

2TON No. 1.

The reason for the drop in the proportion of trainees and apprentices between June 2016 and June 2017 is due to the reduction in the number of correctional trainees (27 in 2015-16 and 0 in 2016-17). This is due to the intake of the apprenticeship not being periodic (intake is not necessarily every 12 months).

Class	2015-16	2016-17
Apprentice Cook		1
Apprentice	10	10
APPRENTICE BUILD ADULT	1	1
APPRENTICE BUILD TRADE	5	7
Apprentice Workshop	10	11
Cadet	2	2
Correctional Trainee	27	
Indigenous Trainee	9	2
InfoTech Off Trainee	8	6
Information Tech Trainee	3	
Training Wage Lvl A	1	
Trainee Tech Officer	3	8
Total	79	48





LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

QTON No. 1A

31

STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

**Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION TAKEN ON NOTICE
Friday, 10 November 2017**



Asked by MRS DUNNE MLA:

In relation to:

THE CHAIR: Sorry, the volume 2.1, page 217, output class 1.2. In relation to Public Sector Management, the total costs have a variance from the original target of 4 per cent.

Ms Overton-Clarke: Thank you. So it just says, “The variance is due mainly to the timing of cash receipts from other directorates relating to training”—

THE CHAIR: No, no, no, that is the line below that. The line above that, the total costs. The target was 10.166 and the outcome was 10.527. The explanation you were reading was for the line below that.

CHIEF MINISTER: The answer to the Member’s question is as follows:—

The reason for the \$0.361 million increase in the 2016-17 actual result for Output 1.2, ‘Public Sector Management’, compared to the 2016-17 Budget is mainly due to:

- expenses associated with additional services provided by the Professional Standards Unit that were recovered from other Directorates; and
- additional expenditure on the Healthy Weight Initiative funded by the Health Directorate.

Approved for circulation to the Standing Committee on Public Accounts

Signature: *Andrew Barr*

Date: 17-11-17

By the Chief Minister, Andrew Barr MLA

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LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), ALISTAIR COE MLA,
BEC CODY MLA,

Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION TAKEN ON NOTICE
10 November 2017



Asked by Mr Michael Pettersson:

In relation to:

Whether the ACT Ombudsman can provide any additional information about ACT Policing's self-disclosed unlawful installation of a surveillance device in New South Wales, as reported in the ACT Ombudsman's 2016-17 Annual Report.

ACT Ombudsman: The answer to the Member's question is as follows:—

The ACT Ombudsman confirms he is unable to disclose details of an operational nature. As set out in the ACT Ombudsman's Annual Report, the Ombudsman is satisfied that ACT Policing has taken appropriate steps to resolve the matter.

Approved for circulation to the Standing Committee on Public Accounts

Signature:

Date: 28 November 2017

By the ACT Ombudsman, Michael Manthorpe PSM



STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION TAKEN ON NOTICE
Friday, 10 November 2017



Asked by MS DUNNE MLA –

[Proof Transcript, 10 November 2017, p.1-2]

In relation to: Slavery proofing the ACT supply chain.

THE CHAIR: This morning we are talking about revenue management for the first hour. Before we do that, Chief Minister, I want to ask a question that I should have asked last week when the economic committee was meeting, but I was not in the country. You would recollect that we have had a long on-again, off-again correspondence about slavery-proofing the Assembly and ACT supply chain. Last time you wrote, you said that there was work being done in relation to ethical procurement guidelines. I asked questions about this at the annual reports hearings last year. What progress has been made since then, in relation to updating the ethical procurement guidelines in relation to slavery-proofing, and what is the government's approach to slavery-proofing its supply chains?

Mr Barr: I will take that on notice, given the officials who are undertaking that work are not these officials.

THE CHAIR: Thank you.

Mr Barr: We will get some information to you.

Mr BARR MLA: The answer to the Member's question is as follows:–

As of 1 July 2017, the Goods and Services and Infrastructure Branches of Procurement were separated. The Branches have formed a Joint Procurement Policy Working Group (PPWG). In addition to the measures undertaken to date that I have previously informed you of, I can advise that this Working Group has identified the development of ethical sourcing guidance for ACT Government procurements as part of its work program.

In the first instance the scope for the policy needs to be agreed as not all procurements have a likelihood that slavery is involved in the supply chain, for example those relating to consultancies, ICT software, complex medical equipment. At the same time, it is clear that there are a limited range of services and commodities that the Territory purchases that have a greater likelihood of involving slavery, such as those involving cotton, timber etc.



LEGISLATIVE ASSEMBLY

FOR THE AUSTRALIAN CAPITAL TERRITORY

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ALISTAIR COE MLA

Prior to the October 2016 election, the Chief Minister committed to delivering a Secure Local Jobs for Local Workers package of reforms. These reforms will use the purchasing power of government to deliver better outcomes for Canberra workers including awarding contracts for government goods and services provision only to companies that meet the highest ethical and labour standards across their business.

The PPWG is seeking advice from other jurisdictions through the auspices of the Australian Procurement and Construction Council (APCC) to both find out the effectiveness of solutions that may have been implemented elsewhere and so that any approach the Territory takes to improve ethical behaviour in its supply chains is consistent with other State and Territory governments.

Approved for circulation to the Standing Committee on Public Accounts

Signature: *Andrew Barr*

Date: 19.12.17

By the Treasurer, Andrew Barr MLA



STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION TAKEN ON NOTICE
Friday, 10 November 2017



Asked by MR COE MLA:

In relation to: ARINs

MR COE: Right, so can you please take on notice—can you break down the numbers on page 44 of the annual report by group ARINs as opposed to individual ARINs?

CHIEF MINISTER: The answer to the Member's question is as follows:—

The ACTPS has the following Group ARIN arrangements in place:

Health Directorate:

- Anaesthetists – 4 ARINs, 24 staff
- Canberra Regional Retrieval Service – 12 staff
- Emergency Department – 24 staff
- Forensic and Medical Sexual Assault Care / Clinical Forensics ACT – 8 staff
- Gastroenterology – 3 staff
- General Surgeons – 5 staff
- Medical Imaging – 2 ARINs, 12 staff
- Obstetrics & Gynaecology – 10 staff
- Radiation Oncology – 9 staff
- Dentists – 2 ARINs, 16 staff; 1 ARIN, 4 staff
- Pharmacy – 48 staff
- Psychologists – 45 staff

Education Directorate:

- School Assistants – 113 staff



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Community Services Directorate

- Care and Protection Frontline Workers - 21

Justice and Community Services Directorate:

- ACT Ambulance Service - 2

Approved for circulation to the Standing Committee on Public Accounts

Signature: *Andrew Barr*

Date: 23.11.2017

By the Chief Minister, Andrew Barr MLA



STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION TAKEN ON NOTICE
Friday, 10 November 2017

Asked by MS DUNNE MLA:

[Proof Transcript, 10 November 2017, p.2-3.]

In relation to: Rates objections received.



THE CHAIR: Maybe you have; thank you very much. Still on this subject of objections and appeals, the answer to question on notice No 533 is that, as at 30 August, there were 269 objections and a further 20 appeals lodged in 2016-17. I want to get a feel for how that compares to previous years.

Mr Salisbury: In terms of objections received, in 2014-15 we had 281. In 2015-16 we had 313. In 2016-17 we had 271, and year to date, in 2017-18, we have had 174.

THE CHAIR: 174 to the end of November?

Mr Salisbury: No, as of—

THE CHAIR: Sorry, the end of October? 174; that might indicate they are up this year. How many objections have you received regarding rates, last year and year to date?

Mr Salisbury: Last year, for 2016-17, we received 49 objections related to rates and 28 objections related to commercial rates. This year, year to date, we have received 38 in the residential category, and 30 in the commercial category.

THE CHAIR: Of the residential category, how many of those relate to units and apartments, for both last year and year to date this year? Can you break that down?

Mr Salisbury: I do not have the split by units and apartments with me. I can take that question on notice.



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Mr BARR MLA: The answer to the Member's question is as follows:—

Unimproved Value Objections	Houses	Units	Total
2016 -2017	46	3	49
1 July 2016 – 10 Nov 2016	40	2	42
1 July 2017 – 10 Nov 2017	36	2	38

Approved for circulation to the Standing Committee on Public Accounts

Signature: 

Date: 24.11.2017

By the Treasurer, Mr Andrew Barr MLA



STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION TAKEN ON NOTICE
Friday, 10 November 2017



Asked by MR COE MLA:

[Proof Transcript, 10 November 2017, p.4.]

In relation to: How Mr Fluffy sales will impact the values of those particular blocks and surrounding blocks.

MR COE: Can you tell the committee how the Mr Fluffy sales will impact the values of those particular blocks as well as the surrounding blocks?

Mr Salisbury: With the Mr Fluffy blocks, there was obviously a sale price. Part of that sale price included a premium for scarcity. Typically, with a Mr Fluffy block, the unimproved value will be somewhat lower than the market value. Although it may be an unimproved block, there would have been a scarcity premium and that would be deducted. You would expect that, for a Mr Fluffy block, the unimproved value of that would be somewhat lower than the market value that was paid for the block. That is in the first instance.

