

**2015**

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

**GOVERNMENT RESPONSE TO THE  
STANDING COMMITTEE ON PUBLIC ACCOUNTS  
REPORT NO 11**

**REPORT ON ANNUAL AND FINANCIAL REPORTS 2013-2014**

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

## **Government Response**

Standing Committee on Public Accounts Report No 11 – Report on Annual and Financial Reports 2013-2014

### **Introduction**

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

The Standing Committee on Public Accounts reviewed annual reports for:

- ACT Auditor-General;
- ACT Gambling and Racing Commission;
- ACT Insurance Authority;
  - Office of the Nominal Defendant;
- ACT Ombudsman;
- ACTEW Corporation Limited;
- ACTTAB Ltd;
- Chief Minister and Treasury Directorate;
  - ACT Executive;
- Commerce and Works Directorate;
  - ACT Government Procurement Board;
  - Director of Territory Records;
- Commissioner for Public Administration;
- Economic Development Directorate;
- Exhibition Park Corporation;
- Independent Competition and Regulatory Commission; and
- Office of the Legislative Assembly.

The Committee made 16 recommendations.

## **Response to Committee Recommendations**

### **Recommendation 1**

*3.24 The Committee recommends that ACT Government directorates and agencies should ensure the provision of complete statements of performance and full disclosure as required by the Financial Management Act 1996. In doing so, ensure the following—the provision of: (i) clear definitions for accountability indicators and related targets; (ii) more information on how reported results were measured; and (iii) clear and informative explanations for material variances from the planned targets.*

### **Government Response - Agreed**

The ACT Government agrees that directorates and agencies should ensure the provision of complete statements of performance and full disclosure as required by the *Financial Management Act 1996*. The ACT Government agrees that directorates' and agencies' statements of performance should provide: clear definitions for accountability indicators and related targets; appropriate information on report measurements; and transparent and useful explanations for material variances, as these principles will enhance the useability and transparency of these statements.

### **Recommendation 2**

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

### **Government Response - Agreed**

As with previous Annual Report Directions, the Annual Report Directions for 2015 and 2016 require all annual reports to include a transmittal certificate signed by the Director-General, Chief Executive Officer, Statutory Office Holder or Agency Head stating that the Annual Report is in accordance with the requirements of the Annual Report Directions.

### **Recommendation 3**

*3.46 The Committee reiterates its earlier recommendation that ACT Government directorates and agencies should ensure complete reporting with all compliance requirements as specified in the Annual Report Directions.*

### **Government Response - Agreed**

As with previous Annual Report Directions, the Annual Report Directions for 2015 and 2016 require all annual reports to include a transmittal certificate signed by the Director-General, Chief Executive Officer, Statutory Office Holder or Agency Head stating that the Annual Report is in accordance with the requirements of the Annual Report Directions.

**Recommendation 4**

*3.47 The Committee recommends that ACT Government directorates and agencies should ensure complete compliance in accordance with the reporting requirements as prescribed under Section C.5—Auditor-General and Ombudsman’s reports—of the 2013–14 Annual Report Directions.*

**Government Response - Noted**

Section B.3 of the Annual Report Directions for 2015 and 2016 require agencies to report on progress during the reporting period in relation to undertakings made in reports that are produced by entities charged with responsibility for scrutiny, including the Auditor-General, Ombudsman and Legislative Assembly Committees.

**Recommendation 5**

*4.12 The Committee recommends that the ACT Government ensure that the 2015–16 Budget papers provide further detail on costs or phasing of costs for the Capital Metro project for 2015–16 and across the forward estimates.*

**Government Response - Agreed**

All expenses relating to the procurement and management of the Capital Metro project will appear in the 2015/16 Budget Papers.

**Recommendation 6**

*4.16 The Committee recommends that the ACT Government inform the ACT Legislative Assembly as to measures it has taken to engage with Icon Water and ActewAGL regarding respective utility services to which each are responsible—to determine the full impact the Capital Metro project will have on the supply and security of these services during and after construction.*

**Government Response - Agreed**

The Capital Metro Utilities Project Team has been established with representatives from all relevant utility providers including ActewAGL and ICON Water. One of the roles of the Capital Metro Utilities Project Team is to provide an interface between the Utility Company / Stakeholders and the Capital Metro project, obtain initial approval on the type of utility treatment (i.e. relocate / protect / abandon), and develop an understanding of the utilities risk and the best way to transfer or manage that risk.

**Recommendation 7**

*4.18 The Committee recommends that the ACT Government inform the ACT Legislative Assembly as to what work has taken place to assess the cost of managing changed traffic arrangements—during construction and operation—due to the Capital Metro project.*

### **Government Response - Noted**

Capital Metro has worked closely with the Territory and Municipal Services Directorate to produce an agreed road occupancy schedule which identifies the principles by which the successful respondent will be able to undertake road works during construction. These principles are designed to minimise traffic disruption.

The road occupation schedule also details any fees or fines that may be due should the successful respondent over-run (and thus cause increased traffic impacts) on specific intersections and/or locations.

It is anticipated that all costs associated with managing traffic arrangements will be borne by the successful respondent.

