LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS
Zed Seselja MLA (Chair), Mary Porter AM MLA (Deputy Chair), Chris Bourke MLA, Brendan Smyth MLA

# STANDING COMMITTEE ON PUBLIC ACCOUNTS

## Inquiry into 2011–12 Annual reports
## Treasury portfolio (part 2)

Responses to questions taken on notice at public hearing of 12 March 2013

QToN # 1
2011-12 Annual Reports
Treasury (part 2)
12 March 2013

**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

RECEIVED
4 APR 2013
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**QUESTION TAKEN ON NOTICE**

**12 March 2013**

**Mr Seselja - Asked the Treasurer upon Notice on 12 March 2013:**

**THE CHAIR**: How many of those special employment arrangements exist within Shared Services?

**Mr Barr - The answer to the Member's question is as follows:**

As at 12 March 2013, 32 employees in Shared Services had a special employment arrangement, out of a headcount of approximately 1150 staff.

Authorised for publication

**Approved for circulation to the Committee.**

Andrew Barr
**Andrew Barr MLA**
**Treasurer**

**Date:** 3-4-13

QTON # 2
2011-12 Annual Rpts
Treasury (part 2)
12 March 2013

**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

**QUESTION TAKEN ON NOTICE**

**12 March 2013**



**Mr Seselja - Asked the Treasurer upon Notice on 12 March 2013:**

**THE CHAIR:** So what is that? What are we talking about here? You are talking about significantly more and you are talking about some very, very highly paid contractors at an hourly rate. Is it expressed as an hourly rate or is it expressed as an annual contract?

**Ms Divorty:** With a contractor it is generally an hourly rate.

**THE CHAIR:** So what are we talking about in terms of significantly paid contractors?

**Ms Divorty:** There would be a small number of contractors who are paid around about $1,000 a day. Probably the average—again, I could take it on notice if you would like more detail—is around about $800 a day.

**THE CHAIR:** If you could take that on notice, that would be great.

**Mr Barr - The answer to the Member's question is as follows:**

Shared Services employed 146 contractors as at the end of February 2013 with 142 being employed in Shared Services ICT. Of the 146 contractors only 8 (or 5%) were paid in excess of $1,000 per day.

The average or mean for the 146 contractors was approximately $740 per day.

**Approved for circulation to the Committee.**

Andrew Barr

**Andrew Barr MLA**
**Treasurer**

**Date:** 3-4-13

Authorised for publication

QToN # 3
2011-12 Annual Reports
Treasury (part 2)
12 March 2013

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

QUESTION TAKEN ON NOTICE

12 March 2013

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**Mr Smyth - Asked the Treasurer upon Notice on 12 March 2013:**

**MR SMYTH**: How many Shared Services staff are currently with the ESA?

**Mr Barr - The answer to the Member's question is as follows:**

There are currently 9.7 FTE (10 staff) working with the ESA. One staff member works permanent part time.

In addition, a recruitment exercise to fill a vacancy is being finalised for end of March start.

Therefore total number of staff by the end of March: 11

**Approved for circulation to the Committee.**

**Andrew Barr MLA**
**Treasurer**

**Date:** 3-4-13

Authorised for publication

QToN # 4
2011-12 Annual Reports
Treasury (part 2)
12 March 13

**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

**QUESTION TAKEN ON NOTICE**

**12 March 2013**

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**Mr Smyth - Asked the Treasurer upon Notice on 12 March 2013:**

**MR SMYTH:** Page 27 of volume 1 talks about the completion of the rebuild of the communications centre at Fairbairn. How much did that cost?

**Ms Divorty:** I will call on Sarbjit Sidhu. Do we have an understanding at the moment of what the cost was?

**Ms Sidhu:** We will take this on notice. A fair bit of work was done to build that and get that working. We were very careful about making sure that that centre operates and can be expanded to provide the services that are required as soon as possible.

**Mr Barr - The answer to the Member's question is as follows:**

Costs of the rebuild of the communications centre included major works as well as Shared Services ICT costs to supervise the activities. The infrastructure costs were paid by the Emergency Services Agency.

The Minister for Police and Emergency Services provided the rebuild costs on 15 March 2013.

**Approved for circulation to the Committee.**

**Andrew Barr MLA**
**Treasurer** **Date:** 9-4-2013

Authorised for publication

QToN # 5 & 6
2011 - 12 Annual Rpts.
Treasury (part 2)
12 March 2013

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

QUESTION TAKEN ON NOTICE

12 March 2013

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**Mr Smyth - Asked the Treasurer upon Notice on 12 March 2013:**

**MR SMYTH:** The paragraph on page 27 talks about enhancements for the capability. What were those enhancements?

**Ms Sidhu:** I will need to take that on notice.

**MR SMYTH:** The fact that you had to enhance the centre so soon after it was completed, does that indicate that sufficient capacity was not built in initially?

