

APPROPRIATION BILL 2021-2022 AND
APPROPRIATION (OFFICE OF THE LEGISLATIVE
ASSEMBLY) BILL 2021-2022

STANDING COMMITTEE ON PUBLIC ACCOUNTS

NOVEMBER 2021

REPORT 2

THE COMMITTEE

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RESOLUTION OF APPOINTMENT

The Legislative Assembly for the ACT established the Standing Committee on Public Accounts on 2 December 2020 by resolution¹ which states (in part) that:

- (1) the following general-purpose standing committees be established as set out in the table below. The purpose of such committees is to enhance the scrutiny of the Executive, to examine and suggest improvements to any bills referred to it, to enable the citizens of the Territory to engage and to participate in law-making and policy review, to enable financial scrutiny of the Executive's budget proposals and to review annual reports of taxpayer funded agencies;

...
- (7) the committees so established are required to examine the expenditure proposals contained in the main appropriation bills for the Territory and any revenue estimates proposed by the Government in the annual budget and prepare a report to the Assembly within 60 days of the presentation of the budget bills;
- (8) funds be provided by the Assembly to permit the engagement of external expertise to work with the Standing Committee on Public Accounts to facilitate the analysis of the budget.

Committee	Primary Wellbeing Indicator/s	Areas of Responsibility
Public Accounts	Governance and Institutions	<ul style="list-style-type: none">• ACT Auditor-General• ACT Ombudsman• Office of the Legislative Assembly• Accounts and receipts and expenditure of the ACT and its authorities• All reports of the Auditor-General which have been presented to the Assembly• Treasury including taxation and revenue

¹ ACT Legislative Assembly, *Minutes of Proceedings, No 2*, 2 December 2020, p 17 (as amended 11 Feb 21, 30 Mar 21, 22 Apr 21, and 16 Sept 21).

TERMS OF REFERENCE

As outlined above, the resolution of establishment² for standing committees of the Tenth Assembly requires the Standing Committee on Public Accounts to inquire into ACT Budget 2021-22;

- (7) the committees so established are required to examine the expenditure proposals contained in the main appropriation bills for the Territory and any revenue estimates proposed by the Government in the annual budget and prepare a report to the Assembly within 60 days of the presentation of the budget bills;
- (8) funds be provided by the Assembly to permit the engagement of external expertise to work with the Standing Committee on Public Accounts to facilitate the analysis of the budget;

At its meeting on Tuesday 9 November 2021, the Assembly resolved to amend the due date for standing committees to report on the ACT Budget, by requiring committees to report by 12 November 2021.³

² ACT Legislative Assembly, *Minutes of Proceedings*, No 2, 2 December 2020, p 17 (as amended 11 Feb 21, 30 Mar 21, 22 Apr 21, and 16 Sept 21).

³ ACT Legislative Assembly, *Minutes of Proceedings*, No 28, 9 November 2021, p 349.

ACRONYMS

ACT	Australian Capital Territory
AMC	Alexander Maconochie Centre
AMC	Alexander Maconochie Centre
CIE	Centre for International Economics
CMTEDD	Chief Minister, Treasury and Economic Development Directorate
COVID-19	Coronavirus Disease 2019, caused by the novel coronavirus SARS-CoV-2.
EOI	Expression of Interest
FTE	Full Time Equivalent
GST	Goods and Services Tax
ICRC	Independent Competition and Regulatory Commission
KPI	Key Performance Indicator
MLA	Member of the Legislative Assembly
MPC	Major Projects Canberra
NEM	National Electricity Market
OLA	Office of the Legislative Assembly for the ACT
SPA	Superannuation Provision Account
TBA	Territory Banking Account

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RECOMMENDATIONS

RECOMMENDATION 1

- 2.6 The Committee recommends, in evaluating the stimulatory effect of Government spending, a gender lens should be applied so as to ensure equity in the use of Government monies.

RECOMMENDATION 2

- 2.7 The Committee recommends the Treasurer appear before the Economy and Gender and Economic Equality Committee to explain the gender impact of the Budget.

RECOMMENDATION 3

- 2.10 The Committee recommends the ACT Government ensures policy decisions are based on sophisticated analysis of community benefits from proposed spending. Such analysis should include consideration first, second, and third order effects; and ensuring appropriate weighting to diffuse benefits.

RECOMMENDATION 4

- 2.15 The Committee recommends the ACT Government publish the lessons learnt from the first application of the wellbeing indicators and improvements that will be made for the 2022-23 Budget.

RECOMMENDATION 5

- 2.19 The Committee recommends the ACT Government reform the Administrative Arrangements so that they are fit for purpose.

RECOMMENDATION 6

- 2.22 The Committee recommends that the ACT Government adopt a consistent approach to yearly forward budget estimates between budgets, particularly in relation to the General Government Sector (GGS) Infrastructure Investment Program.

RECOMMENDATION 7

- 2.27 The Committee recommends that, to maximise the effective use of land, the ACT Government should consider the application of economic levers in addition to planning treatments, so as to incentivise its development and use for the benefit of the community.

RECOMMENDATION 8

- 2.32 The Committee recommends the ACT Government divest the Superannuation Provision Account from holding in companies associated with gambling and gaming, all weapon, fossil fuels, and nuclear weapon industries.

RECOMMENDATION 9

- 2.33** The Committee recommends the ACT Government select the most ethical investment settings for their investment proxy framework (ISS policy framework).

RECOMMENDATION 10

- 2.36** The Committee recommends that, where it is economical to do so, the Superannuation Provision Account should be enabled by the ACT Government to consider local projects, such as build to rent proposals.

RECOMMENDATION 11

- 2.41** The Committee recommends the ACT Government divest the Territory Banking Account from holding in companies associated with gambling and gaming, all weapon, fossil fuels, and nuclear weapon industries.

RECOMMENDATION 12

- 2.42** The Committee recommends that, where it is economical to do so, the Territory Banking Account should be enabled by the ACT Government to consider local projects, such as build to rent proposals.

RECOMMENDATION 13

- 2.45** The Committee recommends the ACT Government review its directly owned shares portfolio in line with its Responsible Investment Policy and Investment Governance Policy Framework to ensure holdings are compliant with the governing policy frameworks.

RECOMMENDATION 14

- 2.52** The Committee recommends that the ACT Government consult with employees and consumers before putting a proposal to cabinet on the appointment of employee and consumer representatives to the Icon Water Limited Board.

RECOMMENDATION 15

- 2.57** The Committee recommends that the ICRC consider whether electricity pricing mechanisms value additional services provided by community scale batteries.

RECOMMENDATION 16

- 3.6** The Committee recommends the ACT Government provide greater clarity within Budget Statement I in relation to its disclosure of when and where appropriation has been altered between major projects.

RECOMMENDATION 17

- 3.9** The Committee recommends the ACT Government provide transparent and clear reporting of all infrastructure project delivery in accordance with previously committed timelines.

RECOMMENDATION 18

- 3.12** The Committee recommends that the ACT Government state and publish how the Community Service Obligations for public transport patronage in the forward estimates are impacted by Light Rail Stage 2.

RECOMMENDATION 19

- 4.8** The Committee recommends the ACT Ombudsman provide to the Standing Committee on Public Accounts a copy of the report evaluating the ACT Government's progress against adopted recommendations from ACT Ombudsman's inquiries once completed.

RECOMMENDATION 20

- 5.5** The Committee recommends the Office of the Legislative Assembly finalise the Legislative Assembly Questions on Notice (QoN) database.

RECOMMENDATION 21

- 5.8** The Committee recommends the Office of the Legislative Assembly consider leadership development to assist in the implementation of reforms in light of the Laing review and assist in relations with staff.

