Legislative Assembly for the ACT

STANDING COMMITTEE ON PLANNING AND ENVIRONMENT

Inquiry into Annual and Financial Reports 2002-2003 for the Department of Urban Services and the Related Agencies

FEBRUARY 2004

REPORT 26

Committee membership

Mrs Vicki Dunne MLA	Chair
Mr John Hargreaves MLA	Deputy Chair
Ms Roslyn Dundas MLA	Member
Mrs Helen Cross MLA	Member

Committee Secretary: Ms Linda Atkinson

Administration: Mrs Judy Moutia

Resolution of appointment

(1) The following general purpose standing committees be established and each committee to inquiry into and report on matters to it by the Assembly or matters that are considered by the committee to be of concern to the community:

(f) A Standing Committee on Planning and Environment to examine matters relating to planning and land management, conservation and heritage, transport services and planning, environment and ecological sustainability.

(2) If the Assembly is not sitting when the Standing Committee on Planning and Environment has completed consideration of a report on draft plan variations referred pursuant to section 25 of the *Land (Planning and Environment) Act 1991* or draft plans of management referred pursuant to section 204 of the *Land (Planning Environment) Act 1991*, the Committee may send its report to the Speaker, or, in the absence of the Speaker, to the Deputy Speaker, who is authorised to give directions for its printing, publication and circulation.

Terms of reference

On 25 September 2003, the Minister for Planning on behalf of the Manager of Government Business moved that notwithstanding the resolution of the Assembly of 11 December 2001 establishing standing committees:

(1) The annual and financial reports for the calendar year 2002 and the financial year 2002-2003 presented to the Assembly pursuant to the *Annual Reports (Government Agencies) Act 1995* stand referred to the standing committees, on presentation, in accordance with the schedule below;

(2) that committees are to inquire and report on the annual reports by the first sitting day in 2004;

(3) that, notwithstanding Standing Order 229, only one standing committee may meet for the consideration of the inquiry into the calendar year 2002 and 2002-2003 annual and financial reports at any given period of time; and

(4) the foregoing provisions of this resolution have effect notwithstanding anything contained in the standing orders[1].

The Schedule for referral of reports for the Department of Urban Services and Related Agencies to the Standing Committee on Planning and Environment was as follows[2]:

Agency	**Minister/s responsible**
Department of Urban Services	Minister for Urban Services Minister for Planning Minister for the Environment
Kingston Foreshore Development Authority	Minister for Planning
ACTION Authority	Minister for Planning
Cultural Facilities Corporation	Minister for Arts and Heritage
Canberra Public Cemeteries Trust	Minister for Urban Services
Commissioner for the Environment	Minister for the Environment
Gungahlin Development Authority	Minister for Planning

The Department of Urban Services sustained changes from 2001-2002 with the transfer of Housing to the Department of Disability and Family Services, and

[1] Minutes of Proceedings No. 74, Thursday 25 September 2003, page 941.
[2] Ibid., page 943.

a functional relocation of the ACT Government Property Management function from the Land and Property Group on 1 July 2002 to City Operations in the Department of Urban Services.

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Summary of recommendations

Recommendation 1

The Committee recommends that the Department of Urban Services and the Related Agencies implement the recommendations made by the Standing Committee on Planning and Environment in its *'Inquiry into the Urban Services Portfolio 2001-2002 Annual and Financial Reports, Report No. 12 February 2003'*

Recommendation 2

The Committee recommends that the Department of Urban Services and the Related Agencies show transparent linkages between annual reports, strategic planning processes and other reporting processes, so that it is readily apparent where these fit into the overall planning and operating environment context, and what impacts the implementation of subsequent policies are having.

Recommendation 3

The Committee recommends that Department of Urban Services and the Related Agencies with related functional or crossover strategic responsibilities ensure that linkages are made and reported upon in individual reports, and that information be included about partnerships with other ACT Government Departments.

Summary of recommendations (continued)

Recommendation 4

The Committee recommends that Department of Urban Services and the Related Agencies improves the content and analysis of its annual reports and complying with the guidelines and legislative framework for preparing Annual Reports.

Recommendation 5

The Committee recommends that the Chief Minister's Directions be revised to articulate the specific requirements for ACT Statutory Authorities, and that it all be clear as to how these Directions integrate with other of the legislative reporting requirements for Annual Reports.

1. Introduction

1.1 The Standing Committee on Planning and Environment noted the referral of the 2002-2003 Annual Reports for the Department of Urban Services and Related Agencies to the Committee in late September 2003.

1.2 From October 2003, the Committee experienced difficulties in arranging public hearings with the relevant Ministers due to Ministers not making themselves readily available despite many attempts to achieve public hearing dates within a reasonable time following the referral of the reports to the Committee, and Committee Members not being available when Ministers were. Consequently, the Committee resolved to undertake public hearings on 3 February 2004 for only those functional areas that are responsibility of the Minister for Planning and other elements were explored by way of questions on notice, and private research of the Committee.

1.3 Answers to the questions on notice were received from the relevant Ministers and are shown at Appendices at the end of the Report:

- Department of Urban Services 28 January 2004 and 5 February 2004 (Appendix 2)
- Trustees of the Canberra Public Cemeteries 28 January 2004 (Appendix 3)
- Cultural Facilities Corporation 30 January 2004 (Appendix 4)
- Planning and Land Management 28 January 2004 (Appendix 5)
- Kingston Foreshore Development Authority 30 January 2004 (Appendix 5)
- Gungahlin Development Authority 30 January 2004 (Appendix 5)
- Land Group 30 January 2004 (Appendix 5)
- *ACTION* Authority 30 January 2004 (Appendix 6)
- Office of the Commissioner for Environment 30 January 2004 (Appendix 7)
- Department of Urban Services- Speed Camera 5 February 2004 (Appendix 8)
- Minister for Environment-Answers to Question on Notice (Appendix 9)
- Minister for Planning Answers to Questions on Notice put at Public Hearing of 3 February 2004 (Appendix (10).

2. Performance Reporting

2.1 Annual Reports are the primary public accountability documents and are the principal way in which departments and agencies account for management performance, through Ministers, to the ACT Legislative Assembly and the community. For this to work effectively, executive agencies must accept responsibility for both successes and shortcomings, and provide material to the public which is accessible.

2.2 Over a number of years, departments and agencies in ACT Government have received recommendations from ACT Legislative Assembly Committees to improve the quality of performance reporting in annual reports. The Select Committee on Estimates 2002-2003 recommended (Recommendation 2-2.12) in its August 2002 Report that 'the Government undertake a review of performance measures across the budget so that measures:

- are meaningful;
- allow for comparison over time;
- are consistent with measures in ownership agreements and annual reports; and
- take into account the need for triple bottom line reporting.'

2.3 The Committee finds that the Department of Urban Services and its Related Agencies failed to act upon this and other recommendations for improvement, made by this Committee in its Report No. 12 on the Urban Services Portfolio Annual Reports in February 2003, despite agreeing that improvements could be made. The Committee finds that whilst the reports contain a range of facts, these are not entirely meaningful in terms of comparative operational and financial information, and even less transparent in terms of achievements. It is in this perspective that the Committee has analysed the 2002-2003 Annual Reports for the Department of Urban Services and Related Agencies. Because the Committee had offered the Department of Urban Services and Related Agencies a series of recommendations in its previous report on its Annual Reports, the Committee was expecting to find contained in the reports:

- Objectives that are clear and measurable;
- Focus on results and outcomes;
- Discussion of results against expectations;

- Informative and genuine analysis;
- Changes over time well explained;
- Evidence of value for money; and
- Closer adherence to the Chief Minister's Directions, the Financial Management Act and recommendations of the Auditor-General reflected in the quality of the content;
- Discussion of risks and strategies and the external operating environment.

2.4 The Committee in analysing the annual reports was looking for balanced and linked reporting between:
Effectiveness i.e. the extent to which an activity or initiative was successful in achieving a specified goal; and the extent to which activities of a unit achieve the unit's mission or goal;
Efficiency i.e. the degree of capability or productivity of a process, such as the number of hectares cleared each year; and the tasks accomplished per unit cost.

2.5 Efficiency reporting on its own, for example 'replanted 535 hectares of the Stromlo plantation burnt in the 2001 Christmas fires'; or 'developed a log pulp market of 60,000 tonnes per annum'; or prepared 800 hectares for planting after the January 2003 bushfires'[3] tells the reader nothing of the meaning of such quantities in business success or failure terms, or whether these figures represent significant achievements or failures. They are just figures, devoid of any application of comparative analysis techniques. Without the transfer of functions into the Portfolio and their attendant assets and resources as shown in the financial statements, the Portfolio would have sustained a $40.8 million deficit compared to a deficit of $49.7 million in 2001-2002. These kinds of results warrant explanation and analysis, so that readers of the report can fully understand the full impact on Territory finances and economic planning.

2.6 The Committee found that the Reports lacked:

- Discussions about the impact of major external scrutiny on department responsibilities;
- Well analysed summaries of the outcomes, challenges, and achievements of the department and agencies; and
- Clear and concise qualitative links to budget papers and performance measures.

[3] 2002-2003 Department of Urban Services Annual Report, Volume One, pages 39 and 40.

2.7 The Auditor-General recently concluded that while the Chief Minister's Annual Reports Directions encourage minimum reporting requirements, 'one third of all recommendations by Assembly Committees on annual reports are aimed at improving the extent, quality, or presentation of information in those reports'[4]. The Committee concluded that the Annual Reports of the Department of Urban Services and Related Agencies reflect this minimalist approach, in that the 2002-2003 Annual Reports are characterised by mostly 'good news' underpinned by lists of activities, rather than any genuine analysis of outputs, outcomes, and 'bad news' or any failures or shortfalls in performance.

2.8 Although the Minister for Urban Services states that Recommendations 1, 2, 3, 4 from this Committee on the 2001-2002 Annual Reports were agreed, Recommendation 5 was agreed in part, and recommendation 6 was not agreed[5], it is difficult to ascertain improvements in the quality of reporting with the presentation and content of the 2002-2003 Annual Reports remaining virtually unchanged from 2001-2002 Annual Reports.

2.9 The Department of Urban Services may have been awarded the ACT Institute of Public Administration's (IPAA) ACT Government Annual Report Award two years running largely on the basis of layout and content, but the Committee is firmly of the view that layout and content are only one element of reporting quality; the reports, on the whole, lack any analytical discussion of performance outcomes.

2.10 The Minister for Urban Services states in his 28 January 2004 response to questions on notice from the Committee that because of feedback from IPAA, 'it was considered appropriate to maintain this award winning quality of presentation and content'. With so many elements of crossover in functions between Ministers within this Portfolio and some other ACT Government agencies, it would be logical to expect that the annual reports inform each other and work together. The Committee has concluded that in fact they don't.

2.11 The Committee believes that the public would not be able to easily ascertain what benefits have been derived from the approximately $514.9million of Urban Services Portfolio expenditure in 2002-2003, revenue of $559.6million, and net assets of $126.0million.

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[4] *Effectiveness of Annual Reporting*, Auditor General Australian Capital Territory, Report of 4 March 2003, page 2.

[5] Response to Questions on Notice 1c from the Minister for Urban Services, 28 January 2004.

3 Reporting Using Current Frameworks

3.1 The guidelines and legislative framework for annual reporting are:

a) The Chief Minister's Annual Reports Directions: issued under the *Annual Reports (Government Agencies) Act 1995*;
b) The *Financial Management Act 1996*;
c) Auditor General's Report of 4 March 2003 '*Effectiveness of Annual Reporting';*
d) Previous Standing Committee reports, including for the Urban Services Portfolio, 'Inquiry into the Urban Services Portfolio 2001-2002 Annual and Financial Reports, Report No. 12 February 2003.

3.2 Division 3.2 Financial Reports of Departments, section 27 of the *Financial Management Act 1996* requires that*:*

'The annual financial statements of a department shall be prepared in accordance with generally accepted accounting practice and in a form that facilitates a comparison between the financial operations of the department during the year and the estimates of those operations contained in the budget for the department for the financial year.

The annual financial statements must include—

(a) the financial statements required under the financial management guidelines; and

(b) a statement of the performance of the department in providing each class of outputs provided by it during the year; and

(c) if a change was made during the year to the conditions of a capital injection set out under section 12 (1) (c) (ii) (Departmental budgets) in a statement included in a proposed budget for the department for a financial year—a statement of the change and the reasons for it; and

(d) a statement of the accounting policies adopted by the department; and

(e) any other statements necessary to fairly reflect the financial operations of the department during the year and its financial position at the end of the year.

A statement of a department must—

(a) compare the performance of the department in providing each class of outputs provided by it during the financial year with the forecast of the performance in the budget for the department for the year; and

(b) give particulars of the extent to which the performance criteria included in the budget for the provision of the outputs were met.'

3.3 Ministers must present a quarterly report to the Legislative Assembly that includes a progress report on delivery of outputs; and an explanation of any significant variations from performance criteria[6].

3.4 The Committee believes that the physical presentation and usability of the 2002-2003 Annual Reports, as with the 2001-2002 Annual Reports, is disappointing. The Reports have been printed on shiny paper, the quality of which smudges, as do written annotations made on the paper and they are heavy to hold, and fall apart quite easily. While the Committee was varyingly told by the Department of Urban Services and the Related Agencies that the presentation of their Reports do comply Chief Minister's Directions, the Committee believes that the Department of Urban Services and Related Agencies have not clearly thought through the presentation and quality of reports in accordance with the current legislative framework for reporting. The reports signify that the Department and the Related Agencies have completed a wide range of activities and projects during 2002-2003 but the provide a 'shopping list' approach to the reporting of what was done. The performance measures are characterised by outputs and measures that are more in the nature of activities, not genuine outcomes. The Committee agrees with the Auditor-General's finding that activities reported 'are in fact the outputs or deliverables of the activities'[7].

3.5 Information on achievements dominate the reports, but they need very close and detailed examination to reveal business performance issues or how challenges faced during the year were handled within strategic and operational plans and allocated budgets, for example, the overspend on projects. In deliberating as to why the reports lack strategic or comparative analysis or statements about the value provided to the Canberra community, the Committee suggests that this could be associated with the fact that the Chief Minister's Annual Reports Directions contain minimum reporting requirements for annual reporting and no specific guidance on performance reporting. There may also be a possible conflict between the 'provisions of the *Annual Reports (Government Agencies) Act*, the *Public Sector Management Act* and *the Financial Management Act* regarding who is responsible for the administration and business of departments'[8].

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[6] *Inquiry into the Urban Services Portfolio 2001-2002 Annual and Financial Reports*, Report No. 12 February 2003, page 5.
[7] *Effectiveness of Annual Reporting*, Auditor General Australian Capital Territory, Report of 4 March 2003, page 2.
[8] Ibid., page 4.

3.6 The reports are mostly a cut and paste from 2001-2002, with some of the content actually a direct repeat of what was there in 2001-2002. Paragraph 4.14 (page 41) of the Auditor General's Report of March 2003 '*Effectiveness of Annual Reporting*' states that 'most members of the Legislative Assembly considered that agencies should be required to present balanced reports. They supported a 'warts and all approach'.

3.7 The Committee contends that ACT Government Senior Executives and Chairpersons should be up to date with best practice management reporting and that any defectiveness in the current framework for reporting by government departments and agencies, should not be an excuse for poor quality information and analysis on the ways 'in which they have discharged their statutory and other responsibilities and utilised public funds over the preceding twelve months…or their major plans and themes for the immediate future'[9].

3.8 In future, the Department of Urban Services and the Related Agencies Annual Reports should not duplicate the same information from the previous year. The Committee believes that this will require a concerted effort to convert the format of reports to being performance driven, and underpinned by sound strategic and comparative analysis, and strategic planning information. Perhaps then readers of these reports will have the opportunity to understand the value added to the community of public funds raised in revenue and spent, because it not clearly evident from the 2002-2003 Annual Reports of the Department of Urban Services and the Related Agencies.

3.9 The Committee believes that considerable effort on the part of the Government will be necessary to revise the current reporting frameworks for all government agencies, so that the reports provide information integral to management outcomes, and are performance driven, as opposed to 'activity report' driven. The Committee notes with concern the Auditor General's Report of 4 March 2003, and is optimistic that the findings and the recommendations will take life with the management and administration of ACT Government departments and agencies.

3.10 The Committee has concluded while the Portfolio reports may in part have complied with the *Chief Minister's Annual Reports Directions* of May 2002, insufficient attention has been applied to the reporting regime prescribed and defined by the *Financial Management Act 1996*. The Committee has detected a

[9] *Effectiveness of Annual Reporting*, Auditor General Australian Capital Territory, Report of 4 March 2003, page 2.

dismissive attitude in the Department and the Related Agencies to complying with the Chief Minister's Directions, which is of concern. One minor example comes from the Kingston Foreshore Development Authority that told the Committee that '*The guidelines refer agencies to Best Practice Note 6.7 Hard Copy Publications. The notes apply to agencies to varying degrees depending on their type i.e. (1) Departments (2) statutory authorities, TOCS and other companies that compete with the private sector and (3) other statutory offices and authorities.*

Unlike other agencies, KFDA is not specifically defined but would arguably fall within Type 2 or Type 3. The notes state that such agencies "should in general" follow the requirements specified for departments. "Should" is defined as something that is strongly recommended but not mandatory.

This flexibility recognises that agencies with a commercial or business focus may wish to use their annual report for marketing and promotion where it is not more economical to publish promotional material separately.

The KFDA Annual Report formed an important part of the marketing strategy to promote to the private sector nationally the investment opportunities afforded by the project. As such opportunities included potential joint venture it was important to communicate the financial position of the KFDA, performance and the corporate strategies, including risk management implemented'[10].

3.11 While the KDFA is minor example, the Committee believe the attitude is of concern as it appears to be endemic throughout the Department and the Related Agencies. This needs to be addressed before the next Annual Reports are tabled. The Committee also feels that the Chief Minister's Directions would benefit from revision so that all ACT Government departments and agencies can be in no doubt as to what is acceptable for presentation and quality of content.

3.12 Also of concern to the Committee is the fact that the 2002-2003 Annual Reports do not reflect improvements suggested by the Auditor General in the report of 4 March 2003, '*Effectiveness of Annual Reporting*' or recommendations made by this Committee in its report *Inquiry into the Urban Services Portfolio 2001-2002 Annual and Financial Reports*, Report No. 12 February 2003.

3.13 The Committee finds the reports disappointing and feels that there is a great deal of work to be done to make the information presented meaningful in terms of overall effectiveness in program delivery, or economic value added or quality of life to the ACT community.

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[10] Appendix 5 See page 71 of the Committee's Report for these 2002-2003 Annual Reports.

<u>Recommendation 1</u>

The Committee recommends that the Department of Urban Services and the Related Agencies implement the recommendations made by the Standing Committee on Planning and Environment in its *'Inquiry into the Urban Services Portfolio 2001-2002 Annual and Financial Reports, Report No. 12 February 2003'*.

<u>Recommendation 2</u>

The Committee recommends that the Department of Urban Services and the Related Agencies show transparent linkages between annual reports, strategic planning processes and other reporting processes, so that it is readily apparent where these fit into the overall planning and operating environment context, and what impacts the implementation of subsequent policies are having.

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Vicki Dunne MLA
Chair Standing Committee on Planning and Environment
19 February 2004

Appendix 1: Acronyms

ACT	Australian Capital Territory
ACTPLA	Australian Capital Territory Planning and Land Authority
ACTION	Australian Capital Territory Internal Omnibus Network
AWA	Australian Workplace Agreement
CUPP	Canberra Urban Parks and Places
DAP	Development Appraisal Panel
DUS	Department of Urban Services
EBA	Enterprise Bargaining Agreement
GDA	Gungahlin Development Authority
GDE	Gungahlin Drive Extension
GPT	Gross Pollutant Traps
KFDA	Kingston Foreshore Development Authority
HR	Human Resource
IPAA	Institute of Public Administration Australia
LDA	Land Development Agency
MDA	Management Discussion Analysis
OH&S	Occupational Health and Safety
PALM	Planning and Land Management Group
QON	Question/s on Notice
RB	Retardation Basin
SoE	State of the Environment Report
WISE	Working in Safe Environments
WQCP	Water Quality Control Ponds
WSUD	Water Sensitive Urban Design

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES

Presentation and Quality of Reports

QoN 1. **The Chief Minister's Annual Reports Directions are issued under the *Annual Reports (Government Agencies) Act 1995*, stating clearly that annual reports are the principal way in which agencies account for management performance through Ministers to the ACT Legislative Assembly and the community. The Annual Reports are regarded primarily as accountability documents. Paragraph 4.14 (page 41) of the Auditor General's Report of March 2003 '*Effectiveness of Annual Reporting*' states that 'most members of the Legislative Assembly considered that agencies should be required to present balanced reports. They supported a 'warts and all approach'. The DUS Portfolio 2002-2003 Annual Reports are characterised by mostly 'good news' or lists of activities than might have been undertaken.**

1a. What is each of the agencies in the DUS portfolio doing about responding to the Auditor General's March 2003 report to revise the style of their reports to report good and bad news associated with their performance? Provide an answer for each department and agency in the DUS Portfolio.

ANSWER:

Urban Services considers that the 2002-03 Annual Report does present a balanced approach when reporting its performance. As required under the Chief Minister's Annual Reports Directions, the Report has a focus on achievement of objectives and results, and presents a comprehensive summary of the impact of the agency's activities during the year.

In terms of reporting under performance, the majority of Business Units report issues that impacted significantly on performance. In Volume 1 they are reported under the sub-heading Major Issues Encountered. In Volume Two the Notes Section included for each of the Outputs Performance Statements provides detailed explanations where performance targets have not been met.

1b.**The DUS Portfolio's Performance Measures are characterised by outputs and measures that are more in the nature of activities, not genuine outcomes or activities. As the Auditor general states in his March 2003 Report states that the measures reported for many 'activities are in fact the outputs or deliverables of the activities (page 59 paragraph 5.17). What is each**

department and agency in the DUS Portfolio doing to devise appropriate effectiveness performance measures that will allow for useful analysis and comparisons to be made to test real outcomes and impacts of activities/projects delivered or completed? Provide an answer for each department and agency in the DUS Portfolio.

ANSWER:

The Department reports against a comprehensive range of performance measures as part of its Statement of Performance as prescribed by the Financial Management Act (1996).

These performance measures are presented by output under the categories quantity, quality/effectiveness, timeliness and cost and can be found in Volume 2.

1c.The quality of presentation and content of the Annual Reports remains virtually unchanged from 2001-2002 Annual Reports. The reports are mostly a cut and paste from 2001-2002, with some of the content actually a direct repeat of what was there in 2001-2002. Page 5 of 2002-2003 Volume One shows 'departmental' misspelled. Why has the portfolio ignored the recommendations for improvement made in the Committee's Report No. 12 on the DUS Portfolio Annual Reports in February 2003? The answer to this question should be provided against each of the 2001-2002 Committee's recommendations.

ANSWER:

In 2001–02 Urban Services won the ACT Institute of Public Administration's ACT Government Annual Report Award for the second year running. IPAA provided the following reasons for their decision:

> *"The Department of Urban Services report again establishes an ACT benchmark for content, readability, information access and layout and reflects the knowledge and experience of the production team. This is a good example of how a simple, yet effective design and layout facilitates and enhances readability and content. It also gives a good sense of the Department's priorities and achievements."*

Given this feedback from the IPAA it was considered appropriate to maintain this award winning quality of presentation and content.

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

In the interests of consistency, content is repeated when responsibilities remain the same as the previous year, this is particularly the case when preparing the Introduction Section of Business Reports.

The Government responded to the five Standing Committee reports on the Annual and Financial Reports for 2001-02 in the Assembly in June 2003. In broad terms the Government's response and the Department's action in respect of each of the recommendations has been as follows:

Recommendations 1, 2, 3, and 4 Agreed;
Recommendation 5 Agreed in part; and
Recommendation 6 Not Agreed.

1d.Why does the Department repeat much of the text from Volume One of the Report in Volume Two of the Report under Management Discussion sections?

ANSWER:

The Strategies and Objectives paragraph in the Management Discussion and Analysis *section in Volume 2 is a summary (not a repeat) of the* Departmental Overview *in Volume 1. It provides the reader with contextual / background information if Volume 2 is read in isolation from Volume 1.*

Apart from the introductory paragraph in the MD&A on objectives, there is no overlap between Volume 1 and Volume 2.

1e.In each of DUS Portfolio agencies, what were the failures in performance in major program and activity areas? What were the reasons for the failures and what is being done to ensure improved performance in program/output delivery for the future? Provide a response for each department and agency in the portfolio.

ANSWER:

Refer to the response for Question 1a. Details are provided of achievements and major issues encountered during the year – refer Business Reports *Volume 1 page 27.*

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

Details of potential risks that may affect the future financial position of the Department are contained in the MD&A at Volume 2 page 11.
Detailed notes are also provided on all significant variances against the Department's Quantity, Quality, Timeliness and Cost Performance Measures – refer Volume 2.

<u>QoN 2</u> Some of the Program Management Structure has been changed from the 2001-2002 DUS report, as well as some of the performance measures. There appears to be no specific reference to these changes in the 2002-3003 report, although some of the function/organisation changes noted.

2a.What prompted these marginal changes to be made?

<u>ANSWER:</u>

Program Management Structure changes generally arise from changes to Administrative Arrangement Orders and are detailed in the Budget Papers.

2b.What improvements in the quality of managing the program areas has been evident through these changes, and in what way has it helped management to assess performance and effectiveness of the areas?
Examples of changes from 2001-2002 report include:

- **page 28 definition of Output 2.1**
- **page 32 definition of Output 6.1**
- **page 35 definition of Output 1.2**
- **page 42 definition of Output 1.4**
- **page 47 definition of Output 1.3**
- **page 58 definition of Output 3.2**
- **page 69 definition of Output 1.5 (words only slightly rearranged)**
- **page 74 definition of Output 4.2**

<u>ANSWER:</u>

Output descriptions are reviewed as part of the annual budgetary process along with performance measures and flow on effects from AAO changes. The intention is to maintain the output structure in a clear and legible format for both management and the recipient of the Annual Report and Budget Papers.

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

2c.Why are the Program Management elements not presented in numerical order in the report. For example, why does the report start with Output Class 2: Output 2.1, and not Output Class 1:Output 1.1?

ANSWER:

The report is presented in accordance with the various business units of the Department, although it is acknowledged that some of the program management elements may be then be out of sequence. However the linkages between the Business Reports and Outputs are clearly shown in the Business Reports *section of Volume 1 of the Annual Report.*

2d.Why are the statements of performance and financial statements not placed together and integrated with text for each program area?

ANSWER:

In the 2002-03 Annual Report – Volume 2 the Statement of Performance *is placed immediately after the financial statements. This is in line with directions from the Accounting Policy Manual 11.8.1.1 –*

> *"The Statement of Performance, and accompanying notes, should be included at the end of the Financial Statements, i.e. after the Notes to the Financial Statements."*

2e.The Program Management element sequence in Volume 2 of the DUS report follows a different sequence to Volume One of the report. What advantages does DUS intend to achieve by the mismatch of program sequencing in Volumes One and Two of the reports?

ANSWER:

In Volume 1 Outputs are grouped in relation to organisational structure and business units, with each Output Class located under responsible Business Group. Due to a number of Business Groups having multiple Outputs it would be somewhat confusing to place them in the same numerical order as in Volume 2 (eg. Policy Co-ordination has Outputs 2.1, 2.1, & 6.1)

It should be noted that each of the Output Class descriptions in Volume 1 has a cross-reference to Volume 2 to enable the reader to easily locate the relevant financial information.

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

<u>QoN 3</u> The 2001-2002 DUS Annual Report Future Directions often bear little resemblance to 2002-2003 outcomes/achievements.
Examples include:

- **the 2001-2002 planned 'upgrade to Gorman House Arts Centre' is not mentioned in the corresponding 'Achievements' section at page 32-33 in the 2002-2003 report. It is also not clear from the Performance Statement at page 115-117 whether this project was completed.**
- **The public art policy mentioned on page 9 of the 2001-2002 report does not have a corresponding statement in the 2002-2003 report.**

3a.What is the status of the Gorman House project, and what was the final cost including direct and indirect costs?