**Ms Divorty:** I am sorry, we will have to take it on notice, Mr Smyth.

**Minister - The answer to the Committee's question is as follows:**

The major enhancements to the Incident Management Room (IMR) and the Emergency Coordination Centre (ECC) were:

- Two of the three Operations Rooms were fitted with complete dispatch functionality allowing the IMR to operate autonomously from the Communications Centre (ComCen) during major or protracted incidents.
- The ECC was re-configured with additional work spaces to accommodate additional ECC Liaison Officers during significant incidents. Additional audio visual equipment, ICT and communications infrastructure was also included in this work.

The return to the ESA Headquarters in Fairbairn after the December 2010 flooding provided an opportunity to further enhance capabilities of the IMR and ECC.

The consideration of findings arising from the 2009 Victorian bushfires and other significant national emergencies also contributed to the development of revised arrangements for the ECC. This led to additional space being created in the ECC to accommodate the new arrangements, and to allow for the co-location of key emergency management functions.

Authorised for publication

**Approved for circulation to the Member and incorporation into Hansard.**

Andrew Barr

**Andrew Barr MLA**

**Minister for Commerce and Works** **Date:**9-4-2013

QToN # 7
2011-12 Annual Reports
Treasury (Part 2)
12 March 2013

**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**



**QUESTION TAKEN ON NOTICE**

**12 March 2013**

**Mr Smyth - Asked the Treasurer upon Notice on 12 March 2013:**

**MR SMYTH:** Under these areas we do not have an outline of what happened, for instance, with the cancer information service?

**Ms Divorty:** I am sorry, I could not hear because of the background noise.

**MR SMYTH:** So, therefore, we do not know what phase 1 of the cancer information system was?

**Ms Divorty:** I am sorry, we have something like 60 project managers in our project management office. Although our executives who are in the room have an oversight, I do not think they have the detailed knowledge that could answer all of those questions on a project-by-project basis at this stage. I am really happy to take that on notice, though.

**Mr Barr - The answer to the Member's question is as follows:**

Phase 1 was the implementation of a Cancer Clinical Information System to Haematology, Medical Oncology and Immunology departments. This went live on 14 May 2012 and included the required interfaces to other key Health information systems.

**Approved for circulation to the Committee.**

Andrew Barr

**Andrew Barr MLA**
**Treasurer** **Date:** 3-4-13

Authorised for publication

PAC QTON # 8
Treasury part 2
2011-12 Annual Reports
Public hearing 12 March 13

**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

**QUESTION TAKEN ON NOTICE**

**12 March 2013**

**Mr Seselja - Asked the Treasurer upon Notice on 12 March 2013:**

**THE CHAIR:** Your other agencies, they are all paying on time?

**Mr Barr:** I would have to look at the detail of that but, yes, they are constantly reminded of their capital works requirements.

**THE CHAIR:** Ms Divorty, it might be helpful if you were able to provide a breakdown of who is paying on time and who is not so that we can get a handle on exactly where the problem was.

**Mr Barr - The answer to the Member's question is as follows:**

Due to continued discussions with Directorates regarding payment terms, improved payment turnaround times are being evidenced. In 2011-12, approximately 52% of Capital Works invoices were paid on time by Directorates, with 79% now being paid on time in February 2013.

**Table 1: Payments received by Directorate – February 2013**

| Directorate | Amounts Invoiced Feb 2013 Total ('000) | % Paid on Time | % Not Paid on Time | No of Invoices Paid |
|---|---|---|---|---|
| Health | 19,748 | 62% | 38% | 29 |
| Territory and Municipal Services | 17,152 | 96% | 4% | 89 |
| Economic Development | 12,043 | 88% | 12% | 54 |
| Education and Training | 5,025 | 93% | 7% | 28 |
| Economic and Sustainable Development | 1,925 | 12% | 88% | 16 |
| Justice and Community Safety | 247 | 100% | 0% | 3 |
| ACT Legislative Assembly | 132 | 100% | 0% | 1 |
| Canberra Institute of Technology | 40 | 100% | 0% | 2 |
| Community Services | 9 | 0% | 100% | 1 |
| Chief Ministers and Treasury | 3 | 100% | 0% | 1 |
| **Grand Total** | **56,324** | **79%** | **21%** | **224** |

