

**INQUIRY INTO THE URBAN SERVICES PORTFOLIO
2001-2002 ANNUAL AND FINANCIAL REPORTS**

Report No 12

Standing Committee on Planning and Environment

February 2003



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Committee Membership

Ms Vicki Dunne MLA, Chair

Mr John Hargreaves MLA, Deputy Chair

Ms Roslyn Dundas MLA

Mrs Helen Cross MLA

Member from Standing Committee for Community Services and Social Equity: Mr Greg Cornwell MLA

Secretary: Miss Linda Atkinson

Administration: Ms Judy Moutia

Resolution of Appointment

To examine matters related to planning and land management, conservation and heritage, transport services and planning, environment and ecological sustainability.

Terms of Reference

Inquire into and report on the Annual and Financial Reports for the calendar year 2001 and the financial year 2001-2002 as determined by the Speaker (*referred 26 September 2002*).

Preface

The ACT Government's current annual and financial reporting regime is designed to encourage rigorous and analytical business performance reporting. In addition to agency performance, the reporting framework provides for baseline performance reporting against key areas such as equity and diversity, or regulatory activities.

The reporting regime is prescribed and defined by the *Chief Minister's Annual Reports Directions* of May 2002, and the *Financial Management Act 1996*, with Financial Statements subject to audit opinion from the Auditor-General before publication. The following is an excerpt from Division 3.2 Financial Reports of Departments, section 27 of the *Financial Management Act 1996*:

'The annual financial statements of a department shall be prepared in accordance with generally accepted accounting practice and in a form that facilitates a comparison between the financial operations of the department during the year and the estimates of those operations contained in the budget for the department for the financial year.

The annual financial statements must include—

- (a) the financial statements required under the financial management guidelines; and
- (b) a statement of the performance of the department in providing each class of outputs provided by it during the year; and
- (c) if a change was made during the year to the conditions of a capital injection set out under section 12 (1) (c) (ii) (Departmental budgets) in a statement included in a proposed budget for the department for a financial year—a statement of the change and the reasons for it; and
- (d) a statement of the accounting policies adopted by the department; and
- (e) any other statements necessary to fairly reflect the financial operations of the department during the year and its financial position at the end of the year.

A statement of a department must—

- (a) compare the performance of the department in providing each class of outputs provided by it during the financial year with the forecast of the performance in the budget for the department for the year; and
- (b) give particulars of the extent to which the performance criteria included in the budget for the provision of the outputs were met.'

In addition, responsible Ministers must present a quarterly report to the Legislative Assembly which includes a progress report on delivery of outputs; and an explanation of any significant variations from performance criteria.

This regime should by its nature enforce a reporting framework that is a continuum from the original estimates and budget process for the financial year. Unfortunately that is not the case, making it difficult for the Committee to adequately assess the efficacy of the policies, programs and projects introduced or carrying over for the

financial year. This lack of continuity of assessment is exacerbated under the current Legislative Assembly structure of Committees and their Terms of Reference because:

- deliberations of the Standing Committee on the Annual and Financial Reports occur up to six months after the prescribed reporting date of 30 June;
- there is a separate Committee process for each of the Budget Estimates and the Annual and Financial Reports;
- Performance Indicators focus on quantitative information and are not indicative of the actual performance of any policy, program or project.

This year's process was also all the more problematical as the reports straddled two different governments at almost six months a piece for the financial year, first the Liberal Government, followed by the Labor Government.

The recommendations provided by the Standing Committee on Planning and Environment are a reflection of this, as the Committee found itself being almost forced to focus on the structure of the reports, rather than on a comprehensive analysis of the effectiveness of policies or programs that have been implemented during the financial year 2001-2002.

