

2014

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

**GOVERNMENT RESPONSE TO THE
STANDING COMMITTEE ON PUBLIC ACCOUNTS
REPORT NO 4**

REPORT ON ANNUAL AND FINANCIAL REPORTS 2012-2013

**Presented by
Ms Katy Gallagher MLA
Chief Minister**

Government Response

Standing Committee on Public Accounts Report No 4 – Report on Annual and Financial Reports 2012-2013

Introduction

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

The Standing Committee on Public Accounts reviewed annual reports for:

- ACT Auditor-General;
- ACT Gambling and Racing Commission;
- ACT Insurance Authority;
- ACT Ombudsman;
- ACTEW Corporation Limited;
- ACTTAB Ltd;
- Chief Minister and Treasury Directorate;
- Commerce and Works Directorate;
- Commissioner for Public Administration;
- Economic Development Directorate;
- Exhibition Park Corporation;
- Independent Competition and Regulatory Commission;
- Office of the Legislative Assembly; and
- Territory and Municipal Services Directorate – Arboretum;

The Committee made 16 recommendations.

Response to Committee Recommendations

Recommendation 1

3.3 The Committee recommends that ACT Government agencies should ensure complete reporting with all compliance requirements as specified in the Annual Report Directions.

Government Response

Agreed.

Recommendation 2

3.24 The Committee recommends that ACT Government directorates and agencies should ensure the provision of complete statements of performance and full disclosure as required by the Financial Management Act 1996. In doing so, ensure the following: (i) implement processes for checking the accuracy of reported results; and (ii) provide clear and informative explanations of material variances from planned results.

Government Response

Agreed.

The Auditor-General concluded that 77 per cent of Statements of Performance in 2012-13 were rated as good or satisfactory. Agencies will continue to prepare Statements of Performance that comply with the *Financial Management Act 1996*. The Chief Minister and Treasury Directorate also issue a number of guidance papers to assist in this process.

Recommendation 3

4.9 The Committee recommends that all Directors-General, and equivalents, ensure that all exemption requests for single select procurements include consideration of 'best value for money' as per the Government Procurement Policy Circular.

Government Response

Agreed.

The Procurement Plan Minute template already requires the Director-General or their delegate to formally authorise single select tenders, on the basis of best value for money for the Territory.

Recommendation 4

4.16 The Committee recommends that ACT Government directorates and agencies should ensure complete compliance in accordance with the reporting requirements as prescribed under Section C.3— Public Interest Disclosure reporting of the Annual Report Directions.

Government Response

Agreed.

Recommendation 5

4.21 The Committee recommends that Designated Disclosure Officers appointed for the purposes of the Public Interest Disclosure Act 2012 should ensure that the appropriate steps, as outlined in the PID Factsheet, are taken to inform persons making disclosures about the outcomes of investigations and, where applicable, actions taken.

Government Response

Agreed.

Recommendation 6

4.34 The Committee recommends that ACT Government directorates and agencies should assess, and where applicable, take appropriate action to ensure that the structures underpinning their respective internal audit functions support independence. Where an agency considers a key requirement of best practice for supporting independence as not appropriate to its particular circumstances, it should document it as such by using an “if not, why not?” test to explain why not.

Government Response

Agreed in principle.

Individual directorates and agencies will continue to review the structures underpinning their respective internal audit functions to ensure the most appropriate arrangements are in place to support independence. In doing so, appropriate consideration will be given by individual directorates and agencies to the level of financial and staff resourcing available to achieve best practice independence.

These issues will also be considered in the next review of the ACT Government best practice guide for Audit Committees.

‘If not, why not’ documentation should be maintained by individual directorates and agencies, as required.

Recommendation 7

5.19 The Committee recommends that the Speaker inform the ACT Legislative Assembly on the outcomes of the Office of the Legislative Assembly’s review of the administration of Members’ entitlements.

Government Response

Noted.

This is a matter for the Legislative Assembly.

Recommendation 8

5.24 The Committee recommends that the ACT Legislative Assembly's Administration and Procedure Committee should give due consideration to uploading Members' travel reports to the Legislative Assembly website at more progressive intervals than twice yearly.

