



Legislative Assembly for the ACT

STANDING COMMITTEE ON PUBLIC ACCOUNTS

2002-2003 Annual and Financial Reports of  
the Chief Minister's Department, Department  
of Treasury, other related agencies and the  
ACT Legislative Assembly Secretariat

FEBRUARY 2004

**Report 7**

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## Resolution of appointment

The Standing Committee on Public Accounts was appointed by the Legislative Assembly on 11 December 2001 to:

- (i) examine:
  - (A) the accounts of the receipts and expenditure of the Australian Capital Territory;
  - (B) the financial affairs of authorities of the Australian Capital Territory; and
  - (C) all reports of the Auditor-General which have been presented to the Assembly;
- (ii) report to the Assembly, with such comments as it thinks fit, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Assembly should be directed;
- (iii) inquire into any question in connection with the public accounts which is referred to it by the Assembly and to report to the Assembly on that question; and
- (iv) examine matters relating to economic and business development, small business, tourism, market and regulatory reform, public sector management, taxation and revenue and sustainability.

## Terms of reference

To inquire into the 2002-2003 annual and financial reports of certain ACT Government departments and agencies and report by order of the Legislative Assembly by the first sitting day in 2004.

## Conduct of the inquiry

The Committee held public hearings on 16 and 17 December 2003 and heard from Ms Katy Gallagher, MLA, Minister for Industrial Relations and Minister for Women, Mr Jon Stanhope, MLA, Chief Minister and Minister for Community Affairs and Mr Ted Quinlan, MLA, Treasurer, Minister for Economic Development, Business and Tourism and Minister for Sport, Racing and Gaming and accompanying departmental officers. The Committee resolved not to seek community comment in relation to the inquiry.

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## Summary of recommendations

The Committee recommends that:

### Recommendation 1

The ACT Government's Publication Standards for Hard Copy Publications document be reviewed and updated for ease of agency compliance.

### Recommendation 2

Departments and agencies comply with the Chief Minister's Annual Reports' Directions in regard to the use of promotional and similar type information and graphics.

### Recommendation 3

The list of advisory consultative boards and committees appearing in appendices of annual reports include: the length of service of each member of the board and when their membership is due to expire; the number of meetings held; and contact details for the board, both within the relevant department and on the board or committee.

### Recommendation 4

A list of all, Government inquiries and reviews, relevant to each department or agency, and their status be included in the appendix of annual reports. This should include page references to point the reader to the section in the annual report where each inquiry or review is dealt with specifically.

### Recommendation 5

The Office of Sustainability be made independent of Government and resourced sufficiently to enable full participation across agencies and regular comprehensive reporting to the Legislative Assembly.

### Recommendation 6

The Government regularly inform the Standing Committee on Public Accounts about the status of proposed developments at the Canberra Airport.

### Recommendation 7

The Government should introduce regulations in a timely manner to enable the Legislative Assembly to scrutinise them before their implementation date.

### Recommendation 8

The Government ensure that all councils and boards that it provides funding to have appropriate internal complaints mechanisms and that it also provide conflict resolution support where necessary.

### Recommendation 9

The Chief Minister's Annual Reports' Directions include a requirement for all ACT public sector agencies to report in relation to how they are addressing gender balance within their organisation and in policy and program development as recommended in the Status of Women in the ACT report.

### Recommendation 10

A summary of expenditure from the Treasurer's advance be reflected in either volume of the Department of Treasury's annual report.

### Recommendation 11

The *Gambling and Racing Control Act 1999* be amended to ensure the independence of the ACT Gambling and Racing Commission.

### Recommendation 12

In future, when independent commissions appear before Assembly committees, their chair and chief executive officer should be in attendance.

### Recommendation 13

The Government consider establishing a water authority, which takes responsibility for management of all aspects of water in the ACT.

### Recommendation 14

ACTEW work with the Auditor-General to resolve issues associated with its qualified audits.

### Recommendation 15

The Legislative Assembly demonstrate through its building management and procedures best practice in energy efficiency and instigate a program of continuous improvement.

### Recommendation 16

The Minister responsible ensure that the Stadiums Authority follow appropriate processes in relation to its operations and that there be clarification where the *Government Procurement Act 2001* applies.

### Recommendation 17

When the Government brings its assessment of the level of need in Workcover to the Assembly, that it also brings an analysis of the effectiveness of the current education, inspection and infringement systems.

# 1. Introduction

1.1. On 25 September 2003, the Legislative Assembly referred eighteen annual reports relating to ACT Government departments and agencies<sup>1</sup> for the financial year 2002-2003 to the Standing Committee on Public Accounts. The Committee examined the annual reports in relation to their compliance where applicable with the Chief Minister's Annual Reports' Directions, the ACT Government's Publications Standards for Hard Copy Publications, legislative and other requirements as raised in individual agency reports.