Summary of Recommendations

Recommendation 1

To improve the quality of business and performance reporting, the Committee recommends that:

- **the current format of the Statements of Performance which attach to the Financial Statements be reviewed with a view to improving key performance indicators;**
- **performance information be able to be expressed in qualitative terms and balanced with quantitative information to give a more balanced less contrived description of business results; and**
- **performance information be integrated into the narrative elements of the Reports to encourage improve analysis and synthesis of information.**

Recommendation 2

2.13 The Committee recommends that:

- **the examination of Annual and Financial Reports be streamlined to provide a continuum with annual Budget Estimates Process by a select or standing committee whose terms of reference incorporate examination of Estimates, Budget and Annual and Financial Reports;**
- **the Legislative Assembly refer to the Standing Committee on Administration and Procedure, an inquiry that will provide for debate in the Legislative Assembly, options for an model to facilitate the sustained examination of policies, programs and projects over the full life of the Select or Standing Committee.**

Recommendation 3

The Committee recommends that portfolio departments and agencies regard the process of examining Annual Reports and Financial Statements by relevant Standing Committees as a continuum of the Estimates Committee/Budget process to consider expenditure, revenue and the capital works program.

Recommendation 4

As the ACT Government is characterised by portfolios, departments and agencies with multiple ministries, the Committee recommends that those responsible for multiple portfolios such as the Urban Services Portfolio, employ highly functional management and leadership styles that favour sound management, communication and decision-making frameworks to deal with and

monitor matters that overlap, and to ensure that effective and close working linkages between elements of the Portfolio/s are active.

Recommendation 5

The Committee recommends that Urban Services Portfolio agencies give due regard to the presentation of their Annual and Financial Reports, in particular:

(i) A consistent format for presentation, and consistent/standardised business like language in financial statement items should be used for all agencies within the same portfolio to facilitate improved:

- comparative analysis within and across agencies;
- understanding of priorities and overlaps of policy and operational issues; and
- understanding of value for money/organisational effectiveness;
- translation of task achievement into goal and results achievement.

(ii) Synthesis between Annual and Financial Reports and Budget Documents, Budget Consultation Reports, Estimates Committee Reports; Strategic Future Directions and Business Plans, Other Planning Reviews and Reports must be evident with achievement and outcomes expressed in similar terms. For example, the quality of planning and performance would be better exposed through an analysis between, or cross reference to:

- planned 2001-2002 highlights shown in the 2001-2002 Budget Papers;
- planned achievements cited in strategic documents;
- recommendations from Estimates Reports;
- long term value of assets and liabilities;
- long term capability to provide expected standard of services expected by ACT community; and
- the overall ACT long-term revenue raising and expenditure sustainability as provided by the Department of Treasury.

(iii) Policy and Operational Reporting- policy and operational matters on specific areas should be reported together for each relevant business unit area. For example Housing Policy and Planning should be reported with ACT Housing to give a full strategic context of outcomes. The current form of reporting leads to functional unit reporting rather than outcome focussed reporting.

(iv) Well-constructed comprehensive indexes are essential to provide for a responsible professional document whose information is easily accessed by any reader. Reports that omitted indexes were Volume 2 of the Department of Urban Services; Gungahlin Development Authority; the Kingston Foreshore

Development Authority; Trustees of the Canberra Cemeteries; Cultural Facilities Corporation; and The Commissioner for the Environment ACT.

(v) ***Administrative Overheads***-an exposure of how such overheads are analysed for cost reduction, improved business processes and service delivery, and what strategies are in place to maximise revenue and minimise overheads, including contingency planning and disaster recovery, how revenue levels will continue to service employee related expenses, administrative and other expenses, and other liabilities.

(vi) ***Glossy highly coloured reports*** that resemble marketing brochures deflect from real accountability issues and are not a good use of public money.

(vii) ***Length of Report (Department of Urban Services)***-with an improved format for Statements of Performance and Performance Indicators, and if this were placed with Business Reports, it would encourage a more succinct reporting style, together with cross-referencing to Financial Statements. This would make Financial Statements more relevant and integrated to performance outcomes, thus becoming less of accounting requirement standing separate from the text.

Recommendation 6

The Committee recommends that:

- Consultants/Contractors engaged should be listed by category of use or reason for engagement;
- Each category should show totals of expenditure;
- The same category breakdown should be provided by agency;
- There should be an analysis of why the expertise was required; whether the work could have been undertaken by permanent staff of the ACT Public Service; whether the consultancy/contract was value for money and why; what impact did it make on the delivery of operational services or development of policy and management improvement or outcomes; and how did consultancies contribute to the improves skills and capabilities of ACT Public Service Staff.