That sale would be analysed in terms of one of a number of sales that took place in that locality. The value of that would be considered as evidence of one particular sale in that locality, and that would then be considered against the benchmark property to determine whether that benchmark is appropriate for the suburb. That would be one of the number of sales taken into consideration in that locality over that period from three months before 1 January to three months after 1 January.

THE CHAIR: How would you quantify “somewhat” less than the market value? You said that the unimproved value would be “somewhat” less. What does “somewhat” translate to?

Mr Salisbury: Maybe I should get some advice on that rather than speculate. Maybe I can get that pool of Mr Fluffy blocks, look at their market values and determine what the actual unimproved values have been.

Mr BARR MLA: The answer to the Member’s question is as follows:–

On average the Unimproved Value for a Mr Fluffy block is between 10 and 20 percent below its sale price. The difference reflects the additional demand for the block caused by the lack of opportunity to purchase alternative vacant blocks in the area.



LEGISLATIVE ASSEMBLY

FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

The Unimproved Values of properties in a locality containing Mr Fluffy sites are unlikely to be significantly affected by the sale of those Mr Fluffy sites. This reflects the fact that Mr Fluffy sales are likely to be a small proportion of the sales used to determine the general change in Unimproved Values.

Approved for circulation to the Standing Committee on Public Accounts

Signature: *Andrew Barr*

Date: 27.11.17

By the Treasurer, Mr Andrew Barr MLA



STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION TAKEN ON NOTICE
Friday, 10 November 2017



Asked by MS DUNNE MLA -
[Proof Transcript, 10 November 2017, p.5.]

In relation to: Analysis of the unimproved value and market value of Mr Fluffy blocks.

THE CHAIR: Before I go to Ms Le Couteur, could I also follow this up: in that analysis, will the difference between unimproved value and market value vary if there are lots of Mr Fluffy blocks in the suburb or if there are lots of Mr Fluffy blocks close together? It is not necessary for you to speculate on it now, but could you take that into consideration?

Mr Salisbury: I would not expect so, but I can take that on notice.

MR COE: In terms of taking it on notice, if you are able to provide an example—example A in this suburb sold at auction for this price and the UV is this—that would give the perspective, I think.

Mr Salisbury: Sure.

Mr BARR MLA: The answer to the Member's question is as follows:—

If there are lots of vacant block sales available to buy in an area then the margin between Unimproved Value and market value will ordinarily reduce. For example in Kambah approximately 100 former Mr Fluffy blocks will be sold. The sales that have occurred to date reflect sales prices that are closer to the general level of Unimproved Values in Kambah.

Approved for circulation to the Standing Committee on Public Accounts

Signature: 

Date: 24.11.17

By the Treasurer, Mr Andrew Barr MLA



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

QTON No. 4

A
B

STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION TAKEN ON NOTICE
Friday, 10 November 2017



Asked by MR Coe MLA:

In relation to: ARINs

What is the maximum additional remuneration received in an ARIN?

CHIEF MINISTER: The answer to the Member's question is as follows:–

SOGA currently attracts a salary of \$137,415 (FTE).

The lowest Executive band (Executive 1.1) has a salaried cash component of \$149,390 (FTE).

There are 40 ARINs which bring the recipient to a total cash salary of more than \$149,390 (FTE), at an average payment of \$23,771.

The range of payments in this group is \$12,000 - \$56,488, with 9 payments above \$30,000, 13 between \$20,000 - \$29,999 and 18 between \$12,000 and \$19,999.

It should be noted these figures exclude medical practitioners.

Approved for circulation to the Standing Committee on Public Accounts

Signature: *Andrew Barr*

Date: 29.11.17

By the Chief Minister, Andrew Barr MLA



STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION TAKEN ON NOTICE
Friday, 10 November 2017



Asked by MR COE MLA:

[Proof Transcript, 10 November 2017, p.6.]

In relation to: Impact of Mr Fluffy Block on AUV.

MR COE: On that, I think there are one or two in Lyons that were pretty stark in that I think they had an AUV around \$400,000, in that vicinity I thought, and they sold for well over double that. I know you cannot comment on that particular site. For sites like that, what is the impact going to be on the neighbours that were not Mr Fluffy blocks? If there is a 1,000-square metre block that sold for \$800,000, which previously had an AUV of \$400,000 and let us say that the new valuation is \$500,000, surely the 1,000-square metre block next door is in for a revaluation at some point soon. Would that be fair? The question is: if a Mr Fluffy block comes back with a valuation that is 25, 30 per cent more than the neighbour's block are we going to see revaluations across the board?

Mr Nicol: Perhaps the best way to answer that is to actually do some analysis and say what impact they had. Actually, we can go back and have a look at it.

Mr BARR MLA: The answer to the Member's question is as follows:—

The most common reason for a difference between the sale price and the unimproved value of a Mr Fluffy block is where a Mr Fluffy block has been subject to a 343 Variation. This variation creates additional development rights that will be reflected in the sale price for the block. The Unimproved Value will subsequently also capture those additional rights, but they will not be reflected in the Unimproved Value of the block prior to sale. When determining the change in Unimproved Values for properties in the locality, other sales are considered to ensure that the resulting Unimproved Values are not inflated.

Approved for circulation to the Standing Committee on Public Accounts

Signature: 

Date: 27.11.17

By the Treasurer, Mr Andrew Barr MLA



STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION TAKEN ON NOTICE
Friday, 10 November 2017



Asked by MS DUNNE MLA -
[Proof Transcript, 10 November 2017, p.8]

In relation to: Asbestos Response Taskforce purchases.

Mr Miners: The task force has now purchased over 900 properties, which is well toward purchasing all 1,000. Apologies, I do not have the exact number with me. Of those, I believe around half now have gone through exchange and something slightly less than that have actually settled. But we can get those exact numbers and provide them, take the exact numbers on notice and provide them to the committee.

THE CHAIR: When you say “exchange and settle” that is repurchase after demolition?

Mr Miners: That is right. It is well down the path. It is really getting towards the end stages now.

Mr BARR MLA: The answer to the Member’s question is as follows:–

As at 10 November 2017:

- 947 houses had been purchased;
- 862 houses had been demolished; and
- 508 contracts had been exchanged for the sale of remediated blocks of land, with 438 of those contracts settled.

Approved for circulation to the Standing Committee on Public Accounts

Signature: *Andrew Barr*

Date: **24.11.2017**

By the Treasurer, Andrew Barr MLA



STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION TAKEN ON NOTICE
Friday, 10 November 2017



Asked by MS DUNNE MLA -
[Proof Transcript, 10 November 2017, p.10]

In relation to: The UV of purchased blocks.

THE CHAIR: So in relation to the first time it is purchased, in what circumstances would it not be the UV?

Mr Salisbury: I was struggling to think of a circumstance, but I am sure there are, and that is why I said "generally".

THE CHAIR: Would you like to struggle with that one and take it on notice?

Mr Nicol: We will take it on notice.

Mr BARR MLA The answer to the Member's question is as follows:–

The Unimproved Value of a greenfield block is typically the same as the market price. Improvements to the block such as landscaping or retaining walls might result in a variation between the market price and the Unimproved Value.

Approved for circulation to the Standing Committee on Public Accounts

Signature: 

Date: 24.11.17

By the Treasurer, Mr Andrew Barr MLA



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

QTON No. 10

STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION TAKEN ON NOTICE
Friday, 10 November 2017

Asked by MS LE COUTEUR MLA:

[Proof Transcript, 10 November 2017, p.15.]

In relation to: Hardship Claims.

MS LE COUTEUR: I know the numbers who have got them. I do not know how many people applied. The question I asked was only about how many people have had them as distinct from—I assume that there is a greater number; I could be wrong—the number of people who apply.

Mr Salisbury: I do have the numbers on that. I can provide those numbers.

MS LE COUTEUR: Not all the people who make hardship claims, I would assume, would be eligible for deferred rates either?

Mr Salisbury: That is right.

Mr BARR MLA: The answer to the Member's question is as follows:—

The numbers of hardship applications received and approved is as follows:

	Applications	Approvals
2015-2016	14	6
2016-2017	21	13
1 July 2017- end October 2017	5	4



Approved for circulation to the Standing Committee on Public Accounts

Signature: 

Date: 24.11.17

By the Treasurer, Mr Andrew Barr MLA



STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION TAKEN ON NOTICE
Friday, 10 November 2017



Asked by MS CODY MLA:

[Proof Transcript, 10 November 2017, p.17.]

In relation to: Concession scheme details.

Mr Nicol: We also have a concession scheme on stamp duty for people with disabilities, where parents are purchasing a property, particularly parents who purchase a property for a child, for a lifetime care situation. I do not have the details of that scheme, but a couple of years ago the government introduced a concession under certain circumstances where people who were providing a property for a relative could purchase it without paying stamp duty. I can provide the details of that.