<u>ANSWER:</u>

The project has been completed. $0.160 million (allocated in the 2002-03 budget) was expended on this project.

3b. Is the Arts Facilities Strategy mentioned at page 32 of 2002-2003 report the same thing as the public art policy, and if not what is this strategy, and how much will it cost the ACT, and what is the status of the public art policy?

<u>ANSWER:</u>

The Arts Facilities Strategy is not the same thing as the Public Art Policy. The Arts Facilities Strategy is a framework for the planning, development and management of ACT Government owned arts facilities. It provides an indicative strategic direction only for arts facilities development. It does not commit to specific expenditure. All proposals will be subject to the normal capital works budget process.

Substantial research and preliminary consultation has been undertaken towards a public art policy and the Government will soon consider a discussion paper for expected release in the first half of 2004.

3c.Why do the reports not contain some kind of reconciliation between the future directions and the achievements, and explanations when such of the future directions as are not undertaken?

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

ANSWER:

It should be noted that the majority of issues identified in Business Units' Future Directions *in 2001-02 are addressed in the* Achievements *section for 2002-03. A number of Business Units have briefly explained non-achievement of* Future Directions *in the* Major Issues Encountered *section.*

The impact of the January 2003 Bushfires had a significant impact on the operating environments of a number of portfolio areas, particularly Environment ACT and ACT Forests. In some cases the priorities outlined in Future Directions were reassessed to meet more urgent demands required in the post-bushfire recovery program.

3d.What is status of the future directions lists included in the annual reports, i.e. have these been authorised or approved, has funding been allocated and approved, and if not on what basis are they included? Provide the Committee with details where the future directions are consistent with approved strategic plans or action plans or other strategic or planning documents.

ANSWER:

The majority of issues identified in the Future Directions section are priorities identified in portfolio Business Plans. Business Plans are regularly reviewed and amended to reflect changes in government policy or the current operating environment, which on occasion will impact on the capacity to achieve some of the outcomes identified in Future Directions.

QoN 4 The 'What We Do' section in Volume One of the DUS Report (page 7-8) is a random list of things not place in program element or output class order.

4a.What what is the intent of this section?

4b.What is the information and the figures supposed to indicate?

4c.Why is it presented in such a haphazard manner and how accurate are they supposed to be?

4d.Why do the figures not always tally with those presented in other places in the report for the same information and why, with the exception of those

functions which have been transferred out of DUS are some elements included and excluded year to year?

ANSWER:

The intention of the Section is to augment the Departmental Overview by providing a "snapshot" of the Department's responsibilities recognising that there are a number of different groups who read the annual report, including students with school projects and prospective job applicants. The Departmental overview section profiles, in a statistical sense, the wide variety of activities DUS undertakes. It is not meant to be an exhaustive list. It presents the scope of DUS services for those who may be unfamiliar with its operation. It is a "snapshot" and is not meant to reflect organisation or outputs structures with the information provided in summary and in some cases, figures have been approximated.

4e.What meaning did DUS want to give the reading public by the statement 'maintain the ACT's spatial information infrastructure for 140,000 parcels of land and the associated roads and topographic data'?

ANSWER:

That DUS is responsible for providing mapping information and services in the ACT and this spatial information infrastructure is essential to the conduct of many businesses in the ACT.

4f.Why did not the losses of the 18 January 2003 bushfires change the statement which was the same as that presented for 2001-2002 'manage more than 26,900 hectares of the ACT's forests of which 16,200 hectares is pine plantation? (page 7 Volume One of DUS Report)

ANSWER:

The areas given are the areas of land managed by ACT Forests and are accurate. Pine plantation is a category of land use according to the Territory Plan, and is an accurate description whether there are currently growing pine trees on the land or not. Prior to the fires through the 1980's and 1990's it has been normal to have between 500 and 1,500 ha unplanted at any one time but for consistency, all the land under the plantation land use categories have been included in each Annual Report.

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

4g.Why does the library 'what we do' section say 106,000 hours of Internet terminal use in public libraries when the performance measure has been deleted from the information at Output Class 1 Municipal Services, Output 1.5 Information and Libraries (page 94-95) Volume 2 DUS Report?

<u>**ANSWER:**</u>

The Section is not intended to mirror information contained in outputs reporting – again it provides the reader with summary information relating to one of the ACT Library Service's activities.

4h.Why are pages 83-86 separated from pages 14-26 of Volume One of the report?

<u>**ANSWER:**</u>

As required by the CMD Annual Reporting Guidelines, pages 14 – 26 relate to reporting of the structures and processes in place to implement the principles and objectives of Corporate Governance i.e. Internal Audit Arrangements, External Scrutiny, Senior Management Committees, Ethical Standards etc. Pages 83 –86 is the Business Report *of the Corporate Unit in Urban Services, a totally separate reporting requirement from Corporate Governance and hence reported separately.*

<u>***Chief Minister's Directions***</u>

<u>QoN 5</u>. On what basis do the Kingston Foreshore Development Authority (KFDA) and the Gungahlin Development Authority (GDA) choose to ignore the Chief Minister's Directions for the preparation of their Annual Reports?

5a.What is the total of direct and indirect costs of the production of each KFDA Annual Report since the establishment of the Authority? The costs should be broken down by cost element, for example, salary costs, consultants, preparation costs, printing costs etc?

5b.What is the total of direct and indirect costs of the production of each GDA Annual Report since the establishment of the Authority? The costs should be broken down by cost element, for example, salary costs, consultants, preparation costs, printing costs etc?

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

<u>**ANSWER:**</u>

The KFDA has not been part of the DUS portfolio. GDA was part of the DUS portfolio until 30 June 2003 but is no longer the responsibility of the Department. The question has been referred to the management of the new Land Development Agency.

<u>QoN 6</u> The Chief Minister's Directions called for recycled uncoated paper- the DUS Report, the ACTION Report, the KDFA Report and the has been printed on a shiny paper with a quality of print that smudges, as well as smudging occurring when written annotations are made.

<u>**ANSWER:**</u>

The paper is a matt white recycled stock and chosen for its reproduction quality with photographs and text. It avoids any problems with screen work becoming heavy and reversed text being unable to be read. Problems of marks being interpreted as dots, especially with financial pages, is also reduced. If sufficient pressure is exerted, smudging may occur, especially with the blue colour but only when first printed. The ink will harden over time. Annotations are similar because the matt paper will not absorb the ink as quickly as uncoated paper, but again, the ink will dry in time.

6a.Does this paper comply with the Chief Minister's requirements, and if not why was it chosen?

<u>**ANSWER:**</u>

The paper is a matt white recycled stock and does comply with the ACT Government Publication Standards for Hard Copy Publications outlined in Best Practice Note 6.7 that states ' Where high resolution is necessary, for example when photographs are used, matt coated papers maybe used'.

6b.What was the cost of printing on this paper compared with recycled uncoated paper as defined in the Chief Minister's Directions?

ANSWER:

The cost of this paper is $231 per thousand printer's sheets compared to $232 per thousand printer's sheets for uncoated recycled stock. A printer's sheet is equivalent to approximately 8 A4 sheets of paper.

Financial/Resource Planning

QoN 7

7a.How does the overall financial performance and outcomes for 2002-2003 place DUS to meet its short term and long term future financial obligations and proposed commitments? For example, 96.4% of DUS's total assets are compromised of property, plant and equipment, and the Department's infrastructure and other physical assets are aging, requiring replacement and more significant maintenance with the next 10 years.

ANSWER:

DUS applies the 'current ratio' to measure its ability to fund short-term obligations. The Department's current ratio of 1.3:1 for the 2002-03 financial year is a healthy indicator of its ability to meet short-term obligations as and when they fall due.

In respect of the Department's infrastructure and other physical assets the Department receives ongoing funding for repairs and maintenance and capital injection for new projects. Where additional funding is required for ageing infrastructure, this is considered as part of the annual budgetary process.

7b.Risk Management page 11 Volume Two-To what extent will revenue generated in the future be used to meet the cost of staff retirements to occur in the next ten years?

ANSWER:

Funding for the cost of staff retirements is dealt with primarily through the ACT Superannuation fund and with other expenses managed on an emerging needs basis from base budget allocations, other revenue sources and as part of the budget development process.

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

7c.Risk Management page 11 Volume Two-Capital Works-Given the risk expounded here, why isn't DUS, in concert with other ACT Government Agencies, looking to put together an annual five to ten year Capital Works Program for major and minor works that consolidates the works for across all Government agencies, so that the risk across Government is more easily identifiable, and priorities have a better chance of being identified?

<u>**ANSWER:**</u>

For the majority of the Department's capital works, ACT Roads produce a four-year rolling program. This program forms the foundation of bids which are funded annually through the budget development process. Depending on Government priorities and commitments, significant programs such as the Traffic Congestion Program have identified funding over the longer term.

7d.Operating Result page 12/page 25 Volume Two-DUS seems to sustain an operating deficit between $40,000.00 million to $49,694.00 million per annum. Why is this so? Does DUS deliberately plan for a deficit each year? What would have been the overall operating result without the bushfire variations?

<u>**ANSWER:**</u>

The Department's budget is determined on the basis that all expenditure is met from annual revenue, with the exception of depreciation and accrued expenses. Given that depreciation and accruals are not met by revenue, the department will continue to have a significant budgeted operating deficit unless offset by capital transfers or revaluations.

In 2002-03 the department achieved an operating surplus (before extraordinary items) of $8.1m compared to the amended budgeted deficit of $40.8m. The major reasons for this improved result include:

- *$29.9m higher than expected revenue in the form of infrastructure assets, including recognition of the Barton Highway a part of the Territory's infrastructure ($23.8m);*
- *a $10m reduction in depreciation expense, resulting from a review of the useful life of infrastructure assets;*
- *the transfer of ownership of the Totalcare Fyshwick Headquarters Building to the Department ($5.8m); and*
- *the capitalisation of bridge strengthening expenditure ($2.4m).*

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

The overall operating result without the bushfire variation was $8.1m. If the bushfire variations are taken into account the Department's operating surplus was $19.8m.

7e.Territorial Financial Position page 19 Volume Two-The Committee gets a feeling from the 2002-2003 Annual Report that overall liabilities and increasing while revenue is decreasing. Therefore what does the statement 'as the territorial activities mostly involve collection and transfer of revenue, it is not
meaningful to consider the short or long-term financial position' mean or imply?

ANSWER:

Territorial revenue is not Departmental revenue. It mainly comprises revenue collections from taxes, fees and fines and Commonwealth Grant funding. Any revenue collected is transferred to the Finance and Investments Group, Department of Treasury, resulting in total territorial revenues generally equalling total expenses (for the DUS Annual Report). That is, the Management Discussion and Analysis (MD&A) does not need to consider issues of liquidity relating to Territorial revenues and expenses.

The Statement of Revenues and Expenses on behalf of the Territory at page 36 shows that revenues and expenditures are equal for both the amended 2002-03 Budget and the Actual 2002-03 Result. The variance between the Amended Budget and the Actual Result figures is explained at page 18 of the MD&A.

7f.Depreciation and Amortisation of Non-current Assets page 50 Volume Two-How does the table on page 50 translate to DUS's risk management situation and strategic and financial planning for the future?

ANSWER:

The table on page 50 refers to the useful lives of assets when conducting routine maintenance. As discussed on page 11, significant additional funding for the refurbishment and upgrading of these assets is allocated on a priority basis. Priority is given to those assets that will provide the greatest strategic and financial benefit through an extended useful life.

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

<u>Transport</u>

<u>QoN 8</u> In the 'Significant Achievements' section of Volume One of the DUS Report (page 10) there is a statement that reads 'implemented bus industry and
taxi industry accreditation to ensure high standards of safety and customer service'. This is the same statement as made in the 2001-2002 report, so what was different about 2002-2003?
8a.Why is the statement simply the same as the 2001-2002 report?

<u>ANSWER:</u>

Legislation introducing bus accreditation was commenced on 1 December 2001. The legislation included a transitional period of 12 months during which bus operators were deemed to be accredited. Therefore, although the legislation commenced and the administrative processes were put in place in 2001-02, the processing of applications for accreditation, and the accrediting of bus operators, did not actually commence until 2002-03.

A similar situation occurred with taxi accreditation. Legislation introducing taxi accreditation was commenced on 1 March 2002 with a 12 month transitional period. The administrative arrangements for taxi accreditation were put in place during 2001-02. During 2002-03, the processing of applications for taxi accreditation, and the granting of accreditation, began in 2002-03.

8b.In the same section (page 10) there is a statement which reads 'recorded the lowest ACT road crash fatality and casualty rates in decades, resulting from greatly improved road safety measures. Why does DUS take the credit for this and what were the improved measures?

<u>ANSWER:</u>

DUS was the lead agency in developing the ACT Road Safety Strategy 2001-2005 and associated Action Plan(s). This framework encompasses a wide range of measures to improve road safety outcomes over the life of the strategy, and to lay the foundations for improvements in future years. DUS is primarily accountable for implementing most of the action items identified under this framework.

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

During the first two years of the Strategy, total annual road casualties in the ACT fell by 39% (from 661 in 2000 to 405 in 2002). This period coincided with the introduction or expansion of several major road safety initiatives, including:

- *implementation of trial 50 km/h speed limits in residential areas;*
- *·expansion of the Road Ready Learner Licence program for new drivers and introduction of the Road Ready Plus education program for provisional drivers;*
- *·extension of the fixed Red Light/Speed Camera program (from one to nine sites); and*
- *·extension of the mobile Speed Camera program (from 28 declared roads to 52 declared roads).*

It is difficult to precisely quantify the impacts of road safety interventions, particularly given the lag between the introduction of a measure and its effect on casualty numbers. However, the success of the initiatives described above is broadly reflected in a range of indicators, including the findings of external evaluation studies (50 km/h speed limits; red light and speed camera program), trends in traffic infringements and feedback from stakeholder organisations.

<u>QoN 9</u> **In the achievements listed for Output Class 2 at page 28-29 Volume 1 DUS report, a statement reads 'developed a program of reforms and associated legislation for the taxi and hire car industries to bring confidence, stability and certainty to the industry'. The performance information at page 97 Note 9 records that 'the result is below target mainly due to a delay in implementing accreditation arrangements for buses and taxis, and the accommodation refurbishment to cater for accreditation inquiries and payments has been scheduled for at Macarthur House 2003-2004'.**

9a.Why does the performance statement contradict the achievement text in Volume One?

9b.What caused the delay in implementation?

<u>ANSWER:</u>

The statements are not contradictory. The bus and taxi industry accreditation program was implemented during the financial year, however due to the delay in providing suitable facilities at Macarthur House, the budgeted target was not achieved.

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

QoN 10 With regard to the introduction of pay parking in Belconnen and Tuggeranong Town Centres and the review of the motor vehicle inspection, what were the original cost targets of each of the projects? What is the estimated final cost of each of the projects. Costs to be presented to the Committee broken down into staff costs, cost of consultants, material and construction costs, all other associated costs.

ANSWER:

Pay parking

The original cost estimate in the 2002-03 Budget were:

Capital Injection	*$1.120m (one-off)*
Expenses	*$0.288m (part year 2002-03)*
	$0.645m (in a full year2003-04)

The Capital costs were estimates for the planning, purchase and installation of machines. The recurrent costs cover the operational costs for ACT Parking Operations in managing the additional areas of pay parking.

A tender was issued for the purchase of ticket machines and this exceeded the original estimates. The contract price for the purchase of ticket machines was $1.29 million as a result of the further definition of public versus private car parks and stakeholder consultations.

In addition, a separate civil works contract was undertaken to upgrade various aspects of the car parks (including line markings, signage, "Three for Free" facilities and associated infrastructure, etc.) as well as physical installation of the machines. The contract was funded from the capital works program and together with associated supervision costs amounted to $0.995 million.

Pay parking was implemented in the Belconnen Town Centre on 19 January 2004. Pay parking is scheduled to be implemented in the Tuggeranong Town Centre in March 2004. Recurrent expenditure details are not yet available. Due to the delay in commencing pay parking, recurrent expenditure will be substantially less than budget for 2003-04.

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

Review of Motor Vehicle Inspections

The Minister agreed that this review would be undertaken internally, using existing DUS resources. No additional funds were budgeted for this project.

Infrastructure

QoN 11 In the 'Significant Achievements' section of Volume One of the DUS Report (page 10) there is a statement that reads 'completed major refurbishments to the Belconnen shop front, Dickson Motor Vehicle Registry, Erindale Library, Hobart Place in Civic and the Jamison, Mawson (Southlands) and Kambah Village shopping centres'. During the 2003 the Standing Committee on Planning and Environment completed its report on Draft Variation No 202 on the Jamison Centre Master Plan. To date there appears to have been no implementation of that Master Plan or associated any refurbishment at the Jamison Centre.

11a.Please provide details of the work undertaken at the Jamison Centre referred to in the Annual Report, including the nature of the work, the cost of the work, and who undertook the work.

ANSWER:

Refurbishment works to Jamison Shopping Centre are complete, and have achieved an upgrade to access, safety and visual amenity of the Centre. Works included replacement of selected pedestrian pavements and steps, installation of new street furniture, lighting and trees, installation of overhead shelters to building entrances and bus shelter, a new pedestrian cross-over at Bowman Street and incorporation of artworks into selected furnishings and structures. The cost of construction works was $0.805 million. The contract was undertaken by Urban Contractors Pty Ltd.

Internal Audit Arrangements

QoN 12 The Committee has gleaned from the portfolio reports that $503,885.00 was spent on consultants and contractors to undertake Internal Audit Programs during 2002-2003. This is a 12% increase in expenditure from 2001-2002, even with the housing function having been transferred out of the portfolio. The figure excludes any costs for internal audit consultants/contractors that might

have been paid from ACTION, Canberra Cemeteries, KDFA, GDA, Cultural Facilities Corporation, Office of the Commissioner of the Environment.

The audit scope of the Auditor general does not include an assessment of the relevance or appropriateness of the reported measures for evaluating the effectiveness or efficiency of the DUS portfolio, and from what the Committee can gather, neither does DUS.

12a.Why has there been a 12% increase in expenditure, and what does it comprise?

<u>ANSWER:</u>

Figures extracted from the DUS Annual Reports for 2001-02 and 2002-03 reveal that the costs of the Department's Internal Audit Programs were:

2001-02	*$438,344*
2002-03	*$448,293*

i.e. a variance of $9,949 or 2%.

The variance is statistically insignificant and represents on an accrual basis the level of expenditure on internal audit services over the two years.

The Auditor-General's Report No 4 2002 into Frameworks for Internal Auditing in Territory Agencies reported that the Department's expenditure on internal audit was within the mid range of expenditures by Territory agencies.

12b.What difference in the quality of:

- **Operations and service delivery, streamlining in procedures and processes;**
- **decision making, policy making, management improvements;**
- **efficiencies in financial and resource management,**
- **has the internal audit program made?**

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

ANSWER:

The audit reports and recommendations are subject to scrutiny by the Audit Committee and implementation by DUS business units. The reports are an extremely useful mechanism to provide an early warning about areas requiring important actions, including all the dot points listed in the question. The Auditor-General's Report No 4 2002 into Frameworks for Internal Auditing in Territory Agencies reported that "the Audit's detailed assessments of the internal audit framework overall provided a general confirmation of the views expressed by the chief executive" that "he was satisfied with the assistance provided by the department's internal audit function and the tangible benefits it provides" and "that the framework was sufficient in his opinion to effectively assist governance of the agency".

12c.To what extent have the recommendations from internal audit reports been made?

ANSWER:

Between September 2002 and September 2003 40 audits were completed and presented to the Audit Committee encompassing 237 specific recommendations.

12d.What was implemented?

ANSWER:

Implementation of recommendations is monitored through follow up audits and six-monthly reports to the Audit Committee on recommendations outstanding.

Audit reports remain on the follow up list until all recommendations are implemented. The Audit Committee procedures require a detailed report where a business unit does not agree to implement a recommendation or proposes an alternative approach. Depending upon the response and Audit Committee's consideration of the report the Chairperson of the Audit Committee could in turn raise the matter with the Chief Executive.

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

12e.What was not implemented and why?

<u>**ANSWER:**</u>

The implementation of audit recommendations is ongoing. No recommendations have been referred as yet to the Chief Executive as a result of non-implementation or the nomination of an unsatisfactory alternative approach.

12f. There are 18 Senior Management Committees with some 180 members in total, identified as playing important roles in the management of the portfolio. What value is gained from the work of these Committees, and how is the effectiveness of each of the Committees assessed as integral to better management outcomes?

<u>**ANSWER:**</u>

The Department is highly diverse, combining policy, regulatory and service functions over a broad spectrum. It operates as a 'federation of businesses', but with the aim of producing integrated outcomes through internal collaboration and co-operation, working with and for the community, and influencing whole-of-government, regional and national policy development. In other words, the Department does not operate in silos but as a mature organisation with a sound management culture. This inevitably relies on mechanisms such as committees to enable the Department's various parts to communicate effectively with each other and work co-operatively to produce the best possible outcomes for the ACT community. As with all committees, effectiveness is difficult to measure objectively. The effectiveness of each of the Committees might best be assessed by envisaging its absence, thus, for instance, without a Board of Management, decisions that affect the entire Department might be made unilaterally in the absence of debate, testing and collaboration. The absence of an Audit Committee might see the abdication of responsibility by executives for whole-of-department governance and risk management. The absence of a HR Board would see HR decisions being made by Corporate without input from or assured recognition of the needs of the disparate groups of the department. It is also noted that the actual number of members is much lower than 180 because key senior staff are on more than one committee. A number of committees also have external members.

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

City Management

QoN 13 Roads Page 35 Volume One

13a. How many kilometres of road pavement/asphalt does the 230,000 square metres and the 33,000 square metres respectively equate to? Why is this expressed in square metres and not equivalent kilometres so that it is more meaningful to the average reader?

ANSWER:

Approximate comparisons: 230,000 square meters = 32.4km. 33,000 square metres = 4.6km. All work for both asphalt overlays and reseals are measured in the field as square metres. As well as full road widths of varying sizes this work also includes irregular shapes such as lane tapers, intersections, single lanes or part lane width patches. The total area can be expressed as notional lane kilometres by dividing the area by the average width of a lane.

13b. The medium for the same reporting at page 86-87 in the Statement of Performance uses a combination of lane kilometres and square metres. Why is there no consistency of reporting between Volume One and Volume Two, and what how do the figures in Volume One relate to Volume Two?

ANSWER:

The results in Volume Two have been derived by assigning the areas of reseal and asphalt overlay between Municipal and Territorial class roads and then dividing by the average width of the relevant class of road.

QoN 14 Roads page 37 Volume One- the future directions section of the 2001-2002 report mentions the implementation of 'Water Sensitive Urban Design into development and redevelopment in the ACT' (page 16 2001-2002 DUS Annual Report). This has not been mentioned in the achievements section in the 2002-2003 Annual Report. What happened to this initiative; why wasn't it referred to in the 2002-2003 report? if it was implemented what are the details of the initiative, where was it implemented, what benefits did the community derive, and what was the full cost of its implementation.

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

ANSWER:

No particular reference to the implementation of Water Sensitive Urban Design (WSUD) initiatives was made in the 2002-03 Annual Report since such initiatives have been implemented on an ongoing basis.

The typical WSUD initiatives implemented are provision of

- *Water Quality Control Ponds (WQCP);*
- *Retardation Basins (RB);*
- *Gross Pollutant Traps (GPT) in the new sub divisions and in augmentation works associated with redevelopment projects; and*
- *provision of swale drains in the medians and shoulders of major arterial roads.*

Some examples of such initiatives are,

- *ponds in Conder 4 development;*
- *consideration of ponds in the design of East O'Malley and Amaroo Infrastructure Stage 3 developments and major road projects such as Flemington Road and Gungahlin Drive Extension (GDE), William Slim Drive and Barton Hwy; and*
- *Swale drains have been constructed on William Hovell Drive duplication from Bindubi Street to Coulter Drive and are being considered in the GDE design underway at present.*

The swale drains help to reduce stormwater runoff and improve its quality. The WQCPs and the RBs help to detain the stormwater runoff, improves its quality and have a high recreation value to the community.

QoN 15 Roads page 86-87 Volume Two-Using the figures at pages 86-87 Volume Two, the Roads Output Class expenditure was somewhat less than the original targeted expenditure. Were the savings offset against another program element area, and if so, where and why?

ANSWER:

The primary reason for the variance relates to Depreciation due to a reassessment of the condition of streetlight and driveway assets being past their estimated useful life.

- *The original estimated useful life for streetlights (30 years) and driveways (40 years) is too short for these assets. According to the streetlight engineer, concrete & steel columns should have 60-70 years of useful life with normal wear and tear, excluding damage or being otherwise destroyed by accident.*

- *As at 1st July 2002 the accumulated depreciation for Streetlights and Driveways was 88%and 66% respectively. The 2002-03 depreciation has been calculated on the written down value of the assets on the assumption that they will now have 40 years (Streetlights) and 50 years (Driveways) useful life.*

- *Streetlight assets are scheduled for revaluation in the 2003/04 financial year. The estimated useful life and accumulated depreciation will be adjusted to reflect the actual status of the assets at this time.*

- *All infrastructure assets are required to be maintained in a reasonable working condition so as to satisfy the public health and safety standards. Roads ACT has asset maintenance programs in place to identify assets that may require maintenance or replacement.*

QoN 16 Roads page 86-87 Volume Two-

16a. Why was there an overrun of five months to complete the revised traffic light maintenance arrangements?

ANSWER:

The contract for the Traffic Signal Maintenance was let on 3 March 2003 and the delay was due to an error detected in the spreadsheet provided as part of the Request For Tender document that was aimed at assisting the tenderers to calculate the annual costs of maintenance. This resulted in the need to revise the spreadsheet to accurately workout the annual costs and to reach an agreement on the contract price with the only tenderer Ecowise Services (Aust) Pty.Ltd.

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

16b. What implications does that have for any similar program in 2003-2004?

ANSWER:

The rectification of the error in the spreadsheet will help to work out the annual maintenance cost accurately and the delayed commencement of this contract does not have any impact on the Traffic Signal Maintenance program in 2003-04.

16c. What was the total cost of implementing the revised traffic maintenance arrangements?

ANSWER:

The estimated cost of the Traffic Signal Maintenance contract is $0.585 million per annum. This is a three-year contract with provision for two, one-year extensions if deemed necessary.

16d. On what basis and authority were the savings from the traffic light operations transferred to Traffic Minor New Works. How has this affected the traffic light operations program and what are the implications for 2003-2004?

ANSWER:

One aspect of traffic signal maintenance relates to the repair of damage to signal equipment caused by motor vehicle crashes. It is difficult to predict accurately and this year the costs associated with this work were particularly lower than average.

Similarly, Minor New Works projects are initiated in response to customer enquiries and requests. The number of requests and extent of work required is also difficult to predict. In 2002-03, costs associated with MNW were higher than average.

Funds were transferred between projects under the authority of Treasury Guidelines which stipulate the following:

> *Chief Executives can authorise the following variations to individual capital works projects during the year:*

- *up to 3% variation in the individual project cost for works under $1.0m; and*

- *up to 1% variation in the individual project cost for works of $1.0m and above.*

Additionally, Chief Executives have the capacity to vary the minor new works within a particular business unit's program. These variations again need to be accommodated within the Department's authorisation and financing limits.

Variations exceeding the above, but representing less than 10% of the total project cost, require written agreement from Treasury.

Variations greater than 10% of the total project cost require Ministerial agreement with the Treasurer.

Unless authorised by the Treasurer, increases in project costs will only be approved where the increase sought is offset by real savings in the Department's overall program. Deferral of proposals into a future year is not seen as a genuine saving to cover additional costs.

QoN 17 ACT Forests page 39 Volume One- How accurate is the description in the Introduction given the ACT Forests was under review at the time of writing and publishing the 2002-2003 Annual Report?

ANSWER:

The description in the introduction is accurate for the 30 June 2003 Report, showing that the future is/was under review. ACT Forests continued to undertake all of the listed activities while the review was underway.