Recommendation 7

The Committee recommends the Department of Treasury undertake a review across the ACT Government of expenditure on contractors and consultants, with a view to:

- providing a standard definition for consultants and contractors that differentiates between the purchase of specialist expertise that is unavailable from within the Act Government from within its permanent or long term temporary staff, and delivery of municipal or civic services such as

collection of waste, maintenance of the ACT Government housing stock or assets; and

- **establishing policy and implementation standards for maximum quality service delivery, with a minimum impact on administrative overheads of the ACT Government.**

1. Introduction

1.1 On 26 September 2002, the Speaker of the Legislative Assembly for the Australian Capital Territory referred the 2001-2002 Annual and Financial Reports to Standing Committees for inquiry and report by the first sitting day of 2003. The Standing Committee on Planning and Environment was given responsibility for inquiry into the Annual Reports the Department and Agencies within the Urban Services Portfolio.

1.2 The following Annual and Financial Reports 2001-2002 were referred as per the Schedule defined by the Speaker:

- **Department of Urban Services**
Minister for Urban Services and Minister for Planning
- **ACTION Authority**
Minister for Planning
- **Kingston Foreshore Development Authority**
Minister for Planning
- **Commissioner for the Environment**
Minister for Urban Services (Minister for Environment)
- **Cultural Facilities Corporation**
Minister for the Arts
- **Trustees of the Canberra Public Cemeteries**
Minister for Urban Services

1.3 The Committee's approach to the Inquiry was to assess and examine:

- Reports for compliance with the Chief Minister's Annual Reports Directions issued by the Chief Minister's Department in May 2002;
- Effectiveness and usefulness of the requirements of the *Financial Management Act 1996* to facilitate qualitative performance reporting, which is supported by quantitative financial and other relevant data;
- The content of the reports as evidence of accountability to the community of the ACT in the results achieved, value for money, quality of sustained business management, performance and improvement;
- The extent to which Annual Reports' linked business priorities and plans for the provision of civic infrastructure for the ACT, to Government policies and the ACT's overall present and future financial position; and
- How well linked and cross-referenced the reports were to 2001-2002 Budget documents (including Budget Consultation), the Estimates Committee Reports, published Strategic Plans, and other documents describing the future directions of agencies.

2. Committee Focus on Accountability

2.1 The Reference from the Speaker gave the Committee licence to make any comment it wishes on these annual reports as the starting point for the examination of a specific issue, the management of a particular agency, or a general examination of a department or authority. As 2001-2002 was a financial year when a change of government occurred from a Liberal Government to a Labor Government, it meant that the Annual Reports for 2001-2002 were predicated on directions and priorities set in a Liberal Budget, while the outcomes and results were brought to account by a Labor Government.

2.2 While Annual and Financial Reports provide the responsible minister/s with the opportunity to present a summary of agencies' activities and financial position for the year, the Committee expected they would also expose matters of accountability, strategic and business management, linkage of strategic objectives to operational information, performance of departments and agencies within the wider government context,

2.3 The framework should encourage rigorous statutory reporting, but the Committee observes that instead, it provides for highly prescribed, contrived reporting that makes it difficult for any reader to obtain:

- a well analysed picture of strategic achievements, including any major political, economic, business or human resource challenges that confronted senior management;
- how well any challenges were handled; and
- what impacts such matters had on the overall health of the organisation and its business, and any changes being proposed for the future.

2.4 Often, the real issues are hidden in small font in notes at the end of the Output Class Performance Schedules, and so are not synthesised or cross-referenced with any narrative on the achievements. It results almost exclusively in a quantitative style of reporting. The narrative contains 'good news' and lists of completed or incomplete projects, but an absence of factors that might have contributed to business and organisational successes or failures.

2.5 The Standing Committee's concerns on performance measures are similar to those discussed in Chapter 6 of the Report of the Select Committee on Estimates Report 2001-2002, 'changes to performance measures' and 'lack of detail about key policy documents under some performance measures'. The problems raised appear to be the product of the focus on quantitative reporting combined with the prescribed reporting formats of the *Financial Management Act 1996*. Comparisons in reporting could be improved by more qualitative performance indicators and allowing quantitative information to act as supporting information of how well targets were met. Such qualitative performance indicators use a format like 'the extent to which some impact was/was not achieved as demonstrated by'.

