

2004

THE LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

TABLING STATEMENT

Government Responses to:

Standing Committee on Public Accounts: Report No. 7 - 2002-03 Annual and Financial Reports of the Chief Minister's Department, Department of Treasury and other related agencies and the ACT Legislative Assembly Secretariat;

Standing Committee on Legal Affairs: Report No 9 – Report on Annual & Financial Reports of the Department of Justice and Community Safety and related agencies;

Standing Committee on Planning and Environment: Report No 26 - Inquiry into Annual and Financial Reports 2002-2003 for the Department of Urban Services and the Related Agencies;

Standing Committee on Community Services and Social Equity: Report No 4 - 2002-2003 Annual and Financial Reports: Department of Disability, Housing and Community Services, Discrimination Commissioner and Community Advocate;

Standing Committee on Health: Report No 7 - 2002-2003 Annual and Financial Reports: ACT Health, Community and Health Services Complaints Commissioner, Healthpact; and

Standing Committee on Education: 2002-2003 Annual and Financial Report: Department of Education, Youth and Family Services - 2002 Annual Report: Canberra Institute of Technology.

Tabled by
Jon Stanhope MLA
Chief Minister

I am pleased to present the Government's Responses to six Standing Committee reports on the Annual and Financial Reports for 2002-03.

Like last year, I am tabling the responses to all of the Standing Committee reports covering all portfolios. This is because the Standing Committee reports generally cover more than one Minister and more than one portfolio and, in certain cases, issues raised in the reports apply to all departments and agencies.

As members will be aware, annual and financial reports are prepared by agencies in accordance with the Chief Minister's annual report directions and in accordance with the Financial Management Act 1996. The government seeks to ensure that the directions and the Act are continually updated to reflect best practice and full accountability in accordance with government policy. In line with this approach, some of the issues raised in the Committee reports have already been addressed in the 2004 Annual Report Directions.

The six Standing Committee reports made a total of 53 recommendations. In broad terms the Government supports 33 of these, with a further 18 noted. Only two recommendations are not agreed.

Both of the recommendations that are not agreed relate to the report by the Standing Committee on Public Accounts.

Recommendation 7 of that report proposes that the Government introduce regulations in a timely manner to enable the Legislative Assembly to scrutinise them before their implementation date.

While the need to introduce regulations in a timely matter is agreed, it is neither practical nor appropriate to put in place a process for all regulations to be scrutinised by the Assembly before their commencement. This proposal would negate the fundamental reason for having regulations, that is, to allow for flexibility in the administration of policies to meet objectives as set out in legislation. Notwithstanding this position, the

Government will endeavour to better assist the Assembly in its scrutiny of subordinate legislation by identifying where there is likely to be a high degree of interest in the content of regulations and consulting with Assembly Members.

The other recommendation that has not been agreed relates to the Committee's view that the *Gambling and Racing Control Act 1999* should be amended to ensure the independence of the ACT Gambling and Racing Commission.

This recommendation appears to stem from the Committee's belief that independence of the Commission was brought into question because the Chair of the Commission was not present at the Committee hearings. The Government does not share the Committee's view. Examination of the transcript does not support the Committee's contention that the Chief Executive on a number of occasions deferred questions to the Minister.

Overall, however, I am sure the Assembly will agree that the government has responded in a way which entrenches and enhances our record of openness and accountability.

I would like to thank the Standing Committees for the effort they have made in preparing their reports.

Mr Speaker, I commend the Government's Responses to the Assembly.

2004

THE LEGISLATIVE ASSEMBLY FOR
THE AUSTRALIAN CAPITAL TERRITORY

GOVERNMENT RESPONSE

Standing Committee on Public Accounts

Report 7

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

1 July 2004

Tabled by
Jon Stanhope MLA
Chief Minister

Government Response

Report 7 - 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

Introduction

The Annual Reports of all ACT Government agencies are referred to the Standing Committees of the ACT Legislative Assembly for examination and report.

The Standing Committee on Public Accounts reviewed annual reports for:

- 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; and
- ACT Legislative Assembly Secretariat.

The Committee makes 17 recommendations.

Response to Committee Recommendations

Recommendation 1

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

Government Response

Agreed. The Standards are in the process of being reviewed and updated.

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.

Government Response

Agreed.

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.