1.2. The Committee resolved to examine the annual reports of the following ACT Government departments and agencies.

- Chief Minister's Department
- Department of Treasury
- ACT Gambling and Racing Commission
- ACT Government Procurement Board
- Commissioner for Occupational Health and Safety and ACT Workcover
- ACT Insurance Authority
- Actew Corporation Limited
- Canberra Tourism and Events Corporation (Australian Capital Tourism Corporation)
- Stadiums Authority
- Totalcare Industries Limited
- ACT Legislative Assembly Secretariat

1.3. The Committee has provided comment arising from the 2002-2003 annual reports of the following departments and agencies and general comments in relation to all annual reports referred to the Committee.

- Chief Minister's Department
- Department of Treasury

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<sup>1</sup> A complete list of those departments and agencies is at Appendix A.

- ACT Gambling and Racing Commission
- Actew Corporation Limited
- ACT Legislative Assembly Secretariat
- Stadiums Authority
- Commissioner for Occupational Health and Safety and ACT Workcover

## 2. Presentation, layout and content of annual reports

2.1. In addition to compliance with the Chief Minister's Annual Reports' Directions (annual reports' directions), Territory agencies are required to comply with the ACT Government's Publication Standards for Hard Copy Publications<sup>2</sup>. The standards for hard copy publications mirror part of the information contained in the annual reports' directions.

2.2. While outlining the main compliance items in relation to the ACT Government's publications standards for hard copy publications, there is also reference to the document in the annual reports' directions. The ACT Government's publication standard, best practice note 6.7 is outdated in relation to contact information, including contact officers and telephone numbers as well as the summary of agency type, found at Attachment 1.

2.3. The Committee believes that for the publication standard to be useful as a guidance document, it should be as a minimum kept current. The Committee recommends that:

### Recommendation 1

**The ACT Government's Publication Standards for Hard Copy Publications document be reviewed and updated for ease of agency compliance.**

2.4. The Committee found that there was considerable difference in the presentation of each annual report examined. On the whole, the annual reports examined have complied with the annual reports' directions in terms of publication standards. Contrary to annual reports' directions, a number of reports have included promotional type information<sup>3</sup>. In accordance with

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<sup>2</sup> Chief Minister's Department, Chief Minister's Annual Reports' Directions, June 2003, p 8.

<sup>3</sup> For example, use of colour photographs on pages 24 & 25 and specialised letterhead on each page in the Office of the Occupational Health and Safety Commissioner and ACT

annual reports' directions, the Committee believes that such information while aesthetically pleasing would be better suited in promotional department or agency literature.

2.5. While it is not appropriate for annual reports to be promotional in their content, it is important that they are easily read. In this regard, reports varied. For example, the transmittal letter in one of the reports was illegible.

2.6. The Committee recommends that:

## Recommendation 2

### **Departments and agencies comply with the Chief Minister's annual reports' directions in regard to the use of promotional and similar type information and graphics.**

2.7. The Committee was interested in the information contained in the appendices of the reports of the Chief Minister's Department and the Department of Treasury. In recent months, the Committee has been interested in receiving more information about proposed statutory appointments and has often requested further information in relation to candidates. The Committee would like to see more information included under the advisory and consultative boards and committees' section in annual reports. In particular, the Committee would like the information to reflect the length of membership, the number of meetings undertaken during the financial year, and contact details for boards and committees both within the relevant departments and on the board or committee.

2.8. The Committee would also like to see a separate section that includes the status of all relevant government inquiries and reviews dealt with by each department or agency with reference to other sections where each inquiry is elaborated upon. The Committee believes this would provide ease of reference for readers who are not familiar with departments and or agencies.

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Workcover's Annual report; the photographs of public servants on pages 25 and 37 appearing in the Department of Treasury Annual Report; and photographs on pages 1, 21 & 22 of the Chief Minister's Department Annual Report.

2.9. The Committee recommends that:

#### Recommendation 3

**The list of advisory consultative boards and committees appearing in appendices of annual reports include: the length of service of each member of the board and when their membership is due to expire; the number of meetings held; and contact details for the board, both within the relevant department and on the board or committee.**

#### Recommendation 4

**A list of all, Government inquiries and reviews, relevant to each department or agency, and their status be included in the appendix of annual reports. This should include page references to point the reader to the section in the annual report where each inquiry or review is dealt with specifically.**

2.10. Other issues relating to required items in annual reports' directions and suggestions for inclusion in annual reports are discussed in chapter 3 of this report.

