

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

**REVIEW OF
AUDITOR-GENERAL'S REPORT
NUMBER 1, 1994**
Overtime and Allowances - Part 2

Report Number 15 of the Standing Committee on Public Accounts
September 1994

RESOLUTION OF APPOINTMENT

On 27 March 1992 the ACT Legislative Assembly established a Standing Committee on Public Accounts with the following terms of reference:

- (1) 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 laid before the Assembly;
- (2) 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; and
- (3) 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.

MEMBERSHIP

Mr Trevor Kaine MLA (Presiding Member)
Ms Annette Ellis MLA (Deputy Presiding Member)
Mrs Kate Carnell MLA
Mrs Ellnor Grassby MLA
Mr Michael Moore MLA (from 25 February 1993)

Secretary: Bill Symington

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RECOMMENDATION

The committee recommends that the Government, in responding to this report, advise the Assembly in detail on matters raised by the Auditor-General in his report No.1 of 1994 and respond to the following comments by the Standing Committee on Public Accounts:

The committee accepts the Minister's position on shift versus overtime as reasonable in the circumstances and notes the undertaking to keep the arrangements under review (Paragraph 2.3);

The committee notes the Minister's positive response on an internal audit review of the teacher duty system and requests the Minister's advice on the outcome of the internal audit review (Paragraph 2.5);

The committee notes that negotiations are underway regarding arrangements for the locking and unlocking of CIT classrooms after hours and requests a further report on these issues from the Minister (Paragraph 2.7);

The committee notes that a steering committee is examining the role of janitors where schools are used for community purposes and requests a further report from the Minister in October 1994 (Paragraph 2.10);

The committee notes that an operational review of the Engineering and Maintenance Section at the Woden Valley Hospital is underway and requests the Minister provide detailed advice about the outcome of the review (Paragraph 2.12);

While the committee accepts that sick leave is not the major component of overtime costs, it does appear to be a significant factor in the amount of overtime being worked at the Remand Centre. The committee, therefore, notes the measures which the Minister for Housing and Community Services advises have been or are being instituted to reduce the incidence of sick leave at the Remand Centre and the workplace changes implemented or under review with the objective of reducing overtime costs (Paragraph 2.17);

The committee considers that the chief executive powers under the *Public Sector Management Act* to employ casual staff are appropriate (Paragraph 2.19).

1. INTRODUCTION

1.1 Audit Report No 9 of 1993 presented to the Legislative Assembly on 23 November 1993 and the subject of Report No 10 by this committee presented to the Assembly on 25 August 1994 covered agencies within the Department of Urban Services, industrial employees of the Department of the Environment, Land and Planning and ACTEW.

1.2 Audit Report No 1 of 1994 covers all the agencies and Departments not covered by the previous Audit report. The audit was conducted by Mr S Ceravolo of the Audit Office and managed by Mr P Hade.

1.3 The objective of this audit was to:

- form an opinion on the overall effectiveness of management in ensuring that overtime and allowances are paid only when necessary for the economic performance of agency functions; and
- establish the appropriateness of payments in terms of the various awards and determinations under which the payments of overtime and allowances are made.

Results of the Audit

1.4 The audit found that, in general, both the management of overtime and allowances and payments were appropriate.

1.5 Although the audit did not evaluate work practices in detail for efficiency, it identified some areas where further review could lead to reductions in overtime. In particular, the audit suggested:¹

- overtime by school janitors and CIT caretakers in locking and unlocking school or campus premises outside their normal hours of duty, and suggested this could be done by teaching staff or security contractors;
- hirers of school premises and the Albert Hall could be responsible for securing these premises;
- shift rosters could be used to reduce overtime for weekend work by park rangers; and

¹ Audit report, p4

- that the constraints of the Public Service Commission on the employment of casual staff and the appointment to ASO1 positions be reviewed.

1.6 The audit noted that significant amounts of higher duties allowances have been paid to some employees occupying vacant positions for long periods, and stated that this may lead to "paralysis" in decision making at executive levels. It suggested that senior positions should be filled promptly wherever possible to avoid this risk.²

1.7 The audit made a number of specific recommendations related to the findings outlined above. In addition, it recommended that:³

- the Government encourage agencies to fill ASO1 positions from the Traineeship Scheme and the DEET Merit List and also give them flexibility to recruit on merit where persons available from the Scheme and the List are unsuitable.
- the CIT review approved contributions to teaching hours and consider the use of CIT policy guidelines to ensure that approvals are provided only in appropriate circumstances in all schools.
- the Engineering and Maintenance Section at Woden Valley Hospital review operations to determine the most cost effective number of staff to perform necessary work with a minimum of overtime.
- payment of cash wages be reviewed.
- the Housing and Community Services Bureau identify the causes of high levels of staff sick leave in order that possible actions to reduce overtime can be considered.