MS CODY: That would be great; thank you.

Mr BARR MLA: The answer to the Member's question is as follows:–

The Deferred Duty Concession Scheme (DDCS) assists adults with a long-term and permanent disability, who may otherwise rely on government accommodation, to find long term accommodation to suit their needs. The applicant needs to be in receipt of an NDIS funding package and must be purchasing 51 per cent or more of the title.

Approved for circulation to the Standing Committee on Public Accounts

Signature: 

Date: 27.11.17

By the Treasurer, Mr Andrew Barr MLA



STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION TAKEN ON NOTICE
Friday, 10 November 2017



Asked by MS DUNNE MLA -
[Proof Transcript, 10 November 2017, p. 18]

In relation to: Average rate rises.

THE CHAIR: Following on from the question by Ms Le Couteur, the budget reports average rate rises. That means that some are paying less and some are paying more. How many dwellings in the ACT, Chief Minister, would be paying more than the average rate rise at the moment?

Mr Barr: We will take that on notice.

Mr BARR MLA: The answer to the Member's question is as follows:—

In 2017-18, there were around 111,500 residential properties (71 per cent of all residential properties) whose General Rates increased by less than the average increase. Around 46,500 residential properties (29 per cent) experienced general rates increases above the average.

Approved for circulation to the Standing Committee on Public Accounts

Signature: *Andrew Barr*

Date: 23.11.2017

By the Treasurer, Andrew Barr MLA



STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION TAKEN ON NOTICE
Friday, 10 November 2017

Asked by MS LE COUTEUR MLA:

[Proof Transcript, 10 November 2017, p.18.]

In relation to: Monitoring the levels of hardship claims.

MS LE COUTEUR: This can also be taken on notice: are the number of hardship cases going up? Are requests going up or down over time?

Mr Salisbury: We will take that on notice.

MS LE COUTEUR: If you could distinguish between units and non-units, that would be interesting, because units, obviously, have had greater changes in the last year.

Mr Barr: Still about 60 per cent of the—

MS LE COUTEUR: Yes, but I can imagine that that might be where people are having more stress than they were before. The question is to find out.





LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Mr BARR MLA: The answer to the Member's question is as follows:—

The number of hardship claims received by the Revenue Office are set out below.

		Approved	Declined	Total
2015-2016	House	5	7	
	Unit	1	1	
	Total	6	8	14
2016-2017	House	11	8	
	Unit	2		
	Total	13	8	21
1 July 2017- end October 2017	House	4	1	
	Unit			
	Total	4	1	5

Approved for circulation to the Standing Committee on Public Accounts

Signature: 

Date: 24.11.17

By the Treasurer, Mr Andrew Barr MLA



STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION TAKEN ON NOTICE
Friday, 10 November 2017



Asked by MR COE MLA -
[Proof Transcript, 10 November 2017, p.27-28.]

In relation to: Superannuation Portfolio Investment.

MR COE: I have a final question which might lead into Ms Le Couteur's question: has the superannuation portfolio invested indirectly in any ACT assets?

Mr Nicol: Government assets or general assets?

MR COE: General, but in particular, in effect, is it possible that ACT investments are actually going into property in Canberra?

Mr Nicol: The answer is yes.

MS LE COUTEUR: I think the answer would have to be yes.

MR COE: I would think so as well.

Mr McAuliffe: Yes. We have investments in the Queensland Investment Corporation property fund and it has an exposure to the Canberra Centre.

MR COE: What sort of reporting is there on that and what sort of percentages are relevant before you in effect become a more significant player in any development? For instance, if you have an investment in QIC and you have a tenth of a per cent, therefore you own a tenth of a per cent of the Canberra Centre, it is pretty insignificant. However, if there is a particular asset that the ACT government is making a call on, you could be quite conflicted.

Mr Nicol: Can I take that on notice? I will say I have never come across a question—certainly, it has not been put to me; Pat might answer for himself—where it has been put to me that we have to make any sort of decision on a development. I do not think I have ever made a decision on a property development anywhere, let alone in Canberra. But we will take it on notice about whether we have indirect—

MR COE: Could you also advise—in general, which you have taken on notice—whether you do have any exposure to light rail, the law courts or any others?



LEGISLATIVE ASSEMBLY

FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Mr BARR MLA: The answer to the Member's question is as follows:—

The Superannuation Provision Account (SPA) investment portfolio investment objective is to derive competitive financial returns, based on prudent financial and portfolio management principles, with an investment structure that is low cost, efficient to manage, and effective in deriving market-based returns. The investment portfolio strategic asset allocation comprises investments across domestic and international money market, debt and equity securities, private equity, indirect unlisted property and indirect unlisted infrastructure asset classes.

The investment strategy is implemented under a number of structures depending on the particular asset class in order to achieve effective and efficient outcomes that will provide the best opportunity to deliver the strategic investment objectives. These structures include:

- (i) direct investment through an actively-managed strategy using a separate discrete mandate (Territory directly owns the securities) where the investment manager aims to outperform the relevant performance benchmark index (gross of fees). This structure typically applies to money market and equity securities;
- (ii) directly through a passively-managed index strategy using a separate discrete mandate where the investment manager aims to match the relevant performance benchmark index (gross of fees). This structure typically applies to equity securities; or
- (iii) indirectly through an actively-managed or passively-managed index strategy utilising unlisted pooled unit trusts where the investment manager either aims to outperform the relevant performance benchmark index or match the relevant performance benchmark index. This structure typically applies to fixed income, private equity, infrastructure and property.

In relation to the SPA's unlisted property investment exposures, the Territory (represented by the SPA) is a minority unit holder in all three funds that in aggregate provide exposure to the retail and office sectors with geographic diversification across Australia.

Details of these funds and the SPA's unit holdings as at 30 June 2017 include:

Fund	Value of ACT Unit Holdings	Total Fund Unit Holders	ACT Unit Holdings as % of Total Fund
AMP Capital Shopping Centre Fund (ASCF)	\$84.253 million	30	2.86%
AMP Capital Wholesale Office Fund (AWOF)	\$139.438 million	46	3.10%
QIC Property Fund (QPF) ¹	\$98.340 million	22	1.08%
Total	\$322,031 million		

¹ A major asset of the QPF is the Canberra Centre.

- This structure provides a low cost, efficient and flexible way to implement the property asset class exposure and achieve desired diversification objectives.



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- Investing through pooled unit funds means that underlying investors have no direct ownership of the underlying assets (investors own a 'unit share' of the total asset portfolio).
- Strategic decisions about asset acquisition, disposal, development plans and capital expenditure are made by the relevant fund manager within its established governance frameworks and in accordance with the relevant fund Constitution and Trust Deeds.
 - These strategic decisions are not subject to any unit holder agreement.
 - The fund manager acts in what it considers is in the best interests of the total portfolio and all unit holders.

In relation to the light rail and the law courts, the Superannuation Provision Account investment portfolio does not have any direct exposure to either of these projects.

- The ACT Law Court is being delivered by the Juris Partnership which includes equity partners Laing O'Rourke and Macquarie Capital (a subsidiary of Macquarie Group Limited (ASX: MQG)). The Superannuation Provision Account investment portfolio has direct ownership of shares (132,017 shares as at 30 June 2017) in Macquarie Group Limited (total issued shares are around 340 million).

Approved for circulation to the Standing Committee on Public Accounts

Signature: 

Date: 23.11.2017

By the Treasurer, Mr Andrew Barr MLA



LEGISLATIVE ASSEMBLY
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QTON No. 16

STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION TAKEN ON NOTICE
Friday, 10 November 2017



Asked by MS LE COUTEUR MLA -

[Proof Transcript, 10 November 2017, pp.29-30.]

In relation to: Considering the supply chain in investment processes.

MS LE COUTEUR: As you may or may not be aware, the Australasian Centre for Corporate Responsibility—and I should disclose I am a former employee—recently released a report about large ASX-listed companies in Australia as far as human rights are concerned. The mining companies came up pretty good from that point of view. Cochlear, and I forget the other ones, were right at the bottom. One up from that was Woolies, because they were not looking at their supply chain for slavery and forced labour. Some of this is alleged to be happening in Australia, not just overseas. Would those sorts of things be considered by your investment process?

Mr McAuliffe: All the various issues that impact on the various exposures for a company should be part of that process.

MS LE COUTEUR: Good. I assume that you probably will vote for that resolution. I was wondering whether you had any views—taking all of these, for example—on the resolutions. There were two resolutions. The first resolution is to change the company's constitution to allow advisory resolutions and the second one is the advisory resolution. As you are probably aware, ACSI has recently released a paper which basically suggests that it is a reasonable thing for Australian companies to allow advisory resolutions in the way that it happens in America. Have you thought about that? While you are a superannuation investor, I do not imagine you are a member of ACSI, although similar—

Mr McAuliffe: We have a whole framework in place around all these things. We do not look at individual resolutions. Over the past year there were 22½ thousand proposals for our exposure. We are relying on the underlying framework that we have in place.

