

2017

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

**GOVERNMENT RESPONSE TO THE
STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM
REPORT NO 1**

REPORT ON ANNUAL AND FINANCIAL REPORTS 2015-2016

**Presented by
Mr Andrew Barr MLA
Chief Minister**

Government Response

Standing Committee on Public Accounts Report No 1 – Report on Annual and Financial Reports 2015-2016

Introduction

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

The Standing Committee on Public Accounts reviewed annual reports for:

- Chief Minister, Treasury and Economic Development Directorate – Government Policy and Strategy; Public Sector Management; Coordinated Communications and Community Engagement, Economic and Financial Management, Revenue and Government Business Management, Innovation, Trade and Investment—Innovate Canberra, Visit Canberra, Property Services, Arts Engagement, Access Canberra, ACT Executive, *Constructions Occupations (Licensing) Act 2004*, ACT Government Procurement Board, Venues and Events, Director of Territory Records;
- Commissioner for Public Administration’s State of the Service Report; and
- Cultural Facilities Corporation.

The Committee made 21 recommendations.

Response to Committee Recommendations

Recommendation 1

2.10 The Committee recommends that the Standing Committee on Administration and Procedure, with input from Committee Chairs, examine the motion establishing committees with a view to proposing amendments to assist in a balanced allocation of annual report examination responsibilities.

Government Response – N/A

This is a matter for the relevant Assembly committee to consider.

Recommendation 2

3.8 The Committee recommends that, once the management contract for the street light network is signed, the Treasurer inform the Assembly of the costs, savings and incentives for network upgrades that arise from the contract.

Government Response - Agreed in principle

The Government will provide an update to the Assembly, following the signing of the management contract with the preferred proponent, which provides detail of the expected streetlight network improvements that will be implemented across the contract period.

Recommendation 3

3.18 The Committee recommends that the ACT Government accept properly directed questions in the Assembly about the implementation of the Parliamentary Agreement for the 9th Legislative Assembly of the Australian Capital Territory, in accordance with the public service's monitoring role.

Government Response - Agreed in principle

The relevant Minister will respond to any questions on behalf of the ACT Government.

Recommendation 4

3.21 The Committee recommends that ACT Government directorates and agencies monitor and maintain their website pages, newsletters, event pages, and associated online material to ensure the information is correct and current and that there are no broken links.

Government Response - Noted

Each directorate monitors and maintains content on their websites, newsletters, event pages, and associated online material. CMTEDD Communications provides advice and guidance to directorates, agencies and business units regarding the development and maintenance of websites and associated content. Directorates will be advised to review website content regularly.

Recommendation 5

3.22 The Committee recommends that ACT Government directorates and agencies ensure that when newsletters or other updates have been or will be ceased, the webpage or last newsletter should reflect this change and the effective date of cessation.

Government Response - Noted

Each directorate monitors and maintains content on their websites, newsletters, event pages, and associated online material. CMTEDD Communications provides advice and guidance to directorates, agencies and business units regarding the development and maintenance of websites and associated content. Directorates will be advised to review website content regularly and to ensure those items that have been ceased, the effective date of cessation should be noted.

Recommendation 6

3.29 The Committee recommends that the ACT Public Service review its procedures for misconduct investigations and consider whether parties who have left the ACT Public Service should be able to choose to have such investigations concluded rather than abandoned.

Government Response - Noted

The legislative framework, does not provide for the conclusion of misconduct investigation against former ACTPS employees. The misconduct investigation procedures are contained in the industrial framework of enterprise agreements. Any amendment to the misconduct procedures which would ostensibly allow for the conclusion of a misconduct investigation process against a former employee would require agreement of ACTPS employees and their employee representatives via enterprise bargaining, which may not be an achievable outcome.

Recommendation 7

3.33 The Committee recommends that ACT Government directorates and agencies consult with the Territory Record Office when developing or amending their Record Management Program, or altering the Program significantly.

Government Response - Agreed

The Territory Records Office provides templates that allow directorates and agencies to develop their Records Management Programs in accordance with the Territory Records Act. Territory Records Office staff routinely comment on drafts and provide advice to agencies on the development of their Records Management Programs.

Recommendation 8

3.34 The Committee recommends that ACT Government directorates and agencies' adherence to their Record Management Programs should be reviewed by the Territory Record Office every three years, and that the results of these reviews be published.

Government Response - Agreed in principle

In 2017–18 the Territory Records Office will launch its Better Records Advice and Support Service, which will work with agencies to examine aspects of their records management practices and identify areas for improvement or where good practices can be shared across government. The TRO will use a risk-based approach to identifying areas for review, rather than seeking to cover all areas of government. At this stage the TRO does not intend to publish the results of these reviews, but will use them as a mechanism for working collaboratively with agencies.

Recommendation 9

3.35 The Committee recommends that ACT Government guidelines for record keeping should be reviewed every three years to ensure the processes stay current and are integrated with new technology upgrades as they become available.

Government Response – Agreed in principle

The Director of Territory Records released a revised Standard and Guidelines for Records, Information and Data management in July 2016. These documents are principles based and are designed to support records management in any environment, so that the guidance is suitable both for agencies with digital systems and those that are yet to make the transition from paper processes.

Recommendation 10

3.45 The Committee recommends that ACT Government guidelines given to independent assessors undertaking financial assessments of external contractors be reviewed to determine what level of financial deterioration is acceptable before a company is no longer able to be classified as prequalified.