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**Note: This table is calculated based on days overdue at time of payment.**

| |
|---|
| **Approved for circulation to the Committee.**<br><br>Andrew Barr<br>**Andrew Barr MLA**<br>**Treasurer** **Date:** 19. 4. 2013 |

QToN #9
2011-12 Annual Rpt
Treasury (part 2)
12 March 2013

**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

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**QUESTION TAKEN ON NOTICE**

**12 March 2013**

**Mr Seselja - Asked the Minister upon Notice on 12 March 2013:**

**Mr Seselja**: The same audit report talks about the Commissioner for Revenue obtaining information on unimproved land values from the AVO. It says:

> Treasury has not obtained signed valuation reports and supporting valuation work papers from the Australian Valuation Office to support these valuations.

What is the reason that you have not received those signed valuation reports?

**Mr Barr - The answer to the Member's question is as follows:**

The issue has arisen out of an internal audit that has recommended, for completeness, that the provision of annual land values by the Australian Valuation Office in electronic format be accompanied by a formal written advice recommending the values provided.

The Commissioner for ACT Revenue has accepted this audit recommendation and it has been implemented in respect of the January 2013 land values.

**Approved for circulation to the Committee.**

**Andrew Barr MLA**
**Treasurer**

**Date:** 4-4-13

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QToN # 10
2011-12 Annual Rpts
Treasury (part 2)
12 March 2013

**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

**QUESTION TAKEN ON NOTICE**

**12 MARCH 2013**

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**Mr Seselja - Asked the Minister upon Notice on 12 March 2013:**

**THE CHAIR**: Is there an estimate of how much this inadequate survey cost to produce?

**Mr Salisbury**: No. I do not know how much it would cost to produce.

**THE CHAIR**: Are you able to get that for us or are we just going to—

**Mr Barr**: We may well estimate how much it costs to estimate the costs, too.

**MR SMYTH**: You could include that in the total cost.

**THE CHAIR**: We have just been told you have undertaken an exercise which is of limited or no use for us, which may or may not be released. It may be reasonable to try and estimate how much time and resources were used in actually compiling it.

**Mr Salisbury**: We can have a go at doing that.

**Mr Barr - The answer to the Committee's question is as follows:**

The estimated cost of administering the ACT Revenue Office customer survey is around $1,500 based on internal administration costs.

**Approved for circulation to the Committee.**

Andrew Barr

**Andrew Barr MLA**
**Treasurer**

**Date:** 3.4.13

Authorised for publication

QTON # 11
2011-12 Annual Report
Treasury (part 2)
12 March 2013

**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

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**QUESTION TAKEN ON NOTICE**

**12 March 2013**

**Mr Smyth - Asked the Treasurer upon Notice on 12 March 2013:**

**MR SMYTH**: What about retrospective degrouping? I understand that is allowable under the New South Wales act. Is it allowable in the ACT?

**Mr Salisbury**: In certain circumstances, I understand, yes.

**MR SMYTH**: In certain circumstances. When is it not allowable?

**Mr Salisbury**: We can take on notice how we apply the law here.

**Mr Barr - The answer to the Member's question is as follows:**

Under section 79 of the *Payroll Tax Act 2011*, the Commissioner for ACT Revenue (the Commissioner) has the discretion to degroup a member where the structure of the group is not designed to avoid payroll tax and where grouped businesses are independent and not connected. This provision was amended to its current form in 2008 with the adoption of harmonised legislation across jurisdictions. The Commissioner has exercised this discretion on a number of occasions after considering the facts and circumstances surrounding an application to degroup.

The ACAT recently ruled that the Commissioner has the discretion to degroup prior to 1 July 2008 even though the current legislation did not apply at that time. The ruling did not find that the Commissioner must degroup prior to 1 July 2008, rather that the Commissioner merely has the discretion to do so.

**Approved for circulation to the Committee.**

Andrew Barr

**Andrew Barr MLA**
**Treasurer**

**Date:** 3.4.2013

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QToN # 12
2011-12 Annual Reports
Treasury (part 2)
12 March 2013

**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

**QUESTION TAKEN ON NOTICE**

**12 March 2013**

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**Mr Smyth - Asked the Treasurer upon Notice on 12 March 2013:**

**MR SMYTH**: In regard to the breadth of degrouping, you say, for instance, we are harmonised with New South Wales. New South Wales in 1986 accepted the ruling in the case of Yeldham where the policy said that you could degroup. New South Wales accept that, but I understand we do not accept that here in the ACT, therefore, there is a disharmony between the two jurisdictions. If you are going to take it on notice, do we accept Yeldham and the ruling from 1986?