QoN 18 ACT Forests page 39 Volume Two-The description used in Output Class 1.1 Forestry Services is the same as that shown in the 2001-2002 Annual Report. How accurate are the figures of 26,900 hectares of land, and 16,200 hectares of commercial pine plantations? With the aftermath of the bush fires why are these figures being shown to be the same as those for 2001-2002?

ANSWER:

The description appears on page 161 Volume Two. The areas given are the areas of land managed by ACT Forests and are accurate. Pine plantation is a category of land use *according to the Territory Plan, and is an accurate description whether there are currently growing pine trees on the land or not.*

QoN 19 ACT Forests page 121 Volume Two-The real story about the ACT Forests for 2002-2003 is found at page 121 in Volume Two-therefore why did DUS choose to what could be almost described as misleading the public with the text in Volume One at page 39?

ANSWER:

Page 121 of Volume Two is the Management Discussion and Analysis that accompanies the financial statements for ACT Forests. Page 39 Volume One is a description of the output class from the budget papers and is an accurate description of the responsibilities of ACT Forests. Both the Business Report and the MD&A draw attention to the fact that the long term commercial future of ACT Forests was under review as at 30 June 2003 as a result of the January 2003 bushfires.

19a. ACT Forests page 122 Volume Two- Volume Two says that '68,000 tonnes of burnt sawlog worth $1.58 million was salvaged in 2002-2003'. Page 40 at Volume One says 60,000 tonnes was salvaged- why is there a discrepancy in these figures and what was the accurate figure?

ANSWER:

Page 40 Volume One refers to approximately 60,000 tonnes, whereas page 122 Volume Two refers to 68,000 tonnes which is the accurate figure.

Canberra Urban Parks and Places

QoN 20 page 42 Volume One- the 'Introduction' section is exactly the same as that for the 2001-2002 report. Since the definition for this output class has change marginally from 2001-2002, what assurance does the Committee and the public have that the introduction is accurate and relevant?

ANSWER:

Both the definition of this Output and the associated Introduction for 2002-03 have changed to reflect changes in administrative arrangements, in particular the incorporation into the Output of Domestic Animal Services as well as public use management services in forest reserves.

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

ACT NOWaste

QoN 21 The Committee requires a detailed explanation of the following:

21a. At page 19 of the 2001-2002 Annual Report, it is foreshadowed that an Asset Management Strategy will be implemented. The 2002-2003 Annual Report (page 47-48) makes no mention of whether this was achieved or not. Was this completed, and if it was, how was has been made of it as a management tool, and how valuable a management tool is it rated?

ANSWER:

ACT NOWaste finalised the development of the Asset Management Strategy/System in July 2003. The scope of the initiative included the development of an Asset Strategy, Framework, individual Asset Plans and an electronic Asset Register.

The Asset Management system is an essential tool to facilitate strategic alignment and whole-of-life asset management for the Territory's waste related assets. The Asset Management System is considered to be extremely valuable as a management tool.

21b. What was the cost of developing and implementing this Strategy?

ANSWER:

The total cost for the development of the Asset Strategy was $0.032 million, with the implementation of the strategy being driven by ACT NOWaste staff on an ongoing basis.

21c. The 2001-2002 Annual Report at page 19 foreshadows that DUS would 'finalise the review of the No Waste Strategy and determine the next series of programs in the Strategy'. The 2002-2003 Annual report (page 48) indicated that a review of the No Waste Strategy was commenced 'for further development of the strategy and an implementation program for 2003-2006'.

- **Why was the review not completed and what implications does its not having been completed have on DUS achieving its targets for 2003-2004 and beyond?**
- **When does DUS intend to complete the review, and is this intended to be an annual review?**
- **What was/will be the full cost of this review and the planned cost of implementing it.**

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

- **How will DUS know when it has been implemented and if the strategies were effective?**

ANSWER:

The Review of the No Waste Strategy was conducted by the Department of Urban Services as an internal review of progress against the "Next Steps in the No Waste Strategy" *programs, implemented between 2000 and 2002. This review was completed in September 2003 and is currently being considered by the Government. As the review was internal no additional costs were incurred.*

Tenders

QoN 22 In the period of the reports:

How many tenders were let by each of the work areas of the Department (i.e. Roads ACT, No Waste, Stormwater, Land, PALM, CUPP)?

ANSWER:

ACT NOWaste	***19***
Canberra Urban Parks & Places	***46***
Roads ACT (Including Stormwater)	***37***
Policy	***2***
Corporate	***2***
Customer Services and Information	***20***
CityScape Services	***2***
Yarralumla Nursery	***1***

QoN 23 For those tenders, how many required the tenderers to be prequalified?

ANSWER:

ACT NOWaste	***2***
Canberra Urban Parks & Places	***23***
Roads ACT (Including Stormwater)	***37***
Policy	***Nil***
Corporate	***Nil***

Customer Services and Information	***Nil***
CityScape Services	***Nil***
Yarralumla Nursery	***Nil***

<u>QoN 24</u> For tenders where the tenderers needed to be prequalified, how many tenders were awarded to the tenderer offering the best price?

<u>ANSWER:</u>

ACT NOWaste	***2***
Canberra Urban Parks & Places	***23***
Roads ACT (Including Stormwater)	***37***
Policy	***Nil***
Corporate	***Nil***
Customer Services and Information	***Nil***
CityScape Services	***Nil***
Yarralumla Nursery	***Nil***

All tenders are awarded on the basis of best value for money (best price).

<u>QoN 25</u> If the tender was not awarded to the tenderer offering the best price, in each case:

a. **why was the tender awarded other than on price; and**
b. **what criteria were used to determine who should be the successful tenderer?**

<u>ANSWER:</u>

Not Applicable.

<u>No Waste</u>

<u>QoN 26</u> Fees for extra recycling bins

Why does the Government levy a fee of $44.80 on householders who obtain an additional recycling bin?

ANSWER:

The charge of $44.80 for the additional recycling service covers the costs payable under the kerbside collection contract for the provision of additional services.

QoN 27 Does the $44.80 cover the cost of;

a. **the extra bin**
b. **the cost of collection of the contents of the extra bin?**

ANSWER:

Yes, the charge covers the cost of the additional bin and collection service.

QoN 28 Does the Minister consider the charge to:

c. **be a disincentive for people to recycle**
d. **discriminate against large households?**

ANSWER:

The charge is not considered to be a disincentive as, in keeping with the No Waste 2010 Strategy, the cost of the additional recycling service is less than the cost of an additional garbage service ($73.15 per year). To further encourage recycling, other recycling services are provided that are both accessible and where possible, free-of-charge to the general community. In addition to the kerbside services, free drop-off facilities are provided at the Mugga Lane landfill, the Mitchell Resource Management Centre and at the Parkwood Road Recycling Estate for materials such as paper/cardboard, containers, paint, motor oil and batteries. Paper/cardboard and container recycling services are also available at the various regional recycling centres.

QoN 29 Will the Minister remove the fee?

ANSWER:

No. The charges for additional services are based on a cost-recovery and user-pays system. It would not be fair or equitable for the general community to subsidise larger waste generators.

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

Putrescible Waste

QoN 30 In the ACT how much of the waste stream is putrescible waste?

ANSWER:

Around 20% of the total waste stream in ACT is putrescible.

QoN 31 What progress has the Minister made in determining a method for dealing with putrescible waste in the ACT?

ANSWER:

In 2001, Expressions Of Interest (EOI) were called to identify various technologies that were available and suitable to reprocess the mixed residual waste stream for the ACT. The EOI process identified a number of emerging technologies but at that time none were considered suitable for the ACT due to deficiencies in the resulting products or economic viability of these technologies. Alternative waste technologies in Australia and overseas continue to be monitored for effectiveness of recovery and suitability for the ACT.

QoN 32 What steps has the Minister taken to determine a method for dealing with putrescible waste in the ACT?

ANSWER:

In 2001, Expressions Of Interest (EOI) were called to identify various combinations of technologies that were available and suitable to reprocess the mixed residual waste stream for the ACT. The EOI process identified various combinations of technologies available including a range of biological treatments from composting to anaerobic digestion, as well as a range of thermal treatments to generate green energy involving pyrolysis and gasification.

A technology using a combination of mechanical, biological and thermal treatments could potentially be used to process the mixed residual waste stream. However, at the time of the EOI process many of the technologies were not fully commercialised and the process of selecting the most suitable technology for the ACT was delayed until such time as the technologies have a more proven track record. At the time, some of the technologies were already operating within Australia to a limited extent.

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

Since that time some technologies have been further developed and others have been established. This has improved the commercial viability and technical feasibility of some of the technologies. During 2003, tours were conducted of available technologies in NSW to assess their suitability for the ACT. This recent monitoring of developments suggests that a number of technical deficiencies still exist with many of the current waste reprocessing plants in Australia and overseas. Of particular concern is the marketability of products recovered from these facilities because of problems with contamination. Alternative waste technologies in Australia and overseas will continue to be monitored for effectiveness of recovery and suitability for the ACT

<u>QoN 33</u> What has delayed the introduction of a putrescible waste system for the ACT?

<u>ANSWER:</u>

Given the above, as well as the significant investment and the expected long term operating contracts required with these technologies, it is important that the decision to select a technology is only made when there is confidence that the technologies are proven. Committing too early to a technology that isn't capable of achieving No Waste would be imprudent.

<u>QoN 34</u> When will the Minister introduce a putrescible waste system for the ACT?

<u>ANSWER:</u>

Progress of national and international technologies will continue to be monitored and a decision will be made when a suitable technology is proven and able to provide appropriate outcomes for the ACT.

<u>William Hovell Drive Duplication</u>

<u>QoN 35</u> What was the budgeted cost of the project?

<u>ANSWER:</u>

The budgeted cost of the project was $7.0 million

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

QoN 36 What was the final cost of the project?

ANSWER:

The cost of the project to the end of December 2003 was $6.897 million. Although the project was physically completed in December 2003, final payments have yet to be made and it is not expected that the final payments will exceed the budgeted cost.

QoN 37 Why are their places where it is still single lane for through traffic?

ANSWER:

The project was designed primarily to reduce the traffic congestion on William Hovell Drive between Coulter Drive and Bindubi Street. The duplication of single lanes in other areas was considered in the design process but was not cost effective. The two City bound lanes on William Hovell Drive converge into one lane to allow the Coulter Drive traffic to efficiently merge onto William Hovell Drive. The two west bound lanes on William Hovell Drive converge into one lane after Coppins Crossing Road as traffic volumes do not warrant duplication.

QoN 38 Why was the upgraded piece of road not entirely resurfaced?

ANSWER:

An assessment of the road surface indicated that a total rehabilitation was not warranted at the time of duplication. Resurfacing of existing pavement is subject to normal programmed maintenance and will be undertaken at the appropriate time.

Corporate

QoN 39 page 84 of Volume One-What is the relationship between the achievement ' uniform business planning guidelines to improve consistency in the Department's business planning processes and provide guidance for managers' and the future direction mentioned at page 67 of the 2001-2002 report, the Business Rules Project?

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

39a.If these are two separate projects, what has happened to the Business Rules Project? If it has been completed and implemented, what difference in the quality of management and processes has it made in DUS.

39b.What was the cost of developing and implementing the business planning guidelines and the Business Rules Project respectively?

ANSWER:

The development of uniform business planning guidelines was one of many outcomes of the Business Rules project. The Business Rules Project has been formally completed, with continuing work integrated back into the normal activities of the department. The areas of activity covered were wide ranging including finance, human resources, planning, communication, information technology and asset management. Benefits include:

- *More consistency in practices;*
- *More guideline material leading to better practices and decision making; and*
- *Better communication and access to guidelines, resulting in less time searching for information and lower risk that rules will not be followed.*

The Business Rules project, including the development of uniform business planning guidelines, was undertaken by groups of Urban Services staff. Consequently there is no separately identified cost for the overall project.

Community Engagement

QoN 40 page 88 Volume One - What prompted the change of this section title from Customer Service (2001-2002) to Community Engagement? What impact on the reputation of DUS as a service deliverer does DUS expect it might have? What difference is expected from DUS staff toward their view of DUS as a well-managed organisation?

ANSWER:

The change in the section title reflects a change as required under the 2003 CMD Annual Reporting Guidelines to report customer service issues (e.g. community consultation, service delivery improvements, complaint procedures) under a new heading "Community Engagement" – the title change will not have any impact on the *customer service focus of DUS and similarly should not have any effect on staff perceptions of DUS "as a well-managed organisation".*

Aboriginal and Torres Strait Islander Reporting

QoN 41 page 91 Volume One- In terms of significant activities, two listed are the same as presented for 2001-2002, namely 'assisted in identifying, preserving and celebrating the Indigenous heritage of the region; and undertook environmental initiatives which take into account Aboriginal issues'. Are these
two activities regarding as an ongoing part of the work of DUS, or have they been included here because they were there lasted year?

ANSWER:

These activities are regarded as part of the ongoing work of the Department and thus it is appropriate to include them in the report for each year.

41a.What were the specific achievements from these two 'significant activities', and what expenditure was attached to each respectively.

ANSWER:
The specific achievements relating to these activities are detailed on pages 92 and 93 of Volume One. The costs relating to each item listed are as follows:

• *bushfire recovery*	*$94,000*
• *rock art conservation*	*works to the value of $60,000 have been commissioned.*
• *Heritage Festival*	*It is not possible to separately identify costs of Aboriginal heritage elements from the overall cost of the Heritage Festival*
• *Heritage Grants*	*$9,636*
• *Aboriginal Heritage Interpretation Officer*	*approximately $75,000*
• *Boards and Committees*	*approximately $40,000*
• *Trainee positions*	*approximately $120,000*

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

41b.What improvements/benefits have the Aboriginal community regarded as having been provided by the achievements of each of the five 'significant activities' recorded in the 2002-2003 report?

<u>ANSWER:</u>

It is not appropriate to speak on behalf of the Aboriginal community but it is know that the Aboriginal community has supported the activities undertaken during 2002-03 and has been actively involved in the Bushfire recovery work. The activities have raised awareness in the community of the significant Aboriginal heritage of the ACT region and publicly recognised that heritage through the activities undertaken. Participation

in the work of the boards and committees and in the trainee programs has allowed members of the Ngunnawal community to develop new skills and thus enhance their employment and career prospects. Their engagement in the bushfire recovery process, particularly through the use of their cultural knowledge to identify additional Aboriginal Heritage sites in the fire affected areas, has been of significant benefit to the ACT and has reinforced the importance of their heritage to the region.

<u>*Staffing Profile*</u>

<u>QoN 42</u> **page 102 Volume One: Why has DUS not recruited any Trainees over the past two financial years?**

<u>ANSWER:</u>

Urban Services has recruited 3 trainee Rangers plus Apprentices and Graduate Administrative Assistants over the pas two years. These appear in the relevant lines in the Staffing Profile *table at page 102, Volume 1.*

42a.Does the figure of 1390.4 exclude the housing staff transferred out of the portfolio?

<u>ANSWER:</u>

Yes.

42b.Does the DUS portfolio expect to achieve any staff savings following the integration of the KFDA and GDA into ACTPLA?

ANSWER:

DUS staff numbers have reduced as a result of the establishment of the ACT Planning and Land Authority and the Land Development Agency, but the reductions will reflect the staff transferred to the new agencies rather than positions saved.

Australian Workplace Agreements

QoN 43 page 103 Volume One-As at 19 June 2002 there were 71 employees covered by Australian Workplace Agreements (AWAs). As at 30 June 2003 there were 46 employees covered by Australian Workplace Agreements. This is a reduction of 25 over twelve months. What is the explanation for this result?
Is it related to the fact that most of these AWAs were in the housing area? If this is the case, which program elements of DUS are using AWAs.

ANSWER:

The reduction in the number of AWAs was primarily as a result of the transfer of the Housing function from Urban Services. AWAs are not used extensively within Urban Services, however there were nineteen in the Customer Services and Information Group, mostly executed in Canberra Connect when it was part of the Chief Minister's Department. Other Groups have between one and six AWA's.

Workers' Compensation

QoN 44 page 104 Volume One-The number of open claims in DUS decreased to 145 from 174 in the previous year, whereas the number of workers' compensation claims increased to 66 from 52 in 2001-2002. The number of open claims (145) represents 10% of DUS staff, while the number of workers' compensation claims (66) represents 4 3% of staff.

44a.How does DUS view this based on the 1503 staff it has employed- it this an acceptable management outcome?

44b.What strategies does DUS actively implemented to prevent OH&S injury?

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

44c.Do these figures exclude staff housing transferred from DUS during 2002-2003?

ANSWER:

Urban Services is committed to the provision of a safe and healthy workplace. The Urban Services Occupational Health and Safety (OH&S) Policy has the goal of "No Injuries".

The increase in compensation claims in 2002-03 is considered to be partly as a result of increased activity in OH&S during the year with the development of the OH&S Management System (Working in Safe Environments – WISE). This raised the awareness of health and safety issues and led to a higher level of minor accidents and injury reporting. The minor nature of those claims is reflected in the reductions in time lost and average claim costs.

The development and implementation of WISE is a clear demonstration of Urban Services' commitment to a safe and healthy workplace. WISE was implemented in October 2002. The system aims to provide the Department with the structure, procedures and processes to enable it to achieve its goal of "no injuries" and to continuously improve its performance. Injury prevention and management strategies are promoted extensively across the Department and if an incident or injury occurs, early intervention processes are promptly activated.

Other OH&S and injury management strategies recently implemented include the:

- *Development of the OH&S Strategic plan in 2002 – 2003;*
- *Development of the OH&S Intranet site;*
- *Development and promulgation of comprehensive OH&S policies and procedures;*
- *Establishment of the OH&S Committee/Network for Urban Services;*
- *Development and implementation of an OH&S induction program; and*
- *Implementation of risk management training program for designated risk managers in business units.*

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

Learning and Development

QoN 45 Performance Management page 106 Volume One- As at end 2002, DUS recorded 65% of employees with a Performance Agreement in place. The 2002-2003 Annual Report records 'approximately 33 % of Urban Services employees had a Performance Management Plan in place. What is the explanation for this nearly 50% decrease?

ANSWER:

Urban Services revised its performance management arrangements during 2002-03, leading to the development of a more rigorous process. Compliance with the new process was more difficult to demonstrate so claimed participation rates declined. Training in the new scheme is being made available to staff to promote understanding and use of the scheme to achieve a significant increase in participation during 2004.

Tenders

QoN 46 In the period of the reports:

2. **How many tenders were let by each of the work areas of the Department (ie Roads ACT, No Waste, Stormwater, Land, PALM, CUPP)?**
3. **For those tenders, how many required the tenderers to be prequalified?**
4. **For tenders where the tenderers needed to be prequalified, how many tenders were awarded to the tenderer offering the best price?**
5. **If the tender was not awarded to the tenderer offering the best price, in each case:**
   a. **why was the tender awarded other than on price; and**
   b. **what criteria were used to determine who should be the successful tenderer?**

ANSWER:

For Planning and Land Management (PALM):-

1. *16 Tenders were let in the period 1 July 2002 to 30 June 2003*
2. *The number of tenderers required to be prequalified was Nil*
3. *Not applicable*
4. *All tenders were awarded to the tenderer offering the best price.*

Appendix 2: ANSWERS TO QUESTIONS ON NOTICE: DEPARTMENT OF URBAN SERVICES (continued)

ANSWER:

1. Two tenders were let by Land Group in 2002-03.

2. All

3. All

4. Not applicable.

Appendix 3: ANSWERS TO QUESTIONS ON NOTICE: TRUSTEES OF THE CANBERRA PUBLIC CEMETERIES

QoN 1 Based on figures for burials and the stated trend toward cremation in Canberra, what forward planning is in place to cater for the needs of the community over the next 5 years?

ANSWER:

Given Canberra's numbers for burials, the trend toward cremation and the needs of relevant stakeholders, Canberra Cemeteries is considering a number of options to cater for the needs of the Canberra community and to provide an ongoing, efficient and caring customer service.

In 2001, the Woden Mausoleum was built to accommodate requests for above ground burials, primarily from the Italian community. Options under consideration for the future are to:

- *introduce a crematorium at one of Canberra's cemeteries;*
- *create new memorial areas for the placement of cremated remains at the Gungahlin, Woden and Hall Cemeteries;*
- *create an additional babies rose garden at Gungahlin Cemetery; and*
- *expand headstone areas at Gungahlin Cemetery.*

QoN 2 How is this forward planning affected by the finite availability of land in the ACT?

ANSWER:

Gungahlin cemetery has large areas of land for future burial sites. The trend toward cremation is helpful in this regard, as ashes burials require significantly less space. It is not anticipated that the availability of land will be a concern for at least 50 years.

QoN 3 The Staffing Profile at page 102 of the DUS 2002-2003 Annual Report (Volume One) shows a nil return for Trainees. The Cemeteries' Annual report at page 5 talks about 'the addition of an office trainee…and it is hoped that the Administration Trainee position will be refilled on an annual basis'. If as the report says the Cemeteries staff are attached to the Department of Urban Services why does the Staffing Profile not record this trainee that has been employed?

Appendix 3: ANSWERS TO QUESTIONS ON NOTICE: TRUSTEES OF THE CANBERRA PUBLIC CEMETERIES (continued)

ANSWER:

A temporary trainee was employed in early 2003 for a short period only. The position was vacant at the end of the year and as a result did not appear in the Staff Profile in the DUS 2002-03 Annual Report. In July 2003 a trainee was employed by the Cemeteries for the next 12 months.

QoN 4 What was the nature of the two new workers' compensation claims this year, and what is likely to be the cost to the organisation?

ANSWER:

The two claims related to mental stress and sprains and strains.

The worker's compensation premium is based on an assessment of the previous four year's claims experience and will be affected by these additional claims. The amount however, cannot be quantified at this time.

QoN 5 Employee entitlements, other personnel expenses, salaries, wages and allowances, and superannuation: Referring to page 13 of the Annual Report in the Statement of Financial Performance, and excluding the $3,511 negative entry for employee entitlements, the expenditure for 2002-2003 for employee related items is 7% higher than for 2001-2002. Apart from the impact of the recent Enterprise Bargaining Agreement and staff movements, what is the explanation for this increase and is this likely to become an ongoing trend? (This is also reflected on page 30 in the statement of financial performance Actual vs Budget (SOI).

ANSWER:

The increase in employee expenses is largely due to the effect of the EBA, staffing separations and the part year effect of an additional administrative trainee.

The significant effects of the EBA (and future agreements) and the additional trainee will be ongoing.

Appendix 3: ANSWERS TO QUESTIONS ON NOTICE: TRUSTEES OF THE CANBERRA PUBLIC CEMETERIES (continued)

QoN 6 **The *Validation of Fees (Cemeteries) Act 2003* was passed this year to validate fees over the past two years which had been determined to be invalid. How has this or will this effect your annual reporting? Will this have any effect on your financial statements? Will this require you to revise previous annual reports? Will these previously invalid fees remain in their year of contract or will they all be bought forward to the 2003-04 Annual Report, the year in which the fees have been validated? Is this in compliance with current accounting practice and law?**

ANSWER:

The post-validation of previously collected fees will have no effect on previous annual reports and financial statements. Had the Validation of Fees (Cemeteries) Act 2003 *not been passed, there may have been significant effects in terms of reimbursements to clients, on the 2003-04 financial statements and the 2003-04 annual report. The legislation to post-validate the fees has avoided this undesirable result, and is in compliance with current accounting practice and law (accounting requirements are to fully disclose such information).*

All relevant legislation passed in 2003-04, including the post-validation of fees, will be noted in the 2003-04 annual report as a matter of good practice and full disclosure of information.

Appendix 4: ANSWERS TO QUESTIONS ON NOTICE: CULTURAL FACILITIES CORPORATION

Presentation and Quality of Reports

QoN 1. The Chief Minister's Annual Reports Directions are issued under the *Annual Reports (Government Agencies) Act 1995*, stating clearly that annual reports are the principal way in which agencies account for management performance through Ministers to the ACT Legislative Assembly and the community. The Annual Reports are regarded primarily as accountability documents. Paragraph 4.14 (page 41) of the Auditor General's Report of March 2003 '*Effectiveness of Annual Reporting*' states that 'most members of the Legislative Assembly considered that agencies should be required to present balanced reports. They supported a 'warts and all approach'. The DUS Portfolio 2002-2003 Annual Reports are characterised by mostly 'good news' or lists of activities than might have been undertaken.

1a. What is each of the agencies in the DUS portfolio doing about responding to the Auditor General's March 2003 report to revise the style of their reports to report good and bad news associated with their performance? Provide an answer for each department and agency in the DUS Portfolio.

ANSWER:

Although the Cultural Facilities Corporation's 2002-03 Annual Report focuses on major achievements for the year, it also includes information about a number of initiatives that did not proceed or which experienced delays or other problems in implementation.

For example:

- *page 52 refers to the decision to disband the Canberra Museum and Gallery Patron's Group, due to its limited success in raising funds to purchase a work by a major local artist, despite ongoing efforts;*
- *pages 2 and 17 refer to the deferral of the Civic Library and Link Project;*
- *page 28 refers to a delay in finalising the listing of Lanyon on the ACT Heritage Register;*
- *page 31 refers to the Corporation's concerns about the University of Canberra's decision to cease enrolments to the Cultural Heritage Management Course, in the context of reporting on a proposal to establish/develop collaborative linkages in relation to this course;*

- *page 41 refers to the temporary loss of public liability insurance cover impacting on the Corporation's use of volunteers; and*
- *the Management Discussion and Analysis for the Cultural Facilities Corporation for the Financial Year Ended 30 June 2003, included in the 2002-03 Financial and Performance Statements at Attachment 1 to the Report, identifies a range of potential risks that may affect the Corporation's future financial position.*

The above examples illustrate that the Cultural Facilities Corporation 's 2002-03 Annual Report includes examples of "bad news" associated with its past performance, and of risks associated with its future performance.

In addition and in accordance with requirements of the Cultural Facilities Corporation Act 1997, the Cultural Facilities Corporation also publishes Quarterly Reports that are tabled in the ACT Legislative Assembly, which provide much more detailed information about progress against its Business Plan, including information relating to initiatives that did not proceed.

For example, the Quarterly Report for the April – June 2003 quarter notes at Section 1.3.2 that the proposal to install a Cultural Map terminal in the Canberra Museum and Gallery is unlikely to proceed in the near future. At Section 3.9.1 the report notes that the proposal to extend the opening hours for Lanyon during the daylight saving period had been explored, but that this would be unlikely to result in much additional visitation. The report notes, however, that there is a demand for public programs outside normal hours – a demand that is being addressed with special programs at these times.

These examples again indicate that the Cultural Facilities Corporation reports both on its successes and on proposed initiatives that did not proceed or were modified in their implementation.

1b.The DUS Portfolio's Performance Measures are characterised by outputs and measures that are more in the nature of activities, not genuine outcomes or activities. As the Auditor general states in his March 2003 Report states that the measures reported for many 'activities are in fact the outputs or deliverables of the activities (page 59 paragraph 5.17). What is each department and agency in the DUS Portfolio doing to devise appropriate effectiveness performance measures that will allow for useful analysis and comparisons to be made to test real outcomes and impacts of

activities/projects delivered or completed? Provide an answer for each department and agency in the DUS Portfolio.

ANSWER:

The Cultural Facilities Corporation has a robust set of performance indicators that were developed when the Corporation was first established, to reflect measures used in the industries in which in operates, and which have been refined over time to ensure they remain relevant and effective indicators of its performance. This refinement process has involved discussions with the Auditor General's office and with the Corporation's portfolio department.

The Corporation's performance indicators and targets for each year are developed in the context of preparing the Corporation's annual Business Plan and Statement of Intent, and are approved by the Minister and the Treasurer.

The Corporation's performance against the indicators and targets is then audited by the Auditor General through the Statement of Performance attached to each Annual Report of the Corporation.

QoN 1The Corporation reports that it has delivered quite a range and number of events and programs throughout 2002-2003. This is a report by numbers i.e. it identifies quantity to relate to success, which isn't always valid in terms of success or true effectiveness. It lists these as achievements, when in fact they are merely a series of lists of things done. In what way does the Corporation know, assess or publish the actual relevance or success of the things done in their impact on the cultural and historic quality of Canberra?

