the maintenance of road infrastructure assets and considered planning, implementation, evaluation, and governance relating to these assets.¹²
- 2.5. The audit report made 20 recommendations, addressing issues including risk management, improvements to reporting, environmental management and operational plans, data and records management, feedback to customers, maintenance programs and backlog management and traffic signal maintenance and performance.¹³

Government Response - 2017

- 2.6. The ACT Government response to *Report No. 5/2017: Maintenance of Selected Road Infrastructure Assets* was presented to the Assembly on 24 October 2017.¹⁴
- 2.7. The ACT Government agreed to 18 of the recommendations made in the audit report, and agreed in principle to the remaining two: Recommendation 11, that Roads ACT should develop a long-term strategy for reducing the road maintenance backlog; and Recommendation 12, that Roads ACT should develop and implement programs to repair and inspect community paths.¹⁵

⁸ ACT Auditor-General, *Report No. 5/2017: Maintenance of Selected Road Infrastructure Assets*, June 2017, Letter of Transmission.

⁹ ACT Auditor-General, *ACT Auditor-General's Report No. 5/2017: Maintenance of Selected Road Infrastructure Assets*, June 2017, p 20.

¹⁰ ACT Auditor-General, *Report No. 5/2017: Maintenance of Selected Road Infrastructure Assets*, June 2017, p 17.

¹¹ ACT Auditor-General, *Report No. 5/2017: Maintenance of Selected Road Infrastructure Assets*, June 2017, p 19.

¹² ACT Auditor-General, *Report No. 5/2017: Maintenance of Selected Road Infrastructure Assets*, June 2017, pp 20, 23.

¹³ ACT Auditor-General, *Report No. 5/2017: Maintenance of Selected Road Infrastructure Assets*, June 2017, pp 12–16.

¹⁴ ACT Legislative Assembly, *Minutes of Proceedings—Ninth Assembly No 35*, 24 October 2017, p 456.

¹⁵ ACT Government, *Government Response—Auditor-General's Report No. 5 of 2017: Maintenance of Selected Road Infrastructure Assets*, October 2017, pp 5–14.

- 2.8. In reference to Recommendation 11, the ACT Government said that the backlog referred to ‘the gap between the resurfacing targets and amount of resurfacing achieved’, which did not result in a list of roads awaiting resurfacing to be ‘rolled over’. The entire road network was re-evaluated each year and a resurfacing program developed ‘to optimise the effect of the planned expenditure on the network as a whole’. Resurfacing targets had been achieved since 2015–2016.¹⁶
- 2.9. The ACT Government response also stated that a long-term strategy for a sustainable road maintenance program was included in the Roads ACT Strategic Asset Management Plan and was reviewed each year.¹⁷
- 2.10. In reference to Recommendation 12, the ACT Government noted that Roads ACT was reviewing the path inspection and maintenance strategy. It intended to adopt different approaches for concrete and asphalt paths, with more frequent inspections and a preventative maintenance program to be put in place for asphalt paths. The inspection program for concrete paths was to be ‘expanded’, with hazards to be addressed within timeframes specified in the Operational Plan. A revised Operational Plan was to be implemented in 2018–2019.¹⁸

Status update - 2022

- 2.11. In its submission, the ACT Government provided an update on actions taken to implement the Auditor-General’s recommendations, dated 8 December 2022.¹⁹
- 2.12. The ACT Government noted that ‘robust corporate governance arrangements’ operated within TCCS to ensure monitoring and implementation of audit recommendations. New Strategic and Accountability indicators had been put in place relating to pavement condition, resurfacing targets and coverage, and customer satisfaction for community path maintenance.²⁰
- 2.13. In relation to strategic asset maintenance planning, the ACT Government noted that the Roads ACT Strategic Asset Management Plan had been updated in 2018 and that TCCS had implemented a new Asset Information Management System.²¹
- 2.14. The Government Response provided updates against each recommendation, showing progress or completion and adoption as ‘business as usual’.²²

¹⁶ ACT Government, *Government Response–Auditor-General’s Report No. 5 of 2017: Maintenance of Selected Road Infrastructure Assets*, October 2017, p 9.