Approach to the Inquiry

1.8 The committee sought comment from the Chief Minister on the broader ACT Government Service wide matters raised by the audit and from the Minister for Housing and Community Services, the Minister for the Environment, Land and Planning, the Minister for Education and Training and the Minister for Health on the matters raised by the audit as they affected their portfolio responsibilities.

² *ibid*, p5

³ *ibid* pp6,7

2. CONSIDERATION OF THE REPORT

Ministerial Responses

2.1 The Minister for the Environment, Land and Planning advised the committee that current arrangements within the Department are for one ranger to be on duty for four hours on both Saturday and Sunday. Shift arrangements would result in eight hours duty each day, with two days off during the week. The Minister advised that the overtime option results in 116 hours more being paid per year than would the shift option.⁴

2.2 However, shift work, although slightly cheaper, would be more difficult to administer because of the absence of one ranger for two days each week. The Minister advised that the situation would be kept under review and reassessed particularly if there is an increase in the amount of weekend overtime duty required.

Committee Comment

2.3 **The committee accepts the Minister's position as reasonable in the circumstances and notes the undertaking to keep the arrangements under review.**

2.4 The Minister for Education and Training informed the committee that the CIT has arranged an internal audit review of the Teacher Duty Allocation System, the mechanism by which approved contributions to teaching hours are administered by schools and that a report on the review would be available shortly.⁵

Committee Comment

2.5 **The committee notes this positive response and requests the Minister's advice on the outcome of the internal audit review.**

2.6 The Minister also advised the committee that with regard to the locking and unlocking of CIT classrooms after hours negotiations are underway between the CIT and the Australian Liquor, Hospitality and Miscellaneous Workers Union (Miscellaneous Division) regarding the engagement of caretakers for the purposes of undertaking this and other duties during weekends and holiday periods.⁶

⁴ Minister for the Environment, Land and Planning, letter to the committee dated 8 August 1994

⁵ Minister for Education and Training, letter to the committee received 15 August 1994

⁶ *ibid*

Committee Comment

2.7 The committee notes this development and requests a further report on these issues from the Minister.

2.8 The Minister for Education and Training further advised the committee that, with regard to the audit suggestion that the locking and unlocking of school premises after hours be done by teaching staff or security contractors, the security of schools is more than locking doors and that it includes perimeter checks which, in some of the larger schools, is a time consuming and demanding task. The Minister said that school janitors have a comprehensive role in the security of school buildings, a function necessary to ensure the accountability of the Department of Education and Training's obligation for the security of schools and facilities.⁷

2.9 However, the Minister noted that in response to the Standing Committee on Social Policy report on the community and cultural use of schools the Government has set up a Steering Committee to further examine the report findings. In particular, the role of janitors in the management of security procedures particularly where schools are used for community purposes is being assessed. The Minister advised that a report on options will be finalised by December 1994. The committee considers that - given the period since tabling of the Standing Committee's report and the comments made by the Auditor-General in his report - the report on options should be made available to the Legislative Assembly by October 1994.

Committee Comment

2.10 The committee notes developments and requests a further report from the Minister in October 1994.

2.11 The Minister for Health advised the committee that the Engineering and Maintenance Section at Woden Valley Hospital has recently begun an operational review. The Minister advised that the significant change to the physical infrastructure, through the Hospital's Redevelopment Project at the Hospital campus, has generated the need to review the number, skills and profile of the Engineering and Maintenance staff. The Minister said that the longer term functioning of the Section will be reviewed as well as current overtime work practices, and observed that the action taken is consistent with the audit recommendation.⁸

⁷ Minister for Education and Training, letter to the committee dated 5 September 1994

⁸ Minister for Health, letter to the committee dated 12 August 1994

Committee Comment

2.12 The committee notes the appropriate action underway at the Hospital and requests the Minister provide detailed advice about the outcome of the review.