### 3. Comment in relation to issues arising from department and agency reports

#### Chief Minister's Department

3.1. The Committee has expressed interest in the Government's business incubation forum and in particular, the regional olive industry forum. The Committee is concerned that the Government has not investigated the social and environmental impacts of establishing an olive industry in or within the outskirts of the ACT.

3.2. The Government responded to questions about the inclusion of social and environmental factors in assessing the viability of an olive industry by stating

'The issues of sustainability have not been elevated in the olive industry because there is no coherent industry as yet. The wine industry is a better example. We have gone through a number of years of development with that industry with issues such as environmental water use for disease prevention. A whole range of environmental and social protections were brought to the surface one way or the other

between industry and then government over time. It just takes time. ... the olive industry is not yet mature enough to have had those conversations as an industry'<sup>4</sup>.

3.3. The Committee was surprised that there was no mention about the potential for an olive industry in the economic white paper. In relation to this oversight, the Government has stated

'Olives probably should have got a mention, but they did not loom large. This is not leaping out at you as a huge industry that is going to grow within the territory or region. There will certainly be some development in the economic area that we identified. As I said earlier, at this stage there is no great certainty as to the industry's long-term viability or contribution. It is still worth pursuing and taking an interest in and meeting with the people within the industry, as we have done'<sup>5</sup>.

3.4. The majority of the Committee is aware that the olive industry in South Australia has caused environmental costs through impact on wild areas from seedlings and the potential impact should be investigated before any decision to support the industry is made. The Committee sees a clear role for the Office of Sustainability in such processes.

3.5. The Committee is concerned at the lack of clarity about how the Office of Sustainability becomes involved in specific issues.

3.6. The Office of Sustainability commented that

'We participate as part of the policy group in providing advice on cabinet submissions as they go through the system. So we provide that advice. With large issues which emerge and often are unexpected we will try and contribute as best we can. One of the issues I think that has become very apparent is that water has emerged as a very large issue, and we are devoting considerable resources to that because it is a very important sustainability issue and therefore it deserves our attention. What we are trying to do is deal with the issues of today and also develop the systems that we can put in place to ensure that responsibility goes out to others. Because in the end sustainability is not about what the office does: we believe it is about what decision-makers do across government'<sup>6</sup>.

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<sup>4</sup> Transcript of evidence, Wednesday, 17 December 2003, pp 115-116.

<sup>5</sup> *ibid.*, p 116.

<sup>6</sup> *ibid.*, p 74.

3.7. The Office of Sustainability would not comment in relation to how many cabinet submissions it comments on and indicated that it was not possible to determine<sup>7</sup>. In relation to the role of the Office of Sustainability, the Government stated

‘the essential role of the Office of Sustainability is not to second guess other decision-makers. ...it is about ensuring that decision-makers are informed about sustainability and the making of decisions that are consistent with sustainability principles. I don’t expect [the Office] to be second guessing advice that the government takes from other experts and other advisors, for instance in relation to the environmental issues ...raised’<sup>8</sup>.

3.8. The Committee is also concerned that the Office of Sustainability did not provide advice to the Government in relation to the Gungahlin Drive Extension and the East O’Malley woodlands issue.

3.9. A representative of the Office of Sustainability commented that

‘We didn’t have any direct involvement in those, other than the process that we have. We were able to comment on cabinet submissions. That’s one of our opportunities because of where we’re located. We’re able to comment on submissions which come through the office. We’re in the process of developing procedures. We think this is going to take some time. For example, we believe the key decision-making points need to focus on planning, obviously, and the procurement process, grants and reporting, and, in the end, capital works. So we are [at] the very beginning of that process. For example, we are now looking at procurement because we think procurement generally is an area we need to strengthen. So that’s one of our other areas of focus’<sup>9</sup>.

3.10. The Committee finds it unacceptable that the Office of Sustainability only comments on particular issues when asked to by the Government. The Committee believes this substantially hinders the work of the Office of Sustainability.

3.11. The Committee believes that it is difficult to determine where the Office of Sustainability has input into various policies. The Committee understands that the Office is part of various inter departmental committees, but sees that it would serve a more useful purpose if it were independent of

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<sup>7</sup> *ibid.*

<sup>8</sup> *ibid.*

<sup>9</sup> *ibid.*, p 68.

Government and able to provide advice on issues of relevance to the community, not just the Government.