1 INTRODUCTION

PRESENTATION OF THE ACT BUDGET 2021-22

- 1.1 On 6 October 2021 the [Appropriation Bill 2021-2022](#) and [Appropriation \(Office of the Legislative Assembly\) Bill 2021-2022](#) were presented in the Assembly,⁴ and the related Budget papers were published on the Treasury website.⁵
- 1.2 During this inquiry the Standing Committee on Public Accounts was required to examine the expenditure proposals for the following outputs in the main appropriation bills for the Territory, as outlined in [Budget Statements A](#), [Budget Statements B](#), and [Budget Statements I](#);
- Office of the Legislative Assembly
 - Auditor-General
 - ACT Ombudsman
 - Chief Minister, Treasury, and Economic Development Directorate
 - Output Class 4: Financial and Economic Management
 - Economic Management (output 4.1)
 - Financial Management (output 4.2)
 - Output Class 5: Revenue Management
 - Revenue Management (output 5.1)
 - Output Class 7: Infrastructure Finance and Procurement
 - Infrastructure Finance (output 7.1)
 - Superannuation Provision Account (SPA)
 - Territory Banking Account (TBA)
 - Icon Water Limited
 - Independent Competition and Regulatory Commission, Statement of Intent
 - Major Projects Canberra
 - Output Class 1: Major Projects Canberra

⁴ ACT Legislative Assembly, *Minutes of Proceedings*, No 25, 6 October 2021, pp 306–309.

⁵ Chief Minister, Treasury and Economic Development Directorate, *Budget Papers* (Web Page, 6 October 2021) <<https://www.treasury.act.gov.au/budget/budget-2021-22/budget-papers>>.

CONDUCT OF INQUIRY

- 1.3 Due to a COVID-19 outbreak in the Territory, and the resultant lockdown, the presentation and tabling of the ACT Budget and Appropriations Bills was postponed until 6 October 2021. The timing of public hearings for Estimates was subsequently shifted as a result. All Estimates hearings for the Committee were conducted via videoconference to comply with COVID-19 restrictions and safety measures. The reporting date for Estimates reports was moved forward by resolution of the Assembly to allow the Appropriations Bills to be debated by the end of sittings for 2021.

PUBLIC HEARINGS

- 1.4 The Committee held public hearings on 20 October 2021 and 26 October 2021. At the hearings the Committee heard from ACT Government Ministers and their accompanying Directorate officials; statutory officers; and members of governing boards.
- 1.5 Witnesses who appeared before the Committee are listed at [Appendix A](#). Transcripts from the hearings are available on the Assembly website. Footage of the hearings is available via video on demand on the Legislative Assembly website.

QUESTIONS TAKEN ON NOTICE AT HEARING AND QUESTIONS PLACED ON NOTICE

- 1.6 A total of 27 questions were lodged during the inquiry. 23 questions were taken on notice by Ministers and statutory office holders during the hearings, and 4 questions on notice were submitted by Committee Members and visiting MLAs following the hearings.
- 1.7 The answers to questions, and a list of questions (by subject, submitter, recipient) are available at [Appendix B](#), and on the inquiry webpage.

SPECIALIST BUDGET ADVISOR

- 1.8 The Resolution of Establishment for the Standing Committee on Public Accounts allows that funds be provided by the Assembly to permit the engagement of external expertise to work with the Standing Committee on Public Accounts to facilitate the analysis of the Budget.⁶ For the 2021-22 ACT Budget the Committee selected the Centre for International Economics to provide the Specialist Budget Adviser function. The Speaker appoints the advisor under standing order 238. The Committee has published the written analysis provided to it by the Centre for International Economics on the inquiry webpage.⁷

ACKNOWLEDGEMENTS

- 1.9 The Committee thanks everyone who participated in, or otherwise assisted, this inquiry. This includes the Centre for International Economics, ACT Government Ministers, Directorate officials, statutory officers, Members of the Legislative Assembly, and Members' staff. The Committee extends a special thanks to the Hansard, Broadcasting, and Committee Support staff of the Office of the Legislative Assembly.

⁶ ACT Legislative Assembly, *Minutes of Proceedings*, No 2, 2 December 2020, p 17 (as amended 11 Feb 21, 30 Mar 21, 22 Apr 21, and 16 Sept 21).

⁷ Centre for International Economics, *Review of the 2021-22 ACT Budget* (Web Page, 28 October 2021) < https://www.parliament.act.gov.au/__data/assets/pdf_file/0008/1878929/CIE-Final-Report-Review-of-the-2021-22-ACT-Budget.pdf>.

2 CHIEF MINISTER, TREASURY, AND ECONOMIC DEVELOPMENT DIRECTORATE

- 2.1 The Chief Minister, Treasury, and Economic Development Directorate (CMTEDD) is the ACT Government's central agency and is responsible for the provision of strategic advice and support to the Chief Minister, the Directorate's Ministers and the Cabinet on policy, economic and financial matters, service delivery, whole of government issues and intergovernmental relations.

ECONOMIC MANAGEMENT (4.1)

- 2.2 Output 4.1 in Budget Statements B; 'Provision of economic and revenue modelling, analysis, and advice to ACT Government and agencies, management of Federal Financial Relations, management of financial assets and liabilities (including borrowings, superannuation and insurance), and provision of insurance policy advice and regulation/administration of the Motor Accidents Injuries and Lifetime Care and Support schemes'.⁸

MATTERS CONSIDERED

- 2.3 During the Treasurer's appearance before the Committee on 20 October 2021 the following matters were considered:
- The potential impact of inflation;⁹
 - The potential impact of changes in interest rates;¹⁰
 - Interest expenses;¹¹
 - Risks to the Territory's credit rating;¹²
 - Intergenerational impact of downturns on young people;¹³
 - Investment in local skills, apprentices, and traineeships;¹⁴
 - Territory support for local businesses and competitive advantage;¹⁵
 - The impact of tax reform on the Budget;¹⁶

⁸ ACT Government Budget 2021-22, *Budget Statements B*, p 33.

⁹ *Proof Committee Hansard*, 20 October 2021, p 1.

¹⁰ *Proof Committee Hansard*, 20 October 2021, p 1.

¹¹ *Proof Committee Hansard*, 20 October 2021, p 2.

¹² *Proof Committee Hansard*, 20 October 2021, p 2.

¹³ *Proof Committee Hansard*, 20 October 2021, p 3.

¹⁴ *Proof Committee Hansard*, 20 October 2021, p 3.

¹⁵ *Proof Committee Hansard*, 20 October 2021, p 4.

¹⁶ *Proof Committee Hansard*, 20 October 2021, p 4.

- Business confidence;¹⁷
- Public Private Partnerships;¹⁸
- Investment in infrastructure;¹⁹
- Return to budget surplus;²⁰
- Toll based infrastructure funding;²¹
- Embedding the Wellbeing Framework in the Budget;²²
- The stimulus effect of Government spending; and²³
- Consideration of gender impacts of Government spending.²⁴

KEY ISSUES

APPLICATION OF GENDER ANALYSIS IN GOVERNMENT SPENDING

- 2.4 One of the key issues identified by the Committee in its hearing with the Treasurer, was how the stimulatory effect of Government spending is assessed against the need for equal opportunity across genders. One example of this issue is the propensity of the ACT Government to stimulate the economy through infrastructure spending. While new infrastructure benefits the whole community, the stimulating effect of increased employment in the construction sector, as it is a male-dominated industry, disproportionality advantages men.²⁵

COMMITTEE COMMENT

- 2.5 The Committee is of the view that a gender lens should be uniformly applied to all Government stimulatory spending, with a view to ensuring that Government stimulus works to improve the lives and livelihoods of all Canberrans equally. The Committee is on the view that—as a measure to develop and maintain accountability and transparency on this issue in the Budget—the Treasurer should appear before the Economy and Gender and Economic Equality Committee during Estimates to address the issue how Government stimulus impacts all genders.

¹⁷ *Proof Committee Hansard*, 20 October 2021, p 6.

¹⁸ *Proof Committee Hansard*, 20 October 2021, p 6.

¹⁹ *Proof Committee Hansard*, 20 October 2021, p 6.

²⁰ *Proof Committee Hansard*, 20 October 2021, p 7.

²¹ *Proof Committee Hansard*, 20 October 2021, p 7.

²² *Proof Committee Hansard*, 20 October 2021, p 8.

²³ *Proof Committee Hansard*, 20 October 2021, p 9.