2.13 The Minister for Housing and Community Services advised the committee that although the audit implied that sick leave at the Belconnen Remand Centre is the major component of overtime costs, overtime is in fact used to meet a number of other requirements, including the backfilling of positions when officers are on sick, special, or other leave which cannot otherwise be foreseen. The Minister advised in addition that the conduct of hospital watch duties or the backfilling of positions whilst officers are performing such duties must also be costed as overtime.⁹

2.14 Other factors contributing to overtime costs singled out by the Minister were staffing levels and associated recruitment arrangements. The Minister advised the committee that because all new recruits must undergo a full-time eight-week training course, recruitment is undertaken in block intakes with the result that there may be short term shortfalls in staff, particularly in the period leading up to the block intake of additional staff. The Minister suggested the need for overtime could be overcome by increasing staff numbers within the Remand Centre to levels above normal operating requirements, but this would not be cost effective.¹⁰

2.15 The Minister for Housing and Community Services also advised the committee that the level of sick leave encountered at the Remand Centre is probably higher than other areas of government because of the enclosed environment and stresses associated with dealing with people on remand who often display violent tendencies towards staff and who, in some instances, may be suffering from behavioral disorders which makes their management difficult and stressful. The Minister advised that the Department was mindful of the problems and had introduced occupational health and safety strategies, policies to improve the quality of working life and to reduce occupational violence. Officers have been better trained to deal with issues more effectively while a range of programs have been introduced to assist detainees. The effect of these measures had been to reduce the incidence of conflict between officers and detainees.¹¹

⁹ Minister for Housing and Community Services, letter to the committee dated 6 September 1994

¹⁰ *ibid*

¹¹ *ibid*

2.16 The Minister further advised the committee that Remand Centre work practices have been reviewed and improved with a reduction in fortnightly overtime costs and that corrective services officers will, in the near future, be taking up with the unions additional workplace reform options to improve safety, security and the cost-effectiveness of the Remand Centre's operations.¹²

Committee Comment

2.17 While the committee accepts that sick leave is not the major component of overtime costs, it does appear to be a significant factor in the amount of overtime being worked at the Remand Centre. The committee, therefore, notes the measures which the Minister for Housing and Community Services advises have been or are being instituted to reduce the incidence of sick leave at the Remand Centre and the workplace changes implemented or under review with the objective of reducing overtime costs.

2.18 Turning to the wider ACT Government Service matters raised by the audit, the Chief Minister advised the committee that with regard to the audit view that the Public Service Commission direction on the employment of casual staff be reviewed to encourage the employment of staff where savings can be generated, the *Public Sector Management Act 1994* now covered the employment of casual staff within the ACT Government Service. Under the Act, chief executives have direct responsibility for employment decisions and may use Templine or private employment agencies whenever they need casual staff. Salary/wages for casual staff have a 15% loading in lieu of leave entitlements whereas permanent officers who work overtime are paid time and a half or double time.¹³

Committee Comment

2.19 The committee considers that the chief executive powers under the *Public Sector Management Act* to employ casual staff are appropriate.

2.20 With regard to the payment of wages in cash, the Chief Minister advised the committee that electronic funds transfer (EFT) pay arrangements has been negotiated and implemented by ACTEW and has been negotiated between ACTION and the Transport Workers Union in the context of current enterprise bargaining. The committee was advised that where cash pay arrangements are still in place it is specifically identified in the new enterprise arrangements as a matter for review and negotiation.¹⁴

¹² *ibid*

¹³ Chief Minister, letter to the committee dated 12 September 1994

¹⁴ *ibid*

2.21 The Chief Minister advised the committee that with regard to the filling of ASO1 positions from the Traineeship Scheme and the Department of Employment, Education and Training (DEET) Merit List and the audit view that there be flexibility in filling these positions on merit independently, the government is obliged under the Australian Traineeship System Award to appoint at the ASO1 level all trainees who have completed the Office Trainee Scheme. The Chief Minister advised that all ex-trainees are absorbed before additional staff are requested from the DEET Merit List or other employment agencies for temporary employment. However, the Chief Minister advised that there are a limited number of ASO1 positions in the ACT Government Service and consequently very limited scope for filling them by external merit selection arrangements.¹⁵

2.22 With regard to the prompt filling of senior executive positions, the Chief Minister advised the committee that the Public Sector Management Standard Rules require recruitment action into advertised vacancies to be completed within six months of advertising unless there are special circumstances present. The committee was advised that chief executives are aware of the requirements and usually strive to fill vacancies as quickly as possible in the knowledge that minimal higher duties allowance is beneficial to all concerned.¹⁶

RECOMMENDATION

The committee recommends that

- the Government, in responding to this report, advise the Assembly in detail on matters raised by the Auditor-General in his report No.1 of 1994 and respond to the comments contained in this report by the Standing Committee on Public Accounts.

Trevor Kaine MLA
Presiding Member

19 September 1994

¹⁵ *ibid*

¹⁶ *ibid*