3.12. The Committee recommends that:

#### Recommendation 5

**The Office of Sustainability be made independent of Government and resourced sufficiently to enable full participation across agencies and regular comprehensive reporting to the Legislative Assembly.**

3.13. Another area of interest to the Committee is the master planning process and runway extension at the Canberra Airport. The Government has stated that it has no formal role to play in developments at the Canberra Airport except in relation to statutory requirements to undertake public consultation<sup>10</sup>. The Committee recommends that:

#### Recommendation 6

**The Government regularly inform the Standing Committee on Public Accounts about the status of proposed developments at the Canberra Airport.**

3.14. The Committee also had concerns in relation to the timeframe for the implementation of the national ban on asbestos manufacture and use. The Committee was told on 16 December 2003 that the regulations would be issued and due to commence on 31 December 2003<sup>11</sup>. This timeframe did not allow for scrutiny by the Legislative Assembly before the commencement of the regulations. The Committee recommends that:

#### Recommendation 7

**The Government should introduce regulations in a timely manner to enable the Legislative Assembly to scrutinise them before their implementation date.**

3.15. The Committee was interested to learn more about the governance of certain community councils and the complaints mechanisms and conflict resolution processes available to such councils<sup>12</sup>.

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<sup>10</sup> Answer to question on notice dated 19 January 2004.

<sup>11</sup> Transcript of evidence, Wednesday, 16 December 2003, p 23.

<sup>12</sup> Transcript of evidence, Wednesday, 17 December 2003, pp 93-96.

3.16. In view of the recent difficulties encountered in relation to the workings of a particular council and the review of the Government's complaints mechanisms, the Government stated

'There is an opportunity for the government to have far greater influence through its funding agreements and arrangements over the nature of the constitutional arrangements or the governance arrangements. I can then go back and say that there are certain minimum governance requirements which we as funders require on behalf of the people of Canberra and one of those is a disputes mechanism, a complaints mechanism or an arrangement for some mediation around disputes that arise. I have no difficulty with that and I'd be happy to ensure that it's something we think about seriously in relation to all of our agreements with the community sector. But at another level we're working around this issue of complaints and disputes that exist or might arise between the community sector and the government. I think it's probably fair to say that we haven't perhaps looked as closely as we might or taken the leadership role that we might have in relation to how community organisations that we fund commit to resolving disputes with their organisations. It is a difficult and vexed issue'<sup>13</sup>.

3.17. The Committee remains concerned that there have been problems in relation to the effective and efficient functioning of certain councils and recommends that:

#### Recommendation 8

**The Government ensure that all councils and boards that it provides funding to have appropriate internal complaints mechanisms and that it also provide conflict resolution support where necessary.**

3.18. A further area of interest to the Committee is gender audits and analysis and the inclusion of such factors in the Government's social plan.

3.19. The Government responded to questions about the inclusion of gender analysis by stating

'In relation to components of the social plan, I don't know what I can say. Things that will require money will have to go through a process which involves the Office for Women, similar to the process that goes

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<sup>13</sup> *ibid.*, pp 94-95.

through the budget. So in that sense there will be gender analysis done on aspects of the social plan<sup>14</sup>.

3.20. The Committee would like to see a gender audit and analysis carried out of all Government agencies permeating all policy aspects, similar to that undertaken in some New South Wales councils<sup>15</sup>. This would include relevant identified indicators.

3.21. The Committee recommends that:

#### Recommendation 9

**The Chief Minister's Annual Reports' Directions include a requirement for all ACT public sector agencies to report in relation to how they are addressing gender balance within their organisation and in policy and program development as recommended in the Status of Women in the ACT Report<sup>16</sup>.**

### Department of Treasury

3.22. The majority of the Committee is concerned about the Government's Economic White Paper and whether the expenditure on reports to support the white paper are value for money.

3.23. The Committee has acknowledged concerns expressed by some members of the business and community sectors, that there is inadequate detail in relation to plans, targets and costs associated with the initiatives presented in the Economic White Paper<sup>17</sup>.

3.24. The Government has stated that the business community

'have said that they want to see specifics and have expressed their willingness to await the specifics as they unfold'<sup>18</sup>.

3.25. The Government added that costing would be forthcoming in the 2004-2005 budget and that

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<sup>14</sup> Transcript of evidence, Tuesday, 16 December 2003, p 39.

<sup>15</sup> Department for Women, 'A gender analysis of NSW Local Government Social Plans', January 2002; <<http://www.women.nsw.gov.au/pdf/infocus.pdf>>

<sup>16</sup> Select Committee on the Status of Women in the ACT, The Status of Women in the ACT, November 2002, pp 102 & 103.

<sup>17</sup> Transcript of evidence, Wednesday, 17 December 2003, p 118.

<sup>18</sup> *ibid.*

[The Economic White Paper] 'is not a plan that will be implemented in an instant of time; it is a direction. These are all the aspirations. It takes a fair bit of courage for a government to list those things. Quite frankly, it was always done at the risk that we will get the response that we are getting from very few, fortunately, that, all of a sudden, we not only informed ourselves – we informed the territory; we informed the Parliament. You will appreciate that the plan's assessments and directions have not been criticised. A series of plans have been put together under the Canberra Plan and they will all come together in the next couple of months. We would love to be able to implement everything in them, but we will not be able to do that because there will be a limit on resources'<sup>19</sup>.