Government Response

Agreed in part. The 2004 Annual Report Directions will be modified to include a requirement for this information to be provided where practical. This acknowledges that not all consultative boards and committees have formal membership structures or contact details. This requirement will be reviewed for future reports.

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.

Government Response

Agreed in part. It is not feasible to list all Government inquiries and reviews in an agency. This potentially includes minor initiatives as part of regular policy development. However, a reference to major reviews would incorporate information material to annual reporting. This list could be contained in the appendix of an annual report.

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.

Government Response

Noted. The role of the Office of Sustainability includes:

- developing, facilitating and coordinating the implementation of guidelines, policies and procedures related to sustainability;
- providing expert advice to the Chief Minister and ACT Government agencies on matters related to sustainability;
- promoting sustainability across Government, business and the wider community; and
- liaising with business, industry and community organisations on sustainability issues.

The work of the Office involves policy advice on issues from across Government. In this context, it was located within the Policy Group of Chief Minister's Department in order to maximise its influence on policy development and decision making.

The need for additional resources is kept under review and is being assessed against other priorities.

Recommendation 6

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

Government Response

Noted. The airport is on Commonwealth owned land, is subject to Commonwealth planning control, and there is no requirement for the airport to advise the ACT Government of developments at the airport. Nevertheless, the Government becomes aware from time to time of developments at the airport and, if requested, may be able to provide information to the Committee at its future hearings.

Recommendation 7

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

Government Response

Not Agreed. While the need to introduce regulations in a timely matter is agreed, it is neither practical nor appropriate to put in place a process for all regulations to be scrutinised by the Assembly before their commencement. This proposal would negate the fundamental reason for having regulations, that is, to allow for flexibility in the administration of policies to meet objectives as set out in legislation.

If the recommendation were to be adopted, it could add significant pressure to Assembly sittings. Many regulations are technical and detailed. There will also be occasions when swift implementation of regulations will be necessary for meeting emergencies or rapidly changing or uncertain situations. Likewise, commencement timing will be an issue whenever regulations need to be implemented from a fixed date for national consistency purposes, as was the case for the national ban on asbestos manufacture and use. It might not be possible to make urgent regulations if commencement always had to await the next Assembly sitting.

The vast majority of regulations are not contentious with few disallowed by the Assembly. Therefore, prior scrutiny by the Assembly would not have added any benefit to the process in nearly all cases. It would, however, also impact on the work of the Parliamentary Counsel's Office where primary and subordinate legislation would often have to be drafted at the same time, which may put at risk the delivery of drafts of primary legislation. The Government will endeavour to better assist the Assembly in its scrutiny of subordinate legislation by identifying where there is likely to be a high degree of interest in the content of regulations and consulting with Assembly Members (eg by circulating exposure draft of regulations) prior to the commencement of this subordinate legislation.

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.

Government Response

Agreed-in-principle. The ACT Government recently announced the Community Sector Funding Policy. It includes a number of strategies to reform community sector funding. It includes a revision of the standard funding agreement. Consideration is being given to including the requirement that all councils and boards that it provides funding to, have appropriate complaints mechanisms and provides 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.

Government Response

Agreed. As part of the implementation of the *Plan for Women in Canberra*, departments are required to report on policies and programs that impact on women and girls. This

reporting will be in tandem with that undertaken for the Social Plan. The *Plan for Women in Canberra* is currently being finalised and links directly to the Social Plan. Departments report through annual reports on actions being taken to address the Policy Framework: Justice, Options and Prevention – working to make the lives of ACT women safe.

The Report on Sustainability will provide information on key indicators of sustainability in the ACT. Where data is available and appropriate, information on gender will be provided.

The Annual Reports' Directions require all ACT public sector agencies to report on progress and achievements against equity and diversity objectives in the reporting year and strategies and initiatives for the forthcoming year.

Recommendation 10

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

Government Response

Agreed-in-principle. The use of the Treasurer's Advance is a whole-of-Government issue, rather than an agency-specific issue, as demonstrated through the separation of the provision for the Treasurer's Advance in the Annual Appropriation Act.

There is already a high degree of reporting of the use of Treasurer's Advance. The Treasurer is required under the Financial Management Act to notify the Legislative Assembly of expenditure against the Treasurer's Advance. This is done in two main forms, including annual tabling of total expenditure against the Advance as soon as practical after the end of the financial year and tabling of authorisations to date with Supplementary Appropriations. This information is also provided in the Annual Financial Statements for the Territory in the Statement of Appropriations.

