



## Andrew Barr MLA

CHIEF MINISTER

TREASURER

MINISTER FOR ECONOMIC DEVELOPMENT

MINISTER FOR URBAN RENEWAL

MINISTER FOR TOURISM AND EVENTS

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MEMBER FOR MOLONGLO

Mr Brendan Smyth MLA  
Chair  
Standing Committee on Public Accounts  
Legislative Assembly  
GPO Box 1020  
CANBERRA ACT 2601

Dear Chair *Brendan*

I refer to the report presented to the Assembly on 5 May 2015 following the Standing Committee for Public Accounts Inquiry into the Annual Reports (Government Agencies) Amendment Bill 2014.

The report identifies several issues in relation to proposed changes to annual reporting requirements in the public sector. I have considered your recommendations and will accordingly bring forward some amendments to the Bill.

The Government formally responds to each of the recommendations contained in the report as follows:

### ***Recommendation 1***

*4.8 The Committee recommends that appropriate amendments be made to the Annual Reports (Government Agencies) Amendment Bill 2014 and the Exposure draft—Annual Reports (Government Agencies) Notice 2015 to ensure that any data specific and/or relevant to understanding the performance of a particular directorate or agency be:*

*a. disaggregated from whole-of-government reporting to present an accurate picture of an entity's performance; and*

*b. also reported in the relevant directorate or agency annual report.*

The Government appreciates the Committee's concerns that aggregated data may obscure individual directorate performance against certain parameters. However, the Government remains of the view that whole of government reporting is appropriate where the subject of the reported data supports ACT Public Service wide initiatives and

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compliance requirements. I am confident that testing the reporting onus in the entity that has primary responsibility for a particular initiative is the most efficient, effective and accurate method for capturing this data.

This particular amendment to the Annual Reports (Government Agencies) Act 2004 supports the embedding of the one service model in the ACTPS and contributes to the reduction of red tape and unnecessary duplication. This does not diminish accountability or transparency.

However, the Government accepts that there is value in having individual directorate workforce profile data reflected in individual annual reports. The Annual Reports (Government Agencies) Notice 2015 will be amended accordingly.

### ***Recommendation 2***

*4.22 The Committee recommends that, to the extent that work is not already taking place, the Exposure Draft—Annual Reports (Government Agencies) Notice 2015 be amended to:*

- (i) provide further information on the reporting requirements that will apply in 2016—an election year; or*
- (ii) amend the draft Directions to apply to the 2014–15 reporting period only.*

The Government accepts that greater clarity would be beneficial in regard to caretaker periods in election years. Accordingly, this matter will be clarified in both the Bill and the Annual Report Directions.

### ***Recommendation 3***

*4.28 The Committee recommends that the reporting date for presentation of annual reports remain at 30 September.*

The Government has considered the committee's view that there is insufficient reason to extend reporting timeframes beyond 30 September, along with the submission from the Auditor General.

The Auditor General acknowledges that where audits of annual report financial statements are completed within agreed timelines, the period for subsequent submission of annual reports can become "tight".

These tight timeframes can result in the submission of incomplete or inaccurate data requiring amendments or corrigenda to be completed. Directorates have also indicated the current timeframes can create periods of extremely high workload for affected staff.

Taking into account all of these factors, the Government considers that extending the reporting period from three months to 15 weeks is a sound compromise that allows for

application of sufficient rigour to the reporting process following the completion of the audit process. It will somewhat alleviate the significant pressure on affected staff and allows for a higher quality product, without greatly impacting on Annual Report Hearings or other Assembly business.

Accordingly, I will bring forward amendments to the legislation to provide for a reporting period of 15 weeks.

#### **Recommendation 4**

*4.41 The Committee recommends that the annual reports of ACT Government directorates and agencies continue to include detail on relevant government contract expenditure for the reporting period under review.*

As noted in the report, the Government has committed to retaining contract data in Annual Reports. Accordingly, Annual Reports will contain the print out from the Contracts Register on an annual basis for the relevant financial year. The information will not be reformatted, and will simply be a straight print out of the Register.

#### **Recommendation 5**

*4.47 The Committee recommends that the Exposure Draft—Annual Reports (Government Agencies) Notice 2015 should accurately reference the pieces of legislation being repealed by the Annual Reports (Government Agencies) Bill 2014. At a minimum this should include accurately referencing the full name of the Act and the relevant sections and subsections.*

The overarching legislation provides a comprehensive list of the sections of the legislation being repealed. Placing these details in the Annual Report Directions does not provide practitioners with any additional guidance in providing accurate data to meet compliance requirements.

Accordingly, the Government does not accept this recommendation.

#### **Recommendation 6**

*4.51 The Committee recommends that subsection 46(2)—the requirement for the ACT Gambling and Racing Commission to report its findings from gaming law inquiries in the applicable annual report—should remain in the Gambling and Racing Control Act 1999.*

The Government accepts that due to the evolving nature of legislation particularly in relation to gaming laws, there is value in retaining the existing reporting requirements within the *Gambling and Racing Control Act 1999*.

Accordingly subsection 46(2) of the *Gambling and Racing Control Act 1999* will not be repealed and will be omitted from the amending legislation.

***Recommendation 7***

*4.58 The Committee recommends that section B.3 Scrutiny of the Exposure Draft—Annual Reports (Government Agencies) Notice 2015, as it relates to Auditor-General reports, be reviewed and appropriately revised, in light of any changes to the Government practice for responding to reports of the Auditor-General.*

The Government will review and revise this important component of the Annual Report Directions in the event that changes are made to current practices.

I would like to thank the Committee for its comprehensive review and analysis of the proposed Bill and Directions. The input provided has added some value to the quality of these important reporting tools and contributed to our ongoing commitment to providing open and transparent government.

Yours sincerely



Andrew Barr MLA  
Chief Minister

11 MAY 2015