MS LE COUTEUR: Do you have any idea, as a policy question, how you will vote? This is not the first time this resolution has been put to—

Mr McAuliffe: I can find out how our proxy voter is going to vote on that particular issue. I could find that out.

MS LE COUTEUR: You might wish, as a matter of policy, to think about, as a governance issue, whether or not shareholders should have the right to move resolutions because—

Mr McAuliffe: We can think about that.

MS LE COUTEUR: It is a significant governance issue.

Mr McAuliffe: It is. Our strategy is to put in place an overarching framework, because we cannot deal with every particular issue that comes up in this space. We can think about that issue. The government's policy is very much reliant on our adviser, in the system that has been set up, to essentially vote on these resolutions. That said, we will take that on board and see what it means.

MS LE COUTEUR: Could you let me know what your views are, to the extent that you have them, on this—

Mr McAuliffe: I have not personally thought about that issue, in this instance.

MS LE COUTEUR: We are an organisation based on governance, so it is relevant for us to think about it.

Mr BARR MLA: The answer to the Member's question is as follows:—

Supply Chain Considerations

The Government's Responsible Investment Policy framework includes the integration of an international norms-based risk assessment in relation to directly-owned company share investments. This includes, for example, an examination of controversies related to Supply Chain Labor Standards and Bribery and Fraud.

The norms-based investment criteria applied are based on the United Nations Global Compact. The Compact comprises ten principles that establish a set of core values for companies in the areas of human rights, labour standards, the environment and anti-corruption, and that enjoy universal consensus. The principles are derived from: The Universal Declaration of Human Rights; The International Labour Organisation's Declaration on Fundamental Principles and Rights at Work; The Rio Declaration on Environment and Development; and The United Nations Convention against Corruption.

The norms-based risk assessment process considers all issues, both positive and negative, in establishing an overall assessment score of an individual company.

Share Voting

The Government votes its directly-owned shares for the promotion of effective corporate governance, environmental and social practices, as well as long term value creation.

The Government utilises the services of a global proxy voting advisor. The proxy voting advisor provides research and voting recommendations on all company governance matters based on the application of a Sustainability Proxy Voting Policy framework and guidelines which is aligned with the requirements of being a signatory to the Principles of Responsible Investment and the Government's Responsible Investment Policy.

The proxy voting policy framework provides clear and comprehensive policy-guided share voting research and vote recommendations, has a focus on the adoption of, or adherence to, relevant norms, standards and codes of conduct or universally recognised international initiatives to promote disclosure and transparency. The share voting policy guidelines cover a very broad range of corporate governance activities and reporting and are generally applied and assessed on a case-by-case basis.

The policy framework generally supports standards-based ESG shareholder proposals that enhance long-term shareholder and stakeholder value while aligning the interests of the company with those of society at large.

Approved for circulation to the Standing Committee on Public Accounts

Signature: 

Date: 23.11.2017

By the Treasurer, Mr Andrew Barr MLA



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VICKI DUNNE MLA (CHAIR), MICHAEL PETERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Inquiry into referred 2016–17 Annual and Financial Reports
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Friday, 10 November 2017

Asked by MS DUNNE MLA -

[Proof Transcript, 10 November 2017, p.32.]

In relation to: The Regulator and the CTP Citizens Jury.



THE CHAIR: Could I go back to the formulation of the citizens jury. When did the regulator become aware of the reference to the citizens jury of CTP matters?

Ms Holmes: The regulator, as I said, is a member of the stakeholder reference group. I suppose there are two dual roles. One is as the CTP regulator. There is also the aspect which is as a policy officer from the Chief Minister's directorate.

THE CHAIR: What I am trying to get at is: did the initiative for the citizens jury to look at CTP matters come from the regulator or was it imposed upon the regulator?

Mr Nicol: I think the idea came up—and I think the Treasurer might want to comment—in discussions between ministers. I was involved very early on in the discussion. I can get the dates, on notice, if you wish.

THE CHAIR: That would be great.

Mr BARR MLA: The answer to the Member's question is as follows:—

In the 2017-18 Budget, funding was provided for a pilot deliberative democracy project. Options for this initiative were considered by Cabinet during 2016-17 in the context of budget development discussions.

As part of the Budget discussion and Committee hearings, the Treasurer indicated that the topic of CTP was being considered for the pilot.



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A citizens' jury process for CTP was agreed upon by Cabinet in August 2017. The CTP Regulator was aware of the possibility of CTP being the pilot deliberative democracy project since 16 March 2017 during the 2017-18 Budget process and contributed to the process in her CMTEDD insurance policy role.

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Signature: *Andrew Barr*

Date: 27.11.2017

By the Treasurer, Mr Andrew Barr MLA



STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
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Inquiry into referred 2016–17 Annual and Financial Reports
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Friday, 10 November 2017



Asked by MS DUNNE MLA -
[Proof Transcript, 10 November 2017, p.53.]

In relation to: The Average participant cost per year of being involved in the scheme.

THE CHAIR: I do not want to sound mercenary about this, but what is the average participant cost per year of being involved in the scheme?

Ms Holmes: Participant costs can vary substantially depending on the severity of the injury, the age of the person who has been injured and the type of injury as well. For example, if you have a child who has a care and needs assessment of level 7, then the sorts of dollars that you are talking about can be up to \$10 million-odd type of thing. They are very expensive cases. Conversely, you could have someone who is not at that same level of need, who might be an older person. You can have a substantial variance in terms of the costs of the scheme. The average, taking, as I said, that huge variance, is about \$2 million.

Mr Nicol: Over what period? Could you mention over what period?

Ms Holmes: That is \$2 million, which is on present value of care—

Mr Nicol: Lifetime.

Ms Holmes: not full lifetime costs.

THE CHAIR: I was actually asking what the average cost per year was. Can that be worked out?

Mr Nicol: We can take it on notice, I think. The other factor is that costs will be quite high to start with and may actually dip down, but we can try to find you some information that provides you with a full picture.

Mr BARR MLA: The answer to the Member's question is as follows:—

The scheme is required to bring to account the estimated lifetime cost of a participant in the year in which the participant enters the scheme. As such, the vast majority of expenses for the scheme to date relate to a provision for participants' future treatment and care costs.



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The estimated lifetime cost per participant can vary considerably depending on the nature, severity, and importantly, the age of the participant at the time of the injury.

As at 30 June 2017, independent actuarial advice has estimated the lifetime LTCS Scheme liabilities for existing participants ranging from \$0.8 million for one participant to \$6.8 million for another participant.

The treatment and care costs paid each year for each participant depends on a number of factors and will vary over their life. For example, in the early years after an injury, costs are likely to be hospital and medical costs, and home modifications for participants with spinal injuries. In subsequent years costs are more likely to be rehabilitation and attendant care. Both the quantum and type of costs for each participant will vary from year to year, as well as from participant to participant. As such there is no average annual cost per participant.

The actual cost incurred since the commencement of the LTCS Scheme on 1 July 2014 are provided in the table below:

	2014-15	2015-16	2016-17
	\$ 000s	\$ 000s	\$ 000s
Total treatment and care costs for all participants ¹	353	423	473
Number of participants ²	5	5	5

¹ Total treatment and care costs for participants exclude claims handling and other administrative costs incurred towards the management of the LTCS Scheme. These figures also exclude the actuarially estimated lifetime liabilities as at 30 June.

² This reflects the number of participants at 30 June.

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Signature: 

Date: 23.11.2017

By the Treasurer, Andrew Barr MLA



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Inquiry into referred 2016–17 Annual and Financial Reports
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Asked by **MS CODY MLA** –

In relation to: Outstanding liabilities for defamation claims:
[Proof Transcript, 10 November 2017, p.59]

MS CODY: Talking about liabilities and risk, what are your outstanding liability provisions in relation to defamation or slander cases?

Mr Fletcher: Defamation claims are not a big part of our portfolio. I would have to take that on notice.

MS CODY: If you could, that would be lovely; thank you.

Mr Fletcher: You are interested to know the value of those claims or the estimated reserve—the reserve on those claims?

MS CODY: Yes, and if there are any outstanding amounts or what your liabilities might be in relation to that.

Mr Fletcher: We will do number and reserve.

MS CODY: That would be great; thank you.

Mr BARR MLA: The answer to the Member's question is as follows:–

ACTIA is currently dealing with three public liability matters that relate to allegations of defamation. The current total reserve on these files is \$320,000.

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Signature: 

Date: 23.11.2017

By the Treasurer, Mr Andrew Barr MLA



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Asked by MS DUNNE MLA -
[Uncorrected Proof Transcript, 10 November 2017, p.72.]

In relation to: Internal Audit Program for the Directorate

THE CHAIR: So what is the audit program? What is the internal audit program for the directorate?

Mr Nicol: Could I take that on notice? I do not have anyone from CMTEDD corporate. I am only responsible for part of it, but I am happy to have a look.