²⁴ *Proof Committee Hansard*, 20 October 2021, p 9.

²⁵ *Proof Committee Hansard*, 20 October 2021, p 9.

Recommendation 1

- 2.6 The Committee recommends, in evaluating the stimulatory effect of Government spending, a gender lens should be applied so as to ensure equity in the use of Government monies.**

Recommendation 2

- 2.7 The Committee recommends the Treasurer appear before the Economy and Gender and Economic Equality Committee to explain the gender impact of the Budget.**

BUSINESS CASE TRANSPARENCY

- 2.8 During its hearings the Committee inquired into how the ACT Government selected and justified projects and programs for stimulus spending.²⁶ The Committee had a particular interest in ensuring decisions are based on sophisticated analysis and comparison of business cases.

COMMITTEE COMMENT

- 2.9 The Treasurer stated that stimulatory spending should preferably have a lasting legacy for the community. Whilst on *prima facie* this is a fair objective, on implementation it has led to a bias towards projects with concentrated, tangible, first order effects (i.e., construction of new infrastructure). This is at the expense of other projects where community legacy arises from second or third order effects in a diffuse manner. Without greater transparency of business cases of both funded and unfunded projects, the Committee is unable to determine whether analysis of lasting community legacy has been undertaken to a sufficient level of sophistication (if at all). The Committee can however observe that the Budget contains less projects of this nature, and where present, tend to be smaller in magnitude. The impacts of this type of bias includes short term perspective to decision-making, commonly being in crisis mode, and lost opportunities; all leading to inefficient and ineffective use of public monies.

Recommendation 3

- 2.10 The Committee recommends the ACT Government ensures policy decisions are based on sophisticated analysis of community benefits from proposed spending. Such analysis should include consideration first, second, and third order effects; and ensuring appropriate weighting to diffuse benefits.**

²⁶ *Proof Committee Hansard*, 20 October 2021, p 9.

FINANCIAL MANAGEMENT (4.2)

- 2.11 Output 4.2 in Budget Statements B; ‘provides analysis, monitoring and reporting on the financial performance of agencies, the Territory’s budget, and major projects, to assist the ACT Government to achieve its policy objectives’.²⁷

MATTERS CONSIDERED

- 2.12 During the Treasurer’s appearance before the Committee on 20 October 2021 the following matters were considered:
- How community service obligations are reported;²⁸
 - Reviews of government services;²⁹
 - Early data on financial recovery from the lockdown;³⁰
 - Whether the Territory would experience a V-shaped recovery; and³¹
 - Interest expenses.³²

KEY ISSUES

WELLBEING INDICATORS—LESSONS LEARNED

- 2.13 During its hearing on 20 October 2021 the Committee inquired into the application of the Wellbeing Indicators to the budgeting process. The Committee inquired into the process of embedding the Wellbeing Framework into the Budget and what, as the first jurisdiction in the Commonwealth to embed the framework, Treasury’s experience of the process was.³³ The Committee inquired directly into what lessons were learnt by the ACT Government and what key improvements could be expected in the next Budget; in relation to applying the Wellbeing Indicators.³⁴

²⁷ ACT Government Budget 2021-22, *Budget Statements B*, p 34.

²⁸ *Proof Committee Hansard*, 20 October 2021, p 10.

²⁹ *Proof Committee Hansard*, 20 October 2021, p 11.

³⁰ *Proof Committee Hansard*, 20 October 2021, p 11.

³¹ *Proof Committee Hansard*, 20 October 2021, p 12.

³² *Proof Committee Hansard*, 20 October 2021, p 12.

³³ *Proof Committee Hansard*, 20 October 2021, p 8.

³⁴ *Proof Committee Hansard*, 20 October 2021, p 8.

COMMITTEE COMMENT

- 2.14 The Committee is of the view that there would be great value for the community, and any other governments considering budgeting against the Wellbeing Indicators, in the ACT Government publishing the lessons learnt from the first application of the Wellbeing Indicators and the possible areas of improvement that could and or will be made for the 2022-23 Budget.

Recommendation 4

- 2.15 The Committee recommends the ACT Government publish the lessons learnt from the first application of the wellbeing indicators and improvements that will be made for the 2022-23 Budget.**

ADMINISTRATIVE ARRANGEMENTS

- 2.16 Throughout its inquiry the Committee often found that a line of questioning, ostensibly about the subject at hand, could not or would not be answered by a given witness on the grounds that it was not within their area of responsibility. It was sometimes the case that a witness would respond to one question on a topic, only to determine that a reasonably logical supplementary question was not within their area of responsibility. The Committee is of the view that the cause of many of these issues must therefore be the current Administrative Arrangements.³⁵

COMMITTEE COMMENT

- 2.17 The current Administrative Arrangements are contrary to sound management principles, in particular unity of command and direction. Resulting in direct current financial costs to ratepayers due to administrative overheads, and well as negatively impacting timeliness in Government activity and responsiveness. It also creates numerous risks to the overall effectiveness of the ACT Government through possible duplication, management paralysis, or competition for scarce resources.
- 2.18 More disturbingly the arrangements diffuse accountability within the ACT Government, which will over time corrode the ability of the ACT Government in achieving its objectives. The Arrangements actively challenge Committees when trying to apply effective oversight of the Budget and its implementation.

³⁵ *Administrative Arrangements 2021 (No 1) (ACT)*.

Recommendation 5

- 2.19 The Committee recommends the ACT Government reform the Administrative Arrangements so that they are fit for purpose.³⁶**

INCONSISTENT REPORTING OF FORWARD BUDGET ESTIMATES

- 2.20 One of the key issues which came to the attention of the Committee during its inquiry was the inconsistent reporting of forward estimates across budgets. One instance of note is the inconstant approach adopted by the ACT Government to reporting forward estimates in the Infrastructure Investment Program, which in the 2020-2021 Budget Outlook was reported over 4 years³⁷ but in the 2021-2022 Budget Outlook was reported over 5 years.³⁸

COMMITTEE COMMENT

- 2.21 The Committee is of the view that the ACT Government should adopt a consistent approach to reporting forward estimates throughout the Budget and across financial years. Developing and maintaining a consistent approach to reporting forward estimates in the Budget allows for direct comparisons to easily be made across financial years and supports the community in scrutinising and analysing the Budget.

Recommendation 6

- 2.22 The Committee recommends that the ACT Government adopt a consistent approach to yearly forward budget estimates between budgets, particularly in relation to the General Government Sector (GGS) Infrastructure Investment Program.**

³⁶ Mr Michael Pettersson MLA dissents from this recommendation of the Committee.

³⁷ ACT Government Budget 2020-21, *Budget Outlook*, p 241.

³⁸ ACT Government Budget 2021-22, *Budget Outlook*, p 337.

REVENUE MANAGEMENT (5.1)

- 2.23 Output 5.1 in Budget Statements B; ‘provides for the administration of the ACT Government’s taxation revenue.’³⁹

MATTERS CONSIDERED

- 2.24 During the Treasurer’s appearance before the Committee on 20 October 2021 the following matters were considered:

- Whether the land tax on vacant rentals was effective;⁴⁰
- Overdue rates;⁴¹
- Authorised deferrals;⁴²
- Debt recovery activities;⁴³
- Debt write-offs;⁴⁴
- Risks to the ACT economy and impacts of closed international borders;⁴⁵
- International students;⁴⁶
- Revenue modelling;⁴⁷
- Commercial rates;⁴⁸
- Potential signs of weakness in the ACT Economy;⁴⁹
- Impacts of duties and rates tax reforms;⁵⁰
- The GST arrangements; and⁵¹
- Land tax on short term rentals.⁵²

³⁹ ACT Government Budget 2021-22, *Budget Statements B*, p 35.

⁴⁰ *Proof Committee Hansard*, 20 October 2021, p 12.

⁴¹ *Proof Committee Hansard*, 20 October 2021, p 12.

⁴² *Proof Committee Hansard*, 20 October 2021, p 13.

⁴³ *Proof Committee Hansard*, 20 October 2021, p 13.

⁴⁴ *Proof Committee Hansard*, 20 October 2021, p 13.