**Ms Smithies**: I think the other thing we will probably need to do is take a bit of legal advice on this. As you would be well aware, we have a number of issues going through the legal system right now.

**Mr Barr - The answer to the Member's question is as follows:**

In answering the question it is not appropriate for me to be required to give a legal opinion and accordingly, I do not propose to give a technical legal answer. It is sufficient to note that in the case of *Baxter & Anor v Chief Commissioner of Pay-Roll Tax* (7 NSWLR 122), Yeldham J held that the grouping provisions of NSW's *Payroll Tax Act 1971* entitled the Commissioner to exclude smaller groups from larger groups.

The NSW Office of State Revenue subsequently issued Revenue Ruling No. PT 7 which confirmed how the NSW Chief Commissioner would approach de-grouping discretion following the *Baxter* decision. Revenue Ruling PT7 ceased effect on 30 June 1999.

In both NSW and ACT payroll tax grouping provisions have been amended. The relevance of the *Baxter* decision will depend on the facts and circumstances of particular cases and the relevant law.

**Approved for circulation to the Committee.**

**Andrew Barr MLA**
**Treasurer** **Date:** 9-4-2013

Authorised for publication

QToN # 13
2011-12 Annual Rpts
Treasury (part 2)
12 March 2013

**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

**QUESTION TAKEN ON NOTICE**

**12 MARCH 2013**



**Mr Smyth - Asked the Minister upon Notice on 12 March 2013:**

**MR SMYTH**: Yes, exactly. If you are going to take it on notice, joint and several liability under section 81, how is that applied in the ACT?

**Mr Salisbury**: I will take that on notice as well.

**Mr Barr - The answer to the Member's question is as follows:**

Should a member of a group fail to pay an amount that the member is required to pay under the *Payroll Tax Act 2011* in relation to any period, section 81 of the Payroll Tax Act provides the Commissioner discretion to recover all of the outstanding amount from the members of the group, or any of them, or any one of them.

The joint and several liability amounts include any applied interest or penalty tax, and costs or expenses incurred in relation to the recovery of the amount that the Commissioner is entitled to recover.

Authorised for publication

**Approved for circulation to the Committee.**

**Andrew Barr MLA**
**Treasurer** **Date:**..3-4-13............

QTON # 14
2011-12 Annual Rpts
Treasury (part 2)
12 March 2013

**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

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- 3 APR 2013
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**QUESTION TAKEN ON NOTICE**

**12 March 2013**

**Mr Smyth - Asked the Treasurer upon Notice on 12 March 2013:**

**MR SMYTH**: But if a company accrues a debt before, say, 1 July and it merges with another company, you would currently apply that liability over both companies?

**Mr Salisbury**: I will take it on notice.

**Mr Barr - The answer to the Member's question is as follows:**

While the specifics of company merges vary greatly, ordinarily a grouping or takeover arrangement results from the merger. This may enliven the joint and several liability provisions of the relevant legislation.

If 2 or more people are jointly or severally liable to pay an amount under a tax law, the Commissioner for ACT Revenue may recover the whole of an amount from them, or any of them, or any one of them in accordance with section 50 of the *Taxation Administration Act 1999*.

In relation to payroll tax, section 81 of the ACT's *Payroll Tax Act 2011* provides for joint and several liability if a member of a group fails to pay an amount required under this Act in relation to any period. Joint and several liability is applied whether or not the person was an employer in the relevant period.

The application of the joint and several liability provisions are based on the relevant facts and circumstances of an individual matter.

**Approved for circulation to the Committee.**

Andrew Barr

**Andrew Barr MLA**
**Treasurer**

**Date:** 3.4.2013

Authorised for publication

QToN # 15
2011-12 Annual Reports
Treasury (part 2)
12 March 2013

# LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

## STANDING COMMITTEE ON PUBLIC ACCOUNTS

## QUESTION TAKEN ON NOTICE

## 12 March 2013

**Mr Seselja -** Asked the Treasurer upon notice on 12 March 2013:

What outstanding action has been taken or needs to be taken on the other 509 files from Totalcare Industries?
(p.118-119, Transcript)

**Mr Barr -** The answer to the Member's question is as follows:

All remaining files have been reviewed and ex-employees notified that Totalcare carries no legal liability in relation to their employment with Totalcare. As a final intensified risk analysis, a full audit of all ex-employees against the relevant pay systems was applied.