Mr Barr MLA: The answer to the Member's question is as follows:—

Information about the internal audit program for CMTEDD is provided in the CMTEDD Annual Report 2016-17 Volume 1, Page 166, Section B.5 Internal Audit.

Approved for circulation to the Standing Committee on Public Accounts

Signature: *Andrew Barr*

Date: 17-11-17

By the Treasurer, Andrew Barr MLA



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ALISTAIR COE MLA

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Friday, 10 November 2017



Asked by MR COE MLA –
[Uncorrected Proof Transcript, 10 November 2017, p.77]

In relation to: Licence management.

MR COE: Yes, so have you actually in effect been hit with invoices for exceeding the number of uses as opposed to what you have had licensed?

Mr Davis: Not to my knowledge. I would have to take that on notice for the exact answer, but not to my knowledge. That is the sort of thing that normally gets escalated to me quite quickly, but I would have to take that on notice for the exact answer.

Mr Nicol: Could I add, I mean I think it is an ongoing challenge for any organisation of our size and complexity to optimise the number of licences we have and that will not be a one for one, because you will have periods where you surge up and down and licence arrangements are not—they are not all the same, so it is not like when you go and buy software and get a single use. The vendors now are getting very sophisticated in how they license software.

So for example in the revenue management system, our licence fees are based on the amount of revenue we put through the system not only on the number of users. And this is an Oracle based product; they are getting very sophisticated at how they charge and this is partly as a move to an online space. It will be, rather than a single instance of having it on your desktop or your laptop, it will be how much you access the server and how many people access it and how big is your organisation.

And those sorts of questions, particularly for the specialised software where it is project managed rather than buying the sort of Microsoft off the shelf, it is very much part of the tender process and the assessment process as to what the best—it is just another cost in acquiring the software and we make judgments. That goes into the—a small part—goes into the tender assessment process.

MR COE: I understand that they are going forward, but I am more interested in just some of the historical stuff, so these big vendors, there have been no disputes or they have not hit you up with any invoices or fees or fines that you can recall?

Mr Davis: That is exactly right. Not to the best of my knowledge and I have been in the role for more than two and a half years now. We have a process—so Microsoft is a good example. Every year we do something called a true-up, which is exactly as it sounds which is exactly against that reconciliation.



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Microsoft, in using the Under Treasurer's language, Microsoft for example, they use our headcount in our annual report as a licence base. That is just the way they have chosen to do it and as the Under Treasurer pointed out, different systems and different companies have different methods of applying those licences, but no, there has been certainly nothing formal sent to me in the last two and a half years that has made an accusation or a complaint regarding the fees.

Mr Nicol: No. I think the only thing I can recall—and it is not quite in that space—is where we have actually cancelled licences; we have gone to companies and say, well we actually do not need as many as we have historically had. Companies never like hearing that, of course, but I would not call that a dispute I think in the context of the question. It is just a licence management process.

Mr Davis: Licence management process.

Mr Nicol: But we will double check and have a look.

Mr BARR MLA: The answer to the Member's question is as follows:—

Shared Services ICT (SSICT) has been subject to the following software licensing audits:

Adobe:

2008 – SSICT, known then as InTACT, were requested by Adobe to undertake an audit of software deployment which resulted in the removal of 84 individual installs and purchase of additional licenses. The audit identified a reconciliation of \$288k to ensure the required licensing and software requirements were met.

2013 – SSICT and Adobe jointly conducted an audit and identified a non-compliance. A Compliance Report provided by Adobe detailed a shortfall of 775 licenses. The additional licenses were included in the subsequent Adobe Enterprise Term Licensing Agreement. There was no immediate cost to the Territory, as the expense was incorporated into the Agreement.

Under the current Adobe agreement, SSICT facilitate an on-going remediation process for Adobe software. This process ensures that software not being used by individuals within a 90 day period is removed and placed in a reuse pool. Under the terms and conditions in the Agreement this is acceptable and provides a reduction in overall license usage and reduces the risk of over deployment.

Oracle:

2012 – Oracle License Management Services conducted an audit of Oracle products utilised within the E-Business Suite application for 2009-12. A preliminary report advised of a non-compliance liability of \$3.2m for the purchase of 340 licenses. The number of users and pricing was disputed by the Territory, and following a verification exercise a significant disparity was identified. As a result the number of licenses required was reduced to 110, and the cost reduced by \$2.3m to \$886k.



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Microsoft:

The current Microsoft Enterprise Agreement is to be replaced in May 2018. In preparation for transition to the new Agreement, and in accordance with the terms of the current Agreement, SSICT will undertake an audit to consolidate the current deployment of Microsoft products across the ACT Government network to form the requirements.

This is in addition to the on-going remediation process for Microsoft Project and Visio. Remediation ensures that software not being used by individuals within a 90 day period is removed and placed in a reuse pool. Under the terms and conditions of the Agreement this is acceptable and provides a reduction in overall license usage and reduces the risk of over deployment.

Approved for circulation to the Standing Committee on Public Accounts

Signature: *Andrew Barr*

Date: 23. 11. 2017

By the Treasurer, Mr Andrew Barr MLA



STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
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Asked by MS DUNNE MLA -
[Proof Transcript, 10 November 2017, p.67.]

In relation to: Estimated cost of managing the audit committee.

THE CHAIR: What was the estimated cost of managing the audit committee?

Mr Tanton: We would probably have had one or two FTEs basically coordinating the secretariat functions and then having external members on there as well. For one function, which was shared services, you could probably look at anywhere around \$200,000 or \$300,000 at the time when you have two FTEs, plus you have external independent members chairing and the like. Again, to bring that in—

THE CHAIR: Plus the cost of the actual audits themselves?

Mr Tanton: It really depends on what that audit is, but I think we had a budget at the time of around \$300,000 or \$400,000 a year to do just shared services. But, again, with a lot of those things, we find that, when we are auditing processes and the like, they could have been wrapped up in broader audits going forward, noting that we have been audited quite heavily over the past five years, six years.

THE CHAIR: In terms of performance audit?

Mr Tanton: Performance audits and the like and also by the Auditor-General looking at different audits. And we do the financial statements for each of the directorates as well. There are a number of audits happening around that space, and the ICT performance is part of that annual audit. It was not really justifiable to have our own committee just for shared services. It was basically put forward that CMTEDD and shared services audits be incorporated.

Mr Nicol: This was a matter of some consideration, and when shared services came into CMTEDD about 3½ years ago we did maintain a separate committee because we did not want to move. My recollection is that I had discussions with committee members, who said that it was not efficient and not the best way to run a committee and they would prefer a single committee. So we moved to a single committee, pooled the resources, and we think that is more effective.



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THE CHAIR: Actually, with that information about the interim audit that you are taking on notice, could that include the cost of running the audit committee as well as the program?

Mr Nicol: Yes, I will see what we can do, yes.

Mr BARR MLA: The answer to the Member's question is as follows:—

The costs associated with the CMTEDD Audit and Risk Committee and internal audit program for 2016-17, including independent external audit fees, payment for independent members of the Committee, and the CMTEDD Internal Audit Manager position was approximately \$510,000.

The above cost does not include salaries for internal committee members who are ACT Government employees, meeting secretariat support, or management oversight of the function.

Approved for circulation to the Standing Committee on Public Accounts

Signature: *Andrew Barr*

Date: *23.11.2017*

By the Treasurer, Andrew Barr MLA



STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

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Friday, 10 November 2017



Asked by MR COE MLA -
[Proof Transcript, 10 November 2017, pp.70-71.]

In relation to: Quoting and Invoicing Procedure.

Mr Burton: Prior to 2012-13 we invoiced something like 15,000 invoices for a large range of services down to a very minute level. Everyone, no matter what service they use, ends up being paid. At that point in time desktops was our major charge, for desktop support. For those in the field, depending on what equipment they used, they were charged based on that. In 2012-13 we simplified the billing by rolling up a lot of those charges into a higher level charge. They have been basically charged that, without any change in growth or user status, since that point in time.

We are currently working through a process to change that charging model, to break it down and go back to—not to the same degree that we were before but to a higher level—more of a focus on user and user requirements, and what they actually use for those services. That is work in progress that we are currently working through and we hope to have something in place.

We started this year by providing assumption-based reporting for all services provided by shared services—how many recruitments were done, how many pays were paid and how many invoices were processed. That is the sort of model that we are looking at moving to in the future.

MR COE: Are you able to provide on notice what the variables are? You just mentioned pay, invoices and IT. Is there, in effect, a definitive list of variables?

Mr Burton: Yes, there is quite a list of variables. We charge out for licensing, for certain individual licences. For projects and those types of things, we charge out individually. HR and finance are charged out as one charge, as a fixed charge, so that does not depend on the number of recruitments done or number of pays processed at this point in time. We can provide a listing of what our variable charges are.