ANSWER:

The Corporation undertakes a range of detailed internal evaluation mechanisms to assess the relevance and success of its activities. For example, it evaluates each education program it conducts and each performing arts production it presents, to assess the extent to which the program or production achieved its objectives and thus contributed to the organisation's cultural goals. This information is then used in planning future programs and productions.

Appendix 4: ANSWERS TO QUESTIONS ON NOTICE: CULTURAL FACILITIES CORPORATION (continued)

The Corporation also conducts detailed customer satisfaction surveys, as noted at various points in the 2002-03 Annual Report, with overall results from these surveys published in the Statement of Performance attached to the Report. The detailed information from the surveys is used in future planning.

In addition to the above mechanisms, the Corporation does a full analysis of its activities and assesses the organisation's strengths, weaknesses, opportunities and threats in the context of its annual business planning. The Corporation's Board, staff, advisory committees and major stakeholders are all involved in this analysis, through a series of business planning workshops. The outcomes of this analysis inform the development of the Corporation's next Business Plan. Each Business Plan is tabled in the ACT Legislative Assembly following approval by the Minister, in accordance with requirements of the Cultural Facilities Corporation Act 1997.

1a.There are no bad news stories in this report, how does one know what programs events didn't work and were non-value added in terms of the Corporation's current functions under Section 5 of the Act?

ANSWER:

The Corporation's 2002-03 Annual Report summarises action taken to address the various initiatives identified in its 2002-03 Business Plan, which in turn identifies a range of measures developed to address the Corporation's statutory responsibilities.

While the 2002-03 Annual Report focuses on major achievements for the year, it also includes information about a number of initiatives that did not proceed or which experienced delays or other problems in implementation.

For example:

- *·page 52 refers to the decision to disband the Canberra Museum and Gallery Patron's Group, due to its limited success in raising funds to purchase a work by a major local artist, despite ongoing efforts;*
- *·pages 2 and 17 refer to the deferral of the Civic Library and Link Project;*
- *·page 28 refers to a delay in finalising the listing of Lanyon on the ACT Heritage Register;*
- *·page 31 refers to the Corporation's concerns about the University of Canberra's decision to cease enrolments to the Cultural Heritage*

Management Course, in the context of reporting on a proposal to establish/develop collaborative linkages in relation to this course; and

- *·page 41 refers to the temporary loss of public liability insurance cover impacting on the Corporation's use of volunteers.*

In accordance with requirements of the Cultural Facilities Corporation Act 1997, the Corporation also publishes Quarterly Reports that are tabled in the ACT Legislative Assembly, which provide much more detailed information about progress against its Business Plan, including information relating to initiatives that did not proceed.

For example, the Quarterly Report for the April – June 2003 quarter notes at Section 1.3.2 that the proposal to install a Cultural Map terminal in the Canberra Museum and Gallery is unlikely to proceed in the near future. At Section 3.9.1 the report notes that the proposal to extend the opening hours for Lanyon during the daylight saving period had been explored, but that this would be unlikely to result in much additional visitation. The report notes, however, that there is a demand for public programs outside normal hours – a demand that is being addressed with special programs at these times.

1b.How does the corporation review the year's activities and evaluate what was successful and what wasn't, and why isn't that reported in the Annual Report? If not, what is being done to remedy this?"

<u>**ANSWER:**</u>

As noted above, the Corporation conducts ongoing reviews of its activities in the context of its business planning. It reports on progress against its Business Plan for each year in its successive Quarterly Reports, with a summary in the Annual Report.

The examples given under 1a illustrate reporting of initiatives in the 2002-03 Annual Report that were identified in the 2002-03 Business Plan but which did not proceed or which experienced delays or other problems in implementation.

Appendix 4: ANSWERS TO QUESTIONS ON NOTICE: CULTURAL FACILITIES CORPORATION (continued)

<u>QoN 2</u> What is the overlap in the Corporation's Historic Places 1.8 Goal and the work of ACT Heritage Unit/ACT Heritage Council? Apart from the description at page 32 of the report, describe the operation of the management framework/s for interaction between ACT Heritage Unit, the ACT Heritage Council and the Corporation, and its Historic Places Advisory Committee.

<u>ANSWER:</u>

The roles of the Corporation's Historic Places and of the ACT Heritage Unit and Council are quite distinct and separate.

The Corporation manages each of its Historic Places (Lanyon; Calthorpes' House; and Mugga Mugga) as a house museum, open to the public and with associated education and public programs. Detailed information about the nature and function of the Historic Places is provided at page 80 of the 2002-03 Annual Report.

In contrast, the ACT Heritage Unit :

- *administers the heritage provisions of the Land (Planning and Environment) Act 1991, which relate to the management of natural, Aboriginal and historic heritage;*
- *assists in the conservation of the Territory's heritage assets to ensure their identification, preservation, protection, maintenance and enhancement (where appropriate) for present and future generations;*
- *provides administrative and operational support to the ACT Heritage Council and to their projects such as the ACT Heritage Awards;*
- *administers the annual funding of the ACT Heritage Grants Program;*
- *provides advice and information on:*
    - *heritage registration;*
    - *the potential impact of development on heritage property;*
    - *heritage places and objects, as well as natural and Aboriginal heritage; and*
    - *eligibility for heritage grants and awards.*

The ACT Heritage Council is responsible for the identification and registration of places and objects of heritage significance in the ACT and for providing advice to protect and conserve heritage places and objects in the planning and development system.

Appendix 4: ANSWERS TO QUESTIONS ON NOTICE: CULTURAL FACILITIES CORPORATION (continued)

In addition to the mechanisms described at page 32 of the 2002-03 Annual Report, interaction between the ACT Heritage Unit, the ACT Heritage Council, the Corporation and its Historic Places Advisory Committee is facilitated by the following means :

- *inclusion of representatives of the ACT Heritage Unit and the ACT Heritage Council in the Corporation's annual business planning workshops, which are also attended by members of each of its advisory committees, including the Historic Places Advisory Committee;*
- *inclusion of representatives of the ACT Heritage Unit and the ACT Heritage Council in a number of joint networking functions for the Corporation Board, the ACT Heritage Council and the ACT Cultural Council; and*
- *ongoing close working contact between officers of the Corporation and of the ACT Heritage Unit.*

Further information about the interaction between the ACT Heritage Unit, the ACT Heritage Council and the Corporation is provided under Section 1.15.2 of the four Quarterly Reports for 2002-03.

2a.To what extent has ACTPLA and the ACT Heritage Unit involved the Corporation when it is preparing Draft Variations for places to be listed on the Heritage Places Register?

ANSWER:

ACTPLA and the ACT Heritage Unit involve the Corporation in preparing Draft Variations for places to be listed on the Heritage Places Register where these are of direct relevance to the Corporation's responsibilities; for example in relation to the listing of Lanyon on the Register.

2b.Why is the Historic Places element of the Corporation not placed within the ACT Heritage Unit?

ANSWER:

The Historic Places element of the Corporation is not placed within the ACT Heritage Unit due to differences in the nature of the functions of each entity, as identified under Question 2 above. The Historic Places' function of managing heritage assets as cultural facilities open to the public, and providing associated programs, complements that of *other elements of the Corporation. The role of the ACT Heritage Unit is focused on administering legislation and providing advice and information on heritage issues, rather than on managing cultural facilities.*

QoN 3 A number of contracts are listed at page 102 of the report with in parenthesis 'plus value of approved variations'. What is the current value of each of the contracts including the value of approved variations? Why has the Corporation chosen a select tender process for all contractors/consultants? When was the last time there was a market test for the provision of such expertise? Do any of the 'ongoing' contracts' have end clauses and if so which ones and what are the end dates? Who in the Corporation manages these contracts to ensure the service is delivered within the terms of the contract, that variations do not occur without sound justification, that contract performance is consistently high?

ANSWER:

The current value of each of these contracts, including the value of approved variations, is as follows.

Project Director (APP) $135,560.00 Original Contract
Project Director $ 93,326.35 Variations approved as at 1.1.04
$228,886.35 Revised Contract Amount

Project Architect (BVN) $286,790.00 Original Contract
Project Architect/Design Team Services $283,455.08 Variations approved as at 1.1.04
$570,245.08 Revised Contract Amount

Cost Planning (WT Partnership) $ 39,900.00 Original Contract
Provision of Cost Planning Services $ 12,880.00 Variations approved as at 1.1.04
$ 52,780.00 Revised Contract Amount

These contracts:

- *were not select tenders, as suggested in the question, but were entered into following a formal request for tender process, from ACT Government pre-qualified service*
-

Appendix 4: ANSWERS TO QUESTIONS ON NOTICE: CULTURAL FACILITIES CORPORATION (continued)

- *providers and in accordance with procurement requirements, thus ensuring appropriate market testing;*

- *are funded from capital works funding provided to the Corporation for the Civic Library and Link Project ie. they are not met from the Corporation's operational budget. As such they are all "ongoing" in that they extend beyond the end of the 2002-03 financial year and are required for the life of the project – the completion date of the project is not known at this stage, and*

- *are managed by the Corporation's Corporate Manager under the supervision of the Civic Library and Link Project Steering Committee, to ensure the service is delivered within the terms of the contract, that variations do not occur without sound justification, and that contract performance is consistently high. In the case of the project architect and project cost planner contracts, these factors are also closely monitored by the project director.*

The variations relate to major changes that have occurred to the project design since commencement in June 2001 to take to account user needs, comments received during public consultations and NCA planning requirements, especially height limitations needed to maintain the City Hill/Mount Ainslie corridor.

QoN 4 **The Cultural Facilities Corporation has 70 employees, 21 of which are part time. The organisation spent $696,223.00 on contractors/consultants in 2002-2003 (excluding the cost of approved variations), a figure that is almost consistent with 2001-2002 expenditure of $689,403.91 (excluding the cost of approved variations). The same contractors appear to be engaged on an ongoing basis. Is this a standard figure that is planned to be repeated year to year?**

ANSWER:

The amounts stated in the question do not reflect the total expenditure on contractors and consultants in each of the years in question. Instead, they reflect the cost of any contracts that were fully undertaken and completed during the course of the year, plus

Appendix 4: ANSWERS TO QUESTIONS ON NOTICE: CULTURAL FACILITIES CORPORATION (continued)

the <u>value</u> of any ongoing contracts, which were in place during the year but extended beyond it. As a result, the amounts stated for 2001-02 and 2002-03 are broadly consistent, since most of the major contracts are the same, with the same value, relating to an ongoing capital works project.

(Please note the correction published at page 103 of the 2002-03 Annual Report, stating that the 2001-02 Annual Report had incorrectly given contract value amounts for a number of contracts as including GST, whereas the correct, GST-exclusive amounts are as stated in the 2002-03 Annual Report.)

As noted under Question 3, funds for the contracts relating to the Civic Library and Link Project were provided through capital works funding made available to the Corporation and were not met from its ongoing operational budget.

4a.The costs for contractors break down over 2001-2002 and 2002-2003 as follows:

Re-Engineering Australia Pty Ltd 2001-2002 $15,255.00; 2002-2003 $6,930.00
Will this company be automatically engaged for the 2004-2005 Business Planning facilitation and why?

<u>ANSWER:</u>

Re-engineering Australia Pty Ltd will not automatically be engaged for the 2004-05 Business Planning facilitation; another firm (John Baker and Associates) has been used in the past for this role. However, Re-engineering Australia's detailed knowledge of the Corporation and its stakeholders has been beneficial in facilitating the business planning process and this will be taken into account in considering a consultant for the 2004-05 process.

APP Projects Pty Ltd 2001-2002 $176,309.05; 2002-2003 $153,640.00

Why is this company engaged year to year to undertake the same kind of work, and why is the contract ongoing?

Appendix 4: ANSWERS TO QUESTIONS ON NOTICE: CULTURAL FACILITIES CORPORATION (continued)

ANSWER:

APP Projects Pty Ltd provides project director services for a current capital works project - the Civic Library and Link Project. Its services are needed for the life of the project and for this reason the contract is ongoing. Please note that the two amounts stated in the question are not cumulative; the correct value of the major contract with APP Projects Pty Ltd, including the value of approved variations, is provided under Question 3.

Bligh Voller Nield Pty Ltd 2001-2002 $315,469.00; 2003-2003 $294,790.00

This represents $610,259.00 over two years. Why is this contract ongoing? Will the Committee expect to see a similar statement for Bligh Voller in the 2004-2005 Annual Report. What actually has been delivered under the contracts with Bligh Voller-provide a breakdown of the deliverables?

ANSWER:

Bligh Voller Nield provides project architect services for a current capital works project - the Civic Library and Link Project. Its services are needed for the life of the project and for this reason the contract is ongoing and will be reported on in 2003-04 Annual Report (it is assumed this is the Annual Report meant in the question, not the 2004-05 Annual Report). Bligh Voller Nield has undertaken major design work for the project, including substantial changes to the original design, which enabled a project milestone to be achieved during 2002-03 : National Capital Authority approval of the Development/Works Application (please refer to page 17 of the 2002-03 Annual Report). Please note that the two amounts stated in the question are not cumulative. The correct value of the major contract with Bligh Voller Nield, including the value of approved variations, is provided under Question 3.

W T Partnership 2001-2002 $43,890.00; 2002-2003 $39,900.00

Why is this contract ongoing, and what exactly does it deliver? Will a contract for W T partnership appear in the 2004-2005 Annual Report, and if so for what purpose will the company be engaged?

Appendix 4: ANSWERS TO QUESTIONS ON NOTICE: CULTURAL FACILITIES CORPORATION (continued)

<u>ANSWER:</u>

W T Partnership provides project cost planning services for a current capital works project - the Civic Library and Link Project. Its services are needed for the life of the project and for this reason the contract is ongoing and will be reported on in 2003-04 Annual Report. Please note that the two amounts stated in the question are not cumulative. The correct value of the contract, including the value of approved variations, is provided under Question 3.

SSL Asset Services Pty Ltd 2001-2002 $86,727.00; 2002-2003 $86,727.00

This appears to be an ongoing contract too- is this so, and why?

<u>ANSWER:</u>

This contract is not ongoing; as noted at page 103 of the report, its duration was January 2002 to May 2003. It was entered into for the provision, installation and commissioning of boilers in the Playhouse (necessary to permit on-going operation of the Theatre during the planned construction work on the Civic Link and Library Project). The contract concluded in May 2003, upon satisfactory completion of the one-year defects liability period. Please note that the two amounts stated in the question are not cumulative; $86,727 represents the total value of the contract and was stated as the contract value in both the 2001-02 and 2002-03 Annual Reports, since the contract extended over the two years. This contract was funded from capital works funding for the Civic Library and Link Project.

Syokee Systems Pty Ltd 2001-2002 $51,753.86; 2002-2003 $46,863.00

Is this planned to be an annual contract as it appears from looking at the 2001-2002 2002-2003 Annual Reports? To what extent does the Corporation seek the expertise available within the Department of Urban services before it makes a decision to buy in the expertise at the equivalent of around 2-man years salary over two financial years?

ANSWER:

This is not planned to be an annual contract and as noted at page 104 of the Annual report, it ceased as at 7 April 2003. The contract was for the provision of corporate development services at the Canberra Theatre Centre. These services are now provided from internal staffing resources following the completion of the contract.

Tickets.com Pty Ltd 2001-2002 $0.00; 2002-2003 $67,645.00

This also looks like an ongoing contract. Describes the terms of the contract and the future planning association with the system in terms of future costs, shelf life of the system, annual costs.

ANSWER:

This contract is for the initial supply and installation of a computerised ticketing system (including purchase of software licences and hardware); initial training of staff; Internet ticketing licence fees; and ongoing service and support.

This contract was sourced through an open tender process.

The contract was for 12 months with options for extensions for another five 12 month contracts. The bulk of the contract price has been capitalised as it relates to licences that extend into the future. These are being amortised over the potential maximum life of the contract.

Annual costs will be $8,683 for service and support and $5,000 for the Internet ticketing licence fee.

Art and Archival Pty Ltd 2001-2002 $ 0.00; 2002-2003 $15,000.00

Why is this contract ongoing, and what has been agreed to in terms of fees for years?

Appendix 4: ANSWERS TO QUESTIONS ON NOTICE: CULTURAL FACILITIES CORPORATION (continued)

ANSWER:

This contract is ongoing because it was entered into in June 2003 and extended beyond the end of the 2002-03 financial year. The contract has a total value of $15,000 for the preparation of a Disaster Preparedness Plan and associated staff training for the Corporation's Historic Places. This work will be completed during 2003-04.

QoN 5 On page 104 of the report, it states that the Corporation's Asset Management Plan is currently being revised and updated. Who is undertaking this review and when will the Plan be ready for implementation? If it is a consultant, who is it and what is the value of the contract? What impact will the implementation of the Plan have on the reduced needs for the services of those contracts currently in place?

ANSWER:

The contractor is Graeme O'Neil Consulting Pty Ltd. The value of the contract is $25,000 and the Plan is now due for completion in March/April 2004. The Plan does not directly relate to the contracts currently in place, since these relate mainly to a major new capital works project. However, it is likely that the Plan will indicate a need for a range of work, including through the use of specialised contracted services, in order to enhance the management of the Corporation's assets.

QoN 6 The Corporation is showing an annual expenditure of $0.7 million (rounded) for consultants and contractors, and is sustaining an operating loss of $1.050 million (a 67% worse result than for 2001-2002), with a predicted lower level of revenue to be achieved in 2003-2004. It has total liabilities of around $1.7 million, receives a recurrent appropriation from the Government of $6.5 million (rounded), and annual staffing costs of $4.9 million. How does the Corporation expect to be sustainable if revenue is expected to fall, and if the Government is not be prepared to pick up the shortfall?

Appendix 4: ANSWERS TO QUESTIONS ON NOTICE: CULTURAL FACILITIES CORPORATION (continued)

ANSWER:

As noted above, the majority of expenditure on contracts for 2002-03 was funded through capital works funding, not the Corporation's ongoing operational budget.

As also noted, the amount of approximately $0.7 million in the question does not reflect annual expenditure on consultants and contractors, but instead reflects the cost of any contracts which were fully undertaken and completed during the course of the year, plus the value of any ongoing contracts which were in place during the year.

Each year the Corporation carries a large operating deficit due to its major depreciation expenses ($1.257 million in 2002-03), which are not funded by government. Instead, the Corporation accesses the capital works program for asset upgrading and replacement. The reason that the Corporation's operating result for 2002-03 was worse than for 2001-02 by 67%, or $0.423 million, was due primarily to the initial recognition of collection assets totalling $0.384 million as a one-off revenue item in 2001-02.

Although the Corporation has total liabilities of $1.7 million, its total assets are $21.56 million. It has a very healthy current ratio of $1.6 current assets to every $1 of current liabilities, indicating a sound financial position.

The above matters are explained in detail in the new section included in the 2002-03 Financial and Performance Statements at Attachment 1 to the 2002-03 Annual Report : Management Discussion and Analysis for the Cultural Facilities Corporation for the Financial Year Ended 30 June 2003. This section also explains that the Corporation's overall financial position is strong. It does, however, identify any major downturn in theatre business as a key potential risk, due to the importance of this revenue source to the Corporation's finances. Please refer to the Management Discussion and Analysis for the Cultural Facilities Corporation for the Financial Year Ended 30 June 2003 for further information.

6b. What value for money in the planning context to address future planning issues does the Corporation assess it is getting from the annual $0.7million in consultants and contractors to address the long-term issues for the Corporation?

Appendix 4: ANSWERS TO QUESTIONS ON NOTICE: CULTURAL FACILITIES CORPORATION (continued)

ANSWER:

The Corporation assesses that it is getting good value for money to address future planning issues from the payments it makes to relevant consultants and contractors, in the following ways :

- *contracts relating to the Civic Library and Link Project enable the Corporation to undertake all the necessary planning and design work for this major new capital works project, which will deliver greatly improved theatre patron services; and*
- *contracts relating to business planning and disaster preparedness planning enable the Corporation to access specialised skills in future planning for these major areas of its responsibilities.*

Other contracts relate more to operational matters, for example, the provision of specialised ticketing services, rather than to future planning issues.

6c.The Corporation has obligations under the legislation, but to what extent is it expected to become self-funding in the long term?

ANSWER:

It is not expected that the Corporation will ever become self-funding, nor is this the Government's intention.

Ongoing government funding for the provision of cultural services is seen as both appropriate and desirable, in terms of the benefit and value of these services to the community.

Within these overall parameters, the Corporation is required by its enabling legislation, the Cultural Facilities Corporation Act 1997, to conduct its affairs in a business-like manner. This has seen a substantial increase over time in the proportion of revenue it raises itself, as reflected in Statements of Performance attached to its successive Annual Reports.

Appendix 5: ANSWERS TO QUESTIONS ON NOTICE: PLANNING AND LAND MANAGEMENT; KINGSTON FORESHORE DEVELOPMENT AUTHORITY; GUNGAHLIN DEVELOPMENT AUTHORITY

Chief Minister's Directions

QoN 5. On what basis do the Kingston Foreshore Development Authority (KFDA) and the Gungahlin Development Authority (GDA) choose to ignore the Chief Minister's Directions for the preparation of their Annual Reports?

ANSWER:

The guidelines refer agencies to Best Practice Note 6.7 Hard Copy Publications. The notes apply to agencies to varying degrees depending on their type i.e. (1) Departments (2) statutory authorities, TOCS and other companies that compete with the private sector and (3) other statutory offices and authorities.

Unlike other agencies, KFDA is not specifically defined but would arguably fall within Type 2 or Type 3. The notes state that such agencies "should in general" follow the requirements specified for departments. "Should" is defined as something that is strongly recommended but not mandatory.

This flexibility recognises that agencies with a commercial or business focus may wish to use their annual report for marketing and promotion where it is not more economical to publish promotional material separately.

The KFDA Annual Report formed an important part of the marketing strategy to promote to the private sector nationally the investment opportunities afforded by the project. As such opportunities included potential joint venture it was important to communicate the financial position of the KFDA, performance and the corporate strategies, including risk management implemented.

Such matters are obliged to be reported in detail in the Annual Report. It should be noted that, as the document already exists, the inclusion of an annual report in tenders, submissions and capability statements is routine practice in the private sector for reasons of cost effectiveness and efficiency.

GDA has complied with the Chief Minister's Directions for the preparation of our Annual Report, as per Attachment 2: summary of proposed requirements for agencies by type in the ACTPS Best Practices Notes 6.7.

Appendix 5: ANSWERS TO QUESTIONS ON NOTICE: PLANNING AND LAND MANAGEMENT; KINGSTON FORESHORE DEVELOPMENT AUTHORITY; GUNGAHLIN DEVELOPMENT AUTHORITY (continued)

5a.What is the total of direct and indirect costs of the production of each KFDA Annual Report since the establishment of the Authority? The costs should be broken down by cost element, for example, salary costs, consultants, preparation costs, printing costs etc?

ANSWER:

- *2002-03 KFDA Annual Report (750 copies)*
  Direct costs - Design and Printing $18,679 ex GST
  Indirect costs - Staff salaries $1,216
  Total $19,895

- *2001-02 KFDA Annual Report (750 copies)*
  Direct costs - Design and Printing $15,632 ex GST
  Indirect costs - Staff salaries $1,204
  Total $16,836

- *2000-01 KFDA Annual Report (250 copies)**
  Direct costs - (DUS - ACT Record Services) $4,000 estimated (ex GST)
  Indirect costs - Staff salaries $634
  Total $ 4,634

** Initial year of KFDA operations and prior to implementation of Marketing Strategy and land sales activity.*

5b.What is the total of direct and indirect costs of the production of each GDA Annual Report since the establishment of the Authority? The costs should be broken down by cost element, for example, salary costs, consultants, preparation costs, printing costs etc?

ANSWER:

The GDA Annual Reports are prepared by the staff of the GDA. No consultants are used either in the design of, or page layout of the Annual Report. The following table set out the approximate costs of salary and printing for each annual report dating back to

Appendix 5: ANSWERS TO QUESTIONS ON NOTICE: PLANNING AND LAND MANAGEMENT; KINGSTON FORESHORE DEVELOPMENT AUTHORITY; GUNGAHLIN DEVELOPMENT AUTHORITY (continued)

the first GDA Annual Report. Please note that the printing of the Annual Report in 98/99 and 96/97 is an estimate of printing costs.

Year	*Salary*	*Printing*	*Total Expenditure*	*No Copies Printed*
2002/2003	*$1,720.67*	*$3,997.53*	*$5,718.20*	*150*
2001/2002	*$1,232,59*	*$2,857.80*	*$4,090.39*	*150*
2000/2001	*$1,068.59*	*$1,994.00*	*$3,062.59*	*200*
1999/2000	*$3,147.33*	*$1,770.00*	*$3,343.67*	*200*
1998/1999	*$ 696.75*	*$1,500.00*	*$2,196.75*	*150*
1997/1998	*$ 919.56*	*$ 562.00*	*$1,481.56*	*100*
1996/1997	*$ 579.68*	*$ 400.00*	*$ 979.68*	*100*

QoN 6 The Chief Minister's Directions called for recycled uncoated paper- the DUS Report, the ACTION Report, the KDFA Report and the has been printed on a shiny paper with a quality of print that smudges, as well as smudging occurring when written annotations are made.

ANSWER:

The KFDA Annual Report is printed on Matt A2 paper stock. Best Practice Note 6.7 states, "Where high resolution is necessary, for example when photographs are used matt coated papers maybe used".

This stock is not recycled but is manufactured using a chlorine free process.

The stock was chosen for its reproduction quality with photographs and text. In particular problems of marks being interpreted as decimal points with financial pages is reduced. The stock was 25% cheaper than equivalent recycled paper.

If sufficient pressure is exerted smudging of annotations will occur especially when first printed because the matt paper will not absorb the ink as quickly as uncoated but will dry in time.

The GDA Annual Report used a matt white recycled paper for the body of the report which was chosen for its reproduction quality with photographs and text. It avoids any *problems with screenwork becoming heavy and reversed text being unable to be read. Problems of marks being interpreted as dots especially* with financial pages is also reduced. *The GDA used Pageantry Porcelain recycled paper for the Cover.*

6a.Does this paper comply with the Chief Minister's requirements, and if not why was it chosen?

ANSWER:

The paper does comply with the Chief Minister's requirements.

6b.What was the cost of printing on this paper compared with recycled uncoated paper as defined in the Chief Minister's Directions?

ANSWER:

The cost of printing on the selected Matt A2 (chlorine-free) stock was $12,039.

The cost of printing on the alternative/equivalent quality Monza A2 recycled stock was $15,000.

Not applicable as the GDA paper complied with the Chief Minister's requirements.

Land Group

QoN 22 page 51 of Volume One-What does 'participated in fire suppression activities during January 2003 to help protect the community against the threat posed by bush fires' mean? What role did the Land Group play, and what was the cost of this participation?

ANSWER:

Land Group participated in the following bushfire fighting and prevention activities in January and February of 2003: Emergency bush fire fighting, assistance with coordination in the Disaster Centre, removal of trees and debris from 10 hectares of land in Weston Creek and clearance of fire trails in the area. The cost of this participation was approximately $128,000.

Appendix 5: ANSWERS TO QUESTIONS ON NOTICE: PLANNING AND LAND MANAGEMENT; KINGSTON FORESHORE DEVELOPMENT AUTHORITY; GUNGAHLIN DEVELOPMENT AUTHORITY (continued)

Planning and Land Management

QoN 26 **Risk Management page 165 Volume Two-What percentage of the Territory's overall revenue does $100 million represent? Is this annually? Over what period of time into the future does the Land Group expect it will maintain this level of revenue raising?**

ANSWER:

The Territory's budgeted revenue.in 2002-03 including grants from the Commonwealth was $2,345 million. $100 million represented 4.2 percent of the Territory's overall revenue.

This was an annual figure for 2002-03.

This level of revenue applied only to 2002-03. From 1 July 2003 the Land Group became part of the Land Development Agency which was established by the Planning and Land Act 2002, therefore the Land Group no longer exists as a separate entity.

26a. Risk Management page 165 Volume Two-What does 'extensive internal controls apply to protect the collection of these revenues, the largest portion of which is revenue from land sales'?