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Authorised for publication

**Approved for circulation to the Committee.**

Andrew Barr

**Andrew Barr MLA**
**Treasurer**

**Date:** 5.4.2013

QToN # 16
2011-12 Annual Rpts
Treasury (part 2)
12 March 2013

# LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

## STANDING COMMITTEE ON PUBLIC ACCOUNTS

## QUESTION TAKEN ON NOTICE

## 12 March 2013

**Mr Seselja -** Asked the Treasurer upon notice on 12 March 2013:

How much superannuation has the Territory ended up paying on behalf of Totalcare through the 424 settlements that are listed?
(p.118-119, Transcript)

**Mr Barr -** The answer to the Member's question is as follows:

Superannuation payments made for the 424 financial settlements totalled $9,678,450.

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Authorised for publication

**Approved for circulation to the Committee.**

**Andrew Barr MLA**
**Treasurer**

**Date:** 5.4.2013

QToN # 17
2011-12 Annual Rpts
Treasury (part 2)
12 March 2013

# LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

## STANDING COMMITTEE ON PUBLIC ACCOUNTS

## QUESTION TAKEN ON NOTICE

## 12 March 2013

**Mr Seselja** - Asked the Treasurer upon notice on 12 March 2013:

What is the final cost to the Territory for the wind up of Totalcare?
(p.119, Transcript)

**Mr Barr** - The answer to the Member's question is as follows:

Totalcare was wound up on 29 February 2012 with no costs left to the Territory. As per page 15 of Totalcare's Special Purpose Financial Report for the period 1 July 2011 to 29 February 2012, a payment of $1,227,000 was returned to the Territory as a Distribution to Shareholders on wind down.

As per page 21 of Totalcare's Special Purpose Financial Report for the period 1 July 2011 to 29 February 2012, its expenses for that period are itemised as follows:

| **Expenses** | **$** |
|---|---|
| Legal fees | 6,850 |
| Insurance (i) | 176,074 |
| Consultancy fees | 28,353 |
| Supplies and services | 38,457 |
| Board fees | 16,667 |
| Audit fees | 17,546 |
| Accountant fees | 18,389 |
| Wind down advertising | 2,622 |
| Other | 16,605 |
| **Total** | **321,563** |



(i) Insurance expense consisted of Directors and Officers Insurance from 1 July 2011 to 29 February 2012, and Directors and Officers Run-Off Insurance from 29 February 2012 to 29 February 2019.

Authorised for publication

**Approved for circulation to the Committee.**

Andrew Barr

**Andrew Barr MLA**
**Treasurer**

**Date:** 5.4.2013

QToN # 18 & 19
2011-12 Annual Reports
Treasury (part 2)
12 March 2013

**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

**QUESTION TAKEN ON NOTICE**

**12 March 2013**



**Mr Smyth - Asked the Treasurer upon Notice on 12 March 2013:**

**MR SMYTH**: Which agencies in the year had their premiums go up?

**Mr Fletcher**: I would have to take that on notice.

**Ms Smithies**: Again there would be a lot of reasons why their premiums go up. Partially it would be because of the assets base, what is happening with the weather, how many storm events there have been et cetera. So in itself it is not necessarily a sign of performance.

**MR SMYTH**: If you want to take on notice the reasons for the increase in the premiums, I would be delighted to receive that information. Is that taken on notice?

**Ms Smithies**: Yes.

**Mr Barr - The answer to the Member's question is as follows:**

The attached schedule provides details of which agencies had an increase in their total premium in 2011-12.

The premiums for the provision of medical malpractice insurance increased for agencies providing health related services.