2.6 The Committee has included in this report recommendations that reflect its concern about the overall quality of business and performance reporting, noting that

the **Urban Services Portfolio** provides a major proportion of the civic and urban infrastructure for the ACT, and that during 2001-2002 its overall expenditure was \$616.0 million, achieving a revenue of \$682.4 million (ordinary revenue and expenses). The Portfolio holds approximately \$2.6 billion worth of assets and \$260.92 million in liabilities.

Recommendation 1

2.7 To improve the quality of business and performance reporting, the Committee recommends that:

- **the current format of the Statements of Performance which attach to the Financial Statements be reviewed with a view to improving key performance indicators;**
- **performance information be able to be expressed in qualitative terms and balanced with quantitative information to give a more balanced less contrived description of business results; and**
- **performance information be integrated into the narrative elements of the Reports to encourage improved analysis and synthesis of information.**

2.8 The Committee suggests that improvements in the quality of reporting would help to ensure that achievements do not lose their prominence due to such deficiencies of the Annual Reports as:

- a lack of business, strategic or analytical focus in performance reporting; the lack of linkage and cross referencing to previous relevant documents such as Strategic or Business Plans, Outcomes of Budget Consultation and Budget Estimates;
- a lack of consistency in the follow through of key business issues and priorities from the beginning of the budget process; and
- a lack of linkage to pertinent aspects of the Territory's future sustainability in revenue raising as it related to the continued provision of infrastructure at the current level of service and quality.

2.9 As a result of the analysis of the Annual and Financial Reports and the Public Hearing, the Committee feels convinced that Annual Reports should be dealt with in a rigorous way in conjunction with the Budget Estimates Process by a special standing committee. To this end in the presentation of this Report to the Assembly, the Committee would like to encourage debate in the Legislative Assembly for the creation of a standing committee to deal with Annual Reports as part of the annual budget process.

2.10 The Report of the Select Committee on Estimates 2001-2002 of the Legislative Assembly (Fourth Assembly) provides evidence of frustration in trying to reconcile the draft budget for 2001-2002 with the final budget for 2001-2002 (Chapter 2 of the Report). In the same way, the Planning and Environment Committee experienced difficulty in trying to reconcile the Annual Reports to the published Budget for 2001-2002. The Committee reminds those who formulate budgets,

policies and initiatives, and report on these, that there needs to be a sustained link between each of these, both in practice and in theory.

2.11 The Committee believes that the ACT deserves to be managed to provide sound and effective long term outcomes for the community, where value for money is clearly evident, together with sound 'political decision-making' based on sustainable revenues and expenditures into the future. In providing the 2001-2002 Annual Reports for the Urban Services Portfolio, those in senior executive positions should refer to the Report of Select Committee on Estimates 2001-2002 and any other Assembly reports on the budget or estimates, as a starting point for analysis of performance. Certain statements from this report could serve as a reminder for future improved strategic planning, probity and accountability reporting:

- Chapter 2, para 2.16 'The committee concluded that prudent financial management goes beyond achieving an operational surplus, it should included managing to ensure that there is sufficient cash for both operational and capital requirements.'
- Chapter 2, para 2.18 'It is fairly obvious that, if estimates were prepared for the 2005-2006 financial year, either there would be a cash deficit, or there would not be investment backing for mounting liabilities. Either way, it appears that the budget is more a blueprint for committing every discretionary dollar for the duration of the next Assembly, than a responsible plan for the foreseeable future.'

2.12 The cyclical nature of the Budget Estimates and Annual and Financial reporting would more effectively be handled by one Committee that can take on board the issues in a continuing way.

Recommendation 2

2.13 The Committee recommends that:

- **the examination of Annual and Financial Reports be streamlined to provide a continuum with annual Budget Estimates Process by a select or standing committee whose terms of reference incorporate examination of Estimates, Budget and Annual and Financial Reports;**
- **the Legislative Assembly refer to the Standing Committee on Administration and Procedure, an inquiry that will provide for debate in the Legislative Assembly, options for an model to facilitate the sustained examination of policies, programs and projects over the full life of the Select or Standing Committee.**

Recommendation 3

2.14 The Committee recommends that portfolio departments and agencies regard the process of examining Annual Reports and Financial Statements by relevant Standing Committees as a continuum of the Estimates Committee/Budget process to consider expenditure, revenue and the capital works program.