### **Recommendation 8**

*4.35 The Committee recommends that the ACT Government inform the ACT Legislative Assembly, by the last sitting day in May 2015, on the outcomes of its review of the Respect, Equity and Diversity (RED) Framework—with particular reference to:*

- a) the adequacy of the whole-of-government bullying strategy as contained within the ACTPS Guide to prevention and management of workplace bullying;*
- b) detailing further initiatives (to that of reporting in the Commissioner for Public Administration's State of Service Report) to monitor the incidence and handling of bullying complaints in the ACTPS; and*
- c) the adequacy of the ACTPS training regime across the ACTPS on workplace bullying.*

### **Government Response - Agreed**

The Chief Minister tabled the outcomes in the Legislative Assembly during the May 2015 sitting period.

### **Recommendation 9**

*4.60 The Committee recommends that subsequent quarterly progress reports on the implementation of the Loose-fill Asbestos Insulation Eradication Scheme should also detail, to the extent possible, the full impact of the Scheme on the Territory Budget.*

### **Government Response - Not agreed**

The impact of the scheme on the Territory Budget will be detailed through the Annual Budget Papers, Budget Reviews, and Annual Financial Statements

**Recommendation 10**

*5.122 The Committee recommends that the ACT Government update the ACT Legislative Assembly on work taking place with key international stakeholders—in particular, in New Zealand and Singapore—regarding the establishment of an aviation partnership and direct services for international flights.*

**Government Response - Agreed**

The Minister for Economic Development will present a statement on this matter to the Legislative Assembly.

**Recommendation 11**

*5.160 The Committee recommends that the ACT Government inform the ACT Legislative Assembly by the last sitting day in May 2015 whether the 100 per cent funding of the unfunded superannuation liabilities by 30 June 2030 is on target. This should include the extent to which budget contribution amounts are sufficient to ensure that the funding level is secured long-term.*

**Government Response - Noted**

The 2015-16 Budget (Budget Paper 3) included a full update on the progress of the funding plan for the unfunded defined benefit superannuation liabilities. This was presented in the Legislative Assembly on 2 June 2015 as part of the Appropriation Bill 2015-16.

**Recommendation 12**

*5.167 The Committee recommends that the ACT Government table in the ACT Legislative Assembly by the last sitting day in August 2015 the final costs for rebranding of ACTEW Corporation Limited. This should include a detailed reconciliation of the cost components and the means by which recognition of the new brand will be evaluated.*

**Government Response - Agreed****Recommendation 13**

*5.187 The Committee recommends that ACT Government directorates and agencies should ensure recordkeeping procedures and guidance material address the business activities specific to their operations.*

**Government Response - Agreed**

The *Territory Records Act 2002* requires directorates and agencies to have in place a Records Management Program that sets out their policies, procedures and other arrangements for managing the records of their business activities and complying with the Act. The Territory Records Office provides a model records management program which can help directorates and

agencies to develop their own programs. It is expected that agencies will adapt the model program to reflect their own business activities and recordkeeping requirements.

The Territory Records Office is currently reviewing its suite of standards for records management, including its standard for producing records management programs. Compliance with these standards is mandatory for all directorates and agencies that are subject to the Act.

#### **Recommendation 14**

*5.188 The Committee recommends that the ACT Government should remind all ACT Government directorates and agencies of the importance of good records management to the functioning of the ACT Public Service.*

#### **Government Response - Agreed**

The Territory Records Office provides a range of advice, guidance and tools to help directorates and agencies to meet their responsibilities under the *Territory Records Act 2002*. The Act emphasises that records are required to support open and accountable government and the management and operation of Territory agencies.

To support directorates and agencies the Territory Records Office convenes the Records and Information Management Community of Practice. This group provides an avenue for records managers and others with an interest in records and information governance to share ideas and work towards shared solutions to common issues. The professional archives and records management community strongly emphasises the importance of good records management to the functioning of the ACT Public Service. Good records management helps to protect the rights and entitlements of citizens, to support efficient management, to account for actions and decisions and to provide a source of information about the history and development of the ACT Government and the community.

#### **Recommendation 15**

*5.189 The Committee recommends that the ACT Government should remind all ACT Public Servants of their obligation to ensure that accurate records of key decisions, discussions and events are kept and that these records are easily retrievable when required.*

#### **Government Response - Agreed**

The *Territory Records Act 2002* requires that an agency must make and keep full and accurate records of its activities and take the steps necessary to ensure that the information in its records continues to be accessible in accordance with the *Freedom of Information Act 1989* and the Territory Records Act.

The Territory Records Office's standards for records management emphasise that all ACT Public Servants have responsibilities in relation to the records of the function they perform. They must make accurate records of their activities, ensure that such records are incorporated into the agency's recordkeeping system and comply with all records management procedures.

During 2014–15 the Territory Records Office conducted a feasibility study into the development of whole of government approaches to digital recordkeeping. That study has identified a preferred approach to increasing the take-up of digital records systems within the ACT Public Service. Increasing the use of such systems will assist directorates and agencies to ensure that their records remain accurate, reliable and accessible for as long as they are required.

#### **Recommendation 16**

*5.202 The Committee recommends that the ACT Government inform the ACT Legislative Assembly as to whether the Loose-fill Asbestos Insulation Eradication Scheme has or will be subject to consideration by the ACT Government Procurement Board.*

#### **Government Response - Agreed**

Representatives from the Taskforce and from Procurement and Capital Works have briefed the ACT Government Procurement Board on two separate occasions on the requirements of the pilot demolition program. These briefings have occurred despite the value of these initially proposed procurements being below the threshold for ACT Government Procurement Board endorsement. The opportunity to brief and test procurement and program risk strategies has been welcomed and has assisted the Taskforce in developing the methodology to support the demolition program. Briefings to the ACT Government Procurement Board will continue to occur as the demolition program gains momentum.