Authorised for publication

**Approved for circulation to the Committee.**

**Andrew Barr MLA**
**Treasurer**

**Date:** 3-4-13

## Agency's with Increased Insurance Premiums in 2011-12

### Premiums 2011-12

| | Public Liability | Professional Indemnity | Medical Malpractice | Property (including motor) | Directors and Officers | Money/ Fidelity | Premium 2011-12 (net GST) | **Movement from 2010-11** |
|---|---|---|---|---|---|---|---|---|
| **Agency Invoices** | | | | | | | | |
| Health - Other | 77,393 | 35,769 | 2,373,814 | 54,661 | 124,513 | 3,317 | 2,669,468 | **290,363** |
| ACT Community Health | 94,834 | 66,559 | 388,650 | 48,270 | 38,760 | 1,623 | 638,696 | **33,573** |
| Canberra Hospital | 349,941 | 54,295 | 23,203,430 | 591,276 | 86,582 | 5,697 | 24,291,222 | **3,010,270** |
| Calvary Hospital | 79,137 | 23,933 | 1,555,870 | 163,091 | 0 | 811 | 1,822,842 | **177,827** |
| Mental Health ACT | 34,881 | 5,259 | 1,350,114 | 10,840 | 9,062 | 811 | 1,410,967 | **178,705** |
| ACT Corrective Services | 187,430 | 17,954 | | 163,332 | 46,174 | 0 | 414,891 | **19,546** |
| Supreme Court | 3,278 | 7,679 | | 19,254 | 1,470 | 0 | 31,681 | **1,579** |
| Cemeteries | 1,038 | 48 | | 10,627 | 136 | 414 | 12,264 | **74** |
| ACT Housing | 357,722 | 65,132 | | 1,517,901 | 14,380 | 0 | 1,955,135 | **78,671** |
| Tourism (TAMS prior to 1/1/10) | 15,070 | 663 | | 4,567 | 2,928 | 2,542 | 25,770 | **25,770** |
| Cultural Facilities | 64,775 | 691 | | 78,675 | 1,120 | 0 | 145,261 | **5,755** |
| Community Services Directorate | 84,704 | 9,879 | 18,970 | 94,701 | 6,450 | 0 | 214,704 | **5,706** |
| Department of the Environment | 6,525 | 10,884 | | 2,734 | 1,672 | 0 | 21,815 | **3,142** |
| Land Development Agency | 166,918 | 2,717 | | 88,405 | 2,053 | 0 | 260,093 | **3,753** |
| Office of Family Youth & Children's Support | 69,757 | 4,855 | | 43,708 | 2,524 | 0 | 120,844 | **1,320** |
| ACAAT | 6,384 | 3,119 | | 9,368 | 283 | 0 | 19,154 | **411** |
| Total | 1,602,996 | 309,643 | 28,890,848 | 2,903,469 | 338,155 | 15,215 | 34,060,329 | **3,841,987** |

QToN # 20
2011-12 Annual Reports
Treasury (part 2)
12 March 2013

**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

**QUESTION TAKEN ON NOTICE**

**12 MARCH 2013**



**Mr Smyth - Asked the Minister upon Notice on 12 March 2013:**

**MR SMYTH**: On page 30 it is stated that the reinsurance premium for the year was $11.4 million. What is it for 2012-13?

**Mr Fletcher**: The budget?

**MR SMYTH**: Yes.

**Mr Fletcher**: I cannot remember off the top of my head. I would have to take that on notice. The budget has increased but I am confident that we will be able to place the program at the same cost, other than the impact of new assets. Our property cover is of course driven by the value of property that we insure. In general terms, with our med mal reinsurance and our liability cover, the aim of the game is to try and roll that over at the same cost. DNA is a small policy that usually only has market-type increases in it and the property cover usually increases but those increases are usually driven by the addition of assets to the asset base that we insure.

**Mr Barr - The answer to the Member's question is as follows:**

The budget for reinsurance is $13.7 million.

Authorised for publication

**Approved for circulation to the Committee.**

Andrew Barr

**Andrew Barr MLA**
**Treasurer** **Date:..**3-4-13**..................**

QToN # 21
2011-12 Annual Rpts
Treasury (part 2)
12 March 2013

**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

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**QUESTION TAKEN ON NOTICE**

**12 March 2013**

**Mr Smyth - Asked the Treasurer upon Notice on 12 March 2013:**

**MR SMYTH:** With respect to breakdown by risk, almost a quarter of the projects were deemed high risk. What makes a project high risk?

**Mr Barr:** Presumably either time frames or the nature of a particular project. I can get a more fulsome answer in terms of the different categories and what fits into those, but given that there are 10 of them-

**MR SMYTH:** Can we have that and a list of the projects that were high risk?

**Mr Barr:** Sure. I presume they are reported on in other annual reports.

**Mr Tomlins:** It is a mix of the likelihood and the consequence. For projects, I think a one in 1,000 likelihood of something like a half a million dollars increase in expenditure is regarded as high risk. So any big project in the construction field in the private sector or the public sector would be regarded as high risk. That does not mean much more than that it is a big project, essentially.