¹⁷ ACT Government, *Government Response–Auditor-General’s Report No. 5 of 2017: Maintenance of Selected Road Infrastructure Assets*, October 2017, p 9.

¹⁸ ACT Government, *Government Response–Auditor-General’s Report No. 5 of 2017: Maintenance of Selected Road Infrastructure Assets*, October 2017, p 10.

¹⁹ ACT Government, *Submission 1*.

²⁰ ACT Government, *Submission 1*, pp 1–2.

²¹ ACT Government, *Submission 1*, p 2.

²² ACT Government, *Submission 1*, pp 4–17.

Committee comment

- 2.15. The Committee is pleased to note the significant progress which has been made in implementing the Auditor-General's recommendations, many of which have now been incorporated into 'business as usual' policies by Roads ACT.
- 2.16. Noting that the ACT Government submission stated that Roads ACT was trialling the use of sustainable materials in concrete paths, the Committee considers that the ACT Government should report on the outcomes of this trial.²³

Recommendation 1

The Committee recommends that the ACT Government provide a report on its use of sustainable materials in road or path construction to the Assembly before the end of the financial year.

²³ ACT Government, *Submission 1*, p 13.

3. Audit Report No. 7/2019: Referral processes for the support of vulnerable children

- 3.1. The Auditor-General's Performance Audit Report No. 7/2019: *Referral processes for the support of vulnerable children* was released on 27 June 2019.²⁴ The report focused on universal early family support services, noting the importance of experiences in children between the ages of birth and five years in shaping their health, wellbeing, and development.²⁵
- 3.2. The report examined the Maternal and Child Health Service (MACH), Child and Family Centres, and the Child Development Service, the referrals made by these agencies, and monitoring and reporting of services for vulnerable children and families.²⁶
- 3.3. The report concluded that universal early family support services such as those examined provided an opportunity for ACT Government agencies and staff to identify potentially vulnerable children and their families and their support requirements. The report noted that MACH in particular offered 'one of the best and most accessible universal contact points for families during pregnancy and birth'.²⁷
- 3.4. The report observed that MACH nurses were highly experienced in providing health care to mothers and children, in identifying their needs and vulnerabilities, and which programs and services could address these.²⁸ MACH sought to provide a voluntary 'universal home visit' to all children born and residing in the ACT between one and four weeks after birth. However, 10 percent of children born in the ACT in 2018 had not attended a universal home visit from MACH, which represented a 'missed opportunity' for beneficial engagement by and with ACT Government agencies.²⁹
- 3.5. The report also concluded that the examined services provided a range of services and supports for vulnerable children and families once engagement was established, and that the services had linkages with, and made referrals to, a range of other programs and services both within the ACT Government and offered by external providers. The report suggested that stronger and more comprehensive administrative and procedural guidance for staff would be beneficial, particularly with respect to processes for referrals to other programs.³⁰
- 3.6. The report further concluded that public reporting and accountability for service delivery to vulnerable children and their families could be improved, noting that neither Canberra Health Services nor the Community Services Directorate had Strategic Indicators or

²⁴ ACT Auditor-General, 'Referral processes for the support of vulnerable children', *Media Release*, 27 June 2019.

²⁵ ACT Auditor General, *Report No. 7/2019: Referral processes for the support of vulnerable children*, 27 June 2019, p 13.

²⁶ ACT Auditor General, *Report No. 7/2019: Referral processes for the support of vulnerable children*, 27 June 2019, pp 1–2.

²⁷ ACT Auditor General, *Report No. 7/2019: Referral processes for the support of vulnerable children*, 27 June 2019, p 1.

²⁸ ACT Auditor General, *Report No. 7/2019: Referral processes for the support of vulnerable children*, 27 June 2019, p 1.