2.15 Three Ministers, Minister for Urban Services and Minister for the Arts (Mr Bill Wood MLA); Minister for Planning (Mr Simon Corbell MLA); and Minister for Environment (the Chief Minister Mr Jon Stanhope MLA) are responsible for the governance and accountability of the elements of the Urban Services Portfolio. The Committee expressed concerns that such arrangements have the potential for problems with accountability and overlapping decisions/policies on the same issues. As this is a systemic situation across the ministerial responsibilities, portfolios, departments and agencies across the ACT Government, it calls for close rigour and highly functional management and leadership styles to ensure that those responsible for multiple portfolios such as this Portfolio, to ensure for sound management, communication and decision-making frameworks to deal with matters that overlap and to ensure that there close working linkages between elements of the Portfolio/s.

2.16 During the Public Hearings, the Chief Minister (who was appearing as the Minister for Environment) said that he was mindful of the difficulties and the potential for confusion from time to time as a result of the fact that the ACT Government Administrative Arrangements sustain multiple ministries, and that the Chief Executive Officers of agencies have multiple reporting lines and responsibilities. The Chief Minister also said that this is an incident of being a small jurisdiction, confined to five ministries and a small number of departments.

Recommendation 4

2.17 As the ACT Government is characterised by portfolios, departments and agencies with multiple ministries, the Committee recommends that those responsible for multiple portfolios such as the Urban Services Portfolio, employ highly functional management and leadership styles that favour sound management, communication and decision-making frameworks to deal with and monitor matters that overlap, and to ensure that effective and close working linkages between elements of the Portfolio/s are active.

2.18 This, combined with a change of government part way through the 2001-2002 financial year, gave the Committee an opportunity to:

- test how well the agencies had translated their visions and strategies into actions and results;
- obtain feedback around both the internal business processes and external outcomes; and
- assess whether agencies were striving to continuously improve strategies performance and results.

3. Conduct of the Inquiry

3.1 The Committee held Public Hearings on Friday 7 February 2003 and Wednesday 12 February 2003, during which time Ministers and officials took questions from the Committee.

3.2 Under new Administrative Arrangements, the operational arm of ACT Housing had been transferred to the Department of Disability Housing and Community Services while the Policy area remained with the Department of Urban Services. As the Standing Committee for Community Services and Social Equity includes housing in its Terms of Reference, the Chair invited that Committee to join the Planning and Environment Standing Committee to place questions on ACT Housing to officials. The Committee also undertook its own analysis of the documents.

3.3 The Committee had previously agreed that it would not need to call officials from the Trustees of the Canberra Public Cemeteries.

The Committee's main areas of examination were:

- **Policy** co-ordination relating to Road Transport, Road Management, Public Transport, Housing Policy and Planning and ACT Housing;
- **Operational** matters relating to Public Transport, Planning and Land Management, Land and Property, ACT Housing, City Operations, ACT Forests, Gungahlin Development Authority, Kingston Foreshore Development Authority;
- **City Management** in respect of ACT No Waste;
- **Canberra Connect**; and
- **Environment ACT.**

3.4 During the Public Hearings, one of the Ministers concluded the procedures of the Committee when he left before the Committee had finished its deliberations. This impeded the Committee's ability to undertake the inquiry as efficiently, within a minimum of time. This meant the Committee had to recall that Minister and relevant senior officials on another day to complete the examination of the Annual and Financial Reports. This action also marred the tradition of courtesy that is usual in the ACT Legislative Assembly in its carriage of the democratic process with tripartisan frameworks for inquiry.

3.5 The Committee experienced some difficulty in finding periods of time in Ministerial diaries to schedule this hearing, made a little more problematical by the fact that the Urban Services Portfolio is a multiple ministry portfolio. In the same spirit as previous agreements that Ministers keep at least one week free of engagements so that they are able to attend Estimates Hearings in a period after the presentation of the Budget, the Committee believes that Ministers should make themselves during the week when Annual and Financial Reports are to be examined.