3.26. The majority of the Committee remains concerned about the lack of detail included in the economic white paper that was drafted over a period of two years and cost within the range of \$1 million to produce.

3.27. The Committee is also interested in the developments in relation to the review of the Financial Management Act (FMA), in particular, section 18 that provides for the Treasurer's advance.

3.28. The Government stated that legislation was being drafted in relation to the Treasurer's advance and that this legislation would be completed by 2007<sup>20</sup>. The Government further stated

[The Department of Treasury] 'have been progressively reviewing and improving the Financial Management Act. The Assembly has implemented many of those changes. So we are trying to fix the problem. This act is a prime target for amendment. Assembly members are continually pursuing greater accountability or control over what the government does. This act has the potential to become untidy because someone always wants to up the ante'<sup>21</sup>.

3.29. The Committee is concerned about the extended timeframe for review of the legislation relating to the Treasurer's advance as it is an issue that has been commented on in several Auditor-General's reports.

3.30. The Committee is aware that the Treasurer notifies the Legislative Assembly when there is expenditure in relation to the Treasurer's advance,

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<sup>19</sup>ibid., p 120.

<sup>20</sup> ibid., p 135.

<sup>21</sup> ibid., p 136.

but would further like to see a summary of expenditures within the Department of Treasury's annual report.

3.31. The Committee recommends that:

#### Recommendation 10

**A summary of expenditure from the Treasurer's advance be included in either volume of the Department of Treasury's annual report.**

### ACT Racing and Gambling Commission

3.32. The Committee is interested in the role of the ACT Gambling and Racing Commission in reducing the risk and cost of problem gambling in the ACT. The Commission notes in its annual report<sup>22</sup> and in answers to questions on notice<sup>23</sup> received that it has undertaken a range of activities in cooperation with the Australian National University's Centre for Gambling Research in relation to the monitoring, research and education of gambling in the ACT.

3.33. The Committee is concerned that there is insufficient research being undertaken to understand the impact of problem gambling on particular cultural groups within the ACT. The Commission stated that

'We have had a number of discussions about research agenda [with the Gambling Research Centre]. They are conscious of our needs in that regard. Any survey work that will be undertaken will build in that component so that we are hopefully going to identify specific needs within particular cultural groups'<sup>24</sup>.

3.34. Further the Commission acknowledged

'It is important...that we do not act in isolation to things that might be happening in other jurisdictions and perhaps nationally. If we can, we want to play off what might be happening nationally so that we are not duplicating work that might be being undertaken nationally. A lot of these issues are common to every jurisdiction. If we can play off the work that might be undertaken somewhere else, that is probably the best way to go about it'<sup>25</sup>.

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<sup>22</sup> ACT Gambling and Racing Commission, Annual Report 2002-2003, pp 14 – 17.

<sup>23</sup> Answer to question on notice received 13 January 2004.

<sup>24</sup> Transcript of evidence, Wednesday, 17 December 2003, p 141.

<sup>25</sup> *ibid.*, p 142.

3.35. The Committee noted the absence of the Chair of the Commission and the compromised position of the Chief Executive who on a number of occasions deferred questions to the Treasurer<sup>26</sup>. This brings into question the independence of the Gambling and Racing Commission.

3.36. The Committee recommends that:

#### Recommendation 11

**The *Gambling and Racing Control Act 1999* be amended to ensure the independence of the ACT Gambling and Racing Commission.**

#### Recommendation 12

**In future, when independent commissions appear before Assembly committees, their chair and chief executive officer should be in attendance.**

### ACTEW Corporation Limited

3.37. In consideration of the current spate of water restrictions and the implementation of the Queanbeyan City Council's water saving strategy, (where ACTEW is concerned), the Committee is predominantly interested in water management issues.

3.38. In particular, the recently released water management strategy, which included (among other demand and supply options), the option of building a new dam for Canberra<sup>27</sup>. In support of the strategy to consider a new dam, the Treasurer stated

'Members of the community are put to considerable inconvenience as a result of current level 3 restrictions. In the long run people will not stand for it. People collectively will make the judgement that it is not rational to reject totally the building of another dam, no matter what'<sup>28</sup>.

3.39. The ACT Water Strategy suggests that

'Potable water demand in the Canberra area is expected to rise from the current 63 000 ML/a to 84 000 ML/a over the next 50 years as the population in Canberra and the adjacent Queanbeyan grow. This

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<sup>26</sup> *ibid.*, pp 140 – 145.