²⁹ ACT Auditor General, *Report No. 7/2019: Referral processes for the support of vulnerable children*, 27 June 2019, pp-35-36.

³⁰ ACT Auditor General, *Report No. 7/2019: Referral processes for the support of vulnerable children*, 27 June 2019, p 63.

Accountability Indicators in place to provide meaningful information on the effectiveness of the programs and services offered.³¹

- 3.7. The report made six recommendations covering universal first home visits, health and development checks, administrative guidance, service planning and an accountability framework.³²

Government response - 2019

- 3.8. The ACT Government released its response to the Auditor-General's report on 24 October 2019.³³
- 3.9. The response noted that MACH had undergone 'significant' review and re-design since the audit, including a restructuring of its service model, a workforce strategy and 'relocation of clinical services to meet community need'.³⁴
- 3.10. The response further noted that the ACT Government had launched an Early Family Support Initiative, 'to review and respond to identified gaps in services for families experiencing vulnerabilities' while recognising that there can be no compulsion to access such support services.³⁵
- 3.11. The ACT Government agreed to five of the Auditor-General's recommendations. It agreed to one recommendation in principle:³⁶

Recommendation 5 - Strengthening Service Planning

In order to improve program management and service delivery, and the collection of data and needs analysis information that informs strategic and systemic planning, the Canberra Health Services and the Community Services Directorate should regularly report on:

- a) identifying gaps in service pathways for clients and how these are being addressed;
- b) unmet need, where there is limited service capacity to provide timely responses to children and their families; and

³¹ACT Auditor General, *Report No. 7/2019: Referral processes for the support of vulnerable children*, 27 June 2019, p 89.

³² ACT Auditor General, *Report No. 7/2019: Referral processes for the support of vulnerable children*, 27 June 2019, pp 10–11.

³³ ACT Government, *Government Response to the ACT Auditor General's Report Referral processes for the support of vulnerable children (Report No. 7/2019)*, 2019, [Tabled Papers - ACT Legislative Assembly](#).

³⁴ ACT Government, *Government Response to the ACT Auditor General's Report Referral processes for the support of vulnerable children (Report No. 7/2019)*, 2019, p 3.

³⁵ ACT Government, *Government Response to the ACT Auditor General's Report Referral processes for the support of vulnerable children (Report No. 7/2019)*, p 3.

³⁶ ACT Government, *Government Response to the ACT Auditor General's Report Referral processes for the support of vulnerable children (Report No. 7/2019)*, p 4.

c) any emerging trends in referral patterns which may indicate changes to need, and/or which could be indicate of areas where additional early support capacity would be beneficial.³⁷

- 3.12. In response to this recommendation, the ACT Government said that while it supported the policy intent, it also had to consider ‘important contextual information and resourcing constraints’ in ensuring effective and targeted service delivery to vulnerable children and families.³⁸ The response noted that a Memorandum of Understanding between Canberra Health Services and Child and Family Centres provided a mechanism to facilitate ‘regular strategic planning between the two agencies’ and that regular meetings between senior executives and local area managers would assist in reporting on these issues.³⁹

Status update – November 2022

- 3.13. In its submission, the ACT Government provided status updates on each of the Auditor-General’s recommendations, as of 18 November 2022.⁴⁰

Uptake of MACH services

- 3.14. In response to the Auditor-General’s first recommendation, regarding improving the take-up of universal home visits, the ACT Government noted that action had commenced. MACH prioritised initial home visits and kept data on the reasons such visits were declined. The most common reasons for a home visit not being taken up were:
- non-eligibility;
 - not wishing to pay for the service;
 - preferring to see a General Practitioner (GP); and
 - client being uncontactable.⁴¹
- 3.15. The ACT Government further noted that, in the case where a home visit was declined or the environment was unsafe for a nurse to visit, a clinic appointment was offered instead.⁴²

Committee comment

- 3.16. The Committee acknowledges the predominantly positive findings contained within the Auditor-General’s report regarding the universal family support inter-agency and service linkages and collaboration with respect to services offered.