3.6 The Committee acknowledges that for the most part, Ministers and officials appeared before the Committee in a spirit of co-operation and frankness.

4. Compliance with Chief Minister's Annual Reports Directions (May 2002)

4.1 The Chief Minister's Annual Reports Directions are issued under the *Annual Reports (Government Agencies) Act 1995*, stating clearly that annual reports are the principal way in which agencies account for management performance through Ministers to the ACT Legislative Assembly and the community. The Annual Reports are regarded primarily as accountability documents.

4.2 The *Annual Reports Act* prescribes which public bodies provide annual reports, the format of the reports, and the deadlines for presentation and tabling of reports; the Chief Minister's Directions prescribe Publication Standards for modest reports, using a minimum of colour and photographs.

4.3 On the whole, the Committee observed that the Annual and Financial Reports of the Urban Services Portfolio complied with the Chief Minister's Directions, but that such compliance did not necessarily give adequate indications of accountability and performance. Extensive information of things done dominate the reports, but they need very close and detailed examination to expose real business performance issues or how challenges faced during the year were handled within strategic and operational plans and allocated budgets, for example natural disasters, changes in administrative arrangements, failure or overspend of projects. The information could benefit from being synthesised so that an adequate picture of overall performance is readily accessible. In this way, the reports would not require a frustrating search through several different places to find co-related information and data.

4.4 As the Urban Services portfolio is a 'federation of customer service businesses', the Committee believes that improvements can be made in the quality of accountability and business performance reporting, to make more transparent what was achieved on behalf of the ACT community.

Recommendation 5

4.5 The Committee recommends that Urban Services Portfolio agencies give due regard to the presentation of their Annual and Financial Reports, in particular:

(i) A consistent format for presentation, and consistent/standardised business like language in financial statement items should be used for all agencies within the same portfolio to facilitate improved:

- **comparative analysis within and across agencies;**
- **understanding of priorities and overlaps of policy and operational issues; and**
- **understanding of value for money/organisational effectiveness;**
- **translation of task achievement into goal and results achievement.**

(ii) Synthesis between Annual and Financial Reports and Budget Documents, Budget Consultation Reports, Estimates Committee Reports; Strategic Future Directions and Business Plans, Other Planning Reviews and Reports must be evident with achievement and outcomes expressed in similar terms. For example, the quality of planning and performance would be better exposed through an analysis between, or cross reference to:

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(iv) Well-constructed comprehensive indexes are essential to provide for a responsible professional document whose information is easily accessed by any reader. Reports that omitted indexes were Volume 2 of the Department of Urban Services; Gungahlin Development Authority; the Kingston Foreshore Development Authority; Trustees of the Canberra Cemeteries; Cultural Facilities Corporation; and The Commissioner for the Environment ACT.

(v) Administrative Overheads-an exposure of how such overheads are analysed for cost reduction, improved business processes and service delivery, and what strategies are in place to maximise revenue and minimise overheads, including contingency planning and disaster recovery, how revenue levels will continue to service employee related expenses, administrative and other expenses, and other liabilities.

(vi) Glossy highly coloured reports that resemble marketing brochures deflect from real accountability issues and are not a good use of public money.

(vii) Length of Report (Department of Urban Services)-with an improved format for Statements of Performance and Performance Indicators, and if this were placed with Business Reports, it would encourage a more succinct reporting style, together with cross-referencing to Financial Statements. This would make Financial Statements more relevant and integrated to performance outcomes, thus becoming less of accounting requirement standing separate from the text.

5. Consultants and Contractors-Transparency of Expenditure

5.1 The Committee experienced difficulty in gleaning from the Annual Reports whether the expenditure for consultants/contractors had been justified and necessary. The Department of Urban Services used a total of \$79,975,595.00 to purchase and delivery services apparently not available from within its own expertise. In order to gain some understanding for the expenditure in this area, the Committee devised categories for consultants and contractors. These categories were:

- Human Resource Management (HRM) Services (includes all elements of HRM such as engagement of staff from private employment agencies, training, Occupational Health and Safety, Workplace Relations);
- Professional Services including Project Management and Contract Management;
- Quality Assurance;
- Information Technology;
- Internal Audit;
- Records Management;
- Library Strategies and Management;
- Customer Services and Focus; and
- Market Research and Associated Services.