<sup>27</sup> Institute for Sustainable Futures, ACT Water Strategy: Preliminary Demand Management and Least Cost Planning Assessment: Final Report, October 2003, p 22.

<sup>28</sup> Transcript of evidence, Tuesday, 16 December 2003, p 2.

population rise together with other issues associated with drought security, climate change and catchment regeneration after the 2002/03 bush fires are indicating that another supply source may be required before 2020'<sup>29</sup>.

3.40. The Committee was interested to know whether the building of a new dam was inevitable. ACTEW responded by stating

'It is an open question whether we will build a new dam or get another water supply by drawing on an existing dam through a pipeline. If the population is going to grow in the way in which people think, if the water problems in the yield in the Cotter are as bad as we are led to believe, if the temperature impacts are what the Commonwealth Scientific and Industrial Research Organisation tells us that they will be and there is a need to supply perhaps greater Queanbeyan and other areas, the pressure will be there to do it

The normal period of time that it takes to build a dam and to get it up and operating and supplying water is 10 years or more. If we wanted a water supply in 2017 we would have to start a lot earlier. If we wanted access to water from Tantangara by building a pipeline, assuming we could get the approvals, which would involve New South Wales, the federal government, the Snowy Mountains Authority and any other number of people, the actual civil engineering on that could be done very quickly – in about two or three years'<sup>30</sup>.

3.41. The Committee was interested to know what research was being undertaken in relation to dams and whether any statistics had been collected concerning the savings resulting from water saving items such as water tanks and grey water reuse.

3.42. ACTEW responded by stating

'We factored into our model the targets set out in the water strategy<sup>31</sup> which encompass savings, whether they be from water tanks or any other matters. Rather than taking an individual item we have simply said, "This is the Government's target which has been agreed to by the community. This is what will happen". We are simply reducing the

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<sup>29</sup> Institute for Sustainable Futures, op. cit., p v.

<sup>30</sup> Transcript of evidence, Tuesday, 16 December 2003, p 4.

<sup>31</sup> The targets set in the ACT Water Strategy are: 'by 2013 reduce per capita potable [water] demand by 12%; by 2023 reduce per capita potable [water] demand by 25%; by 2013 increase effluent reuse from 5% to 20%; and limit storm water flow in new developed areas to the same amount that flowed before development', Institute for Sustainable Futures, op. cit., p v.

amount of water that we would be supplying by 10 per cent or 20 per cent'<sup>32</sup>.

3.43. The final report on the ACT Water Strategy made four recommendations for future action in relation to water management. Recommendations were made that further research and analysis is undertaken to gain a clearer picture of water demand and factors affecting water demand. It was also recommended, using this information to meet future water reduction targets and allow for evaluation of measures implemented. The final recommendation suggested that Canberra should use its current combined energy provision to 'show case best practice sustainable design for the rest of Australia'<sup>33</sup>.

3.44. The Committee agrees with these recommendations and advocates a greater focus (than is currently the case) on demand side water management. This would include more research being undertaken in relation to determining an appropriate water reduction rate.

3.45. The Committee is also concerned that a water savings audit has not been undertaken of ACT Government administration buildings. The Government has said that it would not undertake such an audit and further stated that

'They [ACT Government administration buildings] are all under the same restrictions as everybody else'<sup>34</sup>.

3.46. The Committee believes that it is the responsibility of Government to show leadership by reducing water usage.

3.47. The Committee is concerned that there is a fragmented approach to making decisions on water supply, even to the extent that according to Professor Bob Wasson, there's not been any serious discussion of coordinated catchment management since the fires<sup>35</sup>.

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<sup>32</sup> Transcript of evidence, Tuesday, 16 December 2003, p 6.

<sup>33</sup> Institute for Sustainable Futures, *op. cit.*, p xii.

<sup>34</sup> Transcript of evidence, Tuesday, 16 December 2003, p 8.

<sup>35</sup> Rosslyn Beeby, 'ACT's Water Supply in Peril', *The Canberra Times*, Saturday, 7 February 2004, p 1.

3.48. The Committee recommends that:

#### Recommendation 13

**The Government consider establishing a water authority, which takes responsibility for management of all aspects of water in the ACT.**

3.49. In relation to other issues, the Committee is also concerned that ACTEW has again<sup>36</sup> received a qualified audit opinion on its financial statements<sup>37</sup>. ACTEW stated of its qualified audit opinion

‘We disagree with the Auditor-General. It is our legal responsibility under the Corporations Act to make our own judgments. We are not entitled to say “The accounting standards state X, therefore we will do that”, even though we think that that creates a false and untrue picture. We have to come to our own decision by law. We are liable if we do not. As directors we came to those decisions. If the situation were the same today or next time, I guess we would be compelled to come to the same decision. But situations change. Let us see what happens’<sup>38</sup>.