Mr BARR MLA: The answer to the Member's question is as follows:—

The following table details the list of variable charges Shared Services currently bill to Directorates:

Directorate / agency support – Embedded resources
Microsoft Standard Operating Environment Licence and support
Shared Application Management – TRIM (Total Records and Information Management)



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Shared Application Management – IDMS (Integrated Data Management System)
Shared Application Management – EBS (Oracle E-Business Suite)
Shared Application Management – HRMS (Human Resource Management System)
Shared Application Management – Lotus Notes
Voice and Data Services – Telephone Fixed Lines
Voice and Data Services – Mobile and Data
Voice and Data Services – MDM (Mobile Device Management)
Remote Access – User Count
Remote Access – Direct Access
Remote Access – Citrix
SharePoint Collaboration – Sites
SharePoint Collaboration – Storage
Information and Communication Technology Consulting, Business Analysis and Project Management
Information and Communication Technology Equipment rental
Non Standard Software
Salary Packaging
Records Management – File Management
Records Management – Files Storage
Records Management – Mail Management
Records Management – Mail Postage
Records Management – Electronic Records Management
Publishing Services – Design and Print
Publishing Services – Electronic and Multimedia

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By the Treasurer, Mr Andrew Barr MLA



STANDING COMMITTEE ON PUBLIC ACCOUNTS

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Asked by MS CODY MLA -
[Proof Transcript, 10 November 2017, pp.83]

In relation to: Percentage of water connections compared to sewer connections.

MS CODY: On my reading there are about 500 more water connections than sewer connections. That is a small percentage. Could there be other reasons for that? I am sure there are, but what might they be?

Mr Hezkial: I do not have that information to hand but yes, potentially. I am not sure.

Mr Knox: We can take that away.

MS CODY: Do not go to too much trouble. I was just really reading that going, "That seems quite interesting."

Mr Knox: It is a good question. We will follow through.

MS CODY: Thank you.

MR BARR MLA - The following answers to the Member's questions have been sought from Icon Water Limited (Icon Water), which operates as an independent corporation:

Icon Water advise that it will need to undertake some analysis to understand why there is a small difference in water meter connections than sewerage connections. This could be for various reasons, such as unit complexes having multiple water meters but only one sewerage connection or large customers that may have multiple water connections and may manage their own sewerage networks within a large site.

Approved for circulation to the Standing Committee on Public Accounts

Signature: 

Date: 23.11.17

By the Treasurer, Andrew Barr MLA



STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION TAKEN ON NOTICE
Friday, 10 November 2017



Asked by MS DUNNE MLA –
[Proof Transcript, 10 November 2017, p.86.]

In relation to: Internal audit functions.

THE CHAIR: But the day-to-day management of internal audit is entirely internal to Icon Water.

Ms Breden: Yes, we have an internal manager who oversees the internal audit function.

THE CHAIR: And could the committee see the current program of internal audit?

Ms Breden: Yes, I will take that on notice.

MR BARR MLA - The following answer to the Member's question has been sought from Icon Water Limited (Icon Water), which operates as an independent corporation:

Icon Water's internal audit program for 2017-18 is attached.

Approved for circulation to the Standing Committee on Public Accounts

Signature: *Andrew Barr*

Date: 23.11.2017

By the Treasurer, Andrew Barr MLA



Internal Audit Program 2017–18

1. Introduction

1.1 Background

"Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes."¹

It is a component of good corporate governance² and a requirement of Icon Water's safety, environment and quality management systems³. Icon Water conducts internal audit activity in accordance with ISO 19011:2014 *Guidelines for auditing management systems* (ISO 19011). Relevant aspects of ISO 19011 have been incorporated into Procedure *PR11.02 Internal Audit*. PR11.02 requires that the Manager Quality and Internal Audit:

"Establish the audit program for the coming financial year, taking into consideration the status, importance and risk of the processes and areas to be audited, as well as the results of previous audits and other assurance activities."

Accordingly, Quality and Internal Audit Branch (within the Business Services Group) has developed Icon Water's *Internal Audit Program 2017-2018*.

In addition to undertaking internal audits approved under the annual internal audit program (and detailed herein), Internal Audit is responsible for other activities such as:

- reviewing and updating an assurance map
- monitoring the implementation of internal audit recommendations
- undertaking management initiated reviews and adhoc analysis and reviews
- coordinating external management systems audits and providing assistance to the business in relation to these audits.

1.2 Purpose

This document identifies the program of internal audit activity planned for 2017–18. It is designed to inform management of the focus and timing for proposed audit activities during the year.

1.3 Program development

Activities involved in the development of this Program included:

- review of risk registers and reports
- review of previous audit activity and findings
- consideration of known assurance activities
- consultation with Icon Water Executives
- consideration of key pieces of legislation (via CMO compliance system) identified as being critical to the operations of Icon Water

¹ Institute of Internal Auditors' International Professional Practices Framework

² As reflected in *Corporate Governance Principles and Recommendations 3rd Edition* ASX Corporate Governance Council March 2014

³ Which are certified to AS/NZS 4801:2001 *Occupational health and safety management systems – Specifications with guidance for use*; AS/NZS ISO 14001:2004 *Environmental management systems – Requirements with guidance for use*; and AS/NZS ISO 9001:2008 *Quality management systems – Requirements respectively*.

- consideration of management system standards requirements
- consideration of emerging issues.

1.4 Document approval and amendment

At meeting no. 09, on 14 June 2017⁴, this *Annual Internal Audit Program 2017–18* (the Program) was approved by the Risk and Assurance Committee (the Committee).

Internal Audit will seek the Committee's approval to variations to this Program that involve:

- deferment, additions or deletions to the program
- delay/advancement of an audit by more than two quarters within the program year
- significant changes in scope from that outlined herein.

1.5 Program reporting

The outcomes of all audits contained in this Program will be reported to the Committee. In addition, Internal Audit will report to the Committee on the status of the Program and implementation of internal audit recommendations.

2. Program of work

The Program incorporates a broad range of internal audits including audits examining compliance and performance. The Program aims to ensure, in line with the Executives' and the Committee's requirements, that the focus of internal audit activity is directed to areas of greatest risks and areas where the Executives and the Committee believe the greatest value can be added.

Gaining the right level of resourcing is important and should be considered up front. For 2016–17 280 days were allocated to complete 15 internal audits. Internal Audit has programmed 320 days to undertake 15 internal audits in 2017–18.

Table 1 lists internal audits for 2017-18. Additional detail on each audit is provided in Section 3.

Table 1. Program of work 2017-18

Qtr	Ref.	Audit	Risk category	Audit days
1	18.01	Management of strategic projects	Strategic	20
	18.02	Strategy implementation – work health and safety strategy	Safety	20
	18.03	Leave management	Financial	20
2	18.04	Fleet management	Operational	25
	18.05	IT Governance	Operational	25
	18.06	Compliance with legal and other obligations	Legal/Compliance	15
	18.07	Drinking water quality	Safety	20
3	18.08	Dam safety management	Safety	25
	18.09	Asset management – acquisitions and disposals	Financial	25
	18.10	Sewage treatment operations	Environment	20
4	18.11	ICT security management	Operational	25
	18.12	Closed internal audit recommendations	Operational	5

⁴ RAC Meeting #9 Minutes

Qtr	Ref.	Audit	Risk category	Audit days
	18.13	Audit quality assurance reviews	Reputation	5
	18.14	Advice and assistance	N/A	30
	18.15	18.15 Review of the services contracts with ActewAGL	Operational	40
Total				320

3. Detailed audit program

3.1 Audit sponsor and auditee

To assist Internal Audit in carrying out this program, an Audit Sponsor is identified for each audit, being the Executive with primary responsibility for the subject matter under review. The Audit Sponsor's role is to contribute relevant subject matter knowledge and understanding of related risks to help focus on key risk areas and return additional value to business as a result of the review.

Audit Sponsors can participate in individual reviews by:

- providing input to the development of the objective and scope
- guiding the audit team on any timing issues
- receiving regular progress updates throughout the review and providing relevant responses
- considering the accuracy and appropriateness of findings and recommendations
- reviewing the content of the draft report and approving management responses.

While multiple parties (possibly multiple executives) will be consulted during all stages of the audit, the Audit Sponsor (a single Sponsor where possible) will be the party to be formally consulted.

The auditee is the organisation being audited – identified at the Group level.

3.2 Acronyms

Executive		Business Unit	
MD	Managing Director	-	-
GMAM	General Manager Asset Management	AMG	Asset Management Group
GMPDOM	General Manager Project Delivery, Operations and Maintenance	PDOMG	Project Delivery, Operations and Maintenance Group
GMSPT	General Manager Strategic Projects and Technology	SPTG	Strategic Projects and Technology Group
GMF	General Manager Finance	FG	Finance Group
GMBS	General Manager Business Services	BSG	Business Services Group

3.3 Audit program

An outline of each audit is provided below. In accordance with *PR11.02 Internal audit*, audit objectives and scope will be determined during audit planning.