ANSWER:

The internal controls for the collection of the revenues of the Land Group were to ensure that cheques were cleared before the title to land sold, was released to the buyer. In the case of sale of land by auction, which was the main method of sale in the Land Group, a ten percent deposit was taken at auction from the successful bidder and a contract of sale was issued. The settlement of the remaining 90 percent of the payment was required to be made by cheque within 56 days. On receipt and clearance of the cheque, the certificate of title to the land was issued. In addition, there was formal financial delegation for staff in certain positions to receive and bank monies and to issue receipts

QoN 27 **Financial Performance Operating Result page 166 Volume Two-The operating result for 2002-2003 is recorded as $54.4 million, while the operating**

result for 2001-2002 was $76.1 million. What proportion of $21.7 million decrease in this result is attributed to the transfer of the property function to City Operations?

ANSWER:

The proportion of the decrease attributed to the transfer of the property function to City Operations was $7.1m or 33%.

QoN 28 **Financial Performance Total Revenue page 166 Volume Two-The 2001-2002 report recorded that Land and Property derives 54% of its revenue from the sale of land, 11% from joint ventures and 13% from other revenue (Gold Greek Country Club, asset transfers, land rentals and upward evaluation of assets), and nothing recorded for interest earned. Compared to 2001-2002, what is the explanation for the financial position of 2002-2003 recording 90% of revenue from the sale of land, 2% from joint ventures, 7% from other revenue (Gold Greek Country Club, asset transfers, land rentals and upward evaluation of assets), and 1% from interest earned?**

ANSWER:

The variance in percentages between the years (2002-03 versus 2001-02) was due mainly to the inclusion of Property figures in 2001-02 compared to their exclusion in 2002-03 when Property was transferred to City Operations.

The Property revenue figure of $37.8 was included in the total revenue figure in 2001-02 and this reduced the revenue from sale of land as a proportion of the total. In 2002-03 as Property had been transferred to City Operations, sale of land became a larger proportion of the total.

In addition, the number of Joint Ventures has wound down from three in 2001-02 to one in 2002-03 following the completion of land sales and therefore the amount of revenue also reduced.

The difference in "other revenue" (13% in 01-02 and 7% in 02-03) was mainly due to upward valuation of property in 2001-02 (when the entity included the Property *function) compared with 2002-03 when the Property function ceased to be part of Land Group.*

28a.In the same way what is the explanation for the 17% decrease in revenue from $149.7 million in 2001-2002 to $124.5 million in 2002-2003. What percentage of the $25.2 million decrease is attributed to the transfer of the property function to City Operations in July 2002?

ANSWER:

The decrease in revenue of $25.2 million comprised the following: a decrease in Property revenue of $37.8 million due to the transfer of the function; a decrease in Joint Venture revenue of $14 million as joint ventures wound down having sold all their land; a decrease in revenue from land rents of $2 million as renters cease renting having paid out their leases and as land available for renting have been resumed for development.

The decreases were offset by an increase in revenue of $28.7 million from infrastructure bringing the variance back to $25.2 million. Infrastructure revenue increased in 2002-03 due to a change in accounting policy whereby infrastructure is recognised at the time of the sale of land instead of when the infrastructure is completed.

$37.8 million was attributed to the transfer of the property function to City Operations in July 2002 and represents 150 percent of $25.2 million.

Gungahlin Development Authority

QoN 1 The Chief Minister's Directions state that 'no full colour photography is to be used' and the use of photographs is to be kept to a minimum'. The letter of transmittal at the front of the report (which is the same letter for 2001-2002 except for the addition of the notes about the unaudited financial statements) says that the report 'complies with the Chief Minister's Annual Report Directions'. How do 11 coloured photographs contained in the report comply with the Chief Minister's Instructions?

Appendix 5: ANSWERS TO QUESTIONS ON NOTICE: PLANNING AND LAND MANAGEMENT; KINGSTON FORESHORE DEVELOPMENT AUTHORITY; GUNGAHLIN DEVELOPMENT AUTHORITY (continued)

<u>ANSWER:</u>

The use of coloured photography does not comply with the Chief Minister's instructions. This issue was overlooked in the transmittal statement.

However, it should be noted that the GDA as a Type 2 category agency had some discretion in the production of its report with Best Practice Note 6.7 Hard Copy Publications stating that such an agency "should in general" follow the requirements specified for departments.

Further, it should be noted that the photographs were of such a small size (i.e. 4.5cmx3cm to 4.5x6cm), that their reproduction was most effective in colour.

<u>QoN 2</u> At page 14 of the GDA 2002-2003 Annual Report, it seems clear that this report may be a cut and paste from the 2001-2002 Annual Report- the heading says 'consultants and contractors used by the Authority in 2001-2002 are'. The
report probably intends that it was 2002-2003 that was stated, but that is not what it says. How can the Committee and the public be reassured of the accuracy of the report as a whole, particularly as $5,157,636.00 was spent on consultants/contractors in 2002-2003 compared to $656,191.00 in 2001-2002?

<u>ANSWER:</u>

The heading 'consultants and contractors used by the Authority in 2001-2002' included a typographical error. The heading should correctly read 'consultants and contractors used by the Authority in 2002-2003'. The amount spent on consultants and contractors in 2002-2003 was $5,157,636.

2a. Please provide details about what form of editing and proof reading process takes place in the formation of the GDA Annual Report.

<u>ANSWER:</u>

Three staff members proofread the final text of the annual report.

Appendix 5: ANSWERS TO QUESTIONS ON NOTICE: PLANNING AND LAND MANAGEMENT; KINGSTON FORESHORE DEVELOPMENT AUTHORITY; GUNGAHLIN DEVELOPMENT AUTHORITY (continued)

2b.What explains the dramatic increase in consultancies in 2002-03 in comparison with 2001-02?

ANSWER:

There was an increase in expenditure on consultants and contractors in 2002-03 in comparison with 2001-02 mainly due to the development of the pilot land development project, Yerrabi Estate, by the GDA.

QoN 3 If the GDA has access to the services of the department of Urban Services why was it necessary to engage consultants that cost a total of $84,064,54 for Accounting Services and Office Management?

ANSWER:

The GDA had no access to any Government departmental resources without charge. As required by law, the GDA engaged all of its consultants and contractors in compliance with ACT Government procurement requirements.

QoN 4 What were the details of the contract with Canberra Contractors for $3,094,234.00? What was the value of the original signed contract compared to the final cost of the contract?

ANSWER:

The expenditure of $3,094,234 related to two contracts with Canberra Contractors. The details are:

Stage 1 Yerrabi Estate-	*$2,835,945.36*
Stage 2 Yerrabi Estate-	*$3,756,198.52*

While both contracts are substantially completed, neither is yet totally completed. The estimated final expenditure for both contracts is expected to be as per the contract amount.

Appendix 5: ANSWERS TO QUESTIONS ON NOTICE: PLANNING AND LAND MANAGEMENT; KINGSTON FORESHORE DEVELOPMENT AUTHORITY; GUNGAHLIN DEVELOPMENT AUTHORITY (continued)

QoN 5 What expenditure in consultants and contractors is anticipated for 2003-2004 for projects relating to Gungahlin Development? What is this forecast based on?

ANSWER:

The estimated expenditure on Gungahlin related projects for 2003-2004 is approximately $30,200,000. This is based on estimates of expenditure for all minor and major projects, including capital works and other land development projects.

QoN 6 The Draft ACT Lowland Woodland Conservation Strategy was released on 1 May 2003 and part of this has some impact on the development of land in Gungahlin. ACTPLA demonstrated a high level of anxiety to the Committee in respect of Draft Variation 130 (DV 130) upon which the release of land in North Gungahlin depended, with one of the Committee's recommendations in its DV 130 report to the Assembly being 'The Committee recommends that the Government incorporate the ACT Lowland Woodland Conservation Strategy as part of its current Variation process, and in further detailed planning in North Gungahlin and other developments in the ACT'. The ACT Commissioner for Environment has expressed a certain amount of concern regarding endangered ecological communities (see page 9 of the 2002-2003 Annual Report of the Office of the Commissioner for the Environment). While at Page 16 of the GDA 2002-2003 Annual Report in 3.3.2 it is stated that 'there were no requests made of, or recommendations made on, the Authority under Section 23 of the Commissioner for Environment Act 1993' why has the GDA not at least acknowledged or referred to the Commissioner's comments on endangered grassy woodland ecological community as these comments are also applicable to the DV 130 area in Gungahlin, and would have needed to be taken into account for areas relating to Mulligan's Flat and the Horse Park Wetlands?

ANSWER:

The GDA was responsible for facilitating development within the Gungahlin Central Area. The areas of Mulligan's Flat and Horse Park Wetlands are outside the Gungahlin Central Area.

Appendix 5: ANSWERS TO QUESTIONS ON NOTICE: PLANNING AND LAND MANAGEMENT; KINGSTON FORESHORE DEVELOPMENT AUTHORITY; GUNGAHLIN DEVELOPMENT AUTHORITY (continued)

QoN 7 What environmental issues has the GDA taken into account during the period of its existence and the developments for which it has been responsible and has oversighted?

ANSWER:

The planning principles and policies for the Gungahlin Town Centre and Central Area include:

- *Provision of a simple legible street network that facilitates pedestrian and bicycle movement;*
- *Provision for the public transport system to be an integral part of the structure of the Town Centre and Central Area;*
- *Facilitation of pedestrian and bicycle movement;*
- *Facilitate reduce water consumption;*
- *Provision of opportunities for mixed use development;*
- *Provision of housing densities that support a viable, accessible, frequent and energy efficient public transport system.*

All of these measures which are intended to support sustainable and environmentally friendly development have been implemented in development of the Gungahlin Town Centre and Central Area; for example, the first housing project in the Town Centre (which was sold with the Development Application in place) was the first recipient in the ACT of the HIA's PATHE (Partnership for Advancing the Housing Environment) initiative; and, unprecedented stormwater management measures were introduced in Yerrabi Estate, the pilot ACT Government Land Development Project.

QoN 8 Page 17 of the GDA report talks about ecological sustainable development and a 5-year development control plan. What environmental issues and controls have been included in the development control plan that will guide development in the Town Centre over a period of 5 years?

<u>**ANSWER:**</u>

The design principles of the draft development control plan provide for passive solar design, good solar orientation, water sensitive design, good walkability and access to public transport and enhanced biodiversity.

8a.How will the community know if the development control plan has been implemented and whether it has been effective and successful?

<u>**ANSWER:**</u>

The Land Development Agency's (LDA) web site will contain information on developments within the area covered by the development control plan and thus the community will be able to monitor the progress, the effectives and success of the implementation of the plan.

8b.What area of ACTPLA or the LDA will be responsible for its implementation?

<u>**ANSWER:**</u>

Land Development Division in the LDA will be responsibility for its implementation.

<u>QoN 9</u> Why were the financial statements contained in the annual report not audited?

<u>**ANSWER:**</u>

The financial statements for the Gungahlin Development Authority were audited and the Audit Report is included in the GDA's Annual Report starting on Page 47. The financial statements for the Palmerston Joint Venture were also audited and that Audit Report is also included in the GDA's Annual Report at Page 67 (second last page in the Annual Report).

9a. How long after the annual report was tabled were the audited statements provided to the Minister for Planning?

Appendix 5: ANSWERS TO QUESTIONS ON NOTICE: PLANNING AND LAND MANAGEMENT; KINGSTON FORESHORE DEVELOPMENT AUTHORITY; GUNGAHLIN DEVELOPMENT AUTHORITY (continued)

ANSWER:

The audited statements were in the GDA's Annual Report at the time of tabling.

9b.Were there any changes to the financial statements to those presented in the annual report, and if so, what were these changes?

ANSWER:

No. Not relevant.

9c.Why were not the audited financial statements formally tabled in the Assembly as amendments to the annual report?

ANSWER:

Not relevant.

Kingston Foreshore Development Authority

Presentation and Quality of Reports

QoN 1.: The quality of presentation and content of this Annual Report remains virtually unchanged from 2001-2002 Annual Report. This report is almost a cut and paste from 2001-2002 Annual Report with the format slightly changed, and a lot of coloured pictures.

ANSWER:

The quality of presentation of the annual reports is consistent because the KFDA adopted a Style Manual specifically to ensure consistency in the quality of its publications. The content addresses standard headings.

The information and data provided in the 2002-2003 report however differs markedly from that provided in the earlier report(s) as it addresses the substantial progress made against all key activities and targets. These activities and the progress made are illustrated to the wider audience by photographs.

Appendix 5: ANSWERS TO QUESTIONS ON NOTICE: PLANNING AND LAND MANAGEMENT; KINGSTON FORESHORE DEVELOPMENT AUTHORITY; GUNGAHLIN DEVELOPMENT AUTHORITY (continued)

The only areas of the report that remain largely unchanged are "Mission and Objectives", "Governance and Organisational Structure", "Legislative Framework" and "Statutory Requirements". This reflects that there were no significant events affecting these areas in 2002-2003

1a.The Chairman of the Kingston Foreshore Development Authority signed the letter of transmittal for the 2001-2002 report. Why has he not signed the letter this time, even though the Chairman still submits a 'Highlights' section in the report at page 1?

<u>ANSWER:</u>

Paragraph 3 of the letter of transmittal refers.

The KFDA ceased operations on 1 July 2003 and as a consequence the Board of the former KFDA did not have an opportunity to review and formally endorse the Annual Report for 2002-2003. Consequently, the Chairman could not, on behalf of the Board, sign a letter certifying the report.

In anticipation of this circumstance arising, the transitional arrangements set in place by Government provided for the continuation of the office of the Chief Executive Officer of the KFDA beyond 1 July 2003 for the purpose of certifying the final report of the activities and accounts of the former KFDA.

The "Highlights" afford the Board, through the Chairman, an opportunity to express a view on the overall performance of the KFDA and to record its appreciation of the various contributions made to the success throughout the year.

<u>QoN 2.</u>*<u>Chief Minister's Directions</u>:* On what basis does the Kingston Foreshore Development Authority (KFDA) choose to ignore the Chief Minister's Directions for the preparation of its Annual Reports?

Appendix 5: ANSWERS TO QUESTIONS ON NOTICE: PLANNING AND LAND MANAGEMENT; KINGSTON FORESHORE DEVELOPMENT AUTHORITY; GUNGAHLIN DEVELOPMENT AUTHORITY (continued)

ANSWER:

The guidelines refer agencies to Best Practice Note 6.7 Hard Copy Publications. The notes apply to agencies to varying degrees depending on their type i.e. (1) Departments (2) statutory authorities, TOCS and other companies that compete with the private sector and (3) other statutory offices and authorities. Unlike other agencies, KFDA is not specifically defined but would arguably fall within Type 2 or Type 3. The notes state that such agencies "should in general" follow the requirements specified for departments. "Should" is defined as something that is strongly recommended but not mandatory.

This flexibility recognises that agencies with a commercial or business focus may wish to use their annual report for marketing and promotion where it is not more economical to publish promotional material separately.

The KFDA Annual Report formed an important part of the marketing strategy to promote to the private sector nationally the investment opportunities afforded by the project. As such opportunities included potential joint venture it was important to communicate the financial position of the KFDA, performance and the corporate strategies, including risk management implemented.

Such matters are obliged to be reported in detail in the Annual Report. It should be noted that, as the document already exists, the inclusion of an annual report in tenders, submissions and capability statements is routine practice in the private sector for reasons of cost effectiveness and efficiency.

QoN 2 What is the total of direct and indirect costs of the production of each KFDA Annual Report since the establishment of the Authority? The costs should be broken down by cost element, for example, salary costs, consultants, preparation costs, printing costs etc?

ANSWER:

- *2002-03 KFDA Annual Report (750 copies)*
  Direct costs -Design and Printing $18,679 ex GST
  Indirect costs Staff salaries $1,216
  Total $19,895

Appendix 5: ANSWERS TO QUESTIONS ON NOTICE: PLANNING AND LAND MANAGEMENT; KINGSTON FORESHORE DEVELOPMENT AUTHORITY; GUNGAHLIN DEVELOPMENT AUTHORITY (continued)

- *2001-02 KFDA Annual Report (750 copies)*
  Direct costs Design and Printing $15,632 ex GST
  Indirect costs - Staff salaries $1,204
  Total $16,836

- *2000-01 KFDA Annual Report (250 copies)**

  Direct costs - (DUS - ACT Record Services) $4,000 estimated (ex GST)
  Indirect costs - Staff salaries $634
  Total $ 4,634

** Initial year of KFDA operations and prior to implementation of Marketing Strategy and land sales activity.*

QoN 3 *Chief Minister's Directions:* The Chief Minister's Directions called for recycled uncoated paper- the DUS Report, the ACTION Report, the KDFA Report and the has been printed on a shiny paper.

Does this paper comply with the Chief Minister's requirements, and if not why was it chosen? What was the cost of printing on this paper compared with recycled uncoated paper as defined in the Chief Minister's Directions?

ANSWER:

The KFDA Annual Report is printed on Matt A2 paper stock. Best Practice Note 6.7 states, "Where high resolution is necessary, for example when photographs are used matt coated papers maybe used".

This stock is not recycled but is manufactured using a chlorine free process.

The stock was chosen for its reproduction quality with photographs and text. In particular problems of marks being interpreted as decimal points with financial pages is reduced. The stock was 25% cheaper than equivalent recycled paper.

If sufficient pressure is exerted smudging of annotations will occur especially when first printed because the matt paper will not absorb the ink as quickly as uncoated but will dry in time.

Appendix 5: ANSWERS TO QUESTIONS ON NOTICE: PLANNING AND LAND MANAGEMENT; KINGSTON FORESHORE DEVELOPMENT AUTHORITY; GUNGAHLIN DEVELOPMENT AUTHORITY (continued)

The cost of printing on the selected Matt A2 (chlorine-free) stock was $12,039.

The cost of printing on the alternative/equivalent quality Monza A2 recycled stock was $15,000.

Consultants

QoN 4 *Operational Activities*: Expenditure for this area in 2001-2002 was $299,891.00. The expenditure for 2002-2003 increased by 37% in 2002-2003 to $410,565.00.
4a.To what extent is this expected to be a trend in future years while the Kingston Foreshore continues to be developed?

ANSWER:

The operational activities for the project were expected to continue at a similar level to 2002-03 until 2005-06 at which time the operations of the project would begin to significantly reduce. This is because the bulk of the infrastructure work would have been completed and sites available for sale.

4b.What are the contractoral arrangements with Professor Des Nicholls who seems to have an annual contract for a 'Management Strategy for the Development of the Public Domain' at around $14,000.00 per annum? Why isn't the expertise to undertake this work available in house or at ACTPLA?

ANSWER:

Professor Nicholls was engaged to develop a strategy for the development and maintenance of the public domain which comprises 50% of the Kingston Foreshore.

The implementation of innovative funding and management strategies, utilising Community Title and based on capturing a proportion of the added value of development initiatives is a central issue. The formulation of such strategies requires a detailed knowledge of the:

- *system of leasehold land tenure in the ACT;*
- *legislative and administrative framework within which the leasehold system operates;*

- *funding mechanisms which drive it; and*
- *experience and database necessary to draw comparisons with equivalent rating and funding regimes in other jurisdictions.*

Professor Nicholls is Professor of Economics and the ANU, an Associate of the Australian Property Institute, a qualified valuer and a qualified real estate agent. He is also the author of the Nicholls Report into betterment and the leasehold system in the ACT, the most recent and detailed report on this topic.

The KFDA could not identify any other person with the equivalent qualifications, experience, and knowledge and understanding necessary to satisfy the skills set required.

ACTPLA officers responsible for the Community Title legislation rendered valuable policy advice. However the formulation of the community title regime, management entity and funding regime was beyond their scope of expertise. The work undertaken by Professor Nicholls has in fact been followed with interest by ACTPLA as a "test case" under the new legislation.

4c.If the Authority undertook a Business and Fraud Risk Assessment, and adopted an internal Audit Plan which is monitored by independent Auditors- why does not a payment to an auditing consultant appear in operational activities? If the Authority was planned to cease to exist from 1 July 2003, on what basis was the Business and Fraud Risk Assessment undertaken, and what has been the impact of the implementation of the Risk Assessment? How valid is this assessment now that the KDFA'S operations ceased from 1 July 2003 with the establishment of the Land Development Agency?

<u>**ANSWER:**</u>

Walter and Turnbull were contracted to undertake internal audits as required by the Board Audit Committee. The cost of each audit did not exceed $15,000 and hence is not reported under Operational Activities. See response to question 4i.

In accordance with the principles of good corporate governance the KFDA undertook an annual review of business risks and the potential impacts on the implementation strategy and the achievement of forecast targets for the year.

Appendix 5: ANSWERS TO QUESTIONS ON NOTICE: PLANNING AND LAND MANAGEMENT; KINGSTON FORESHORE DEVELOPMENT AUTHORITY; GUNGAHLIN DEVELOPMENT AUTHORITY (continued)

As a consequence of this review a revised land release strategy was adopted with the release of Site 1 in preference to Site 4 (see Activities Note 7 page 24). This change dealt with a potential softening of the market demand for investor-targeted units. This will also see the Land Development Agency release Site 9 in 2004 for separate title townhouses to further diversify product offerings.

4d.What the cost to the KDFA in 2002-2003 for:

- **legal advice and who provided it; and**
- **accountancy services and who provided it?**

ANSWER:

Legal advice to the KFDA was provided by Chamberlains Law Firm at a cost of $87,564. (Contractors and Consultants page 11 refers).

Accountancy services were provided in-house by the KFDA's Chief Finance Officer. Specialist advice on tax equivalent regimes was provided by Deloitte Touche Tohmatsu at a cost of $44,702 (page 12 refers).

4e.The 2002-2003 Annual Report records at page 79 administrative expenses for 'Auditor's remuneration-audit of the financial report' as being $3,000,000.00. To whom were these fees paid and what are the terms of the contract?

ANSWER:

It should be noted that there is an error in the report in that the columns are headed $'000 whereas all figures are given as whole dollars.

The auditor's fee was $3,000 and was paid to the ACT Auditor-General for auditing of the financial statements of the Stage 1A Joint Venture. It is a legislative requirement that the ACT Auditor-General audits the joint venture.

4f.The 2002-2003 Annual Report records at page 79 $1,046,500,000.00 in administrative expenses for joint venture management fees. To whom were these fees paid and what is the breakdown of these fees?

Appendix 5: ANSWERS TO QUESTIONS ON NOTICE: PLANNING AND LAND MANAGEMENT; KINGSTON FORESHORE DEVELOPMENT AUTHORITY; GUNGAHLIN DEVELOPMENT AUTHORITY (continued)

ANSWER:

The fees were paid to St Hilliers for project management services In accordance with the Joint Venture Agreement.

4g.Administrative expenses include $1,701,013.00 for consultancy fees. To whom were these fees paid and what were they for.
ANSWER

The consultancy fees were paid by the Joint Venture to Group GSA/Munns Sly for architectural services, Northrops for structural engineering services, Coffeys for geotechnical services and to APP for project superintendent services.

4h.What is the total expenditure for 2002-2003 for consultancies under $5,000. Who was engaged and for what purpose were these engaged. Were these subject to select or open tender processes? Why wasn't the expertise available from either the KDFA, ACTPLA or from within the ACT Government?

ANSWER:

Total expenditure on consultancies under $5,000 was $23,645. A breakdown is at Appendix A.

In accordance with the Procurement Guidelines these consultancies were engaged following the receipt of written or verbal quotes or on a single select process on the basis of urgency or limited availability of the skills required.

As stated in the Annual Report at page 10, the Chief Executive Officer supported by a small core staff of seven people managed the day-to-day operations of the KFDA.

A major project of this nature requires a diversity of skills at different times and stages of implementation. It is impractical to maintain these skills in-house without incurring unsustainable overhead costs. Consequently the majority of design and development activities were undertaken on the basis of contracts or consultancies.

Whereas the role KFDA was the development of the Foreshore, the core business of the ACTPLA and other ACT Government agencies is that of policy makers/regulators. It *should be noted that KFDA was subject to the same development approval processes as a private sector developer.*

While design and development skills are available within ACTPLA and DUS, they are principally tasked to policy formulation and development regulation. Consequently a conflict of interest arises if these agencies assist in the formulation of development proposals on behalf of a proponent such as KFDA.

4i. What is the total expenditure for 2002-2003 for contractors under $15,000. Who was engaged and for what purpose were these engaged. Were these subject to select or open tender processes? Why wasn't the expertise available from either the KFDA, ACTPLA or from within the ACT Government?

ANSWER:

Total expenditure on contractors under $15,000 was $170,288. A breakdown is at Appendix B.

In accordance with the Procurement Guidelines these contractors were engaged following the receipt of three written or verbal quotes or a single select process was used on the basis of urgency or limited availability of the services required.

The Chief Executive Officer supported by a small core staff of seven people managed the day-to-day operations of the KFDA. To source the full range of services required without imposing intolerable overhead costs extensive use was made of external contractors.

Service level agreements or fee for service transactions were entered into with various ACT Government agencies for the provision of IT services, human resource management, records management, land information services and fleet management.

4j.*Capital Works*-The Chief Executive's Summary at page 3 of the report indicated that a capital works program valued at $11.595 million has been successfully delivered in co-ordination with the construction of the first residential dwellings. How does this figure relate to the cost of Capital Works Projects for 2002-2003 being $13,773.600.00 (compared with $7,916,370.00 in 2001-2002).

Appendix 5: ANSWERS TO QUESTIONS ON NOTICE: PLANNING AND LAND MANAGEMENT; KINGSTON FORESHORE DEVELOPMENT AUTHORITY; GUNGAHLIN DEVELOPMENT AUTHORITY (continued)

ANSWER:

As reported at page 3 the value of the capital works program for 2002-2003 was $11.95 million. The figure of $13,773,600 is derived by totalling the value of all capital works contracts currently underway (Operational Activities pages 12-14 refer). The difference is explained by the fact that many of these contracts were commenced in 2001-2002 and
are still underway and/or invoices for the total value of the works had not been received as of 30 June 2003.

That the $13,773,600 value of capital works in 2002-2003 exceeds the $7,916,370 value of such works in 2001-2002 reflects the fact that the project entered the construction phase in 2002-2003 with several major capital works contracts being let including construction of Stage 1 infrastructure ($6.56 million) and relocation of 132 kv power cables ($3.65 million).

4k.How does $13,773,600.00 compared to what was budgeted for 2002-2003? Who approves the cost of the capital works projects and who approves the contracts? Against what approved plan do the capital works projects proceed? Apart from the social and environmental benefits described at page 17 of the 2002-2003 Annual Report, how does the Canberra Community know if the large expenditures being incurred by the KDFA are value for money?

ANSWER:

The budgeted value of capital works for 2002-2003 was $11.595 million. The total value of capital works underway in 2002-2003 was $13.773 million reflecting the value of some works committed in 2001-2002 but still underway in 2002-2003 (see answer to question 4J).

The costs of proposed capital works are included in the project cost plan approved by the KFDA Board. The cost plan was prepared on the basis of design and pre-construction estimates. Major capital works projects were subject to value engineering workshops to ensure that best value for money delivery methods were being used.

The approval of the Chief Executive Officer was obtained prior to any contract up to $1million being let and reported to the Board. The approval of the KFDA Board was obtained before any contract over $1 million was let.

Capital works projects proceeded in accordance with the Implementation Strategy approved by the KFDA Board. The Board received monthly reports on the financial position of the KFDA, which included cash flow forecasts taking into account the impacts of progressive capital works expenditure.
To ensure that the Territory achieves value from the project, the Implementation Strategy adopted targets for internal rates of return (IRR) equivalent to those employed by the private sector. In all cases these targets have been met or exceeded.

As reported the KFDA recorded a surplus of $0.3 million from its operations in 2002-2003, which was significantly better than the budgeted result of a loss of $1.026 million. The KFDA is handing the project over to the Land Development Agency in a strong financial position with liquid assets exceeding current liabilities by a factor of nearly four times.

4l.Page 21 of the KDFA 2002-2003 Annual report describes the stages of the Kingston Foreshore Development from 2001-2003 to 2008-2010. Have financial predictions for revenue and expenditure been undertaken for the years 2003 to 2010, and if so what is the year-by-year planned expenditure for consultants, contractors, and capital works projects respectively? What savings in corporate overhead costs might be achieved now that the KDFA has been rolled into the Land Development Agency? What contingency plans does the KDFA have if the sales of land and dwellings are retarded by high interest rates, or if the targeted sales are not achieved, sustaining loses to the ACT Government?