Government Response

Noted.

This is a matter for the Legislative Assembly.

Recommendation 9

5.34 The Committee recommends that the ACT Government review the take up of student accommodation by international students under the student accommodation guarantee.

Government Response

Noted.

This initiative was established and implemented by the ACT's universities. The Australian National University and the University of Canberra offer an accommodation guarantee to new international students, where they meet certain eligibility criteria. The University of Canberra only commenced offering a student accommodation guarantee in 2014.

The ACT Government continues to liaise with the ACT universities on student accommodation issues.

Recommendation 10

5.45 The Committee recommends that, once established, the National Arboretum's Scientific Research Committee should consider, in the first instance, prioritising the review and management of forest research programs on climate change, biodiversity and threatened species as it relates to native flora or species.

Government Response

Agreed.

Recommendation 11

5.57 The Committee notes the broad support for a new convention centre from the Canberra business community, and recommends that the ACT Government continue to take measures to realise this project.

Government Response**Agreed.**

Work to progress the Australia Forum convention centre project is continuing with a functional brief expected to be finalised by the end of 2013-14. The next step will be the preparation of a reference design, which will be a key input to the final business case, which will be completed by the end of 2014-15. This work will continue to be undertaken in close collaboration with the Canberra Convention Bureau and Canberra Business Council.

Recommendation 12

5.60 The Committee recommends that the ACT Government continue to diversify the ACT economy and grow the private sector in the ACT.

Government Response**Agreed.**

The Government continues to implement strategies, such as the Business Development Strategy, that are supporting the ACT economy to grow and diversify. A number of initiatives were announced in the 2014-15 Budget that will further contribute to this objective, including the Young Entrepreneurs' Program, Private Sector Transition Fund and Supporting Local Business Fund.

Recommendation 13

5.70 The Committee recommends that the report of the feasibility study into the coadministration and co-location of the three racing codes—Canberra Racing Club, Canberra Harness Racing Club and the Canberra Greyhound Racing Club—be tabled in the ACT Legislative Assembly.

Government Response**Agreed in principle.**

The Minister for Racing and Gaming will inform the ACT Legislative Assembly on agreed outcomes from the co-location feasibility study and progress toward the establishment of a single racing industry administrative body. It should be noted that the government only agreed to undertake a feasibility study on the co-location of the racing codes. A decision to undertake a co administration study has not been made.

Recommendation 14

5.71 The Committee recommends that should the availability of the feasibility study into the co-administration and co-location of the three racing codes—Canberra Racing Club, Canberra Harness Racing Club and the Canberra Greyhound Racing Club—be delayed beyond the last sitting day in June 2014, the Minister for Racing and Gaming should make a statement informing the ACT Legislative Assembly providing an explanation for the delay.

Government Response**Not agreed.**

Information will be provided to the ACT Legislative Assembly once the feasibility study is completed.

Recommendation 15

5.110 The Committee recommends that the ACT Government's review of the Lease Variation Charge include: the effectiveness of the objectives of the Charge—in particular, its estimated and actual revenue returns, impact on development, housing affordability and funding upgrades to Canberra's urban amenities as part of the Urban Improvement Fund.

Government Response**Noted.**

The government is considering changes to the legislative framework for LVC, including changes designed to cut red tape for industry, encourage activity in the market place to deliver on the government's priorities, in particular urban renewal. The review does not target quantification or allocation of LVC revenue. Changes to LVC were announced in March 2014, as part of a package of initiatives designed to provide confidence and economic stimulus for the ACT building and construction industry over the next two years.

Recommendation 16

5.129 The Committee recommends that the Treasurer inform the ACT Legislative Assembly on the outcomes of the review of the ACT Government's Human Resources Information Management System (HRMIS)—Chris21 and, where applicable, any subsequent action taken in response to the recommendations of the Review.

Government Response**Agreed.**

As part of the 2014-15 Budget process the Government reviewed options in relation to the Territory's HRIMS, and approved the option to maintain and develop the existing system.