Audit	Sponsor/ Auditee
<p>18.01 Management of strategic projects</p> <p>Icon Water's <i>Statement of Corporate Intent</i> identifies strategic objectives. In collaboration with the different business groups, the Strategic Projects and Technology (SPT) Group has identified a number of strategic projects that need to be completed to support achievement of the strategic objectives. These strategic projects comprise Icon Water's Business Transformation Program (BTP).</p> <p>The SPT Group is responsible for managing project dependencies, assisting the business with project resourcing, and providing assurance and guidance at each stage of a strategic project.</p> <p>This internal audit will examine the effectiveness of arrangements in place for the management of strategic projects.</p>	<p>GMSPT SPTG</p>
<p>18.02 Strategy implementation – work health and safety strategy</p> <p>Icon Water Policy <i>PO2 Safety management</i> states that the organisation is committed to operating and continually improving an effective Safety Management System that conforms to AS/NZS 4801:2001 <i>Occupational health and safety management systems – Specification with guidance for use</i> to achieve organisational objectives and support compliance with legal obligations including the <i>Work Health and Safety Act 2011 (ACT)</i>.</p> <p>The <i>Work Health and Safety Strategy</i> (the Strategy) identifies the long term vision for work health and safety in Icon Water and the medium term objective to be achieved over the coming three years. The Strategy also outlines the general approach to achieving the objective and arrangements for monitoring and review.</p> <p>This internal audit will assess the effectiveness of the WHS Strategy and the implementation arrangements.</p>	<p>GMBS BSG</p>
<p>18.03 Leave management</p> <p>Icon Water Policy <i>PO1 People management</i> states that the organisation is committed to operating and continually improving a people management framework. The employment conditions and entitlements of Icon Water's employees are outlined in the <i>Enterprise Agreement</i>. Icon Water operates Aurion as its primary Human Resource Management Information System to support human resource management functions and activities.</p> <p>The <i>Australian National Audit Office Human Resource Management Information Systems - Better Practice Guide (ANAO HRMIS BPG)</i> provides an overview of significant risks and controls that are relevant to key HR functions, The ANAO HRMIS BPG states that leave management and time reporting rules should be consistent with employment conditions and linked within the application to employee information.</p> <p>This internal audit will evaluate the adequacy of key controls over leave management (including time reporting).</p>	<p>MD All Groups</p>
<p>18.04 Fleet management</p> <p>Icon Water implemented a new integrated vehicle management system (IVMS), provided through Telogis Inc. in 2016. This new fleet management system includes the following tools:</p> <ul style="list-style-type: none"> ▪ mapping ▪ maintenance reporting ▪ vehicle diagnostics ▪ automated reporting function 	<p>GMPDOM PDOMG</p>

Audit	Sponsor/ Auditee
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- mobile work order management system
- real-time GPS tracking.

The purpose of this technology enables Icon Water to, among other things:

- utilise tracking surveillance of Icon Water employees and assets to ensure their security and safety particularly in regard to remote workers
- better coordinate planned and reactive maintenance works
- provide crews with access to real-time information on assets including underground cables, pipes etc.
- have greater transparency and efficiency for recording logbooks.

Some of the fleet management services required by Icon Water are also provided by ActewAGL under the *Corporate Services Agreement (CSA)*. The CSA lists the business as usual (BAU) services for vehicle fleet management (including managing contracts associated with vehicle manufacturers, ordering vehicles and associated equipment, and distributing fleet lease reports).

This internal audit will examine the effectiveness of arrangements in place for management of fleet (including selected controls relating to management of security, safety, maintenance, financial and privacy matters).

18.05 IT Governance

GMSP
SPTG

Information and technology (IT) governance involves managing IT operations and IT projects to ensure alignment between these activities and the needs of the organisation defined in the strategic plan. The *Information, Communications and Technology (ICT) Strategy* provides high-level direction for the development of Icon Water's ICT capability so that it continues to support achievement of the *Statement of Corporate Intent (SCI)* and the vision of Icon Water's strategic plan.

IT governance consists of the organisational structure, leadership, and processes that ensure IT support of the organisation's strategies and objectives.⁵ The five components of effective IT Governance are:

- Organization and Governance Structures.
- Executive Leadership and Support.
- Strategic and Operational Planning.
- Service Delivery and Measurement.
- IT Organization and Risk Management.

This internal audit will evaluate the design effectiveness of Icon Water's IT governance framework.

18.06 Compliance with legal and other obligations

GMBS
All Groups

Icon Water is subject to an extensive framework of legislation that covers accountability, reporting, operations, environmental and safety aspects such as the *Territory-owned Corporations Act 1990*, *Independent Competition and Regulatory Commission Act 1997 (ACT)*, *Utilities Act 2000 (ACT)*, *Environment Protection Act 1997 (ACT)*, and *Water and Sewerage Act 2000 (ACT)*.

In addition, codes such as the *Public Health (Drinking Water) Code of Practice*, *Emergency Planning Code*, *Utilities (Non-drinking Water Supply Code) Determination*,

⁵ The Institute of Internal Auditors Global Technology Audit Guide 17 Auditing IT Governance, July 2012

Audit	Sponsor/ Auditee
<p>and <i>Consumer Protection Code</i> apply to Icon Water.</p> <p>This internal audit will determine whether Icon Water is meeting key obligations under selected Acts, regulations and codes.</p>	
<p>18.07 Drinking water quality management</p> <p>Icon Water is certified to AS/NZS ISO 9001:2008 <i>Quality management systems – Requirements</i> (ISO 9001). In addition, Icon Water continues to retain external accreditation for the <i>Hazard Analysis and Critical Control Points</i> (HACCP) system implemented for the water supply system.</p> <p>The <i>Drinking Water Quality Management Plan Operational Guidelines</i> defines the operating conditions for treatment of raw water from Bendora, Cotter, Googong, and Murrumbidgee sources at Stromlo and Googong Water Treatment Plants, the bulk water supply and the reticulation system.</p> <p>This internal audit will determine whether a sample of Icon Water's operations and activities conform to the key requirements of the management system standards and the <i>Drinking Water Quality Management Plan Operational Guidelines</i>.</p>	GMAM AMG
<p>18.08 Dam safety management</p> <p>The <i>Utilities (Dam Safety Code) Determination 2014</i> is a technical code under part 5 of the <i>Utilities Act 2000</i> (the Act). This Dam Safety Code applies to Icon Water. The purpose of this Code is to identify and regulate the safety of dams with the potential for a failure which could have a significant adverse effect on community interests. The Code requires Icon Water to implement and maintain a dam safety management system.</p> <p>Icon Water has developed dam safety emergency plans and work instructions for notifying dam safety incidents and conducting regular dam inspections to assist management and staff in undertaking dam safety management activities.</p> <p>This internal audit will assess the effectiveness of key controls over dam safety management.</p>	GMAM AMG
<p>18.09 Asset management – acquisitions and disposals</p> <p>Icon Water is an asset intensive company (its services are delivered via assets worth over \$2.0 billion) and thus asset management is a core part of its business. Icon Water strives to realise the maximum value from the investment in water and sewerage assets. Its financial performance is underpinned by how effective the organisation manages assets throughout their lifecycle.</p> <p>Icon Water's <i>Strategic Asset Management Plan</i> (SAMP) outlines the major processes necessary for the planning, development, operation, maintenance and disposal of assets. Water supply and sewerage assets owned and managed by Icon Water are recorded in the engineering asset register (EAR) to provide aggregated information for monitoring, reporting and decision making. Icon Water's financial asset register (FAR) includes financial details (including asset class, description, location, purchase price, expected useful life and depreciation start date) of the water supply and sewerage assets.</p> <p>This internal audit will assess the effectiveness of arrangements in place for the acquisition and disposal of water supply and sewerage assets and management of the EAR and FAR.</p>	GMF FG
<p>18.10 Sewage treatment operations</p> <p>Icon Water Policy <i>PO3 Environmental management</i> states that the organisation is committed to operating and continually improving an effective EMS that conforms to ISO</p>	GMPDOM PDOMG