⁴⁵ *Proof Committee Hansard*, 20 October 2021, p 14.

⁴⁶ *Proof Committee Hansard*, 20 October 2021, p 15.

⁴⁷ *Proof Committee Hansard*, 20 October 2021, p 15.

⁴⁸ *Proof Committee Hansard*, 20 October 2021, p 16.

⁴⁹ *Proof Committee Hansard*, 20 October 2021, p 18.

⁵⁰ *Proof Committee Hansard*, 20 October 2021, p 25.

⁵¹ *Proof Committee Hansard*, 20 October 2021, p 25.

⁵² *Proof Committee Hansard*, 20 October 2021, p 32.

KEY ISSUES

OWN SOURCE REVENUE—PURPOSEFUL USE OF LAND

- 2.25 In its hearing on 20 October 2021 the Committee inquired into how economic levers might be utilised by the ACT Government to maximise the effective use of land in the ACT for the community.⁵³ During its hearing the Committee discussed the issue with particular reference to the Giralang Shops but noted the replication of issues involving ineffective utilisation of commercial and community facility zoned land throughout the Territory.⁵⁴

COMMITTEE COMMENT

- 2.26 The Committee is of the view that the ACT Government could be doing more to incentivise the effective utilisation of land in the Territory. The Committee is of the view that economic levers, such as a levy on unutilised land, should be considered alongside planning treatments to address the issue. The Committee is of the view that revitalising land and ensuring its effective use would be of great benefit to the ACT's economy and the community.

Recommendation 7

- 2.27 The Committee recommends that, to maximise the effective use of land, the ACT Government should consider the application of economic levers in addition to planning treatments, so as to incentivise its development and use for the benefit of the community.**

⁵³ *Proof Committee Hansard*, 20 October 2021, p 15.

⁵⁴ *Proof Committee Hansard*, 20 October 2021, p 16.

SUPERANNUATION PROVISION ACCOUNT (SPA)

- 2.28 Output 7.1 in Budget Statements B; ‘the Superannuation Provision Account, assists the Government to effectively manage the defined benefit employer superannuation liabilities of the Territory. These liabilities are related to past and current ACT employees who are members of the Australian Government’s Commonwealth Superannuation Scheme and Public Sector Superannuation Scheme and Members of the Legislative Assembly Defined Benefit Superannuation Scheme’.⁵⁵

MATTERS CONSIDERED

- 2.29 During the Treasurer’s appearance before the Committee on 20 October 2021 the following matters were considered:
- The target to fully fund the SPA by 30 June 2030;⁵⁶
 - SPA divestiture from fossil fuels and weapons;⁵⁷
 - SPA divestiture from companies accused of human rights violations;⁵⁸
 - Application of the Australian Accounting Standards;⁵⁹
 - SPA investments held within the ACT; and⁶⁰
 - Use of activist shareholder voting rights.⁶¹

KEY ISSUES

ETHICAL INVESTING PRACTICES

- 2.30 One of the key issues identified by the Committee during its hearing on 20 October 2021 with the Treasurer was that of ethical investment practices by the ACT Government in its management of the SPA.⁶² This included discussion on the investment by the Territory in fossil fuel, weapons, and nuclear weapon industries. Additionally, questions raised in the Standing Committee on Justice and Community Safety’s Estimates hearings on 28 October 2021 with the ACT Gambling and Racing Commission, brought to the Committee’s attention the related issue of the ACT Government investments in gambling and gaming companies.⁶³

⁵⁵ ACT Government Budget 2021-22, *Budget Statements B*, p 303.

⁵⁶ *Proof Committee Hansard*, 20 October 2021, p 20.

⁵⁷ *Proof Committee Hansard*, 20 October 2021, p 22.

⁵⁸ *Proof Committee Hansard*, 20 October 2021, p 23.

⁵⁹ *Proof Committee Hansard*, 20 October 2021, p 24.

⁶⁰ *Proof Committee Hansard*, 20 October 2021, p 26.

⁶¹ *Proof Committee Hansard*, 20 October 2021, p 30.

⁶² *Proof Committee Hansard*, 20 October 2021, pp 22–23.

⁶³ Standing Committee on Justice and Community Safety, *Proof Committee Hansard*, 28 October 2021, p 164.

COMMITTEE COMMENT

- 2.31 The Committee is of the view that the ACT Government must ensure that SPA investments adhere to ethical standards in line with community expectations. The Committee therefore sees that the Government should divest funds from gaming and gambling, all weapon, fossil fuel, and nuclear weapon industries in line with this. Additionally, the Committee is of the view that ACT Government's investor proxy framework should adhere to the same ethical standard expected by the community, and the Government should therefore adopt the most ethical investment settings practicable in its policy.

Recommendation 8

- 2.32 The Committee recommends the ACT Government divest the Superannuation Provision Account from holding in companies associated with gambling and gaming, all weapon, fossil fuels, and nuclear weapon industries.**

Recommendation 9

- 2.33 The Committee recommends the ACT Government select the most ethical investment settings for their investment proxy framework (ISS policy framework).**

LOCAL INVESTMENT OF SPA FUNDS

- 2.34 One of the key issues identified by the Committee during its hearing on 20 October 2021 with the Treasurer was that of SPA investment within the Territory.⁶⁴ The Committee inquired into the level of investment the SPA had within the Territory and was informed by the Treasurer that, excluding international SPA investments, the level of investment would be roughly in alignment with the Territory's share of the Australian economy; or about 2%.⁶⁵ The Committee also inquired into whether SPA funds may be utilised in a build-to-rent investment opportunity within the Territory and was informed that the government would not use the funds for that investment purpose.⁶⁶

⁶⁴ *Proof Committee Hansard*, 20 October 2021, p 26.

⁶⁵ *Proof Committee Hansard*, 20 October 2021, p 27.

⁶⁶ *Proof Committee Hansard*, 20 October 2021, p 27.

COMMITTEE COMMENT

- 2.35 The Committee is of the view that the ACT Government should, where appropriate, enable SPA funds to be utilised to profitably invest within the ACT including in local projects such as build to rent developments.

Recommendation 10

- 2.36 The Committee recommends that, where it is economical to do so, the Superannuation Provision Account should be enabled by the ACT Government to consider local projects, such as build to rent proposals.**

TERRITORY BANKING ACCOUNT (TBA)

- 2.37 Output 7.1 in Budget Statements B; ‘the Chief Minister, Treasury and Economic Development Directorate, through the financial operations of the Territory Banking Account, provides services to government including financial asset and liability management. The Territory Banking Account is established to recognise and manage the Government’s financial assets and borrowing liabilities. Revenues on behalf of the Territory are transferred to the Territory Banking Account and fortnightly budget appropriation disbursements are made to agencies from the Territory Banking Account’.⁶⁷

MATTERS CONSIDERED

- 2.38 During the Treasurer’s appearances before the Committee on 20 October 2021 no specific enquiries were made into the operation of the Territory Banking Account. However, the Committee is of the view that aspects of its questioning on the SPA should also be applied to the TBA.

KEY ISSUES

ETHICAL INVESTING PRACTICES

- 2.39 One of the key issues identified by the Committee during its hearing on 20 October 2021 with the Treasurer was that of ethical investment practices by the ACT Government in its management of the TBA.⁶⁸ This included discussion on the investment by the Territory in fossil fuel, weapons, and nuclear weapon industries. Additionally, questions raised in the Standing Committee on Justice and Community Safety’s Estimates hearings on 28 October 2021 with the ACT Gambling and Racing Commission, brought to the Committee’s attention the related issue of the ACT Government investments in gambling and gaming companies.⁶⁹

COMMITTEE COMMENT

- 2.40 The Committee is of the view that the ACT Government must ensure that TBA investments adhere to ethical standards in line with community expectations. The Committee therefore sees that the Government should divest funds from gaming and gambling, all weapon, fossil fuel, and nuclear weapon industries in line with this.

⁶⁷ ACT Government Budget 2021-22, *Budget Statements B*, p 315.

⁶⁸ *Proof Committee Hansard*, 20 October 2021, pp 22–23.