ANSWER:

The financial modelling undertaken by the KFDA is for the entirety of the project including the years 2003-2010 and includes financial predictions for revenue and expenditure. The year-by-year planned expenditure for consultants, contractors and capital works is set out in Appendix C.

It is anticipated that the inclusion of the KFDA into the Land Development Agency will result in a reduction in corporate overhead costs over the remaining period of the project of $680,000.

Appendix 5:ANSWERS TO QUESTIONS ON NOTICE: PLANNING AND LAND MANAGEMENT; KINGSTON FORESHORE DEVELOPMENT AUTHORITY; GUNGAHLIN DEVELOPMENT AUTHORITY (continued)

Considerable attention was given to the management of risk to ensure that the project does not result in losses to the ACT Government. Identified risks included the potential for reduced revenue resulting from a possible softening in demand and/or increased supply in the medium density residential market.

To address this risk, market conditions and trends were carefully monitored and a conservative position adopted with respect to forecast revenues in order to take into account any potential for changes in the market. Product diversification was implemented to reduce exposure to any single market segment. (See response to question 4c).

In addition, KFDA has carefully managed its cash outflows, deferring where appropriate expenditure on infrastructure work and development activity to more closely match the timing of cash inflows.

Works are not committed before confirmation of the availability of funding. Work packages are also staged and structured so as to allow deferral of works if necessary without adversely impacting on revenue from the release of development sites.

4m.What was the process by which ActewAGL Distribution was awarded the $3,652,707.00 contract for the relocation of ACTEW 11kV and 132 kV power cables. What was the value of the contract at the date of signing?

ANSWER:

The 11kV and 132 kV cables were existing assets of the ActewAGL power distribution system for South Canberra. Consequently KFDA entered into an agreement with ActewAGL for their relocation in order to facilitate the implementation of the approved Master Plan.

It was agreed that ACTEW would act as Project Directors to minimise the risk to interruption of supply and that the most competitive prices would be sought to undertake the civil works. The value of contract at the time of signing was $5 million.

Appendix 5: ANSWERS TO QUESTIONS ON NOTICE: PLANNING AND LAND MANAGEMENT; KINGSTON FORESHORE DEVELOPMENT AUTHORITY; GUNGAHLIN DEVELOPMENT AUTHORITY (continued)

APPENDIX A

KFDA Consultancies under $5,000

Consultants Name	*Purpose*	*Select or Open Tender*
Professor Taylor – University of Canberra	*Heritage assessment of trees*	*Single Select*
Hill PDA	*Research and tour of Sydney residential market*	*Single Select*
Eric Taylor Acoustics Pty Ltd	*Noise level study for Site 1*	*Quotes*
Robson Laboratories	*Survey and report an KFDA Office building*	*Single Select*
ACT Government Solicitors	*Amendments to Land Act regulations*	*N/A*
Phillip Fox	*Site 1 EOI probity advice*	*Quote*
KPMG	*GST advice*	*Single Select*
Deloitte Touch Tohmatsu	*FBT & GST advice on Site 7*	*Select Tender*
McCann & Associates	*Provide monthly marketing update*	*Quote*
Don Howell	*Provide marketing advice*	*Single Select*

Appendix 5: ANSWERS TO QUESTIONS ON NOTICE: PLANNING AND LAND MANAGEMENT; KINGSTON FORESHORE DEVELOPMENT AUTHORITY; GUNGAHLIN DEVELOPMENT AUTHORITY (continued)

APPENDIX B *KFDA Contractors under $15,000*

Name	Purpose	Select or Open Tender
Drake Australia	*Casual staff*	*Single Select*
Drake Australia	*Casual staff*	*Single Select*
Endoxos Pty Ltd	*Office cleaning*	*Single Select*
City Group	*Office cleaning*	*Single Select*
Totalcare Industries	*Property maintenance*	*N/A*
Totalcare Industries	*Property maintenance*	*N/A*
R B & R Daintree Pty Ltd	*Maintenance of office security system*	*Single Select*
MIL Services Pty Ltd	*Security for site*	*Single Select*
Recall Secure Destruction Services	*Supply of recycling bins*	*Single Select*
Cleanaway	*Supply of waste bins*	*Single Select*
Leaves Away	*Grounds maintenance*	*Single Select*
Cityscape Services	*Grounds maintenance*	*Single Select*
Instyle Indoor Plant Hire	*Indoor plant hire for KFDA office*	*Single Select*
WalterTurnbull	*Internal audit review of Joint Venture Reporting*	*Single Select*
WalterTurnbull	*Internal audit review of contract management*	*Single Select*
WalterTurnbull	*Revised Fraud & Risk Assessment*	*Single Select*
WalterTurnbull	*Legislative and reporting compliance review*	*Single Select*
ACT Auditor-General's Office	*Audit fee for accruals 2002-2003*	*N/A*
Colliers International	*Valuation of Site 2A and part Site 15*	*Single Select*
Smith Kostryko Cohen Middleton	*Independent chair for Community Liaison Group*	*Single Select*
Gifts of Memories	*Secretariat Services for Community Liaison group*	*Single Select*
McCann & Associates	*Review of Site 2A*	*Single Select*
McCann & Associates	*Presentation to KFDA Board on Sites 2A and 15*	*Single Select*
Jahn Associates Architects	Assessment panel member for sale of Site 7	Single Select
Colin Stewart Architects	Site 7 Tender Evaluation	Single Select
Professor Tom Heneghan	Assessment panel member for sale of Site 7	Single Select
McCann & Associates	Site 1 valuation	Single Select

Appendix 5: ANSWERS TO QUESTIONS ON NOTICE: PLANNING AND LAND MANAGEMENT; KINGSTON FORESHORE DEVELOPMENT AUTHORITY; GUNGAHLIN DEVELOPMENT AUTHORITY (continued)

Cox Humphries Moss	*Preparation of Lease Management Plans*	*Single Select*
McCann & Associates	*Updated revenue estimates*	*Single Select*
Professor Tom Heneghan	*Assessment Panel Member for Sale of Site 7*	*Single Select*
McCann & Associates	*Advice on use of space at Kingston*	*Single Select*
Colliers International	*Valuation of release sites*	*Single Select*
Acton Corporate Partners	*Corporate Government Questionnaire*	*Single Select*
Media Monitors Australia	*Media Monitoring*	*Quotes*
Grey Advertising	*Website maintenance*	*Single Select*
Union Offset Printing	*Printing of Newsletters*	*Single Select*
Foulsham & Munday Pty Ltd	*Provide secretariat services for Community Liaison Group*	*Single Select*
Geoff Comfort Photography	*Aerial and site photography*	*Single Select*
Australian Valuation Office	*Valuation of buildings and site*	*N/A*

Appendix 5: ANSWERS TO QUESTIONS ON NOTICE: PLANNING AND LAND MANAGEMENT; KINGSTON FORESHORE DEVELOPMENT AUTHORITY; GUNGAHLIN DEVELOPMENT AUTHORITY (continued)

APPENDIX C

KFDA Projected Expenditure 2003-2010

	Budget 2003/04 $	Budget 2004/05 $	Budget 2005/06 $	Budget 2006/07 $	Budget 2007/08 $	Budget 2008/09 $	Budget 2009/10 $
CONSULTANTS							
Professional/Technical	270,000	100,000	100,000	20,000	20,000	20,000	
Legal/Finance	70,000	40,000	40,000	40,000	40,000	40,000	
Marketing	10,000	10,000	10,000				
	350,000	150,000	150,000	60,000	60,000	60,000	-
CONTRACTORS							
Office Cleaning	12,000	12,660	12,900	13,350	13,350	13,350	
Building Repairs & Maintenance	40,020	41,220	42,480	43,800	43,800	43,800	
Site Security	13,200	13,680	14,100	14,520	14,520	14,520	
Site Waste Disposal	1,200	1,500	1,800	2,100	2,100	2,100	
Grounds Maintenance	30,000	33,000	36,000	39,000	39,000	39,000	
Internal Audit Fees	30,000						
Corporate Service Fees	42,000	43,200	44,520	45,960	45,960	45,960	
IT Equipment and Services	84,000	88,200	93,600	98,400	98,400	98,400	
Fleet Vehicles	18,000	18,660	19,200	23,760	23,760	23,760	
Valuation Services	20,000	25,000	30,000	35,000	35,000	35,000	
	290,420	277,120	294,600	315,890	315,890	315,890	-
CAPITAL WORKS							
Infrastructure Costs	13,095,200	9,640,000	10,130,000	3,250,000			
Electical relocation	1,200,000	1,200,000	1,200,000	1,350,000			
Demolition and Remediation	1,178,220	827,000	253,000				
Development Costs - Other	3,584,630	7,438,000	10,298,000	1,176,000	4,600,000	1,200,000	
	19,058,050	19,105,000	21,881,000	5,776,000	4,600,000	1,200,000	-

Appendix 6: ANSWERS TO QUESTIONS ON NOTICE: *ACTION* AUTHORITY

__QoN 1. Presentation and Quality of Report__

1a. **Why does the 2002–03 Annual report contain so many photographs (around 65 in all, including each of those in the front and back covers as separate items)? This is around two photos per page of the 148-page report.**

ANSWER:

ACTION Authority worked within the Chief Minister's Directions for Annual Reports Standards. To more adequately demonstrate the nature of ACTION's business, pictorial means were used.

1b. **Why has ACTION chosen to ignore the Chief Minister's Directions for Annual Reports Standards that states that 'covers must not exceed three colours'.**

ANSWER:

ACTION Authority used three colours: black, orange (Pantone 021) and blue (Pantone 300). White is not classified as a colour. White, recycled and uncoated paper must be used

ANSWER:

The paper used by ACTION Authority was a digital matt art paper stock and chosen for its reproduction quality with photographs and text. It avoids any problems with screenwork becoming heavy and reversed text being unable to be read. Problems of marks being interpreted as dots, especially with financial pages, is also reduced. If sufficient pressure is exerted, smudging may occur, especially with the blue colour but only when first printed. The ink will harden over time. Annotations are similar because the matt paper will not absorb the ink as quickly as uncoated paper, but again, the ink will dry in time.

The digital matt art paper stock does comply with the ACT Government Publication Standards for Hard Copy Publications outlined in Best Practice Note 6.7 that states ' Where high resolution is necessary, for example when photographs are used, matt coated papers maybe used'. Multiple colours must be avoided – colour pages may be used to differentiate between sections

Appendix 6: ANSWERS TO QUESTIONS ON NOTICE: *ACTION* AUTHORITY (continued)

__ANSWER:__

Chief Minister's Directions for Annual Report standards were met.

In addition, the following requirements apply to annual reports: Reports should use no more than three print colours. Black or shades of black will be considered a colour

__ANSWER:__

Chief Minister's Directions for Annual Report standards were met. ACTION Authority used three colours: black, orange (Pantone S021) and blue (Pantone 300). White is not classified as a colour. It is permissible to use additional colours if required to adequately represent charts and graphics

__ANSWER:__

Chief Minister's Directions for Annual Report standards were met. No full colour photography is to be used

__ANSWER:__

Chief Minister's Directions for Annual Report standards were met. The use of photographs generally is to be kept to a minimum.

__ANSWER:__

Chief Minister's Directions for Annual Report standards were met.

QoN 2. Statement of Financial Performance

Most of the points under this heading refer to significant variations in the "Statement of Financial Performance" between 2002-03 and 2001-02. These variations arise because 2002-03 figures represent trading over a full financial year whereas 2001-02 figures represents trading results for a six-month period i.e., from 1 January 2002 to 30 June 2002.

Appendix 6: ANSWERS TO QUESTIONS ON NOTICE: *ACTION* AUTHORITY (continued)

ANSWER:

ACTION was established as the "ACTION Authority" from 1 January 2002 and was therefore required to report figures independently from the Department of Urban Services.

Note that the figures in the annual report for the previous financial year also reflected trading for the six-month period.

QoN What level of Government subsidy does ACTION expect to have to receive annually over the next 5 years to maintain a sustainable business?

ANSWER:

Funding for the Authority from Government is recorded in the Budget Papers for 2003-04 and forward years as "User Charges – ACT Government". These amounts are shown below.

2003-04	*$49,218m,*
2004-05	*$48,892m*
2005-06	*$48,818m*
2006-07	*$48,998m*

It should be noted that these amounts can be altered depending on government initiatives or changes in government policy, price adjustments and any other factors outside of the Authority's control.

QoN Depreciation and Amortisation page 125 – What is the significance of the 2002-03 depreciation and amortisation figures for the current fleet? How will this influence the future replacement/refurbishment of Plant & Equipment and Buildings? What budgetary impact is this likely to have in the next 5 years, and what does it mean for the provision of ACT Government subsidy over this period of time?

Appendix 6: ANSWERS TO QUESTIONS ON NOTICE: *ACTION* AUTHORITY (continued)

ANSWER:

In the 2002-03 financial year buses represented an amount of $3,535m of the total "Plant & Equipment" of $4,066m. As new buses begin to replace the older buses in the fleet there will be an increase in depreciation expense. This is reflected in the Budget Papers for 2003-04 (BP4, page 416), specifically financial years 2003-04 and 2004-05, which increases from $4,875m (2002-03) to $5,288m (2003-04) and $5,371m (2004-05).

The ACTION Authority does not receive Government funding for depreciation.

QoN Cash at Bank/Cash at Hand – the increase in this item from 2001-02 is $2,852m. What is the source of this cash, and is this a trend that can be expected in future years?

ANSWER:

The increase in cash mainly represents committed, but unspent capital funds as at the end of the financial year as well as EBA funding for the period 1 January 2003 to 30 June 2003. A large part of these funds will be consumed in 2003-04.

QoN 3 Consultancy/Contractor Services

The use of consultants/contractors has increased by $37,942 or a 7% increase from 2001–02.

3a The Quality Accreditation Audits consultancy does not appear for 2002–03. What does this mean, for example, are these audits no longer undertaken; is the expertise now available in-house so it is not necessary to buy in outside experience?

ANSWER:

The quality accreditation audits continue to be undertaken. In 2001-02 the Authority spent $16,935 for Quality Assurance to undertake this task. In 2002-03 quality accreditation was provided by SAI Global at a cost of $9,863.

Appendix 6: ANSWERS TO QUESTIONS ON NOTICE: *ACTION* AUTHORITY (continued)

3b Other than for the accreditation audits, the other consultancies/contractors are with the same companies. How often does ACTIONI market test for the provision of such services?

ANSWER:

Most of the consultants and contractors referred to are completing tasks (contracts) or have the specific skills required for the specialist service or advice. For example Indec Consulting are known for their expertise in the transport industry and are used by many public and private state operators. The cleaning contract (P & O Berkeley Challenge) was renewed in recent years while C3PLUS P/L and Fleet Strategies are completing projects that commenced in the previous year.

Market testing is mainly undertaken at the time of renewing contracts, with contract renewals occurring about every 3 years.

QoN 4 Capital Works Management

The table on page 54 appears to indicate that overall expenditure was $5,601,000 below budget.

4a What is the explanation for this?

ANSWER:

The balance of $5,691m reflects unspent capital funds due to delays in finalising contracts. Some of these projects have been more complex in finalising than first expected and have received rigorous review by purchasing committees. The balance of funds as well as 2003-04 and forward years funding should now be expended as programmed.

4b Is it intended that this under expenditure be expended in 2003–04, and if so what are the details of that expenditure?

Appendix 6: ANSWERS TO QUESTIONS ON NOTICE: *ACTION* AUTHORITY (continued)

ANSWER:

Funding for 2003-04 and forward years is for the bus replacement program.

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT

QoN 1. Why was the 2000 State of the Environment (SoE) Report for the Australian Capital Region in December 2002 in Merimbula? Why was it not launched in the ACT? What were the issues that caused the delays in the launch of the 2000 report? At page 11 of the report, it states that certain input for the next SoE was due to the Minister for the Environment by 31 December 2003. When is the next SoE Report due to be completed and launched? Why is there no reference to this report apparent in the DUS report?

ANSWER:

The 2000 State of the Environment Report for the Australian Capital Region was launched in Merimbula to coincide with a workshop of the regional network responsible for the report to look at future reporting arrangement. The then Minister for the Environment, Bill Wood, attended this workshop. It was a convenient opportunity to launch the report at a location in the reporting region. It was not a special event arranged simply for a launch. Costs were shared.

QoN 2 What is the purpose of the SoE Report, and where does it fit into the hierarchy of other research, work and reports that are being undertaken by Environment ACT and the Office of Sustainability? What was the cost of preparing and launching the 2000 SoE Report. The 2000 SoE Report for the ACT and the Region contained a summary of Progress Towards Sustainability. What role does the Office of Sustainability play in the preparation of this summary? Why doesn't the Office of Sustainability as the co-ordinating agency prepare the SoE Report for the ACT?

ANSWER:

As stated in the 2000 ACT State of Environment Report, 'the purpose of State of the Environment reports is to represent as accurately as is practicable, the current condition of the environment, and the actions that are taking place to minimise any pressures which are believed to be acting adversely on that condition. In providing a summary statement on the state of the environment, and in providing a comprehensive database—which can be regularly updated—to back up that summary statement, the format of this report allows for ongoing evaluation of specific aspects of the environment between State of the Environment reports'.

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

The Commissioner's aim is to link State of the Environment reporting with human and natural resource management and planning, and with day-to-day management operations. State of the Environment reporting then provides a means of organising and accessing the ecological and socio-economic data essential for sustainable management rather than being simply an additional legal obligation'.

The work of the Office of Sustainability complements that of the Commissioner for the Environment. While the Commissioner for the Environment concentrates on detailed assessment of environmental indicators, with some commentary on sustainability, the Office of Sustainability focuses on the Government's policies about sustainability across environmental, social and economics issues.

Research work of Environment ACT informs the Commissioner's reports.

<u>What was the cost of preparing and launching the 2000 SoE Report?</u>

<u>ANSWER:</u>

The 2000 State of the Environment Report was a Regional report, consisting of the ACT SoE Report, 17 Shire Council Reports and a Regional Overview. The 19 reports were done simultaneously, and it is not possible to apportion costs to the ACT report alone. The total cost as noted in Output Reporting for OCE in the financial years 1999-2000 to 2002-03 was $934,950.

The ACT's portion of the cost of the launch was $426.28.

The 2000 SoE Report for the ACT and the Region contained a summary of Progress Towards Sustainability. What role does the Office of Sustainability play in the preparation of this summary?

<u>ANSWER:</u>

It had no role in preparation of this summary. The Office of Sustainability was not established at this time.

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

Why doesn't the Office of Sustainability as the co-ordinating agency prepare the SoE Report for the ACT?

ANSWER:

The Commissioner for the Environment has statutory responsibility under the Commissioner for the Environment Act 1993 *to prepare state of environment reports.*

A review of the role and functions of the Office of the Commissioner for the Environment is being conducted in reflection of the Office being in operation for 10 years. A number of new statutory and administrative changes have occurred in this time. The review is considering these changes in the operating environment of the Commissioner and it is expected that a report will be with Government early this year. The review is considering, among others, the relationship between the role of the Commissioner for the Environment and the Office of Sustainability.

QoN 3

What use does the Office of Sustainability or other relevant areas of the ACT Government make of the special reports prepared by the Commissioner for Environment in terms of policy development and corresponding implementation for the ACT and the surrounding Region?

ANSWER:

Special reports prepared by the Commissioner for the Environment have addressed specific environmental issues. These reports have been used to inform future policy, to refine procedures and processes relating to the protection of the environment and to provide an independent evaluation of Government policy. They have formed the basis for on-going constructive dialogue with the Commissioner about the issues on which reports were prepared.

QoN 4

Is there any significant change detectable as a result of the SoE report and any other reports or recommendations made by the Office of the Commissioner for the Environment?

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

ANSWER:

The Commissioner's State of Environment Reports include recommendations for action by Government. The Government must address these recommendations in its response to each report. This response is tabled in the Legislative Assembly and progress with implementation reported on in each annual report of the Commissioner. Progress is often achieved through on-going dialogue with the Commissioner about particular issues.

The work of the Commissioner for the Environment has had an influence or resulted in direct change of policy in many areas relating to the environment. Examples include:

- *Enhanced procedures for the use, handling and documentation of pest control chemicals by Government agencies and their contractors;*
- *Refined standards for the operation of the hazardous materials incinerator at Mitchell; and*
- *Changes to the development of land in Conder to retain some land in the Canberra Nature Park and a moratorium on development on other land with native grassland values; and*
- *Informed the development of the proposal for a permanent tree protection regime for the ACT.*

QoN 5

What relationship is there between the Greenhouse Strategy and its implementation, and the SoE Report, and what role has the Office of the Commissioner for the Environment had in the preparation of any ACT Government environment and sustainability policies?

ANSWER:

The Commissioner for the Environment's frame of reference for his work is the Condition-Pressure-Response model. State of Environment Reports address data providing information on these three inter-related parameters. The ACT Greenhouse Strategy is a specific strategy of Government, which is a policy response to pressures on the environment and community well being through human induced climate change. The Commissioner's role is to report on the efficacy of this response in addressing the identified pressures.

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

The Commissioner is routinely consulted and actively engaged in the development and on-going refinement of environment and sustainability policy in the ACT.

QoN 6

What was the nature of the in-house review that was undertaken before the November 2002 workshop?

ANSWER:

Following is an extract from Output 1.1.1 in June 2002 – An internal workshop identified strengths and weaknesses of the SoE-2000 process and proposals for how to improve the process and outputs for SoE-2003. The indicators used for SoE-2000 were scrutinised and revised. The number of indicators was reduced from 106 to 42.
The review was a precursor to the public consultation on the Issues to be discussed in SoE-2003 that was held in November 2002, and part of a process undertaken by the Commissioner's office after every SoE report, to improve processes and outputs of the next such report.

Who attended the November 2002 workshop and where has its outcomes impacted on ACT Government environment policy, either in development or implementation?

ANSWER:

Don McMichael, Henry Nix, Molly Harris-Olsen, Meg Keen, Guy Thurston, David Butt, Cathy Nicoll, Mark Grayson, Andrew Rice, Liz Fowler, Ken Johnson, John Schooneveldt, Alan Wade, Vince Hazell, Janis Birkeland, Maxine Cooper, Jenny Boshier, Ann Lyons-Wright, Jinnie Lovett, Richard Norris, Graham Mannall, Jan Tarbotton, John Miller, Peter Ottesen, Brian Wilkinson, David Shorthouse, Helen Sims, Pauline Carder and Joe Baker attended the November 2002 workshop.

The purpose of the workshop was to decide on what issues should be reported in 2003 State of the Environment Report. The results of the workshop have not impacted on ACT Government environment policy.

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

QoN 7

The Commissioner reports at page 6 and page 8 of his report that 'from a functional perspective, a key management issue for our small office remains my appointment for only six days a month (or, in the case of this SoE reporting year, eight a month). On average, that is one and a half to two days a week. In past years I have spent considerably more time than that in the office. In the reporting year I have not done so in the normal working hours when one establishes staff and stakeholder linkages. I have always made myself available when I am absent from the office, and that has been made easier over time with the improvements in electronic communications. Nevertheless, maintaining continuity is an ongoing challenge. A bigger challenge is that if a Commissioner for the Environment is to achieve any profile in the community, or indeed, in the eyes of the ACT Government agencies, the conditions of appointment and resourcing must be adequate to allow for public appearances, consultation and liaison as well as for operational (investigative and reporting) activities...other challenges arose as a result of changes to both air and water quality standards from the previous reporting period, significant new information about ecological communities that became available late in the process, personnel changes, a limited budget, and the sheer size of the task'

7a.What is the ACT Government doing in respect of this statement, and what has the ACT Government done about the earlier recommendation of this Committee to make this appointment a full time position, with the appointee domiciled in Canberra?

ANSWER:

This matter is being considered as part of the current review.

7b.What actions is the ACT Government taking to address the statement on page 8 of the report 'we nevertheless persevere to improve the linkages between SoE reporting and other relevant reporting responsibilities, as well as to understand the significant Indicators which are required to assess progress toward sustainability?

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

ANSWER:

This matter is being considered as part of the current review.

QoN 8

The Commissioner reports on page 9 that in respect of 'Complaint on hand at 1 July 2002-Belconnen' 'I have never received any response to the general recommendations that I made in an attempt to ensure that, in all future cases, better systems are introduced for sale of land on which there are remnant native trees…I have no confidence that my recommendations have ever been considered, nor ever will be'.

ANSWER:

The Chief Executive of DUS wrote to the Commissioner on 15 October 2003 addressing the general recommendations relating to this issue. The protection of remnant native trees in land development is being addressed in the development of a permanent tree protection strategy.

8a.Why has DUS in its Annual Report at page 162, Volume One, reported a contrary outcome, namely 'The Department has responded to the report and discussions are continuing about its outcomes.'

ANSWER:

This refers to the Department and Conservator's correspondence with the Commissioner addressing the specific issues he raised concerning trees at Nettlefold Street.

The Conservator wrote to the Commissioner on 14 February 2003 advising him of the actions taken by Environment ACT in addressing the Nettlefold Street issues he raised. In summary, the response indicated that:

- *A new application with amended plans had been submitted to Environment ACT and a new assessment undertaken;*
- *An arboricultural management plan was required as a condition of approval;*

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

- *A series of amendments were made to the development plans as a result of discussions between the parties and the Commissioner's office;*
- *A qualified arborist be engaged to oversight work that may impact on trees;*
- *Legal advice had been received that breach of these conditions would render the approval ineffective and the applicant would be carrying out tree damaging activities without approval; and that*
- *Other conditions have been imposed on the approval to ensure that trees are protected, e.g. fencing.*

In response, the Commissioner wrote to the Conservator on 7 March 2003 again expressing concern with a number of issues relating to Nettlefold Street. Whilst no new issues were raised, the Commissioner expanded on his previous concerns. These included how the remaining trees were to be protected, the application process, the actual assessment of the trees and failure to have the shape of the building redesigned. On 26 March 2003, the Commissioner also wrote to the Acting Chief Executive of the Department of Urban Services reiterating a number of his concerns. The Acting Chief Executive responded on 29 April 2003. The Conservator responded to the Commissioner's letter of 28 March 2003 again detailing Environment ACT's actions in addressing his concerns and providing detailed point-by-point responses.

8b.What are the details of the response to the Commissioner for the Environment and what action is DUS taking in respect of the recommendations?

ANSWER:

The Chief Executive of DUS wrote to the Commissioner on 15 October 2003 detailing the specific actions that DUS and other agencies are taking in respect of his general recommendations. In summary, the Chief Executive advised that the Commissioner's recommendation about:

- *the process for reviewing site vegetation cover prior to sale of land for development would be reconsidered following the finalisation of the review of the Tree Protection (Interim Scheme) Act 2001;*
- *lease and development conditions was noted in the context of the establishment of the new Land Development Agency and ACT Planning and Land Authority*
-

(ACTPLA) where current procedures for establishing and enforcing lease and development conditions are under review;

- *tree protection clauses in leases was questioned, arguing that planning and legislative controls are more effective than the use of lease conditions;*
- *tree damaging activities had been addressed and an amended process put in place requiring developers to demonstrate to the ACTPLA that all reasonable options have been considered where works impact on significant trees and this advice is forwarded to the Conservator;*
- *extending tree protection to all unleased Territory land is being considered in the context of the finalisation of a permanent tree protection regime for the ACT.*

QoN 9

In its report on Draft Variation Number 130 tabled in November 2003, the Committee in paragraphs 5.3 and 5.4 of the report, stated that ' (5.3) it was inappropriate for the Draft Variation to precede the finalisation of the LWCS, which is scheduled to be tabled in the Assembly in December 2003, as there may be a need to review the existing structure plans to ensure the protection of the remaining lowland grassy woodlands in the region. 5.4. The Committee is of the view that as the central purpose of the draft Strategy 'is to inform decision making regarding land use planning, and the development and management of land in the ACT'[11] pertaining to conservation, ACTPLA should ensure that the strategy plays an integral role in the development of proposals for future draft variations to the Territory Plan.' The Committee recommended (Recommendation Number 7) 'that the Government incorporate the ACT Lowland Woodland Conservation Strategy as part of its current Variation process, and in further detailed planning in North Gungahlin and other developments in the ACT.'