**Mr Barr - The answer to the Member's question is as follows:**

The following projects, which were considered by the Procurement Board during the 2011-12 financial year, were identified by the project manager as having a high risk.

| **Project** | **Description** | **Estimated Value (million)** |
|---|---|---|
| Red Hill Primary School Construction | To procure construction contractors for the building/landscape works and civil/landscape works for Red Hill Primary School. | $8,100,000 |
| Project Management Agreement with Iqon Pty Ltd for the Capital Region Cancer Centre | To vary the contract for the Project Management for the ACT Health Capital Asset Development Program. | $15,100,000 |

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| Project | Description | Estimated Value (million) |
|---|---|---|
| Variation to Strategic Procurement Plan for the Centenary of Canberra Celebrations 2009-2013 | To procure a range of trade and artistic goods and services for the successful conduct of the 2013 Centenary of Canberra celebrations and lead-up activities. | $7,600,000 |
| Belconnen Skate Park and Eastern Valley Way Stage 1 works | To extend the contract of the Project Manager to manage the delivery of Stage 2 works as described in the project brief. | $4,582,195 |
| Government Banking Services | To procure the services of a banker for the provision of the Government Banking Services. | $17,500,000 |
| Capital Asset Development Program Enhancing the Canberra Hospital Facilities - Redevelopment Stage 3 | To procure a principal consultant, also referred to as a Design Services Contractor to provide the management and design services for a range of activities for this project. | $41,000,000 |
| Design and installation of Real Time Passenger Information System | To procure the design and installation of Real Time Passenger Information Systems. | $10,700,000 |
| The Canberra Hospital – Emergency Department and Intensive Care Unit Extension Project – Health Infrastructure Program (HIP) | To engage a prequalified project Manger to undertake services associated with the extension of the Emergency Dept and ICU at Building 12 of The Canberra Hospital. | $7,500,000 |
| Taylor Primary School Rectification and Upgrade Work 2012 | To procure a Project Manager to manage removal of asbestos and re-cladding of walls and roof, and undertake internal upgrade and refurbishment works. | $12,100,000 |
| Manuka Oval Lighting Towers | To engage a contractor for the design, supply and installation of fixed sports lighting at Manuka Oval. | $5,347,000 |

**Approved for circulation to the Committee.**

**Andrew Barr MLA**
**Treasurer**

**Date:** 3-4-2013

QToN # 22
2011-12 Annual Report
Treasury (part 2)
12 March 2013

**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**



**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

**QUESTION TAKEN ON NOTICE**

**12 March 2013**

**The Committee - Asked the Minister upon Notice:**

**DR BOURKE**: I do. Minister, I refer to volume 1, page 7. Could you explain how you promote social procurement within the ACT government and how you "assist directorates and agencies to identify social procurement opportunities and establish social contracts"?

**Mr Barr:** We have certainly made a policy commitment in this area from a whole-of-government perspective, through the Commerce and Works Directorate, as it is now, but formally through Shared Services, to assist. There are a number of examples of areas of ACT government work itself that lend themselves to partnerships with the community sector in particular that I think have great opportunity in the future for more enhanced social procurement guidelines and interaction. There are examples within other directorates where there are programs and projects that I think lend themselves to that partnership.

More broadly, through policy commitments we have put in place a framework that facilitates social procurement opportunities. They are like pilot or lighthouse projects as part of that work. I would anticipate in the coming years that there will be a greater focus on this area. As I say, there are some opportunities for existing ACT government programs and projects to have an even greater social procurement focus.

**DR BOURKE:** You mentioned some examples. Are you able to elaborate on those?

**Mr Barr:** Not really today, no.

**MR SMYTH:** The minister may take it on notice?

**Mr Barr - The answer to the Member's question is as follows:**

Social procurements currently in place or completed include:

- ACT Housing's Total Facilities Management procurement, valued at $400 million;

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- TAMSD's graffiti removal contracts;
- the incorporation of an Aboriginal Participation Plan into the contracts for the construction of Bonner and Franklin schools;
- a Social Enterprise operating the Civic Merry-go-round;
- landscape contractors to ACT Housing and TAMSD subcontracting to a social enterprise;
- several ACT Government schools engage social enterprises to do landscape maintenance; and
- the disposal of five surplus ACT Rural Fire Service light units to the South Australia Country Fire Service to be deployed in remote indigenous communities.

Social procurements currently underway include:

- the engagement of LEAD, an Australian Disability Enterprise, to undertake replanting and landscape maintenance around Lotus Bay, Yarralumla; and
- the engagement of a provider for High Density Housing Safety and Security to prevent or reduce opportunities for crime, promote community safety and security, develop improved community engagement and facilitate access to services that are related to health, mental health, education and employment.