⁶⁹ Standing Committee on Justice and Community Safety, *Proof Committee Hansard*, 28 October 2021, p 164.

Recommendation 11

- 2.41 The Committee recommends the ACT Government divest the Territory Banking Account from holding in companies associated with gambling and gaming, all weapon, fossil fuels, and nuclear weapon industries.**

Recommendation 12

- 2.42 The Committee recommends that, where it is economical to do so, the Territory Banking Account should be enabled by the ACT Government to consider local projects, such as build to rent proposals.**

REVIEWING INVESTMENTS—COMPLIANCE WITH GOVERNING POLICY FRAMEWORKS

- 2.43 One of the key issues identified by the Committee during its hearing on 20 October 2021 with the Treasurer, was whether the ACT Government was adequately reviewing its investments in line with its Responsible Investment Policy and Investment Governance Policy Framework.⁷⁰

COMMITTEE COMMENT

- 2.44 The Committee is of the view that the ACT Government should undertake regular and thorough reviews of its shareholdings to assess them against its Responsible Investment and Investment Governance policies. The Committee sees this as an important responsibility of the Government, ensuring that Territory funds are not invested in companies and industries whose practices do not align with community expectations.

Recommendation 13

- 2.45 The Committee recommends the ACT Government review its directly owned shares portfolio in line with its Responsible Investment Policy and Investment Governance Policy Framework to ensure holdings are compliant with the governing policy frameworks.**

⁷⁰ *Proof Committee Hansard*, 20 October 2021, pp 22.

INFRASTRUCTURE FINANCE (7.1)

- 2.46 Output 7.1 in Budget Statements B; ‘provides [for] advice to government on the development and management of major infrastructure projects, including unsolicited proposals and the use of private finance where appropriate’.⁷¹

MATTERS CONSIDERED

- 2.47 During the Treasurer’s appearances before the Committee on 20 October 2021 and 26 October 2021 the following matters were considered:
- Assessment of unsolicited proposals;⁷²
 - Approvals of unsolicited proposals;⁷³
 - Figures on unsolicited proposals received;⁷⁴
 - Due diligence and conflicts of interest practices for unsolicited proposals;⁷⁵
 - Whether the government would utilise funding under the Chinese Government’s Belt and Road scheme;⁷⁶
 - Foreign source revenue considerations in infrastructure finance;⁷⁷
 - Whether the government is considering any other PPPs;⁷⁸
 - Capital spending on infrastructure;⁷⁹
 - Delays in PPP project deliveries; and⁸⁰
 - PPP delivery timeframes.⁸¹

⁷¹ ACT Government Budget 2021-22, *Budget Statements B*, p 37.

⁷² *Proof Committee Hansard*, 20 October 2021, p 27.

⁷³ *Proof Committee Hansard*, 20 October 2021, p 28.

⁷⁴ *Proof Committee Hansard*, 20 October 2021, p 28.

⁷⁵ *Proof Committee Hansard*, 20 October 2021, p 29.

⁷⁶ *Proof Committee Hansard*, 26 October 2021, p 63.

⁷⁷ *Proof Committee Hansard*, 26 October 2021, p 63.

⁷⁸ *Proof Committee Hansard*, 26 October 2021, p 64.

⁷⁹ *Proof Committee Hansard*, 26 October 2021, p 65.

⁸⁰ *Proof Committee Hansard*, 26 October 2021, p 65.

⁸¹ *Proof Committee Hansard*, 26 October 2021, p 66.

ICON WATER LIMITED

- 2.48 Budget Statements B states; 'Icon Water provides water and sewerage services to the ACT community and bulk water to Queanbeyan. Icon Water also holds a 50 per cent investment in the ActewAGL joint venture (the energy investment) which provides electricity and gas to the ACT and surrounding region'.⁸²

MATTERS CONSIDERED

- 2.49 During the Treasurer's appearance before the Committee on 26 October 2021 the following matters were considered:
- Capital expenditure;⁸³
 - The 'free the poo' campaign;⁸⁴
 - Maintenance locations;⁸⁵
 - Climate change and emissions considerations in infrastructure planning;⁸⁶
 - Controlled overflow at the Lower Molonglo Water Quality Control Centre;⁸⁷
 - Executive remuneration;⁸⁸
 - Complaints by subject matter;⁸⁹
 - Complaints by location;⁹⁰
 - Implementation of the Parliamentary and Governing Agreement;⁹¹
 - The Belconnen Trunk Sewer project; and⁹²
 - Repair of the O'Connor and Mugga Reservoirs.⁹³

⁸² ACT Government Budget 2021-22, *Budget Statements B*, p 211.

⁸³ *Proof Committee Hansard*, 26 October 2021, p 69.

⁸⁴ *Proof Committee Hansard*, 26 October 2021, p 70.

⁸⁵ *Proof Committee Hansard*, 26 October 2021, p 70.

⁸⁶ *Proof Committee Hansard*, 26 October 2021, p 72.

⁸⁷ *Proof Committee Hansard*, 26 October 2021, p 73.

⁸⁸ *Proof Committee Hansard*, 26 October 2021, p 74.

⁸⁹ *Proof Committee Hansard*, 26 October 2021, p 74.

⁹⁰ *Proof Committee Hansard*, 26 October 2021, p 75.

⁹¹ *Proof Committee Hansard*, 26 October 2021, p 75.

⁹² *Proof Committee Hansard*, 26 October 2021, p 76.

⁹³ *Proof Committee Hansard*, 26 October 2021, p 77.

KEY ISSUES

ICON WATER LIMITED BOARD—EMPLOYEE AND CONSUMER REPRESENTATION

- 2.50 During the hearing with the Treasurer and representatives from Icon Water Limited the Committee inquired into Icon Water Limited's implementation of the *Parliamentary and Governing Agreement for the 10th Legislative Assembly for the ACT*.⁹⁴ As part of the Executive reforms set out in the Agreement, the governing coalition 'require employee and consumer representation on the board of major ACT territory owned corporations or Government businesses'.⁹⁵ It was explained that the implementation would occur in early 2022, after Cabinet consideration and scoping of the Agreement's application to territory owned corporations.⁹⁶

COMMITTEE COMMENT

- 2.51 The Committee is of the view that, in appointing employee and consumer representatives to a Board, consultation must be made with employees and consumers before a decision is made by Cabinet on the appointment.

Recommendation 14

- 2.52 The Committee recommends that the ACT Government consult with employees and consumers before putting a proposal to cabinet on the appointment of employee and consumer representatives to the Icon Water Limited Board.**

⁹⁴ *Proof Committee Hansard*, 26 October 2021, p 75.

⁹⁵ *Parliamentary and Governing Agreement of the 10th Legislative Assembly for the ACT*, p 14.

⁹⁶ *Proof Committee Hansard*, 26 October 2021, p 75.

INDEPENDENT COMPETITION AND REGULATORY COMMISSION (STATEMENT OF INTENT)

- 2.53 Budget Statements B note that the Independent Competition and Regulatory Commission (ICRC) has responsibilities for a broad range of competition, regulation, and consumer protection matters. The Commission has statutory responsibilities under the *Independent Competition and Regulatory Commission Act 1997* and the *Utilities Act 2000*.⁹⁷

MATTERS CONSIDERED

- 2.54 During the Treasurer's appearance before the Committee on 26 October 2021 the following matters were considered:
- Operation of the National Electricity Market (NEM);⁹⁸
 - Energy mix in the NEM;⁹⁹
 - Updated ICRC disclosure guidelines;¹⁰⁰
 - Large and Community Scale Batteries;¹⁰¹
 - Retail energy pricing;¹⁰²
 - Standing offer tariffs; and¹⁰³
 - Competitive neutrality guidelines and complaints.¹⁰⁴

⁹⁷ ACT Government Budget 2021-22, *Budget Statements B*, p 227.

⁹⁸ *Proof Committee Hansard*, 26 October 2021, p 74.

⁹⁹ *Proof Committee Hansard*, 26 October 2021, p 95.

¹⁰⁰ *Proof Committee Hansard*, 26 October 2021, p 95.