The Committee notes that the Commissioner for the Environment on page 9 of his report says that he had in respect of investigations on East O'Malley' identified that additional ecological work on action plans for the endangered grassy woodland ecological community and for threatened species of that community were planned for the 2002-2003 financial year. I wrote to the Ministers responsible for planning and for the environment, recommending that any sale of the land be deferred until that additional ecological survey and analysis were carried out…I also recommended changes to the scope of

[11] Draft ACT Lowland Woodland Conservation Strategy, page 2.

that additional work to ensure a more comprehensive, integrated approach be taken on woodlands as a whole in the ACT. As a result of my submission, the auction of the land was deferred'.

In the light of this recommendation and subsequent action by the Government to auction the land and thus negate 'the effectiveness of any constructive comments on East O'Malley in the community consultation period', and the fact that the Government finalised Draft Variation 130 on North Gungahlin in the absence of the release of the ACT Lowland Woodland Conservation Strategy, why does the Government continue to apparently ignore the advice and recommendations of the ACT Commissioner for the ACT?

ANSWER:

The Minister for Planning will address this question.

QoN 10

The 2002-2003 Annual Report of the Office of the Commissioner for the Environment at page 10 makes mention of the Progress Towards No waste by 2010- yet there is no corresponding mention in the DUS report on pages 47 to 49 Volume One. Why is this so?

ANSWER:

The Commissioner's reference to report of his 1999 investigation of the NoWaste by 2010 Strategy was to matters that remain to be implemented. The Department reports on these as a contribution to the Commissioner's annual report (as required by law) rather than including them in the DUS annual report.

QoN 11

How many recommendations did the Government receive from the ACT Commissioner for the Environment, how many were implemented, and why were the remaining ones not implemented?

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT

ANSWER:

The Commissioner's annual report details the status of recommendations made by the Commissioner and the Government's update of progress in implementing recommended actions.

QoN 12

The Commissioner for the Environment's annual report makes several mentions of the ACT Lowland Woodland Conservation Strategy, yet it receives three lines at page 61 of the DUS Annual Report (Volume One), and no mention of further implementational issues in the Future Directions at pages 67 –68. Why is this so, and what action has DUS planned for its implementation an integration into all aspects of planning and land management and environmental management in the ACT?

ANSWER:

During the period covered by the 2002-03 Annual Report the Lowland Woodland Conservation Strategy was in a draft form and released for public comment on 1 May 2003. This was included in the Annual Report page 61. Funding for implementing priority tasks of the Lowland Woodland Conservation Strategy was announced in the 2003-04 Budget, which will be reported on at the end of the current financial year.

Woodland conservation projects funded in the 2003-04 Budget will address key elements of the Lowland Woodland Conservation Strategy that are included in the Annual Report (Future Directions, page 67 dot point 4) and will be important to achieving strategies included in the Department's Directions and Priorities 2003-06 (Sustainable Resource Management – Protect and manage ecological values pages 11 and 16).

Since July 2004 Environment ACT has been aware of some of the likely directions emanating from the final form of the Lowland Woodland Conservation Strategy and has commenced implementing some of these which are under the categories: Information, Protection, Threat Abatement, Planning, Management, and Community Involvement. These include the following:

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

- *Working with ACTPLA to prepare for the establishment of new woodland nature reserves announced by the Government as part of the 2003-04 Budget;*
- *Providing information from the Lowland Woodland Conservation Strategy when working with ACTPLA and other government agencies involved in land planning and management;*
- *Preparing a Woodland Education Kit for use in schools;*
- *Undertaking additional surveys of woodlands, with an emphasis on understorey species and habitat attributes;*
- *Introducing a well-patronised program of woodland walks;*
- *Collecting seed of woodland plants for use in revegetation projects;*
- *Holding a revegetation workshop with government agencies, non-government organisations and community groups;*
- *Undertaking control of priority weeds in the proposed nature reserve at Gooroo*
- *Fencing, track maintenance and other environmental management initiatives in woodlands.*

QoN 13
The work of the ACT Commissioner for the Environment gets no acknowledgement in the Environment ACT section of the DUS Annual Report. Why is this so, and what is the true nature of the relationship between the Office of the ACT Commissioner and all other agencies with which it interacts in the ACT Government?

ANSWER:

Page 162 of the DUS Annual Report refers to assistance provided to the Commissioner for the Environment.

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

The Government believes that the Commissioner has an amicable and positive relationship with Government agencies. This is reflected in the level of support that his office receives in the provision of data for state of environment reporting and the cooperation given when the Commissioner seeks information. Regular meetings are held between the Commissioner and the Executive Director, Environment ACT to discuss issues and facilitate open communication channels. Furthermore, Environment ACT maintains a liaison officer position to deal with the Commissioner's office.

QoN 14

How is the Office of the ACT Commissioner rated by ACT Government agencies in terms of the value of the work that it does as an element of overall environmental management and development of policy for the ACT?

ANSWER:

The Government values the work of the Commissioner in terms of his contribution to the development of policy for environment management and in reporting on the condition of this environment. The current Commissioner, Dr Joe Baker, is held in high regard for his enthusiasm and dedication to the position since its inception.

QoN 15

The ACT Commissioner for the Environment asks the question at page 25 of his report 'what action, if any, has been taken to encourage best environmental practice within Government? As there appears to have been little picked up from the Commissioner's 2001-2002 annual report in this respect, what is being done to:

- **Implement more direct action by Government to encourage and reward improved environmental performance in its own agencies, and by individual and groups in the community;**
- **Consider a system such as the ANU has introduced in regard to developing and recognising the highest levels of environmental management performance by its own staff?**

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

ANSWER:

The ACT Government encourages and rewards best environmental practice through the delivery of the Knowledge Fund Program, the Business Acceleration Program and the Management of Hi-Tech Start-Ups Program.

The ACT Government also sponsors environmental award categories in industry awards, such as:

- *the Housing Industry Association Awards*
- *the Master Builders' Association Awards*
- *the ACT Tourism Awards.*

Government-focused initiatives to be investigated further in consultation with the Commissioner, including the possibility of an awards scheme associated with World Environment Day 2004.

QoN 16

See page 28 and 29 of the ACT Commissioner's Annual Report-Why has the ACT Government not yet implemented the policy that all Territory agencies report on their implementation of sustainability as part of their annual reporting? Why hasn't the Office of Sustainability picked this up, because as stated on page 29 ' when the Office of Sustainability was created, one intended aspect of its role was to assist government agencies to introduce sustainability practices into their daily operations'?

ANSWER:

The Government has implemented the requirements under the Environment Protection Act that all agencies include in Annual Reports implementation of ecologically sustainable development measures. For example, see Department of Urban Services 2002-03 Annual Report page 170, Department of Education Youth and Family Services 2002-03 Annual Report page 194.

Agency reports are prepared independently of the Office of Sustainability. However, ESD initiatives reported upon take account of whole of government developments, including those promoted by the Office of Sustainability.

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

The Commissioner's recommendation concerns annual management plans for the maintenance of significant infrastructure assets.

It is Government policy that asset management plans are required to be prepared by each agency or agency business, consistent with the ACT Government Asset Management Strategy. Implementation of these plans, including significant events and highlights relating to assets are included in agency annual reports.

The ACT Government Asset Management Strategy and subsidiary asset management plans are based on the fundamental premise of ensuring agency assets are procured, maintained and renewed in meet the continuing efficient delivery of services.

QoN 17

Why is there no whole of government involvement in the 'No Waste by 2010' strategy referred to on page 30 of the ACT Commissioner's report?

ANSWER:

Whole-of-government involvement in the Strategy is being progressed through the No Waste Interdepartmental Committee and actions of individual members. Members are taking on responsibility to implement Best Practice Waste Management within their agencies and a review of purchasing policies is progressing.

QoN 18

What is the Minister's view of the statement on page 30 that 'as in other parts of the ACT Government's response to recommendations, I am surprised that so little attention has been given to the short-term and long terms impacts of the January 2003 bushfires'. What was the Commissioner's intent in this statement? "On what basis was this comment made?" and "What evidence is available to support this assertion?"

ANSWER:

The Commissioner has advised that his comment at this point in the report was an editorial error and should have been deleted from the report.

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

<u>QoN 19</u>

How will ACTPLA integrate the issue of sediment pollution and compliance with erosion and sediment requirements into the approval of development applications and other relevant approvals relating to the building industry? (See page 36 and 37 of the ACT Commissioner's Report- recommendation 2000.18 that the ACT Government establishes procedures to ensure that all builders comply with sedimentation controls during all phases of construction of dwellings)

<u>ANSWER:</u>

The working group continues to meet to provide a coordinated approach to managing sediment and erosion control issues.

An Industry Liaison Officer has been appointed in Environment ACT to work with industry groups, including the building industry, to address environmental performance.

Building activities where significant ground disturbance will occur are proposed to be included in Schedule 1 of the Environment Protection Act 1997. Environmental authorisations will be required for appropriate sediment and erosion controls on all sites.

The Minister for Planning will also respond in relation to the role of ACTPLA.

<u>QoN 20</u>

On page 42 the Commissioner states in relation to recommendation 2000.24 that the ACT Government moves quickly to reduce gas emissions associated with ACT Government buildings, facilities, equipment, vehicles, and other transport; and to ensure that greenhouse issues are properly incorporated in planning and decision making, as indicated in the ACT Greenhouse Strategy.

<u>ANSWER:</u>

Implementation of the 2000 ACT Greenhouse Strategy is continuing. Recent initiatives include the establishment of a web-based Energy Data Gathering and Reporting

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

(EDGAR) system for ACT Government; training agencies and departments in the use of EDGAR; and ministerial approval for ACT fleet subscription to Greenfleet.

The ACT Government initiated a review of the 2000 ACT Greenhouse Strategy. The review of the Strategy was completed in the first half of 2003 and published in August 2003. Findings from the review are assisting in the development of the draft 2004 ACT Greenhouse Strategy, expected to be released mid 2004.

What progress has the Government made with the implementation of its strategy? Why wasn't this mentioned in the DUS annual report?

ANSWER:

Page 55 of the 2002-03 DUS annual report refers to ACT Government contributions to reducing greenhouse gases by implementing further energy saving initiatives in territory owned commercial buildings. Page 68 refers to the completion of the draft 2004 ACT Greenhouse Strategy as the next phase of the ACT's policy framework for reducing greenhouse emissions.

How will the abolition of trading in energy credits by the Commonwealth Government affect the ACT in its progress to meet targeted greenhouse emissions?

ANSWER:

The Federal Government's reluctance to sign the Kyoto Protocol means that the ACT is unable to take advantage of any of the emission reduction mechanisms available under the Protocol.

The ACT Government anticipated taking advantage of an emissions trading scheme. The 2000 ACT Greenhouse Strategy did not attribute any abatement from an emissions trading scheme due to the lack of an agreement on a suitable international framework. Given this, abolition of emissions trading will not affect the ACT's progress in meeting its greenhouse target.

The ACT Government is continuing to pursue that would allow for involvement in a suitable trading forum.

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

__QoN 21__

On page 43 of the ACT Commissioner's report, it is stated that in respect of 'quality monitoring for surface waters in the Rivers and Lakes program' that implementation is slow, and that 'although water quality in the ACT's water catchment has diverted resources in the last half of this financial year, I am disappointed with the report of progress'. What is the cause of the slow implementation and what is the ACT government proposing to improve the rate of implementation and an improved integration between the work of Environment ACT and the Office of the ACT Commissioner for the Environment?

__ANSWER:__

The CRC for Freshwater Ecology, with funding from the Murray Darling Basin Commission, is researching better ways of monitoring surface water quality. Viable better methods are still being developed.

Regular meetings are held between the Commissioner and the Executive Director, Environment ACT to discuss issues and facilitate open communication channels. Environment ACT maintains a liaison officer position to support this relationship.

__QoN 22__

At page 44 of the ACT Commissioner's report, Recommendation 97.4 asks that 'the Integrated Landuse and Transport Study by PALM be given high priority and specifically consider ways to develop an effective public transport system, which will encourage less private motor vehicle use'. The report refers to initiatives that ACTION has undertaken and other issues, but none of these appear to get a mention in either the 2002-2003 ACTION report or the DUS Report between pages 74 to 82, especially not the reason for the significant increase in funding for ACTION. Why is this so and what is the correlation between the Integrated Landuse and Transport Study and the Sustainable Transport Plan?

__ANSWER:__

The Minister for Planning will respond to this question.

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

22a.
What has been the total cost (direct and indirect costs) for the completion of the Integrated Landuse and Transport Study and the Sustainable Transport Plan?

ANSWER:

The Minister for Planning will respond to this question.

QoN 23
The Committee seeks a full explanation of why the recommendation (97.5) [see page 46 of the report] for air quality monitoring station in Belconnen has not been implemented, other than the reason that 'current resources do not allow for the provision of a third monitoring station at Belconnen'.

23a. Why has the ACT Government not regarded this as an environmental management priority?

ANSWER:

Ambient air quality monitoring was previously undertaken in Belconnen from 1 July 1994 until 30 July 1996. The monitoring station was established adjacent to Coulter Drive, in ACT Government depot to the north of the basketball centre, and continuously measured carbon monoxide, ozone and nitrogen dioxide.

Data from the Belconnen facility consistently fell between the upper and lower data ranges of the Civic (peak) and Monash (neighbourhood) stations, with pollutant levels below current national standards. Consequently, these data had no impact statistically and it was decided by the Health Department not to establish a permanent station in Belconnen.

It will be evident from the data generated by the established stations if air quality is decreasing. In these circumstances, the Government would re-consider the need for additional monitoring facilities. However, at present there is no evidence to suggest such a trend and so it remains the Government's view that an additional facility is not warranted at this stage.

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

Under the Ambient Air Quality National Environment Protection Measure (the NEPM) the ACT only requires one performance monitoring station. The Monash station will be used for NEPM purposes, supplemented by data from the Civic station.

23b. Will the Belconnen area be afforded a nephelometer from the 2004-2005 budget as indicated by the Government in its response to Recommendation 2000.2 that '$50,000 will be spent in the 2004-2005 financial year to purchase additional nephelometers, a surrogate particle measurement, to get better information on the true extent of smoke pollution across Canberra' (see page 47 of the Report)? If not, why not?

ANSWER:

$100 000 has been allocated over the next two financial years to purchase additional particle monitoring equipment. $50 000 has been allocated in the 2004/2005 for the purchase of additional nephelometers, a surrogate for particle measurement, to get better information on the true extent of smoke pollution across Canberra.

Prior to being place at various locations around Canberra the nephelometers need to be co-located with the $PM_{2.5}$ particle monitor to develop a correlation factor between the instruments as wood smoke comprises both fine and ultra-fine particles which are less than 2.5 microns in diameter.

A final decision has yet to be made on the locations of these instruments, which will be operated by the Health Protection Services within existing resources. However as the infrastructure for the old Belconnen station is still in place, it is envisaged that one will operate in Belconnen.

QoN 24
What was the overall cost of consultants during 2002-2003?

ANSWER:

The overall cost of consultants and contractors in 2002-03 was $48,549.

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

24a. The 2001-2002 Annual Report shows that a total of $45,991.00 was spent on consultants and contractors. The 2002-2003 report shows that $74, 012.00 was spent on consultants and contractors (for contracts over $15,000.00). This is a 61% increase from 2001-2002. Is this the sign of a future trend and the level of resources required for the Office to effectively undertake its work and comply with statutory obligations?

ANSWER:

Amounts in this question are incorrectly reported. In 2001-02 the cost of consultants and contractors was $74,012 (for contracts over $15,000). A contract of $15,200 was extended from 2000-01. In 2002-03 an amount of $45,991 was spent on consultants and contractors. The answer to the question is 'no'.

24b.What would be regarded as an adequate annual level of financial resources for the Office to undertake its work, given the comments in the report about the adequacy of resources?

ANSWER:

This matter is being addressed in the context of the current review.

QoN 25

On page 55 of the 2002-2003 Annual Report, it states that 'the 2000 SoE Report included 25 recommendations for the ACT Government to act to improve environmental management and assessed progress toward sustainability through the objectives to…' What is the ACT Government doing about the implementation of these recommendations?

ANSWER:

The Commissioner's annual report details the status of recommendations made by the Commissioner and the Government's update of progress in implementing recommended actions.

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

25a.What areas within the ACT Government are charged with the responsibility of implementing them?

ANSWER:

Implementation of the recommendations contained in the 2000 State of the Environment Report is primarily the responsibility the following agencies:

Recommendation	***Subject***	***Responsible Agency***
2000:1	*PM10*	*Urban Services (Environment ACT)*
2	*PM2.5*	*Urban Services (Environment ACT)*
3	*Woodsmoke*	*Urban Services (Environment ACT)*
4	*Greenhouse*	*Urban Services (Environment ACT)*
5	*Regional native vegetation*	*Urban Services (Environment ACT)*
6	*Conserve biodiversity, esp. off-reserve*	*Urban Services (Environment ACT)*
7	*Private sector investment in new technologies*	*Chief Ministers*
8	*Environmental education and training*	*Education, Youth and Family Services*
9	*Incentives for best environmental practice*	*Urban Services (Environment ACT)*
10	*Decrease crime*	*Justice and Community Safety*
11	*Asset management plans*	*Urban Services*
12	*No Waste*	*Urban Services (ACT NoWaste)*
13	*Reporting on energy consumption*	*Treasury*
14	*Mapping soil erosion, salinity and acidity*	*Urban Services (Environment ACT)*

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

15	*Groundwater*	*Urban Services (Environment ACT)*
16	*Environmental flows and aquatic ecosystems*	*Urban Services (Environment ACT)*
17	*Water quality standards*	*Urban Services (Environment ACT)*
18	*Sedimentation controls for builders*	*ACT Planning and Land Authority/Urban Services*
19	*Water reuse*	*Urban Services/ActewAGL*
20	*Dioxins*	*Urban Services*
21	*Fire history*	*Urban Services/Justice and Community Safety*
22	*Dynamics of birds species*	*Urban Services (Environment ACT)*
23	*Pest animal species*	*Urban Services (Environment ACT)*
24	*Government gas emissions*	*Urban Services (Environment ACT)*
25	*Surface water quality*	*Urban Services (Environment ACT)/Health*

25b. When does the Government expect to complete the implementation of the recommendations and what are of the ACT Government will report on their effectiveness? Will the report be tabled in the Assembly?

ANSWER:

Progress on the implementation of the recommendations of the 2000 State of Environment Report is detailed in the Commissioner's annual report. There is on-going liaison with the Commissioner about the implementation of these recommendations. The Government's progress and the Commissioner's views about this progress is tabled in the Legislative Assembly as part of the annual reporting process.

25c.What role does the Office of Sustainability take in the implementation of the recommendations?

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

ANSWER:

The Office of Sustainability does not have a direct role in implementing these recommendations of the 2000 State of the Environment Report.

QoN 3 What use does the Office of Sustainability or other relevant areas of the ACT Government make of the special reports prepared by the Commissioner for Environment in terms of policy development and corresponding implementation for the ACT and the surrounding Region?

QoN 4 Is there any significant change detectable as a result of the SoE report and any other reports or recommendations made by the Office of the Commissioner for the Environment?

QoN 5 What relationship is there between the Greenhouse Strategy and its implementation, and the SoE Report, and what role has the Office of the Commissioner for the Environment had in the preparation of any ACT Government environment and sustainability policies?

QoN 6 What was the nature of the in-house review that was undertaken before the November 2002 workshop? Who attended the November 2002 workshop and where has its outcomes impacted on ACT Government environment policy, either in development or implementation?

QoN 7 The Commissioner reports at page 6 and page 8 of his report that 'from a functional perspective, a key management issue for our small office remains my appointment for only six days a month (or, in the case of this SoE reporting year, eight a month). On average, that is one and a half to two days a week. In past years I have spent considerably more time than that in the office. In the reporting year I have not done so in the normal working hours when one establishes staff and stakeholder linkages. I have always made myself available when I am absent from the office, and that has been made easier over time with the improvements in electronic communications. Nevertheless, maintaining continuity is an ongoing challenge. A bigger challenge is that if a Commissioner for the Environment is to achieve any profile in the community, or indeed, in the eyes of the ACT Government agencies, the conditions of appointment and resourcing must be adequate to allow for public appearances, consultation and liaison as well as for

operational (investigative and reporting) activities...other challenges arose as a result of changes to both air and water quality standards from the previous reporting period, significant new information about ecological communities that became available late in the process, personnel changes, a limited budget, and the sheer size of the task'

7a.What is the ACT Government doing in respect of this statement, and what has the ACT Government done about the earlier recommendation of this Committee to make this appointment a full time position, with the appointee domiciled in Canberra?

7b.What actions is the ACT Government taking to address the statement on page 8 of the report 'we nevertheless persevere to improve the linkages between SoE reporting and other relevant reporting responsibilities, as well as to understand the significant Indicators which are required to assess progress toward sustainability?

QoN 8 The Commissioner reports on page 9 that in respect of 'Complaint on hand at 1 July 2002-Belconnen' 'I have never received any response to the general recommendations that I made in an attempt to ensure that, in all future cases, better systems are introduced for sale of land on which there are remnant native trees…I have no confidence that my recommendations have ever been considered, nor ever will be'.

ANSWER:

The Commissioner for Environment received a detailed response to his report on the issues related to remnant trees in Nettlefold Street Belconnen on 14 February and 28 March 2003.

The general issues raised in the Commissioner's report were discussed with the Commissioner's staff and staff from various agencies within the Department of Urban Services. The need for a formal response to the general recommendations was not recognised until the Commissioner identified this as an outstanding issue in his Annual Report.

A formal reply to the general recommendations was made by Mr Alan Thompson, Chief Executive, Department of Urban Services on 15 October 2003.

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

8a.Why has DUS in its Annual Report at page 162, Volume One, reported a contrary outcome, namely 'The Department has responded to the report and discussions are continuing about its outcomes.'

8b.What are the details of the response to the Commissioner for the Environment and what action is DUS taking in respect of the recommendations?

QoN 9

In its report on Draft Variation Number 130 tabled in November 2003, the Committee in paragraphs 5.3 and 5.4 of the report, stated that ' (5.3) it was inappropriate for the Draft Variation to precede the finalisation of the LWCS, which is scheduled to be tabled in the Assembly in December 2003, as there may be a need to review the existing structure plans to ensure the protection of the remaining lowland grassy woodlands in the region. 5.4. The Committee is of the view that as the central purpose of the draft Strategy 'is to inform decision making regarding land use planning, and the development and management of land in the ACT'[12] pertaining to conservation, ACTPLA should ensure that the strategy plays an integral role in the development of proposals for future draft variations to the Territory Plan.' The Committee recommended (Recommendation Number 7) 'that the Government incorporate the ACT Lowland Woodland Conservation Strategy as part of its current Variation process, and in further detailed planning in North Gungahlin and other developments in the ACT.'

The Committee notes that the Commissioner for the Environment on page 9 of his report says that he had in respect of investigations on East O'Malley' identified that additional ecological work on action plans for the endangered grassy woodland ecological community and for threatened species of that community were planned for the 2002-2003 financial year. I wrote to the Ministers responsible for planning and for the environment, recommending that any sale of the land be deferred until that additional ecological survey and analysis were carried out…I also recommended changes to the scope of that additional work to ensure a more comprehensive, integrated approach be taken on woodlands as a whole in the ACT. As a result of my submission, the auction of the land was deferred'.

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[12] Draft ACT Lowland Woodland Conservation Strategy, page 2.

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

In the light of this recommendation and subsequent action by the Government to auction the land and thus negate 'the effectiveness of any constructive comments on East O'Malley in the community consultation period', and the fact that the Government finalised Draft Variation 130 on North Gungahlin in the absence of the release of the ACT Lowland Woodland Conservation Strategy, why does the Government continue to apparently ignore the advice and recommendations of the ACT Commissioner for the ACT?

ANSWER:

The government, as part of its decision-making processes, considers seriously the advice and recommendations of the Commissioner for the Environment, together with advice from government agencies and the outcomes of public consultation. Notwithstanding this, the government must also balance competing sustainability priorities of environment, social and economic factors.

In relation to the North Gungahlin Structure Plan, the Commissioner for the Environment in 2002, agreed that the public release of DVP No. 130 (North Gungahlin Structure Plan) could proceed concurrently with the review of Action Plan 10 (Yellow Box - Red Gum Grassy Woodland). The agreement was subject to the public being informed of the outcomes of the review and that the outcomes were taken into consideration in finalising the North Gungahlin Structure Plan. The review of Action Plan 10, and the principles, strategic actions and priority tasks of the draft ACT Lowland Woodland Conservation Strategy were taken into consideration in finalising the recommended final Variation to the Territory Plan No. 130. This Variation is currently before the Legislative Assembly.

In relation to East O'Malley, the Minister for Planning in 2002 stated that the Government had agreed to a recommendation from the Commissioner of the Environment to defer the auction of residential land in East O'Malley pending a review of Action Plan 10. This review was completed and the results incorporated into the draft ACT Lowlands Woodland Conservation Strategy. The draft Strategy was publicly released in May 2003. The Government's decision to release the estate was fully informed by the draft Strategy and review of Action Plan 10, which has taken an integrated, territory wide approach to woodland conservation within a regional context. It is also worth noting, that an additional 66 hectares of former residential land is currently in the process of being incorporated into the Mugga Mugga Nature Reserve of Canberra Nature Park by draft variation to the Territory Plan 209.

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

QoN 10 The 2002-2003 Annual Report of the Office of the Commissioner for the Environment at page 10 makes mention of the Progress Towards No waste by 2010- yet there is no corresponding mention in the DUS report on pages 47 to 49 Volume One. Why is this so?

QoN 11 How many recommendations did the Government received from the ACT Commissioner for the Environment, how many were implemented, and why were the remaining ones not implemented?

QoN 12 The Commissioner for the Environment's annual report makes several mentions of the ACT Lowland Woodland Conservation Strategy, yet it receives three lines at page 61 of the DUS Annual Report (Volume One), and no mention of further implementational issues in the Future Directions at pages 67 –68. Why is this so, and what action has DUS planned for its implementation an integration into all aspects of planning and land management and environmental management in the ACT?

QoN 13 The work of the ACT Commissioner for the Environment gets no acknowledgement in the Environment ACT section of the DUS Annual Report. Why is this so, and what is the true nature of the relationship between the Office of the ACT Commissioner and all other agencies with which it interacts in the ACT Government?

QoN 14 How is the Office of the ACT Commissioner rated by ACT Government agencies in terms of the value of the work that it does as an element of overall environmental management and development of policy for the ACT?

QoN 15 The ACT Commissioner for the Environment asks the question at page 25 of his report 'what action, if any, has been taken to encourage best environmental practice within Government? As there appears to have been little picked up from the Commissioner's 2001-2002 annual report in this respect, what is being done to:

- **Implement more direct action by Government to encourage and reward improved environmental performance in its own agencies, and by individual and groups in the community;**
-

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

- **Consider a system such as the ANU has introduced in regard to developing and recognising the highest levels of environmental management performance by its own staff?**

<u>QoN 16</u> See page 28 and 29 of the ACT Commissioner's Annual Report-Why has the ACT Government not yet implemented the policy that all Territory agencies report on their implementation of sustainability as part of their annual reporting? Why hasn't the Office of Sustainability picked this up, because as stated on page 29 ' when the Office of Sustainability was created, one intended aspect of its role was to assist government agencies to introduce sustainability practices into their daily operations'?

<u>QoN 17</u> Why is there no whole of government involvement in the 'No Waste by 2010' strategy referred to on page 30 of the ACT Commissioner's report?

<u>QoN 18</u> What is the Minister's view of the statement on page 30 that 'as in other parts of the ACT Government's response to recommendations, I am surprised that so little attention has been given to the short-term and long terms impacts of the January 2003 bushfires'. What was the Commissioner's intent in this statement? "On what basis was this comment made?" and "What evidence is available to support this assertion?"