3.50. The Committee understands that the Auditor-General does not issue a qualified audit opinion lightly. Given that again the qualification occurred among other reasons for non compliance with accounting standards, the Committee advocates that ACTEW take measures to resolve issues concerning the application of Australian Accounting Standard AAS 1016 Accounting for Investments in Associates with the Auditor-General’s Office to avoid future qualifications.

3.51. The Committee recommends that:

#### Recommendation 14

**ACTEW work with the Auditor-General to resolve issues associated with its qualified audits.**

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<sup>36</sup> ACTEW Corporation Limited also received a qualified audit opinion on its 2001-2002 financial statements, Auditor-General’s Report No 7 of 2002: Financial Audits with Years Ending to 30 June 2002, p 132.

<sup>37</sup> Auditor-General’s Report No 10 of 2003: Financial Audits with Years Ending to 30 June 2003, p 120.

<sup>38</sup> Transcript of evidence, Tuesday, 16 December 2003, p 11.

## ACT Legislative Assembly Secretariat

3.52. The ACT Legislative Assembly Secretariat (Secretariat) is not subject to the *Annual Reports (Government Agencies) Act 1995* and so is not required to produce an annual report. Similarly to the Auditor-General's Office, the Secretariat produces an annual report in the interests of accountability, transparency and best practice.

3.53. The Committee is interested in the inclusion of ecologically sustainable development (ESD) issues that may relate to the Secretariat, which was not included in the 2002-2003 annual report. Of further interest to the Committee are the Members' use of hybrid vehicles<sup>39</sup> and the environmental benefits and financial savings such vehicles may provide. The Clerk of the Legislative Assembly responded to ESD issues by stating

'I would like to think that we are pretty advanced in our energy efficiency rating for this building, for example, the lights, dual flush toilets and things like that. In the past we have rated quite highly'<sup>40</sup>.

3.54. The Committee is supportive of the work already done and looks forward to the Assembly continuing to lead the way of publicly owned and operated buildings, achieving greater energy efficiency.

3.55. The Committee recommends that:

### Recommendation 15

**The Legislative Assembly demonstrate through its building management and procedures best practice in energy efficiency and instigate a program of continuous improvement.**

3.56. The Committee is also interested in the Auditor-General's recent comments in relation to the Secretariat's financial operations and internal controls<sup>41</sup>. Of the Secretariat's discussions with the Auditor-General's Office, it was stated

'The Audit Office emphasised that there are no underlying concerns; it was just that it had some difficulty arriving at the figures that we had in our financial statements. The Audit Office has been involved in

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<sup>39</sup> A hybrid vehicle is one which combines two or more sources of power. The vehicles referred to are gasoline-electric hybrids.

<sup>40</sup> Transcript of evidence, Tuesday, 16 December 2003, p 51.

<sup>41</sup> Auditor-General's Report No 10 of 2003: Financial Audits with Years Ending to 30 June 2003, p 254.

discussions with the [Secretariat's] accounting firm. It is satisfied that we are taking the issue on board. I am confident that the issues that it detected this year will not be repeated next year<sup>42</sup>.

3.57. Finally, the Committee was interested to know about the developments made in the Assembly building in relation to Information Technology (IT) security. Of IT security it was stated

'We already have in place generic InTACT security arrangements. InTACT works with us, and globally to ensure that our system is meeting its requirements. We will be looking at developing a local service level agreement with InTACT. We will determine to what extent security documentation needs to be updated and applied specifically to the Assembly'<sup>43</sup>.

3.58. In relation to the Standing Committee on Administration and Procedure's recent inquiry into the role of InTACT which came about as a result of a recommendation made by the Select Committee on Privilege's Inquiry into the Unauthorised diversion and receipt of a Member's emails<sup>44</sup>, the Secretariat further stated

'You would be aware that there were incidents in the last 12 months prior to the incident that occurred that led to the report. I think it is fair to say that InTACT has implemented some revised procedures. It contacts us and liaises with us a lot more directly on IT security issues. So there is a clear delineation between the legislature and the executive. I think the service level agreement that we have developed will enhance that. I think the procedures that have been put in place to deal with IT security for Legislative Assembly members, staff or Secretariat are more enhanced than they were, say this time last year'<sup>45</sup>.

3.59. The Committee is satisfied that the Secretariat has responded adequately to the Auditor-General's concerns in relation to the Secretariat's financial operations and internal controls and that IT security has improved within the Assembly building over the last year.

3.60. The Committee understands that the Secretariat is not required to produce an annual report, but would find it beneficial to have included as

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<sup>42</sup> Transcript of evidence, Tuesday, 16 December 2003, p 53.