Recommendation 11

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

Government Response

Not Agreed. The Government notes the Committee's concerns in respect of insufficient research being undertaken to understand the impact of problem gambling on particular cultural groups within the ACT. However, it notes that the Gambling and Racing Commission has recently engaged the Australian National University Centre for Gambling Research to undertake a research project entitled "Help-seeking by Gamblers, Friends and Families in the ACT: A Focus on Cultural and Gender Issues". The project will provide a greater understanding as to the nature of gambling-related problems experienced by women and different cultural groups in the Territory as well as identifying barriers to help-seeking and factors which influence accessibility to services.

The Government concurs with the position adopted by the Commission in ensuring that research work commissioned in the Territory does not unnecessarily duplicate work being undertaken either in another jurisdiction or nationally and that where appropriate Territory-specific research complements or builds on that work. The Government endorses the development of a national framework to address problem gambling in the community and is committed to participating in a national gambling research program, a product of the Ministerial Council on Gambling.

The Government does not share the Committee's view that the independence of the Gambling and Racing Commission has been brought into question or that the position of its Chief Executive was compromised during the Commission's appearance before the Committee. Examination of the transcript of proceedings does not support the Committee's contention that the Chief Executive on a number of occasions deferred questions to the Minister.

The Commission is an independent statutory authority established under the *Gambling and Racing Control Act 1999* and included among its functions is the responsibility to review legislation and policies related to gaming and racing and to make recommendations to the Minister on those matters. That the Commission did not have a view about the Government's response to recommendations arising from the Commission's review of the *Gaming Machine Act 1987* is entirely appropriate and not extraordinary.

Recommendation 12

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

Government Response

Noted.

Recommendation 13

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

Government Response

Agreed-in-principle. There is a broad breadth of water related issues including water supply and sewerage services; infrastructure planning and development; water sensitive urban design; water quality protection, management and standard setting; environmental flows and water allocation; regulation of water control structures including farm dams and bores; stormwater management including road design; catchment management; fish management; drinking water regulation; and cross border issues. These issues impact on many areas of government and a number of government agencies are necessarily responsible for different aspects, in line with their expertise and legislated responsibilities. Integration and coordination is being enhanced through the development and implementation of the water resources strategy.

The Government is also investigating options to improve catchment management arrangements for both the Cotter and Googong water supply catchments, which the ACT relies on for its urban water supply. The establishment of a catchment management authority is one of the options being considered. It should be noted that the management of the Googong catchment, which is in NSW, presents a complex range of issues and inter-jurisdictional legislative responsibilities that will have to be taken into account. The Government's *Think water, act water: a draft strategy for sustainable water resource management in the ACT* foreshadowed the need for improved catchment management arrangements.

Recommendation 14

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

Government Response

Noted. This issue continues to highlight how the interpretation of accounting standards can sometimes be complex. The directors of ACTEW considered at the time that the accounting treatment was correct. The Government understands, however, that ACTEW is currently considering its accounting treatment for its investment in TransACT and is working with the Auditor-General to try to resolve the other accounting issues which led to the qualification of its 2002-2003 accounts.

The Government accepts the Auditor-General's finding that ACTEW's accounting treatment of its investment in TransACT Communications Pty Ltd did not comply with Australian Accounting Standard *AASB 1016 Accounting for Investments in Associates*. The Territory's 2001-2002 and 2002-2003 Whole-of-Government accounts were adjusted to reflect an equity accounting treatment of ACTEW's TransACT investment.

Recommendation 15

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

Government Response

Noted. This is a matter for the Legislative Assembly Secretariat.

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.

Government Response

Agreed-in-principle. The Government notes that the *Government Procurement Act 2001* (the Act) applies to procurement activities by the Stadiums Authority.

There has been a difference of opinion as to whether or not obtaining a naming rights sponsor, ie the sale of naming rights, is a procurement or disposal within the scope of the Act. Consideration is being given as to whether or not there is a need to clarify this issue through either legislative amendments or a regulation under subsection 7(5) of the Act. In the interim, a procurement circular on disposals has been issued by the Government Procurement Board. This circular and associated toolkit refers to intellectual property and other intangible assets, including naming rights, as being within the scope of the Act.

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.

Government Response

Noted.