¹⁰¹ *Proof Committee Hansard*, 26 October 2021, p 96.

¹⁰² *Proof Committee Hansard*, 26 October 2021, p 97.

¹⁰³ *Proof Committee Hansard*, 26 October 2021, p 97.

¹⁰⁴ *Proof Committee Hansard*, 26 October 2021, p 99.

KEY ISSUES

ELECTRICITY PRICING—COMMUNITY SCALE BATTERIES

- 2.55 During its hearing on 26 October 2021 with the Treasurer, the Committee inquired into whether the ICRC was taking any measures, in terms of the pricing structures or mechanisms in place, to ensure that community and neighbourhood scale batteries are rewarded for the services that they can provide to a network.¹⁰⁵ Mr Dimasi, the Senior Commissioner of the ICRC, put that under the currently arrangements, there was not a role for the ICRC to assist in ensuring community scale batteries were rewarded for the function they serve to the grid and the energy market.¹⁰⁶

COMMITTEE COMMENT

- 2.56 The Committee is of the view that—given the valuable storage, frequency, and ancillary services community scale batteries have for the grid and the energy market—the arrangements in place should be altered to provide scope for the ICRC to ensure that community scale batteries are adequately valued and rewarded within the market and regulatory frameworks.

Recommendation 15

- 2.57 The Committee recommends that the ICRC consider whether electricity pricing mechanisms value additional services provided by community scale batteries.**

¹⁰⁵ *Proof Committee Hansard*, 26 October 2021, p 96.

¹⁰⁶ *Proof Committee Hansard*, 26 October 2021, pp 96–97.

3 MAJOR PROJECTS CANBERRA

- 3.1 Major Projects Canberra (MPC) was established on 1 July 2019 with the intention of developing a specialist infrastructure delivery Directorate within the ACT Government.

MAJOR PROJECTS CANBERRA (OUTPUT CLASS 1)

- 3.2 Budget Statements I state; ‘The Directorate achieves its objectives by delivering designated major infrastructure projects and other capital works projects which form the Territory’s infrastructure program. Its activities include project planning, procurement, contract management, stakeholder engagement and delivery oversight of projects both on its own behalf and on behalf of other ACT Government agencies. Major Projects Canberra is funded predominantly through direct appropriation provided for the delivery of designated major projects. Major Projects Canberra also receives indirect funding from other agencies for the management services provided on their behalf in the delivery of the ACT Government infrastructure program’.¹⁰⁷

MATTERS CONSIDERED

- 3.3 During the Treasurer’s appearance before the Committee on 26 October 2021 the following matters were considered:
- Time-based targets for assessing responses to tenders and EOIs;¹⁰⁸
 - Adequacy of MPC financial and human resourcing;¹⁰⁹
 - Project delivery timeframes;¹¹⁰
 - Senior employee KPIs;¹¹¹
 - FTE growth;¹¹²
 - COVID-19 lockdown impact on construction works;¹¹³
 - Plans for the Gungahlin Community Centre;¹¹⁴
 - Probity around advisory contract with PWC;¹¹⁵

¹⁰⁷ ACT Government Budget 2021-22, *Budget Statements B*, p 1.

¹⁰⁸ *Proof Committee Hansard*, 26 October 2021, p 78.

¹⁰⁹ *Proof Committee Hansard*, 26 October 2021, p 78.

¹¹⁰ *Proof Committee Hansard*, 26 October 2021, p 79.

¹¹¹ *Proof Committee Hansard*, 26 October 2021, p 79.

¹¹² *Proof Committee Hansard*, 26 October 2021, p 79.

¹¹³ *Proof Committee Hansard*, 26 October 2021, p 80.

¹¹⁴ *Proof Committee Hansard*, 26 October 2021, p 81.

¹¹⁵ *Proof Committee Hansard*, 26 October 2021, p 82.

- MPC's role in flammable cladding rectification;¹¹⁶
- The Canberra Theatre precinct;¹¹⁷
- Legacy banking arrangements;¹¹⁸
- Funding reallocation and provisions;¹¹⁹
- MPC engagement with community, industry, and unions; and¹²⁰
- Staffing arrangements and professionally qualified staff.¹²¹

KEY ISSUES

ALTERATIONS TO MAJOR PROJECT APPROPRIATION

- 3.4 During its hearing on 26 October 2021 with the Treasurer, the Committee inquired into the movement of appropriations to support major projects and how this was reflected in the Budget Statements.¹²²

COMMITTEE COMMENT

- 3.5 The Committee is of the view that the Budget Papers for Major Projects Canberra should better articulate the movement of funds to support major projects. The Committee acknowledges the impact funds being held in provision and the movement of projects between Directorates will have on Major Projects Canberra's Budget Papers. However, the Committee is of the view that the clarity and explanation for the large movements of funds in the Budget Statements is, at this stage, insufficient.

Recommendation 16

- 3.6 The Committee recommends the ACT Government provide greater clarity within Budget Statement I in relation to its disclosure of when and where appropriation has been altered between major projects.**

¹¹⁶ *Proof Committee Hansard*, 26 October 2021, p 83.

¹¹⁷ *Proof Committee Hansard*, 26 October 2021, p 84.

¹¹⁸ *Proof Committee Hansard*, 26 October 2021, p 86.

¹¹⁹ *Proof Committee Hansard*, 26 October 2021, p 87.

¹²⁰ *Proof Committee Hansard*, 26 October 2021, p 88.

¹²¹ *Proof Committee Hansard*, 26 October 2021, p 91.

¹²² *Proof Committee Hansard*, 26 October 2021, p 87.

TRANSPARENT AND CLEAR REPORTING OF INFRASTRUCTURE PROJECT DELIVERY

- 3.7 Many questions in the Committee's hearings engaged with the timeliness of infrastructure project delivery. This included not only the four projects currently overseen by MPC, but also those that MPC is assisting other Directorates to deliver. Mr Edghill assured the Committee that, despite the impacts of COVID-19 and resultant lockdowns, major projects would be delivered on time.¹²³ Mr Edghill also noted that 'at each monthly board meeting, we report on programs and progress against programs for each of those major projects'¹²⁴, though this reporting is not made public.

COMMITTEE COMMENT

- 3.8 The Committee is of the view that, as a matter of transparency, the ACT Government should regularly and publicly report on the progress of all infrastructure project deliveries and should do so with reference to previously committed delivery timeframes. The Committee is of the view that this would be an important measure which would enable the public to keep up to date on infrastructure delivery, given the significant capital investments the Territory makes on their behalf in infrastructure.

Recommendation 17

- 3.9 The Committee recommends the ACT Government provide transparent and clear reporting of all infrastructure project delivery in accordance with previously committed timelines.**

FORWARD ESTIMATES—COMMUNITY SERVICE OBLIGATIONS

- 3.10 During its hearing the Chair asked the Treasurer what the ACT Government's Community Service Obligations (CSO) would rise to upon the completion of Light Rail Stage 2. In response, the Treasurer confirmed that these obligations will likely increase, but chose not to provide figures on the grounds 'that is a transports matter, principally. It is not a Major Projects Canberra matter'.¹²⁵

¹²³ *Proof Committee Hansard*, 26 October 2021, p 79.

¹²⁴ *Proof Committee Hansard*, 26 October 2021, p 78.

¹²⁵ *Proof Committee Hansard*, 26 October 2021, p 83.

COMMITTEE COMMENT

- 3.11 The Committee is of the view that the Government's projected Community Service Obligations can reasonably be determined and should therefore be included in the Budget as forward estimates. As it stands the figures for the Community Service Obligations contained in the Budget Outlook¹²⁶ are reported in a manner that is inconsistent with the standard set by the Budget Papers generally.

Recommendation 18

- 3.12 The Committee recommends that the ACT Government state and publish how the Community Service Obligations for public transport patronage in the forward estimates are impacted by Light Rail Stage 2.**

¹²⁶ ACT Government Budget 2021-22, *Outlook*, pp 235–236.