³⁷ ACT Auditor General, *Report No. 7/2019: Referral processes for the support of vulnerable children*, 27 June 2019, Recommendation 5.

³⁸ ACT Government, *Government Response to the ACT Auditor General’s Report Referral processes for the support of vulnerable children (Report No. 7/2019)*, p 4.

³⁹ ACT Government, *Government Response to the ACT Auditor General’s Report Referral processes for the support of vulnerable children (Report No. 7/2019)*, p 7.

⁴⁰ ACT Government, *Submission 2*.

⁴¹ ACT Government, *Submission 2*, p 2.

⁴² ACT Government, *Submission 2*, p 2.

- 3.17. The Committee considers that an examination of the data collected on non-uptake of MACH services may provide insight into improving engagement and better outcomes for vulnerable children and their families.

Recommendation 2

The Committee recommends that the ACT Government continue to collect and analyse data on instances and reasons for non-take up of first home visits and health and development checks, and report on these to the Assembly before the end of the financial year.

- 3.18. In its submission, the ACT Government also noted that the Digital Health Record (DHR) had been established in November 2022 to facilitate information sharing, communication and referrals across public maternity and community health services. However, the DHR did not provide access to midwives in private practice.⁴³

Committee comment

- 3.19. The Committee considers that engagement with MACH and uptake of services offered may be further improved by extending access to the DHR to private practitioners.

Recommendation 3

The Committee recommends that the ACT Government liaise with the Australian Digital Health Agency to consider ways to improve privately practising midwives' access to Digital Health Records.

Health and developmental checks

- 3.20. In response to the Auditor-General's second recommendation, regarding identification of opportunities to improve the take-up of health and development checks offered by MACH, the ACT Government noted that action had commenced.⁴⁴
- 3.21. In its submission, the ACT Government reported that MACH had established the Early Pregnancy and Parenting Support line in response to the initial COVID-19 lockdown. This line had been 'effecting in providing timely support for parenting concerns' and allowed MACH nurses to make face-to-face clinic bookings for families where there were developmental concerns.⁴⁵
- 3.22. Further, in response to anecdotal evidence of 'increased complexity in social determinants of health' reported by MACH nurses regarding families seen in clinics, a 'Quality Improvement' project had begun in 2022 to explore the potential benefits and opportunities offered by running MACH clinics alongside immunisation clinics. The intent of

⁴³ ACT Government, *Submission 2*, pp 2–3.

⁴⁴ ACT Government, *Submission 2*, p 3.

⁴⁵ ACT Government, *Submission 2*, p 3.

the project was to 'increase the presence' of MACH and provide 'opportunistic' support for all families including vulnerable families who accessed the immunisation service. The ACT Government stated that a pilot program was to commence in February 2023.

Committee comment

- 3.23. The Committee considers that, given the high coverage of childhood immunisation in the ACT,⁴⁶ a presence in immunisation clinics offers a significant opportunity for increased engagement by families with MACH. The Committee welcomes this initiative.

Recommendation 4

The Committee recommends that the ACT Government report to the Assembly on the pilot program of running MACH clinics alongside immunisation clinics before the end of the financial year.

Administrative guidance

- 3.24. In response to the Auditor-General's third recommendation, regarding development of administrative and procedural guidance for MACH on referral to programs and services, the ACT Government noted that action had commenced but been delayed.⁴⁷
- 3.25. In its submission, the ACT Government noted that MACH operated according to a Model of Care (MOC) which outlined communication and referral protocols. MACH nurses and midwives used professional judgement and clinical assessment to identify vulnerable children and families, and a 'dedicated framework and service delivery model' in the MOC allowed them to offer short-term early intervention to mitigate vulnerabilities including barriers to accessing services.⁴⁸
- 3.26. However, work to review the MOC and improve communications protocols and referral follow-up had been delayed by the impact of the health service response to COVID-19.⁴⁹

Committee comment

- 3.27. The Committee is of the view that improving administrative and procedural guidance for MACH nurses and midwives to assist them with referral of vulnerable clients to other services would improve outcomes for their clients. The Committee considers that the review of communications protocols and follow-up for referrals should be completed to ensure that best practice is followed as part of business as usual in the MACH.