<u>QoN 19</u>
How will ACTPLA integrate the issue of sediment pollution and compliance with erosion and sediment requirements into the approval of development applications and other relevant approvals relating to the building industry? (See page 36 and 37 of the ACT Commissioner's Report- recommendation 2000.18 that the ACT Government establishes procedures to ensure that all builders comply with sedimentation controls during all phases of construction of dwellings)

<u>ANSWER:</u>

- *ACTPLA has responsibilities for erosion and sediment controls where it relates to development in accordance with section 230 and 245 of the <u>Land (Planning and Environment) Act 1991</u> (the Land Act). The Building Act has no specific provisions for builders to take account of these issues only where there are prescribed conditions of a development approval.*

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

The Land Act

- *Where approval for development is lodged, Environment ACT is included on the Development Appraisal Panel (DAP) and can decide in what circumstances they will require a 'silt control plan', which is usually where the block being developed is greater than .3 hectares.*

- *Where development approval includes a silt control plan, the building certifier will have responsibilities to ensure its compliance both prior to and during the construction period. If a failure is detected the certifier may call on the Environment inspectors to exercise their regulatory powers under the Environment Protection Act 1997.*

- *ACTPLA also places some emphasis on approval assurance. This involves monitoring of the larger and more contentious development approvals to ensure compliance with those approvals. This monitoring will also take account of site management issues such as tree, verge and infrastructure protection from damage as well as try to ensure sediment and silt control measures are adequately in place. Again, if a problem is detected in this regard the relevant Territory authority, Environment ACT would, where negotiation on these issues failed, be requested to exercise its regulatory powers under the Environment Protection Act 1997.*

- *Part 6 and schedule 5 of the Land Act also provides for orders for an activity, which is likely to cause soil erosion. ACTPLA has never been called upon to use this regulatory provision, most likely because of the specific regulation*
- *provisions provided for in the Environment Protection Act 1997, administered by Environment ACT.*

- *Rather than have direct responsibility for these environmental preservation issues, ACTPLA considers it assists Environment ACT ensure erosion and sediment control where it relates to development as defined by section 222 of the Land Act. It should be noted that everyone; lessees, builders, developers and all citizens are required to comply with Environment Protection legislation and ACTPLA can only assist in that regulation within the extent of its administrative powers and responsibilities.*

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

- *It should further be noted that the role of the Environment Protection Authority (Environment ACT) and the Environment Protection Act 1997 are currently being reviewed.*

QoN 20 On page 42 the ACT states the recommendation 2000.24 that the ACT Government moves quickly to reduce gas emissions associated with ACT Government buildings, facilities, equipment, vehicles, and other transport; and to ensure that greenhouse issues are properly incorporated in planning and decision making, as indicated in the ACT Greenhouse Strategy. What progress has the Government made with the implementation of its strategy? Why wasn't this mentioned in the DUS annual report? How will the abolition of trading in energy credits by the Commonwealth Government affect the ACT in its progress to meet targeted greenhouse emissions?

QoN 21 On page 43 of the ACT Commissioner's report, it is stated that in respect of 'quality monitoring for surface waters in the Rivers and Lakes program' that implementation is slow, and that 'although water quality in the ACT's water catchment has diverted resources in the last half of this financial year, I am disappointed with the report of progress'. What is the cause of the slow implementation and what is the ACT government proposing to improve the rate of implementation and an improved integration between the work of Environment ACT and the Office of the ACT Commissioner for the Environment?

QoN 22 At page 44 of the ACT Commissioner's report, Recommendation 97.4 asks that 'the Integrated Landuse and Transport Study by PALM be given high priority and specifically consider ways to develop an effective public transport system, which will encourage less private motor vehicle use'. The report refers to initiatives that ACTION has undertaken and other issues, but none of these appear to get a mention in either the 2002-2003 ACTION report or the DUS Report between pages 74 to 82, especially not the reason for the significant increase in funding for ACTION. Why is this so and what is the correlation between the Integrated Landuse and Transport Study and the Sustainable Transport Plan?

22a. What has been the total cost (direct and indirect costs) for the completion of the Integrated Landuse and Transport Study and the Sustainable Transport Plan?

<u>**ANSWER:**</u>
With regard to the initiatives of ACTION, in the 2002-03 budget, ACTION received funding for:

- *the bus replacement program*
- *the introduction of the single zone fare*
- *an adjustment to base funding to allow ACTION to continue to deliver the current services.*

With the exception of the base funding adjustment these matters are discussed in the ACTION 2002-03 Annual Report although it is acknowledged in not great detail.

In terms of correlation between integrated Landuse and Transport and current strategic planning, the Sustainable Transport Plan in conjunction with the Spatial Plan encompasses processes consistent with the principles contained within the National Charter for Integrated Transport and Land Use Planning. These new plans will supersede previous studies, but place a heavy emphasis on practical and effective alternative transport modes, particularly public transport, and how to change travel behavior. Also, the Sustainable Transport Plan specifically considers the ways to develop an effective public transport system.

22a. The total costs (direct and indirect costs) incurred up to the end of November 2003, in relation to the preparation of Sustainable Transport Plan is $578,137.

QoN 23 The Committee seeks a full explanation of why the recommendation (97.5) [see page 46 of the report] for air quality monitoring station in Belconnen has not been implemented, other than the reason that 'current resources do not allow for the provision of a third monitoring station at Belconnen'.

23a. Why has the ACT Government not regarded this as an environmental management priority?

23b. Will the Belconnen area be afforded a nephelometer from the 2004-2005 budget as indicated by the Government in its response to Recommendation 2000.2 that '$50,000 will be spent in the 2004-2005 financial year to purchase additional nephelometers, a surrogate particle measurement, to get better information on the true extent of smoke pollution across Canberra' (see page 47 of the Report)? If not, why not?

<u>QoN 24</u> What was the overall cost of consultants during 2002-2003?

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

24a. The 2001-2002 Annual Report shows that a total of $45,991.00 was spent on consultants and contractors. The 2002-2003 report shows that $74, 012.00 was spent on consultants and contractors (for contracts over $15,000.00). This is a 61% increase from 2001-2002. Is this the sign of a future trend and the level of resources required for the Office to effectively undertake its work and comply with statutory obligations?

24b.What would be regarded as an adequate annual level of financial resources for the Office to undertake its work, given the comments in the report about the adequacy of resources?

<u>QoN 25</u> **On page 55 of the 2002-2003 Annual Report, it states that 'the 2000 SoE Report included 25 recommendations for the ACT Government to act to improve environmental management and assessed progress toward sustainability through the objectives to…' What is the ACT Government doing about the implementation of these recommendations?**

25a.What areas within the ACT Government are charged with the responsibility of implementing them?

25b. When does the Government expect to complete the implementation of the recommendations and what are of the ACT Government will report on their effectiveness? Will the report be tabled in the Assembly?

25c.What role does the Office of Sustainability take in the implementation of the recommendations?

What were the issues that caused the delays in the launch of the 2000 report?

<u>ANSWER:</u>

The public release of the full 2000 report, including the CD version was delayed because of problems with the production of the CD. The executive summary of the report, including the Commissioner's recommendations was submitted to the Minister on 12 April 2001 and the Government response was tabled in the Legislative Assembly on 18 June 2001.

Appendix 7: ANSWERS TO QUESTIONS ON NOTICE: OFFICE OF THE COMMISSIONER FOR THE ENVIRONMENT REPORT (continued)

At page 11 of the report, it states that certain input for the next SoE was due to the Minister for the Environment by 31 December 2003.

ANSWER:

Consistent with the requirements of the Commissioner for the Environment Act 1997, the Commissioner for the Environment recommended that the 2003 ACT State of Environment Report be provided to the Minister on 31 December 2003. The Minister accepted the recommendation and a disallowable instrument reflecting this decision was passed in the Legislative Assembly without being contested. The Commissioner has since advised the Minister that due to the Christmas holidays it was impracticable to achieve all the necessary checks with Reference Group members and ACT Government Agencies. The Commissioner advised that to achieve the most professional result, it was preferable to wait until people returned from leave to finalise the Report.

When is the next SoE Report due to be completed and launched?

ANSWER:

Dr Baker intends submitting the Executive Summary report and recommendations by the end of February 2004. This will not affect the timing of the Government's response (within 15 sitting day of receipt or 6 May 2004).

Why is there no reference to this report apparent in the DUS report?

ANSWER:

There is no reference to the Commissioner for the Environment in the DUS annual report because the Commissioner provides his own annual report.

Appendix 8: ANSWERS TO QUESTIONS ON NOTICE: SPEED CAMERAS

Speed Cameras

QoN 1 Given the current moratorium in Victoria on fines from red light cameras because of faulty readings, are the cameras in operation in the ACT the same as those used in Victoria?

ANSWER:

The ACT currently uses Poltech digital cameras. Victoria uses a number of different types of cameras, including Poltech.

QoN 2 If so what steps have been taken to ensure that ACT cameras are not faulty?

ANSWER:

The ACT conducts a rigorous certification, testing and checking program for both mobile and fixed cameras. This includes:

- *Annual independent certification and calibration by CSIRO. Cameras are then retested when they are reinstalled and sealed.*
- *Quarterly inspections and tests. This includes checking electronics and calibration of cameras plus running vehicles through the intersections that have electronic speed displays. These vehicles are also monitored by additional speed measuring devices that provide a three-way check to ensure the accuracy of the cameras.*

If high-speed anomalies were to occur in the ACT as in Victoria, the authorised adjudicator would investigate the causes and not issue the infringement.

QoN 3 Is the Government satisfied that all cameras both fixed and mobile give accurate readings?

ANSWER:

Yes

Appendix 8: ANSWERS TO QUESTIONS ON NOTICE: SPEED CAMERAS (continued)

<u>QoN 4</u> If so what are the reasons for your confidence?

<u>ANSWER:</u>

This is outlined in the response to Question 2.

<u>QoN 5</u> If not what are you doing to ensure accuracy of camera readings.

<u>ANSWER:</u>

This is outlined in the response to Question 2.

<u>Sites for speed cameras</u>

**<u>QoN 6</u> In relation to the fifty-two speed camera locations in the ACT:
What was the specific rational for each of the locations?**

<u>ANSWER:</u>

Mobile speed cameras are deployed strictly on road safety considerations at locations recommended by an advisory Traffic Liaison Committee. This committee comprises representatives from the Department of Urban Services, the Australian Federal Police and NRMA Member Services.

Mobile speed camera sites are targeted at areas where the presence of cameras will assist in reducing speed related vehicle accidents. These sites are selected on the basis of speed-related crash history, speed surveys and traffic volume. The presence and visibility of speed camera vans encourages motorists to monitor their speed.

<u>QoN 7</u> Have any of these locations been reviewed since their introduction?

<u>ANSWER:</u>

Yes, the Traffic Liaison Committee meets quarterly to review locations. The last change occurred during modifications to the intersection of Northbourne Avenue and Barry Drive where the fixed camera was inoperative for the period of the works. During this time mobile operations were increased in the area to maintain compliance.

Appendix 8: ANSWERS TO QUESTIONS ON NOTICE: SPEED CAMERAS (continued)

QoN 8 In the past year how much time has been spent at each location?

ANSWER:

For the 52 roads where mobile speed cameras are in operation there are 67 separate sites. On average 130hrs was spent at each site last year.

Appendix 9: ANSWERS TO QUESTIONS ON NOTICE: FROM MINISTER FOR ENVIRONMENT

Googong Dam

Can the Minister identify the threats to water quality in the Googong dam?

ANSWER:

The Googong Foreshores are managed by Environment ACT to minimise threats to water quality. However, bushfires within the catchment and excessive erosion due to abnormal flood events would cause short-term reductions in water quality. Beyond the foreshores inappropriate agricultural management practices and increased residential development both have the potential for detrimental impacts on water quality.

What is the history of closures of Googong dam?

ANSWER:

The Googong Foreshores are closed to public access each night and on days of total fire bans.

Has the Googong Dam ever been closed because of algal blooms?

ANSWER:

No

If so, when?

ANSWER:

Not Applicable

Appendix 9: ANSWERS TO QUESTIONS ON NOTICE: FROM MINISTER FOR ENVIRONMENT

Lake Burley Griffin

What is the history of closure of Lake Burley Griffin because of Algal Bloom since 1995?

ANSWER:

The ACT Government is not responsible for closing Lake Burley Griffin if algal blooms occur. The management of Lake Burley Griffin, including decisions on whether the Lake should be closed, is the responsibility of the National Capital Authority.
Can the Minister identify the threats to water quality in Lake Burley Griffin that would result in Algal Bloom

ANSWER:

Urban and rural land uses have the potential for nutrient export into the catchment areas of Lake Burley Griffin that may result in conditions conducive to the development of algal blooms.

Molonglo Reach

What is the history of closure of Molonglo Reach water-skiing facility because of Algal Bloom since 1995?

ANSWER:

The Molonglo Reach water-skiing facility has been closed once since 1995 due to algal blooms. That closure occurred in January 2004.

Can the Minister identify the threats to water quality in of Molonglo Reach water-skiing facility that would result in Algal Bloom?

ANSWER:

Algal blooms, including blue-green algal blooms, are a natural phenomenon. Blooms are most likely to occur when the water is warm and when there are high levels of nutrients.

Appendix 9: ANSWERS TO QUESTIONS ON NOTICE: FROM MINISTER FOR ENVIRONMENT

The Molonglo River at Molonglo Reach has a large catchment upstream with both urban and rural land uses, including the Queanbeyan sewage treatment plant. There is potential for nutrient exports from these sources. This potential and the threat to the Molonglo and Lake Burley Griffin has long been recognised and programs have been implemented to reduce nutrient inputs. The most significant of these has been a multi-year project to rehabilitate erosion "hot spots" in the Molonglo catchment. Additionally the Queanbeyan sewage treatment plant, licensed under the Environment Protection Act, has been upgraded to reduce its discharges of nutrients.

Environmental flows

What are the average environmental flows for each of Canberra's water supply catchments?

ANSWER:

Average environmental flows for Canberra's water supply catchments are set out in the ACT Water Resources Management Plan, a disallowable instrument that was notified on 27 August 1999.
What are the current environmental flows for each of Canberra's water supply catchments?

ANSWER:

Environmental flows for 2002-03 were reported in the ACT Water Report 2002-03, which was released on the 8th Jan 2004. This Report is available from the Environment ACT home page at:

http://www.environment.act.gov.au/airandwater/waterquality.html

Tenders

In the period of the reports:

6. **How many tenders were let by each of the work areas of the Department (i.e. Roads ACT, No Waste, Stormwater, Land, PALM, CUPP)?**

Appendix 9: ANSWERS TO QUESTIONS ON NOTICE: FROM MINISTER FOR ENVIRONMENT

ANSWER

Environment ACT ***20***

For those tenders, how many required the tenderers to be prequalified?

ANSWER

Environment ACT ***Nil***

For tenders where the tenderers needed to be prequalified, how many tenders were awarded to the tenderer offering the best price?

ANSWER

Environment ACT *N/A*

If the tender was not awarded to the tenderer offering the best price, in each case:

a. **why was the tender awarded other than on price; and**
b. **what criteria were used to determine who should be the successful tenderer?**

ANSWER

Environment ACT *N/A*

Environment and Heritage

QoN 23 As many of the achievements listed in the 2002-2003 Report were not foreshadowed in the 2001-2002 future directions, how were the programs authorised and prioritised for 2002-2003?

Appendix 9: ANSWERS TO QUESTIONS ON NOTICE: FROM MINISTER FOR ENVIRONMENT

ANSWER:

The items listed in the Future Directions section of the 2001-02 Annual Report (pp57-58) are only some of the more significant activities that were expected to be undertaken in 2002-03. They are not a comprehensive listing and clearly do not include all things that might be undertaken by Environment ACT.

Programs and activities for 2002-03 were determined and prioritised by the Government during the development of the 2002-03 Budget. However, due to the January 2003 Bushfires, the Government needed to reassess those programs and activities and to introduce additional measures.

23a.Which ones are ongoing activities and which ones were new initiatives?

ANSWER:

The new initiatives were those activities which were announced at the time of the 2002-03 Budget or which were announced subsequently as part of the Government's response to the January 2003 Bushfires for which funding was provided in the additional appropriations. Measures in relation to water were foreshadowed in the Minister's statement to the Assembly in December 2002.

23b.The output class definitions are the same as for 2001-2002 (with some very slight changes to output class 3.2); the introduction is the same as for 2001-2002. With the list of achievements provided that were not foreshadowed in the 2001-2002 report, what assurance does the Committee and the public have that the definitions are accurate and relevant, and that the programs achieved for 2002-2003 were also critical and relevant as priorities within these program elements?

ANSWER:

The output definitions as listed on page 58 have been substantially the same since 1997-98. They have been reviewed in the context of preparation of each budget since then with minor amendments to reflect changing circumstances. They broadly summarise the responsibilities of Environment ACT in the areas of Environmental Management and Regulation, Nature Conservation and Land Management and Heritage. They do *not and are not intended to describe in fine detail all of the activities undertaken or programs delivered by Environment ACT. Maintaining the definition and associated performance measures facilitates comparison over time. Assembly Committees examining the Budget have previously been critical of agencies that have made significant changes in the definition of outputs and measures from year to year.*

The Budget Papers provide details in relation to new initiatives and other measures.

23c. Does the costs provided at pages 100, 102 and 105 respectively include all staff/property and other indirect costs? Please provide a breakdown of the costs provided, i.e.:
Output Class 3.1 Environmental Management and Regulation $6,935.3million
Output Class 3.2 Nature Conservation and Land Management $22,527.1million
Output Class 3.3 Heritage $1,699.7million

Total $31,162.1million

<u>**ANSWER:**</u>

It should be noted that the figures at pages 100, 104 and 105 are expressed as dollars thousand, not dollars million and include all costs related to the delivery of the outputs including staff/property and other indirect costs. The table below indicates the direct costs incurred by Environment ACT together with the allocations of accommodation costs related to Macarthur House and Department of Urban Services overheads.

	Environment ACT Costs $'000	*Accommodation $'000*	*Urban Services Overheads $'000*	*Total $'000*
Output 3.1	*6 048.3*	*270.0*	*617.0*	*6 935.3*
Output 3.2	*20 745.1*	*146.0*	*1 636.0*	*22 527.1*
Output 3.3	*1 440.7*	*79.0*	*180.0*	*1 699.7*
Total	***28 234.1***	***495.0***	***2 433.0***	***31 162.1***

24d. The report provides a list of what was done, but it is difficult to ascertain from this list what the real impact on environmental and heritage issues was.

Appendix 9: ANSWERS TO QUESTIONS ON NOTICE: FROM MINISTER FOR ENVIRONMENT

How would DUS rate its impact on the environment and heritage after the expenditure of $31,162.1million?

ANSWER:

The government believes that its expenditure on environment and heritage issues has had a profoundly positive impact.

24e. Why does the review of the ACT Greenhouse Strategy listed in the Future Directions 2001-2002 report at page 57 not rate a mention in the 2002-2003 report?

ANSWER:

The completion of the review is reported at page 170 of Volume One.

24f.What is the total cost of advisory committees mentioned at page 63 of Volume One?

ANSWER:

The total cost of the advisory committees listed on page 63 was $0.113 million.

24g.What was the overall value added factor of these advisory committees in terms of policy and decision-making. Where did these committees make their most valuable impact?

ANSWER:

All committees provide a valuable mechanism for the provision of expert advice and community input for policy development and decision-making. Without the active participation of the members of these committees, alternative more costly consultative mechanisms would need to be employed to obtain the same level of input.

Appendix 9: ANSWERS TO QUESTIONS ON NOTICE: FROM MINISTER FOR ENVIRONMENT

24h.In terms of achievements in environmental management and heritage issues in the ACT, what is the Minister's view about the current organisational split between portfolios of these program elements and the Office of Sustainability in the Chief Minister's Department? Is there any reason why theses program elements have not been amalgamated into one organisational unit in the interests of effectiveness in policy/decision making and their implementation?

ANSWER:

The role of the Office of Sustainability has a broad whole of government focus in assisting the integration of economic, social and environmental considerations into the decision-making processes of Government. Environment ACT, within the Department of Urban services, delivers a range of environmental, nature conservation, land management and heritage management services to the ACT community. The roles of the two organisational units are thus different but complementary in achieving the Government's environmental outcomes.

24i. What additional administrative costs are being incurred in having these elements separated compared to if the elements were combined into one organisational unit, for example where there are overlaps between the work and activities of the areas?

ANSWER:

There are no additional administrative costs incurred by the present arrangements.

24j. Office of the Commissioner for the Environment page 79 Volume Two-The expenditure for the Office of the Commissioner for the Environment increased by 12.3% from $292,000.00in 2001-2002 to $328,000.00 in 2002-2003, while Total Current Assets increased by561% from $23,000.00 in 2001-2002 to $152,000.00 in 2002-2003 and the deficit increased from $48,000.00 to $51,000.00. What is the explanation for this? What additional benefits did the ACT community derive from the work of the ACT Commissioner for the Environment in 2002-2003?

Appendix 9: ANSWERS TO QUESTIONS ON NOTICE: FROM MINISTER FOR ENVIRONMENT

ANSWER:

The Government has provided additional funding of $0.250 million over the years 2002-03 and 2003-04 to enable the Commissioner to fulfil his obligation in regard to producing the 2003 State of the Environment Reports. Of this $0.125 million was provided in the 2002-03 Budget. However, not all of the funds were spent in 2002-03 resulting in an increase in current assets with a corresponding increase in current liabilities.

The Office of the Commissioner had neither an operating deficit nor surplus for the year. The figure mentioned in the question as a deficit is actually the equity figure from the Statement of financial Position on page 79 of Volume Two. The change from the previous year reflects the overall movements in the assets and liability balances. The negative equity balance reflects mainly unfunded employee entitlements, principally the long service leave entitlements of staff of the Commissioner's Office.

Appendix 10: ANSWERS TO QUESTIONS ON NOTICE FROM 3 FEBRUARY PUBLIC HEARING FROM MINISTER FOR PLANNING

3 FEBRUARY 2004 PUBLIC HEARING URBAN SERVICES ANNUAL REPORTS 2002-2003

1. Design Advisory Service page 76 Volume One Department of Urban Services Report

What the cost of the service has been and how do you measure the success of the ad hoc services?

Answer:

2003/04	
Allan Spira	*$3,490.91*
Peter Dale (Pedee Group)	*$33,865.00*
Penny Day (Interludium Environmental)	*$21,701.23*
2002/03	
Peter Dale	*$22,898.75*
Penny Day (paid through NSW Dept of Planning)	*$6,337.50*
TOTAL	***$88,293.39***

The success of the programme has been evaluated on the number of well resolved and documented DA submissions that have been received for fire affected residence rebuilding and, accordingly, the ability for assessment staff to quickly approve proposals without the need to request amendments or further information on the developments. In addition many testimonials have been received by ACTPLA for the service provided

Appendix 10: ANSWERS TO QUESTIONS ON NOTICE FROM 3 FEBRUARY PUBLIC HEARING FROM MINISTER FOR PLANNING

which indicated that the service assisted residents in recognising the value of high quality and sustainable design and facilitated their rebuilding.

2. Spatial Plan Surveys page 76 Volume One Department of Urban Services Report

Could you advise the committee what the costs were of these surveys - a survey of 1,800 residents and a follow-up of 600 residents and telephone survey that was conducted covering 2,100 residents

Answer:
Cost of the 1800 survey, July 2002 - $48 200
Follow up 600 survey, November 2002 - $19 800
Follow up survey addressing Housing preference, (Consisting of approx. 2400 people), June-July 2003 - $53 900

3. Design Advisory Service page 76 Volume One Department of Urban Services Report

Minister stated that there have been over 220 applications and, of those, 190 have been approved – the Chair asked if we have had 190 approvals, how many commencements we have?

Answer:

As at the 18 January 2004 there was building approval granted for 146 new dwellings.

Building approval is granted by private certifiers, normally as the last action before construction commencement. No independent figures are available for construction commencement

4. Development Application Review Panel page 82 Department of Urban Services Report

What does the interposing of the development application decision review panel do to the timeline for approving DAs? – Minister agreed to provide statistics.

Appendix 10: ANSWERS TO QUESTIONS ON NOTICE FROM 3 FEBRUARY PUBLIC HEARING FROM MINISTER FOR PLANNING

ANSWER:
At this stage ACTPLA does not have specific statistics on the performance of the DA Decision Panel, which has only been in operation since July 2003. It is anticipated that statistics will be available for the 2003/04 financial year Annual Report. The DA Decision Panel is a more efficient process than the Commissioner for Land and Planning, which it largely replaced, as the former is staffed by full-time ACTPLA officers whereas the latter was a part-time external officer remotely located from the ACTPLA offices.

The agreed timeframe for the former Commissioner for Land and Planning to make a decision on an application once it was referred to him was 6 working days. This target was achieved in 73% of cases in the 2002/03 financial year.

The average time it takes to process a development application?

ANSWER:
The Committee has been provided with the median time for processing Development Applications. This has been considered the fairest way of reporting on processing times.

The DA tracking system used by ACTPLA does not have the functionality to easily provide standard reports or statistics on the numerous types of applications that are received. The initial architecture of the system does not allow for dealing with the complexity of the types of applications which are now lodged with ACTPLA. Unfortunately this leads to slight variations in the production of statistical reports each time they are produced.

The inadequacies of the current system have been acknowledged and extensive resources have been allocated to build a new Development Application Workflow System to replace it. This system will have enhanced reporting capabilities.

5. Regulation 12 under the Land Act

How often has regulation 12 been used? Has it ever been amended?

ANSWER:
The ACTPLA is currently reviewing its records to establish how many times this regulation has been used. I will undertake for this answer to be provided within five working days.

Appendix 10: ANSWERS TO QUESTIONS ON NOTICE FROM 3 FEBRUARY PUBLIC HEARING FROM MINISTER FOR PLANNING

6. **Development Applications pages 108 and 109 Volume Two of Department of Urban Services Report**

What is the mean time for processing a Development Application?

ANSWER:
Please see answer on 'average' time, above

7. Motion moved in the Legislative Assembly in April 2002

Animals a Float

Will you provide the committee with a timetable to indicate what has happened since the Assembly passed its resolution in April 2002?
What steps have been taken since then?
What is the timetable for the release of the consultation paper on the draft variation?

ANSWER: *On 10 April 2002, the Legislative Assembly passed a motion asking the Minister for Planning to immediately commence a draft variation over Block 3 Section 129 Narrabundah (Animals A Float), in accordance with Section 37 of the Land (Planning and Environment) Act 1991.*

The Minister for Planning directed ACTPLA (then PALM) on 7 May 2002 to undertake a planning review for the entire Section 129 Narrabundah and all of the surrounding land subject to an 'X' overlay on the Territory Plan

Following a tender process, ACTPLA engaged SMEC Australia Pty Ltd (SMEC) in August 2002 to undertake this planning review, which was completed in March 2003. The Planning Study raised major issues relating to the proposed land use mix, the site requirements for an ACTEW/AGL substation and the future of the velodrome site.

After considering the findings of the review, I tabled the government's response on 25 June 2003. The review determined that the most appropriate land use mix should consist of urban open space and broadacre land use polices. To put these in place, a Variation to the Territory Plan is required. As the variation involves changing the existing land use policy for part of the site from urban open space, a Preliminary Assessment (PA) is also required.

Appendix 10: ANSWERS TO QUESTIONS ON NOTICE FROM 3 FEBRUARY PUBLIC HEARING FROM MINISTER FOR PLANNING

A draft PA was prepared and circulated by ACTPLA for internal agency comment in August 2003, with final comments received in September 2003. This circulation identified further issues relating to the proposed location of the substation and ACTPLA has since had discussions with ACTEW/AGL on possible alternative locations.

ACTPLA is progressing the Preliminary Assessment (PA) and draft Variation (DV) processes. It is anticipated that the PA and DV documents will be notified concurrently in April this year.

8. Cost to buy and install Parking Machines and Parking at Dame Pattie Menzies House

Do the transport economist and his team have free car parking spaces at Dame Pattie Menzies House?

ANSWER:

The Senior Transport Economist and transport team staff have the same access to car parking as other ACTPLA staff. These staff regularly cycle and use public transport to and from work.