4 OFFICERS OF THE LEGISLATIVE ASSEMBLY

- 4.1 The Auditor-General and ACT Ombudsman are Officers of the Legislative Assembly. Officers of the Legislative Assembly are not subject to the direction of the Executive and are independent from government. Scrutiny of these officers is performed by the committees of the Assembly.

AUDITOR-GENERAL

- 4.2 The ACT Auditor-General is an independent Officer of the ACT Legislative Assembly. The ACT Audit Office supports the Auditor-General in carrying out his activities. The Audit Office aims to promote public accountability for the effective and efficient provision of ACT public services by providing independent, evidence-based audit reports to the ACT Legislative Assembly and ACT Community. Funding for the Auditor-General is set out in Budget Statements A.¹²⁷

MATTERS CONSIDERED

- 4.3 The Committee discussed the following matters during the appearance of the Auditor-General on 26 October 2021:
- Impacts of COVID-19 on the audit program;¹²⁸
 - Audit Office staffing;¹²⁹
 - Community engagement;¹³⁰
 - Adequacy of Audit Office funding;¹³¹
 - Policies for detected fraud;¹³²
 - How potential audits are prioritised;¹³³
 - Feedback levels from MLAs;¹³⁴
 - Procurement probity and procedures;¹³⁵
 - Interjurisdictional dialogues between Auditors-General; and¹³⁶
 - The cost of conducting audits.¹³⁷

¹²⁷ ACT Government Budget 2021-22, *Budget Statements A*, p 31.

¹²⁸ *Proof Committee Hansard*, 26 October 2021, p 33.

¹²⁹ *Proof Committee Hansard*, 26 October 2021, p 34.

¹³⁰ *Proof Committee Hansard*, 26 October 2021, p 34.

¹³¹ *Proof Committee Hansard*, 26 October 2021, p 35.

¹³² *Proof Committee Hansard*, 26 October 2021, p 35.

¹³³ *Proof Committee Hansard*, 26 October 2021, p 36.

¹³⁴ *Proof Committee Hansard*, 26 October 2021, p 37.

¹³⁵ *Proof Committee Hansard*, 26 October 2021, p 37.

¹³⁶ *Proof Committee Hansard*, 26 October 2021, p 38.

¹³⁷ *Proof Committee Hansard*, 26 October 2021, p 39.

ACT OMBUDSMAN

- 4.4 The ACT Ombudsman is an independent Officer of the ACT Legislative Assembly. The function of the ACT Ombudsman is currently performed by the Commonwealth Ombudsman, as is provided for under the *Ombudsman Act 1989*. The ACT Ombudsman function is funded under a Service Agreement between the ACT Government and the Commonwealth Ombudsman. Funding for 2021-2022 is reflected in Budget Statements B.¹³⁸

MATTERS CONSIDERED

- 4.5 The Committee discussed the following matters during the appearance of the Acting ACT Ombudsman on 26 October 2021:
- FOI open access information;¹³⁹
 - Own motion investigations;¹⁴⁰
 - Complaints from the AMC;¹⁴¹
 - Adequacy of Service Agreement funding;¹⁴²
 - Whether there had been COVID-19 lockdown related complaints; and¹⁴³
 - Jurisdiction of AMC medical treatment complaints.¹⁴⁴

KEY ISSUES

GOVERNMENT PROGRESS ON ADOPTED OMBUDSMAN RECOMMENDATIONS

- 4.6 During its hearing on 26 October 2021 with the ACT Ombudsman, the Committee inquired into whether the Ombudsman had a process in place to follow-up on whether agencies and directorates had implemented changes to address recommendations made by the Ombudsman, and agreed to by the organisation, in own motion public reports¹⁴⁵. The ACT Ombudsman stated that they did follow-up on whether recommendations had been acted upon, doing this in a biannual report to specifically address the matter.¹⁴⁶

¹³⁸ ACT Government Budget 2021-22, *Budget Statements B*, p 25.

¹³⁹ *Proof Committee Hansard*, 26 October 2021, p 56.

¹⁴⁰ *Proof Committee Hansard*, 26 October 2021, p 57.

¹⁴¹ *Proof Committee Hansard*, 26 October 2021, p 58.

¹⁴² *Proof Committee Hansard*, 26 October 2021, p 59.

¹⁴³ *Proof Committee Hansard*, 26 October 2021, p 60.

¹⁴⁴ *Proof Committee Hansard*, 26 October 2021, p 61.

¹⁴⁵ *Proof Committee Hansard*, 26 October 2021, p 56.

¹⁴⁶ *Proof Committee Hansard*, 26 October 2021, p 56.

COMMITTEE COMMENT

- 4.7 The Committee is of the view that the biannual report produced by the ACT Ombudsman to address whether recommendations from own-motion reports have been implemented, is a valuable contribution to ensure transparency and integrity of Government agencies. The Committee sees these reports as being of value in its ongoing role in the scrutiny of Government decision-making.

Recommendation 19

- 4.8 The Committee recommends the ACT Ombudsman provide to the Standing Committee on Public Accounts a copy of the report evaluating the ACT Government's progress against adopted recommendations from ACT Ombudsman's inquiries once completed.**

5 OFFICE OF THE LEGISLATIVE ASSEMBLY

- 5.1 The Office of the Legislative Assembly (OLA) is established under the *Legislative Assembly (Office of the Legislative Assembly) Act 2012* (the Act). The Office is independent from the Executive. Under section 6 of the Act, the Office's function is to provide impartial advice and support to the Legislative Assembly and committees and members of the Assembly. Funding for the Office of the Legislative Assembly is reflected in Budget Statements A.¹⁴⁷

MATTERS CONSIDERED

- 5.2 The Committee discussed the following matters during the appearance of the Speaker of the Legislative Assembly for the ACT on 26 October 2021:

- Upgrades to Ministerial Offices;¹⁴⁸
- ACT Government Union Encouragement Policy and application to the OLA;¹⁴⁹
- Application of ACT Government Policies to the OLA;¹⁵⁰
- FTE changes;¹⁵¹
- Whether staffing levels in Committee Support would increase as a result of the Laing Review;¹⁵²
- Delay of the digital questions database;¹⁵³
- OLA implementation and consideration of the Laing Review;¹⁵⁴
- Security of measures for MLAs;¹⁵⁵
- Leadership development of OLA Staff;¹⁵⁶
- Operation of electronic petitions;¹⁵⁷
- Utilisation of the Assembly Library;¹⁵⁸
- OLA union policy;¹⁵⁹
- Enterprise Agreement negotiations;¹⁶⁰

¹⁴⁷ ACT Government Budget 2021-22, *Budget Statements A*, p 39.

¹⁴⁸ *Proof Committee Hansard*, 26 October 2021, p 41.

¹⁴⁹ *Proof Committee Hansard*, 26 October 2021, p 41.

¹⁵⁰ *Proof Committee Hansard*, 26 October 2021, p 42.

¹⁵¹ *Proof Committee Hansard*, 26 October 2021, p 44.

¹⁵² *Proof Committee Hansard*, 26 October 2021, p 44.

¹⁵³ *Proof Committee Hansard*, 26 October 2021, p 45.

¹⁵⁴ *Proof Committee Hansard*, 26 October 2021, p 45.

¹⁵⁵ *Proof Committee Hansard*, 26 October 2021, p 46.

¹⁵⁶ *Proof Committee Hansard*, 26 October 2021, p 47.

¹⁵⁷ *Proof Committee Hansard*, 26 October 2021, p 47.

¹⁵⁸ *Proof Committee Hansard*, 26 October 2021, p 49.

¹⁵⁹ *Proof Committee Hansard*, 26 October 2021, p 50.

¹⁶⁰ *Proof Committee Hansard*, 26 October 2021, p 51.