⁴⁶ Australian Government Department of Health and Aged Care, *ACT childhood immunisation coverage*, <https://www.health.gov.au/sites/default/files/2023-08/act-childhood-immunisation-coverage-data-by-sa3.pdf> (accessed 1 September 2023).

⁴⁷ ACT Government, *Submission 2*, pp 3–4.

⁴⁸ ACT Government, *Submission 2*, pp 3–4.

⁴⁹ ACT Government, *Submission 2*, p 4.

Recommendation 5

The Committee recommends that the ACT Government publish the Model of Care for the MACH nurses and midwives by the end of calendar year 2023.

4. Audit Report No. 6/2020: Transfer of workers' compensation arrangements from Comcare

- 4.1. The Auditor-General's Performance Audit Report No. 6/2020: *Transfer of workers' compensation arrangements from Comcare*, was released on 30 June 2020.⁵⁰

Background

- 4.2. The *Safety, Rehabilitation and Compensation Act 1988* (Cth) (the SRC Act) established a national workers' compensation scheme (the Comcare scheme). The Comcare scheme covers Commonwealth and ACT public servants and employees of some national companies.⁵¹
- 4.3. The Comcare scheme comprises two types of employers:⁵²
- premium payers, such as Australian Public Service agencies (and the ACT Government prior to self-insurance), who pay an insurance premium to Comcare in exchange for its underwriting and management of claims; and
 - self-insurers, who are licenced to underwrite and manage their own claims, in accordance with the Comcare scheme benefit design and with regulatory oversight by Comcare.
- 4.4. In 2018, the ACT Government applied for, and was granted, a workers' compensation self-insurance licence under the SRC Act. The audit report noted that:
- A Notice of Grant of Licence was signed by the Chairperson of the Safety, Rehabilitation and Compensation Commission on 5 December 2018, for the period commencing 1 March 2019 and ending 28 February 2027.⁵³
- 4.5. In addition, the *Public Sector Workers Compensation Fund Act 2018* (the PSWCF Act) was passed to establish financial and prudential governance in relation to the Territory's obligations as a self-insured licensee under the SRC Act.⁵⁴ Prior to this, ACT public service workers' compensation had been insured under the Commonwealth workers' compensation scheme through Comcare.⁵⁵
- 4.6. In its *Annual Report 2020-2021*, the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) noted that the Public Sector Workers Compensation Fund (the PSWC Fund) was established under the PSWCF Act and began operation in March 2019,

⁵⁰ ACT Auditor-General, *Report No. 6/2020: Transfer of workers' compensation arrangements from Comcare*, June 2020, Letter of Transmission.

⁵¹ Australian Government–Comcare, 'About the Comcare scheme' (<https://www.comcare.gov.au/scheme-legislation/about-comcare-scheme>, accessed 20 June 2023).

⁵² Australian Government–Comcare, 'About the Comcare scheme' (<https://www.comcare.gov.au/scheme-legislation/about-comcare-scheme>, accessed 20 June 2023).

⁵³ ACT Auditor-General, *Report No. 6/2020: Transfer of workers' compensation arrangements from Comcare*, June 2020, p 13.

⁵⁴ *Public Sector Workers Compensation Fund Act 2018*, s 6.