<sup>43</sup> *ibid.*, p 54.

<sup>44</sup> Report presented 14 November 2002.

<sup>45</sup> *ibid.*, p 54.

outlined in the 2003 Chief Minister's Annual Reports' Directions, a section that deals with ESD.

## Stadiums Authority

3.61. The Committee is concerned about the process followed in acquiring a naming rights sponsor for the Canberra Stadium. In particular, that evaluation criteria for sponsorship proposals were determined after final proposals had been received.

3.62. The Stadiums Authority responded to the Committee's concerns by stating

'The formal writing of evaluation criteria for naming rights or for sponsorships in general was not written in documentation but it was something that had been discussed many times by the board over the previous three years. ...the first expression of interest for a naming rights sponsor for Bruce Stadium back then was in July 2000 and this process had evolved over three years'<sup>46</sup>.

3.63. The Government responded to the Committee's concerns by stating

'At the end of the day the Government did not want the stadium to be called ActewAGL Stadium but would have preferred a name that at least incorporated Canberra Stadium. So the decision Government took was on that basis. We have some differences with how this was done from a purely bureaucratic public administrative perspective versus a private business perspective. That is where the differences are. ...business people are somewhat more flexible than our Procurement Act would provide. There is a legal difference of opinion between legal practitioners, I understand, as to whether or not the Procurement Act applies to the Stadiums Authority'<sup>47</sup>.

3.64. The Committee remains concerned that the process involved in obtaining a naming rights sponsor for the Canberra Stadium is not objective.

3.65. The Committee recommends that:

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<sup>46</sup> Transcript of evidence, Wednesday, 17 December 2003, p 145.

<sup>47</sup> *ibid.*, p 147.

## Recommendation 16

**The Minister responsible ensure that the Stadiums Authority follow appropriate processes in relation to its operations and that there be clarification on whether or not the *Government Procurement Act 2001* applies.**

### Commissioner for Occupational Health and Safety and ACT Workcover

3.66. The Committee is concerned that the number of visits to workplaces during 2002-2003 was inadequate in enforcing legislation. The Committee is also concerned that resource pressures may have reduced the capacity of Workcover to undertake comprehensive education programs.

3.67. The Government stated that Workcover had come under pressure from increased work around the industrial manslaughter legislation and the Occupational Health and Safety compliance framework. The Government added, that a commitment had been made in the Legislative Assembly to assess the level of need in Workcover<sup>48</sup>.

3.68. The Committee was also interested in the two prosecutions under the Occupational Health and Safety Act and the fines imposed during 2002-2003. The two prosecutions resulted in fines being paid to the amount of \$1000 relating to charges concerning the fall from height of a construction worker and \$2250 for electric shock and amputation of fingers of a worker who was using sawmilling equipment<sup>49</sup>.

3.69. The Government commented that it would be presenting amendments in February 2004 to revise penalties under the Occupational Health and Safety Act<sup>50</sup>.

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<sup>48</sup> *ibid.*, p 31.

<sup>49</sup> Office of the Occupational Health and Safety Commissioner and ACT Workcover, 2002-2003 Annual Report, p 29.

<sup>50</sup> Transcript of evidence, Wednesday, 17 December 2003., p 32.

3.70. The Committee recommends that:

#### Recommendation 17

**When the Government brings its assessment of the level of need in Workcover to the Assembly, that it also brings an analysis of the effectiveness of the current education, inspection and infringement systems.**

## 4. Conclusion

4.1. The Committee has made 17 recommendations in relation to the evidence presented to it. The Committee would like to thank Ministers and departmental and agency staff for appearing before the Committee and preparing answers to questions on notice within the relevant time period.

Brendan Smyth, MLA  
Chair

9 February 2004

## Appendix A – Annual reports referred to the Standing Committee on Public Accounts by the Legislative Assembly<sup>51</sup>

1. Chief Minister's Department
2. Commissioner for Public Administration
3. Commissioner for Occupational Health and Safety and ACT Workcover
4. ACT Cleaning Industry Long Service Leave Board
5. ACT Construction Industry Long Service Leave Board
6. Department of Treasury
7. Actew Corporation Limited
8. ACTTAB
9. Totalcare
10. Australian International Hotel School
11. Independent Competition and Regulatory Commission
12. ACT Government Procurement Board
13. ACT Insurance Authority
14. Stadiums Authority
15. Canberra Tourism and Events Corporation
16. Exhibition Park in Canberra
17. ACT Gambling and Racing Commission
18. ACT Legislative Assembly Secretariat

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<sup>51</sup> Legislative Assembly for the ACT, Minutes of Proceedings No 74, Thursday, 25 September 2003, pp 941 – 942.