- Potential of insourcing of cleaners;¹⁶¹
- End of trip facilities;¹⁶²
- Reopening of the Assembly to the community after COVID-19; and¹⁶³
- Normalisation of Chamber seating arrangements after COVID-19.¹⁶⁴

KEY ISSUES

DIGITAL QUESTION DATABASE DELIVERY

- 5.3 During its hearing on 26 October 2021 the Committee inquired into the delivery of the searchable Questions on Notice Database by the Office of the Legislative Assembly.¹⁶⁵ The Committee noted that, at the last round of Estimates hearings for 2020-21, the Office had promised delivery of the QON database by the end of June 2021 and inquired into the delay. The Office cited COVID-19 related delays and staff availability for testing of the module as causes for the delay but put to the Committee that it was unlikely that this issue would be unresolved when OLA next came before the Committee.¹⁶⁶

COMMITTEE COMMENT

- 5.4 The Committee is of the view that the searchable questions database will be of great value to Members of the Legislative Assembly and, while acknowledging causes put to the Committee for the delays, sees that the long-anticipated delivery of the database should be prioritised.

Recommendation 20

- 5.5 The Committee recommends the Office of the Legislative Assembly finalise the Legislative Assembly Questions on Notice (QoN) database.**

¹⁶¹ *Proof Committee Hansard*, 26 October 2021, p 51.

¹⁶² *Proof Committee Hansard*, 26 October 2021, p 52.

¹⁶³ *Proof Committee Hansard*, 26 October 2021, p 53.

¹⁶⁴ *Proof Committee Hansard*, 26 October 2021, p 55.

¹⁶⁵ *Proof Committee Hansard*, 26 October 2021, p 44.

¹⁶⁶ *Proof Committee Hansard*, 26 October 2021, p 45.

DEVELOPMENT OPPORTUNITIES FOR ASSEMBLY STAFF

- 5.6 During its hearing on 26 October 2021 the Committee inquired into what arrangements the Office of the Legislative Assembly had in place to ensure the development of its current and emerging leaders.¹⁶⁷ The Committee sought specifically to discover what systems, processes, and framework was in place to help develop leaders' skills regarding the management of staff.¹⁶⁸

COMMITTEE COMMENT

- 5.7 The Committee is of the view that more can be done to specially address the leadership development of current and emerging leaders within the Office of the Legislative Assembly. The Committee recognises the impact that the proposed implementation of the Laing Review suggestions will have on the Office and, in light of this, views leadership development to assist in the implementation as important.

Recommendation 21

- 5.8 The Committee recommends the Office of the Legislative Assembly consider leadership development to assist in the implementation of reforms in light of the Laing review and assist in relations with staff.**

Mrs Elizabeth Kikkert MLA, Chair
Standing Committee on Public Accounts
10 November 2021

¹⁶⁷ *Proof Committee Hansard*, 26 October 2021, p 45.

¹⁶⁸ *Proof Committee Hansard*, 26 October 2021, p 45.

APPENDIX A - WITNESSES

20 OCTOBER 2021

Treasury Portfolio

- Mr Andrew Barr MLA, Treasurer
- Mr Stephen Miners, Acting Under Treasurer
- Ms Sue Vroombout, Acting Deputy Under Treasurer
- Mr Scott Austin, Acting Executive Group Manager (Finance and Budget Group)
- Ms Lisa Holmes, Acting Executive Group Manager (Revenue Management Group)
- Mr Kim Salisbury, Acting Executive Group Manager (Economic and Financial Group)
- Mr Patrick McAuliffe, Executive Branch Manager (Asset Liability Management, Economic and Financial Group)
- Mr David Asteraki, Executive Group Manager (Infrastructure Finance and Reform Division)

26 OCTOBER 2021

ACT Audit Office

- Mr Michael Harris, Auditor-General
- Ms Caroline Smith, Chief Operating Officer (Professional Services)

Office of the Legislative Assembly

- Ms Joy Burch MLA, Speaker
- Mr Tom Duncan, Clerk
- Ms Julia Agostino, Deputy Clerk
- Ms Rachel Turner, Executive Manager (Business Support)
- Mr David Skinner, Senior Director (Office of the Clerk)

ACT Ombudsman

- Ms Penny McKay, Acting Ombudsman
- Ms Louise MacLeod, Acting Deputy Ombudsman
- Ms Symone Andersen, Acting Senior Assistant Ombudsman (Program Delivery Branch)

Treasury Portfolio

- Mr Andrew Barr MLA, Treasurer
- Ms Sue Vroombout, Acting Deputy Under Treasurer
- Mr David Asteraki, Executive Group Manager (Infrastructure Finance and Reform Division)
- Mr Hamish Stephens, Senior Director (Infrastructure Finance)
- Mr Ray Hezkial, Managing Director (Icon Water Limited)
- Ms Alison Pratt, General Counsel (Icon Water Limited)
- Ms Joy Yau, Chief Financial Officer (Icon Water Limited)

- Mr Duncan Edghill, Chief Projects Officer & Director General (Major Projects Canberra)
- Mr Damon Hall, Executive Group Manager (Project Development and Support)
- Mr Adrian Piani, Chief Engineer & Executive Group Manager (Infrastructure Delivery Partners)
- Ms Erica Wark, Chief Finance Officer (Project Development and Support)
- Mr Joe Dimasi, Senior Commissioner (Independent Competition and Regulatory Commission)
- Dr Annette Weier, Chief Executive Officer (Independent Competition and Regulatory Commission)

APPENDIX B – QUESTIONS TAKEN ON NOTICE/ QUESTIONS ON NOTICE

Questions taken on Notice 20 October 2021

No.	Hearing date	Asked by	Directorate/ Portfolio	Subject	Answer date
1	20.10.21	Pettersson	Treasury	Wellbeing Indicators	5.11.21
2	20.10.21	Kikkert	Treasury	Government Reviews	5.11.21
3	20.10.21	Kikkert	Treasury	Rates	5.11.21
4	20.10.21	Kikkert	Treasury	Rates	5.11.21
5	20.10.21	Clay	Treasury	Superannuation	5.11.21
6	20.10.21	Lee	Treasury	Concessions	5.11.21
7	20.10.21	Braddock	Treasury	Short Term Rentals	5.11.21

Questions taken on Notice 26 October 2021

No.	Hearing date	Asked by	Directorate/ Portfolio	Subject	Answer date
8	26.10.21	Kikkert	OLA	Ministerial Office Upgrades	4.11.21
9	26.10.21	Kikkert	OLA	Ministerial Office Upgrades	4.11.21
10	26.10.21	Kikkert	OLA	Ministerial Office Upgrades	4.11.21
11	26.10.21	Pettersson	OLA	Library Usage	4.11.21
12	26.10.21	Kikkert	Ombudsman	AMC Complaints Referred	4.11.21
13	26.10.21	Kikkert	Ombudsman	AMC Complaints	4.11.21
14	26.10.21	Lee	Treasury	Infrastructure Spending	8.11.21
15	26.10.21	Pettersson	Treasury	Maintenance Locations	8.11.21

No.	Hearing date	Asked by	Directorate/ Portfolio	Subject	Answer date
16	26.10.21	Pettersson	Treasury	Advertising Spending	8.11.21
17	26.10.21	Kikkert	Treasury	Maintenance Spending	8.11.21
18	26.10.21	Pettersson	Treasury	Water Meter Complaints	8.11.21
19	26.10.21	Pettersson	Treasury	Complaints by Category	8.11.21
20	26.10.21	Kikkert	Treasury	Complaint Locations	8.11.21
21	26.10.21	Castley	Treasury	Business Complaints	8.11.21
22	26.10.21	Lee	Treasury	Conflicts of Interest	4.11.21
23	26.10.21	Lee	Treasury	Budget Movement	4.11.21

Questions on Notice lodged following hearing on 20 October 2021

No.	Hearing date	Asked by	Directorate/ Portfolio	Subject	Answer date
1	20.10.21	Clay	Treasurer	Gender Analysis and Issues	3.11.21

Questions on Notice lodged following hearings on 26 October 2021

No.	Hearing date	Asked by	Directorate/ Portfolio	Subject	Answer date
2	26.10.21	Lee	Treasurer, Major Projects Canberra	Infrastructure Delivery	<i>Extension Granted</i>
3	26.10.21	Castley	Treasurer, Icon Water	Competitive Neutrality	<i>Overdue</i>
4	26.10.21	Pettersson	OLA	Application of Government Policy to OLA	8.11.21