⁵⁵ ACT Auditor-General, *Report No. 6 of 2020: Transfer of workers' compensation arrangements from Comcare*, June 2020, p 1.

and that the PSWC Fund was administered by the Public Sector Workers Compensation Commissioner.⁵⁶

- 4.7. The audit report noted that a services agreement between the ACT Government and Employers Mutual Limited (EML) was executed in October 2018. The agreement engaged EML to provide claims administration services until February 2023.⁵⁷
- 4.8. The audit report further noted that, in becoming a self-insured licensee, the ACT Government had acquired the contractual rights and obligations, and the financial liabilities and assets, relating to ACT Public Service workers' compensation claims from Comcare.⁵⁸

The audit

- 4.9. The audit considered the activities of CMTEDD in relation to the preparation for, and management of, the transition to being a self-insured licensee under the SRC Act, including activities for the establishment of the ACT PSWC Fund.⁵⁹
- 4.10. Noting that the PSWC Fund had been subject to reviews and other assurance processes as required for the ACT Government to become a self-insurer, the audit included consideration of the:
 - due diligence processes associated with the transfer of existing workers' compensation assets and liabilities from Comcare; and
 - governance and administrative arrangements for the management of ACT Public Service workers' compensation arrangements.⁶⁰
- 4.11. The audit report made no recommendations but listed key findings under the headings of 'assessment of liabilities and assets', 'transfer of claims data' and 'governance and administrative arrangements.'⁶¹
- 4.12. In relation to assessment of liabilities and assets, the report concluded that, while the rights and obligations of being a self-insured licensee had been transferred to the Territory, Comcare had not yet transferred the funds to cover compensation liabilities, and that the Territory and Comcare had not agreed on the amount of funds to be transferred. This meant that the Territory did not have sufficient funds in the PSWC Fund. The report noted

⁵⁶ Chief Minister, Treasury and Economic Development Directorate, *Annual Report 2020-2021*, Volume 1, p 310.

⁵⁷ ACT Auditor-General, *Report No. 6/2020: Transfer of workers' compensation arrangements from Comcare*, June 2020, p 82.

⁵⁸ ACT Auditor-General, *Report No. 6/2020: Transfer of workers' compensation arrangements from Comcare*, June 2020, p 1.

⁵⁹ ACT Auditor-General, *Report No. 6/2020: Transfer of workers' compensation arrangements from Comcare*, June 2020, p 15.

⁶⁰ ACT Auditor-General, *Report No. 6/2020: Transfer of workers' compensation arrangements from Comcare*, June 2020, p 15.

⁶¹ ACT Auditor-General, *Report No. 6/2020: Transfer of workers' compensation arrangements from Comcare*, June 2020, pp 2–8.

that the ‘continuing uncertainty’ regarding the transfer of funds presented a financial risk to the Territory.⁶²

- 4.13. With respect to the transfer of claims data, the report concluded that CMTEDD had co-operated with Comcare and EML to implement ‘effective governance arrangements for the Territory’s transition to self-insurance’. However, while claims data had been securely transferred from Comcare, there was ‘minimal assurance’ that the data was accurate and that client information was correctly matched with claims data.⁶³
- 4.14. Finally, in reference to governance and administrative arrangements, the report concluded that CMTEDD had developed effective arrangements for the management and oversight of the PSWC Fund and compliance with requirements under the SRC Act.⁶⁴

Government response to the audit

- 4.15. The Minister for Employment and Workplace Safety responded to the Auditor-General’s report on 24 August 2020, and said:

While it is acknowledged that the transfer of assets relating to existing liabilities of the Territory prior to 1 March 2019 remains outstanding and the risks identified in the performance report are noted, it is also necessary to ensure due diligence is undertaken to determine the assets payable to the Territory. Until these assets are paid by Comcare, there are a number of safeguards in place that will ensure the Territory continues to have sufficient funds to meet our liabilities as a self-insurer to our injured workers.⁶⁵

2021 Committee inquiry

- 4.16. On 11 May 2021, the Committee notified the Assembly that it would be undertaking an inquiry into the audit report.⁶⁶
- 4.17. The Committee received a briefing from the Auditor-General and also heard evidence from the Minister for Industrial Relations and Workplace Safety and CMTEDD.⁶⁷
- 4.18. The Committee made one recommendation, that:

⁶² ACT Auditor-General, *Report No. 6/2020: Transfer of workers’ compensation arrangements from Comcare*, June 2020, p 1.