Government Response - Noted

The role of independent assessors is to provide a point in time view of the financial strength of a company. Granting of a prequalification is undertaken by the Territory rather than an independent assessor though the Territory does take the views of the independent assessor into account when making a final determination on prequalification.

Recommendation 11

3.46 The Committee recommends that additional or more frequent assessments be undertaken on a pre-qualified entity after it has shown signs of financial deterioration. The additional reviews should be conducted with reference to the length and value of the contract.

Government Response - Agreed

This is current standard practice where the Territory has concerns about the financial capability of a contractor to undertake a contract they have tendered for.

Recommendation 12

3.47 The Committee recommends that the ACT Government evaluate existing procedures to mitigate the risk of contractors engaged by the ACT not paying subcontractors and workers, including evaluating whether financial risk assessments are accurate and current, and whether contractors' statutory declarations are sufficiently reliable or should include some further form of proof from sub-contractors.

Government Response - Agreed

As we investigate issues put to us, we also evaluate the effectiveness of procedures and look for opportunities to further improve our processes to ensure that sub-contractors and workers get paid. In the recent SMI administration, changes to novation clauses as a result of previous liquidations and administrations allowed the Territory to take over payment obligations to sub-contractors for work performed but not yet invoiced.

Recommendation 13

3.48 The Committee recommends that the Government develop specific guidelines and policy on how to interact with contractors and subcontractors after an entity is suspected to be financially unstable or goes into administration.

Government Response - Agreed

The ACT Government has well established processes to evaluate the options after a company goes into administration. Given the wide variety of contracts and the variables relating to the state of completion of the contract these key steps are able to deal with a wider range of scenarios than a specific policy could.

Recommendation 14

3.50 The Committee recommends that a regular schedule of briefings and updates be implemented between the ACT Government Procurement Board, the Asbestos Response Taskforce, and Procurement and Capital Works (CMTEDD) to ensure the large scale procurement associated with these undertakings is correctly assessed and the risks are appropriately managed.

Government Response - Agreed

The Asbestos Response Taskforce updates the Government Procurement Board (GPB) on an approximately six monthly basis, at a time and date scheduled by the GPB. The briefing to the GPB involves officers from Infrastructure Finance and Capital Works (formerly Procurement and Capital Works).

Recommendation 15

3.69 The Committee recommends that Access Canberra publish annual statistics on the number of client interactions, the time taken to respond to client queries, and the number of queries that are finalised.

Government Response – Not Agreed

Access Canberra is looking at moving toward a customer outcome-based metric as wait time measures do not effectively report the outcomes of the impact Access Canberra is having in the community and regulated entities.

The Access Canberra accountability indicators moving forward are: percentage of customers satisfied with Access Canberra; percentage of the Canberra Community satisfied with the ease of interacting with Access Canberra; percentage of services available online; percentage of services completed online; reduction of regulatory burden on business by undertaking risk based coordinated inspection activities; average number of days to issue business authorisation or personal registration; compliance rate during targeted campaign inspections; percentage of compliance activities: engage, educate, enforce; and average level of helpfulness after issuing a notice or before issuing a licence/authorisation.

Recommendation 16

3.77 The Committee recommends that where Access Canberra becomes aware of construction and/or excavation work undertaken not in compliance with development approvals, the initial response from Access Canberra be to halt further work and seek ways in which the work can be rectified so that it is in compliance.

Government Response – Noted

Development Applications (DA) provide consent to take action rather than being a restrictive covenant. They can be complex in nature and there can be multiple DA's relevant to the one construction site. Determining compliance is often not clear cut and needs to be considered on a case-by-case basis. Also, there are often multiple works occurring at the same time on a site, halting works in the manner suggested may prove problematic and lead to problems where works are in progress and must be finished to ensure safety is maintained.

Recommendation 17

3.82 The Committee recommends that the ACT Government permanently file and archive air quality monitoring reports created during the demolition of loose fill asbestos affected sites.

Government Response – Agreed

Since February 2017, the Asbestos Safety Team in Access Canberra is receiving and filing all air quality monitoring results.

Recommendation 18

3.87 The Committee recommends that the Land Development Authority and artsACT consult closely with all arts organisations that are moving to the Kingston arts precinct on all aspects of their moves, including obtaining any necessary specialist technical advice in relation to their individual needs to ensure their accommodation is fully fit-for-purpose.

Government Response – Agreed

The ACT Government is continuing to work with the arts organisations proposed to move to Kingston Arts Precinct on the development of the precinct.

Recommendation 19

3.88 The Committee recommends that the Minister for the Arts and Community Events update the Assembly regularly on the progress of the Kingston arts precinct development, including consultation with relevant arts organisations, together with updates on whether the project is meeting agreed timelines and whether it is within budget allocations.

Government Response - Agreed

The responsible Ministers will provide updates on the Kingston Arts Precinct as progress information is available.

Recommendation 20

3.90 The Committee recommends that the ACT Government consolidate ownership and management responsibility for all works of public art, including maintenance activity and the cost thereof, into one agency.

Government Response – Noted

The Auditor General is currently undertaking an Audit on Public Art. Any further response to this recommendation will follow the finalisation of the Audit.

Recommendation 21

3.91 The Committee recommends that the ACT Government establish a contingency fund for unusual or extraordinary maintenance or repair work that may be required for works of public art that could not be anticipated in a recurrent maintenance budget.

Government Response – Noted

The Auditor General is currently undertaking an Audit on Public Art. Any further response to this recommendation will follow the finalisation of the Audit.