5.2 The breakdown for the Department of Urban Services is shown at Attachment 2 to this Report. A glance through this attachment should convince that this deserves more explanation and analysis in the body of any annual report.

Recommendation 6

5.3 The Committee recommends that:

- **Consultants/Contractors engaged should be listed by category of use or reason for engagement;**
- **Each category should show totals of expenditure;**
- **The same category breakdown should be provided by agency;**
- **There should be an analysis of why the expertise was required; whether the work could have been undertaken by permanent staff of the ACT Public Service; whether the consultancy/contract was value for money and why; what impact did it make on the delivery of operational services or**

development of policy and management improvement or outcomes; and how did consultancies contribute to the improves skills and capabilities of ACT Public Service Staff.

Recommendation 7

5.4 The Committee recommends the Department of Treasury undertake a review across the ACT Government of expenditure on contractors and consultants, with a view to:

- **providing a standard definition for consultants and contractors that differentiates between the purchase of specialist expertise that is unavailable from within the Act Government from within its permanent or long term temporary staff, and delivery of municipal or civic services such as collection of waste, maintenance of the ACT Government housing stock or assets; and**
- **establishing policy and implementation standards for maximum quality service delivery, with a minimum impact on administrative overheads of the ACT Government.**

5.5 As a final word, the Annual Reports need to be conducive to usability. The document should not have to broken apart to be able to read. The binding of the two volume Department of Urban Services Report needs significant attention in this area.

Appendix 1 - Witnesses at Public Hearing

The Committee heard from the following witnesses from the Urban Services Portfolio at Public Hearings on 7 February 2003 and 12 February 2003:

Mr Simon Corbell MLA Minister for Planning

With Officials from the Urban Services Portfolio:

- Chief Executive Officer Department of Urban Services, and currently ACT Bush Fire Recovery Taskforce- Mr Alan Thompson
- Chief Executive Officer, *ACTION* Authority- Mr Guy Thurston
- Chief Executive Officer Gungahlin Development Authority-Ms Anne McGrath
- Chief Executive Officer Kingston Foreshore Development Authority- Mr Rick Scott-Murphy
- Deputy Chief Executive, *ACTION* Authority- Mr Peter Wallace
- Executive Director, Corporate- Mr Allan Eggins
- Executive Director, Planning and Land Management- Mr Lincoln Hawkins
- Executive Director, Land Group-Ms Julie McKinnon
- Director, Corporate Finance- Mr Alan Phillips
- Director, Land Group-Mr Martin Hehir
- General Manager Road User Management- Mr Brian MacDonald

Mr Jon Stanhope MLA Minister for the Environment

With Officials from the Urban Services Portfolio

- Executive Director, Environment ACT-Dr Maxine Cooper

Mr Bill Wood MLA Minister for Urban Services

With Officials from the Urban Services Portfolio

- Executive Co-ordinator Disability, Housing & Community Services-Dr Colin Adrian
- Executive Director, Corporate- Mr Allan Eggins
- Executive Director ACT Housing- Mr Bob Hutchison
- Executive Director, Environment ACT-Dr Maxine Cooper
- Executive Director, City Management Group- Mr Gordon Davidson
- Acting Executive Director, Customer Services and Information- Mr John Thwaite
- Acting Executive Director, City Management Group- Mr Hamish McNulty
- Director ACT Forests- Mr Tony Bartlett
- Director, Customer Services and Information- Mr Tom Elliott
- General Manager Road User Management- Mr Brian MacDonald

Appendix 2- Department of Urban Services Expenditure on Consultants/Contractors 2001-2002 by Category

Department of Urban Services Expenditure on Consultants/Contractors 2001-2002 by Category

Human Resource Management Services	Professional Services including Project Mgt & Contract Mgt	Quality Assurance	Information Technology	Internal Audit	Records Mgt	Library Strategies & Mgt	Customer Service & Focus	Market Research/Services
\$8,369,869.00	\$25,174,869.00	\$225,878.00	\$4,620,852.00	\$450,924.00	\$80,206.00	\$347,270.00	\$39,855,678.00	\$850,049.00

This totals an amount of \$79,975,595.00.