⁶³ ACT Auditor-General, *Report No. 6/2020: Transfer of workers’ compensation arrangements from Comcare*, June 2020, pp 1–2.

⁶⁴ ACT Auditor-General, *Report No. 6/2020: Transfer of workers’ compensation arrangements from Comcare*, June 2020, p 2.

⁶⁵ ACT Government, *Ministerial Response to the Auditor-General’s Report No 6/2020—Transfer of Workers’ Compensation Arrangements from Comcare*, August 2020.

⁶⁶ Standing Committee on Public Accounts, *Report 4: Inquiry into Auditor-General’s Report No. 6 of 2020: Transfer of Workers’ Compensation Arrangements from Comcare*, February 2022, p 2.

⁶⁷ Standing Committee on Public Accounts, *Report 4: Inquiry into Auditor-General’s Report No. 6 of 2020: Transfer of Workers’ Compensation Arrangements from Comcare*, February 2022, p 2.

... the ACT Government finalise negotiations with Comcare and ensure the transfer of assets from Comcare is received by no later than the end of this financial year (meaning by 30 June 2022).⁶⁸

- 4.19. CMTEDD's *Annual Report 2021–2022* noted that Comcare made two payments to the PSWC Fund in March 2019, refunding premiums paid for March to June 2019 and making an initial payment of \$55 million against Comcare's liability transferred to the Territory. The *Annual Report 2021–2022* further noted that Comcare transferred funds to the Territory on 30 November 2021 including \$328 million (excluding GST) 'relating to amounts receivable from 1 March 2019' and \$12.4 million (excluding GST) in interest on this amount.⁶⁹
- 4.20. In its response to the Committee's inquiry report, tabled on 24 March 2022, the ACT Government noted that this final payment had been made, saying that this 'brought the project to establish the workers' compensation self-insurer to a close'. The Government Response noted an ongoing Government commitment to improvement of services for ill and injured workers.⁷⁰

Current Inquiry

- 4.21. The Committee informed the Assembly of its intention to conduct this inquiry on 26 October 2022.
- 4.22. On 26 April 2023, the Committee received a private briefing from Mr Mick Gentleman MLA in his capacity as Minister for Industrial Relations and Workplace Safety. The Minister and his officials updated the Committee on the progress of the ACT's workers compensation arrangements since March 2022, on the performance of Employers Mutual Limited as a service provider, and on the performance of the PSWC Fund against Comcare's key performance indicators and license compliance requirements.

Committee Comment

- 4.23. The Committee makes no further recommendations in relation to the transfer of workers' compensation arrangements from Comcare.

⁶⁸ Standing Committee on Public Accounts, Report 4: *Inquiry into Auditor-General's Report No. 6 of 2020: Transfer of Workers' Compensation Arrangements from Comcare*, February 2022, p 6.

⁶⁹ Chief Minister, Treasury and Economic Development Directorate, *Annual Report 2021–2022*, Volume 2.2, p 192.

⁷⁰ ACT Government, *Response to the Standing Committee on Public Accounts' Report Number 4 of 2022: Inquiry into the Auditor-General's Report No. 6 of 2020: Transfer of Workers' Compensation Arrangements from Comcare*, 24 March 2022, p 7.

5. Conclusion

- 5.1. The Committee finds that significant progress has been made on each of the recommendations and findings contained within the three Auditor-General reports that the Government responses to form the basis of this inquiry.
- 5.2. The Committee makes five recommendations in this report.

Ms Elizabeth Kikkert MLA
Chair
October 2023

Appendix A: Submissions

No.	Submission by	Received	Published
1	ACT Government	08/12/2022	15/12/2022
2	ACT Government	15/12/2022	15/12/2022