Audit	Sponsor/ Auditee
<p>14001:2004 <i>Environment Management – Requirements with guidance for use</i> (ISO 14001). The EMS is certified to ISO 14001.</p> <p>The <i>Environmental Protection Act 1997</i> (ACT) sets strict licence conditions aimed at protecting the environment. The conditions which Icon Water must operate are outlined in the environmental authorisations.</p> <p>This internal audit will examine the adequacy of arrangements for ensuring sewage treatment operations conform with selected requirements of ISO 14001 and the environmental authorisations issued under the <i>Environmental Protection Act 1997</i> (ACT).</p>	
<p>18.11 ICT security management</p> <p>Cyber risk presents a moving target as organisations undergo major IT transformations, accelerate cloud computing adoption, increase digitisation investments, advance data and analytics sophistication, and expand mobile device. Accordingly, effective cyber security internal controls play a vital role in reducing risk to an acceptable level.</p> <p>Icon Water Policy <i>PO9 Information and communication technology management</i> states that the organisation is committed to operating and continually improving a suitably resourced ICT capability that complies with <i>AS ISO/IEC 27002:2015 Information Technology – Security Techniques – Code of Practice for Information Security Controls</i>.</p> <p>Icon Water's <i>ICT Incident Response Plan</i> provides guidelines on what constitutes a cyber security incident and the types of cyber security incidents that are likely to be encountered in the Icon Water ICT environment. The plan also provides information on Icon Water's mechanisms to respond to cyber security incidents and to ensure that critical systems remain operational.</p> <p>This internal audit will evaluate the effectiveness of Icon Water's cyber security management processes.</p>	<p>GMSP SPG</p>
<p>18.12 Closed internal audit recommendations</p> <p>It is good practice for an internal audit function to establish effective arrangements for monitoring the implementation of recommendations arising from internal audit reviews.</p> <p>This review will examine the adequacy of actions taken against a sample of closed internal audit recommendations.</p>	<p>GMBS All Groups</p>
<p>18.13 Audit quality assurance reviews</p> <p>It is good practice for an internal audit function to establish and operate a quality assurance and improvement program. Activity under this program should include an assessment of a sample of completed audits against process requirements.</p> <p>This review will determine whether a sample of completed audits comply with the requirements of <i>PR11.2 Internal audit</i>.</p>	<p>GMBS BSG</p>
<p>18.14 Advice and assistance</p> <p>A component of audit effort is set aside to respond to management requests for advice, assistance or facilitation.</p>	<p>TBC TBC</p>
<p>18.15 Review of the services contracts with ActewAGL</p> <p>In 2012, Icon Water signed two contracts with ActewAGL for the provision of a range of corporate and customer-related services. The contracts are:</p> <ul style="list-style-type: none"> • Corporate Services Agreement (CSA) • Customer services and Community Support Agreement (CSCSA). <p>The contracts represent a continuation of arrangements first entered into at the time of</p>	<p>Managing Director</p>

Audit	Sponsor/ Auditee
<p>the establishment of the ActewAGL Joint Venture in 2000. They expire 30 June 2023.</p> <p>This internal audit will examine the adequacy of Icon Water's management arrangements in place for the service contracts with ActewAGL and provide advice on alternative or additional arrangements that might better support effective oversight of the contracts and optimise value for money for their remaining term.</p>	



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

QTON No. 26

STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION TAKEN ON NOTICE
Friday, 10 November 2017

Asked by MR COE MLA -
[Corrected Proof Transcript, 10 November 2017, p.87]

In relation to: Icon Water community support program.



MR COE: Right. What about sponsorship? What reporting takes place with regard to community engagement and sponsorship?

Mr Knox: Well Icon Water has its own community support program and it undertakes that program and—are you referring to the Icon Water Community Support Program?

MR COE: Yes, so does ActewAGL contribute to the—does Icon contribute to ActewAGL's community support program as well?

Mr Knox: Yes, it does.

MR COE: Right, so what reporting takes place there?

Mr Knox: I would have to take that on notice, Mr Coe.

MR BARR MLA: The following answers to the member's questions have been sought from Icon Water Limited (Icon Water), which operates as an independent corporation:—

In accordance with requirements under Section N Community Engagement and Support of the Annual Report Directions, Icon Water reports on its Community Support Program in its Annual Report to ACT Government and this is tabled in the ACT Legislative Assembly in October each year.

Additionally, Icon Water advise ActewAGL reports to Icon Water on the annual community support program delivered under the Customer Services and Community Support Agreement. Sponsorship information is also available on ActewAGL's website under Community Sponsorships and a section on sponsorships is included in ActewAGL's annual "Our Year in Review Report".
Refer <http://www.actewagl.com.au/About-us/Publications.aspx>

Approved for circulation to the Standing Committee on Public Accounts

Signature: 

Date: 23.11.17

By the Treasurer, Andrew Barr MLA



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

QTON No. 27

STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION TAKEN ON NOTICE
Friday, 10 November 2017



Asked by MR COE MLA -
[Proof Transcript, 10 November 2017, pp.91]

In relation to: Meter readings.

MR COE: What percentage of your meter readings are actuals as opposed to estimates?

Mr Knox: I am fairly confident we have been asked that before. I do not have the information but it is quite a high number so I will take that on notice.

MR BARR MLA - The following answers to the Member's questions have been sought from Icon Water Limited (Icon Water), which operates as an independent corporation:

Icon Water has advised that in accordance with the Icon Water Standard Customer Contract and the Water Metering Code, where a meter reader is unable to access a meter for reading, a reasonable estimate is applied based on a customer's previous usage.

In 2016-17, 95 per cent of bills were actual readings and 5 per cent of bills were based on estimates.

Approved for circulation to the Standing Committee on Public Accounts

Signature:

Date: 23.11.2017

By the Treasurer, Andrew Barr MLA



STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION TAKEN ON NOTICE
Friday, 10 November 2017



Asked by MR COE MLA -
[Proof Transcript, 10 November 2017, pp.92]

In relation to: Penalties in the service agreement for faulty measure readings

MR COE: What penalties are in the service agreement for incorrect meter readings?

Ms Breden: ActewAGL has a contract with an external provider who does the meter reads. They do all three meters at once: water, electricity and gas. There was a new contract established earlier this year which includes the new KPIs and an at-risk amount, which is five per cent. There are KPIs that are weighted; depending on whether or not they meet those KPIs, that at-risk component, they get either all of it or none of that five per cent component of the bill.

MR COE: Sure, but that is with the subcontractor. Your contractor is ActewAGL. What penalties are in place with ActewAGL for incorrect meter readings?

Mr Knox: I will take it on notice.

MR COE: Thank you. Can you also take on notice whether penalties have been applied? I am asking about not just what penalties are stipulated in the contract but also what actual penalties have been charged. Just to conclude this section on water meters, there have been no spikes or noticeable differences in the number of complaints or concerns about the accuracy of residential water meters?

Mr Knox: We will double check it, Mr Coe. We will go away and have a look at it. We were aware of the fact that we had a problem, as I mentioned, with the large 150 millimetre customers, but we will go back and just double-check on the residential side of it.

MR BARR MLA - The following answers to the Member's questions have been sought from Icon Water Limited (Icon Water), which operates as an independent corporation:

The specific details of the contractual arrangements between Icon Water and ActewAGL in relation to incorrect meter readings are commercially sensitive.

Icon Water has provided general information relating to penalties during the hearings of the Select Committee on Estimates 2016-17 and in written responses to questions of that committee in QON E17-055 and E17-403.



LEGISLATIVE ASSEMBLY
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STANDING COMMITTEE ON PUBLIC ACCOUNTS

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ALISTAIR COE MLA

There have been no spikes in the number of complaints or concerns with the accuracy of residential water meters.

Approved for circulation to the Standing Committee on Public Accounts

Signature: *Andrew Barr*

Date: 23.11.2017

By the Treasurer, Andrew Barr MLA



STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), BEC CODY MLA,
ALISTAIR COE MLA

Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION TAKEN ON NOTICE
Friday, 10 November 2017



Asked by MR COE MLA -
[Proof Transcript, 10 November 2017, p.93]

In relation to: The developer charging policy.

MR COE: I note the time. Would you be able to take on notice a request to provide an update on where things are at with regard to your developer charging policy - what you, requested and the status of that?

Mr Sachse: Yes.

MR BARR MLA - The following answers to the Member's questions have been sought from Icon Water Limited (Icon Water), which operates as an independent corporation:

Icon Water advise that on 3 October 2017, the ICRC released its draft decision on the Code for consultation. Consultation closed on 3 November 2017 and the ICRC is now deliberating. A final report is expected early December 2017. At this stage it is anticipated that the Capital Contributions Code will commence on 1 January 2018 with a transition period of 18 months.

Approved for circulation to the Standing Committee on Public Accounts

Signature: *Andrew Barr*

Date: 23. 11. 2017

By the Treasurer, Andrew Barr MLA



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

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BEC CODY MLA,



Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION TAKEN ON NOTICE
Tuesday, 14th November 2017

Asked by Tara Cheyne MLA:

In relation to:

1. Fees per meeting charged by the Office's Audit and Review Committee Chair, Mr James Palmer.

Asked by Vicki Dunne MLA:

In relation to:

2. Whether the Winslade property is within the scope of the performance audit *Land Development Agency's (LDAs) assembly of rural land in the ACT* currently in progress.

ACT Auditor-General: The answer to the Members' questions are as follows:–

1. The contract with Mr Palmer is for \$275 (including GST) per hour. This is to cover preparation time and attendance at meeting. Preparation may involve 1 or 2 hours; meetings vary from 1 to 3 hours and there are five meetings per year.
2. Yes.

Approved for circulation to the Standing Committee on Public Accounts

Signature:

Date:

24/11/17

By the ACT Auditor-General, Dr Maxine Cooper



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

VICKI DUNNE MLA (CHAIR), MICHAEL PETERSSON MLA (DEPUTY CHAIR), ALISTAIR COLE MLA,
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2. Yes.

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Signature:

Date:

24/11/17

By the ACT Auditor-General, Dr Maxine Cooper