**Approved for circulation to the Committee.**

**Andrew Barr MLA**
**Treasurer** **Date:** 3.4.2013

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QToN # 23
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**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

**QUESTION TAKEN ON NOTICE**

**12 March 2013**

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**Dr Bourke -** Asked the Treasurer upon notice on 12 March 2013:

**Ms Smithies**: From memory, the NDRRA also sets a financial aggregate in relation to how much the territory is out of pocket as a result of particular events. It does not cover insurable events but it will cover to some degree, once we get over a certain threshold, which is around a percentage of our total revenues, payment back to the state or jurisdiction in relation to, firstly, the immediate response. This is out-of-pocket costs in terms of the immediate response, in terms of fighting the event and the community recovery. Secondly, there is payment for replacement of assets over and above, again, firstly the threshold and, secondly, any self-insurance arrangements that the territory or state may have taken out. So it has got a couple of elements to it, yes.

**DR BOURKE**: Can you be more specific about what that threshold is?

**Mr Barr - The answer to the Member's question is as follows:**

The attached table provides details of the expenditure thresholds applicable to the Natural Disaster Relief and Recovery Arrangements (NDRRA)

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**Andrew Barr MLA**
**Treasurer**

**Date:**2.4.13...........

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Natural Disaster Relief and Recovery Arrangements
State and Territory Expenditure Thresholds

| 1st and 2nd Thresholds for 2012-13 | | | | | |
|---|---|---|---|---|---|
| State | State Revenue | *.225% | 1st Threshold | *1.75 | 2nd Threshold |
| NSW | $60,514,000,000 | | $136,156,500 | | $238,273,875 |
| VIC | $46,027,000,000 | | $103,560,750 | | $181,231,313 |
| QLD | $41,957,000,000 | | $94,403,250 | | $165,205,688 |
| WA | $23,668,000,000 | | $53,253,000 | | $93,192,750 |
| SA | $15,016,000,000 | | $33,786,000 | | $59,125,500 |
| TAS | $4,768,000,000 | | $10,728,000 | | $18,774,000 |
| NT | $4,722,000,000 | | $10,624,500 | | $18,592,875 |
| ACT | $3,881,000,000 | | $8,732,250 | | $15,281,438 |

| 1st and 2nd Thresholds for 2011-2012 | | | | | |
|---|---|---|---|---|---|
| State | State Revenue | *.225% | 1st Threshold | *1.75 | 2nd Threshold |
| NSW | $59,962,000,000 | | $134,914,500 | | $236,100,375 |
| VIC | $44,586,000,000 | | $100,318,500 | | $175,557,375 |
| QLD | $39,729,000,000 | | $89,390,250 | | $156,432,938 |
| WA | $21,913,000,000 | | $49,304,250 | | $86,282,438 |
| SA | $15,534,000,000 | | $34,951,500 | | $61,165,125 |
| TAS | $4,602,000,000 | | $10,354,500 | | $18,120,375 |
| NT | $4,652,000,000 | | $10,467,000 | | $18,317,250 |
| ACT | $3,815,000,000 | | $8,583,750 | | $15,021,563 |

| 1st and 2nd Thresholds for 2010-2011 | | | | | |
|---|---|---|---|---|---|
| State | State Revenue | *.225% | 1st Threshold | *1.75 | 2nd Threshold |
| NSW | $53,206,000,000 | | $119,713,500 | | $209,498,625 |
| VIC | $39,283,000,000 | | $88,386,750 | | $154,676,813 |
| QLD | $37,008,000,000 | | $83,268,000 | | $145,719,000 |
| WA | $19,399,000,000 | | $43,647,750 | | $76,383,563 |
| SA | $13,531,000,000 | | $30,444,750 | | $53,278,313 |
| TAS | $4,286,000,000 | | $9,643,500 | | $16,876,125 |
| NT | $4,187,000,000 | | $9,420,750 | | $16,486,313 |
| ACT | $3,420,000,000 | | $7,695,000 | | $13,466,250 |

| 1st and 2nd Thresholds for 2009-2010 | | | | | |
|---|---|---|---|---|---|
| State | State Revenue | *.225% | 1st Threshold | *1.75 | 2nd Threshold |
| NSW | $49,380,000,000 | | $111,105,000 | | $194,433,750 |
| VIC | $37,340,000,000 | | $84,015,000 | | $147,026,250 |
| QLD | $31,431,000,000 | | $70,719,750 | | $123,759,563 |
| WA | $19,282,000,000 | | $43,384,500 | | $75,922,875 |
| SA | $12,879,000,000 | | $28,977,750 | | $50,711,063 |
| TAS | $3,986,000,000 | | $8,968,500 | | $15,694,875 |
| NT | $3,869,000,000 | | $8,705,250 | | $15,234,188 |
| ACT | $3,366,000,000 | | $7,573,500 | | $13,253,625 |