2013

THE LEGISLATIVE ASSEMBLY FOR

THE AUSTRALIAN CAPITAL TERRITORY

GOVERNMENT SUBMISSION

TO PUBLIC ACCOUNTS COMMITTEE INQUIRY

AUDITOR-GENERAL'S REPORT No. 2/2013 -

EXECUTIVE REMUNERATION DISCLOSED IN ACTEW CORPORATION LIMITED'S (ACTEW) 2010-11 FINANCIAL STATEMENTS AND ANNUAL REPORT 2011

Presented by

Andrew Barr MLA

Treasurer

Government Submission to the Public Accounts Committee's inquiry regarding the Auditor-General's Report No. 2/2013 - *Executive Remuneration Disclosed in ACTEW Corporation Limited's (ACTEW) 2010-11 Financial Statements and Annual Report 2011* (Auditor's Report)

Introduction/Background

1) The Remuneration Table in ACTEW's Annual Report 2011 (page 18) incorrectly reported the total remuneration for ACTEW's Managing Director as $621,171 when the correct amount was $855,588.

2) ACTEW identified the error when preparing material for a Public Accounts Committee hearing on its Annual Report 2012 on 3 October 2012 and subsequently issued a corrigendum to its Annual Report 2011 on 8 March 2013. This corrigendum advised that the total remuneration had been incorrectly reported and provided details of the correct amount.

3) On 2 April 2013, at the Audit Office's 2011-12 Annual Report hearing, the Public Accounts Committee requested the Auditor-General's Office to provide information on the:

   a) Auditor-General's responsibilities in relation to the ACTEW's annual report and financial statements; and

   b) incorrect reporting by ACTEW of the remuneration of ACTEW's Managing Director, Mr Mark Sullivan in ACTEW's Annual Report 2011.

4) On 26 April 2013, the Auditor's Report was issued in response to the Public Account Committee's request.

Government Position on Recommendations/Findings

Recommendation 1

ACTEW should be required to include information provided in remuneration tables in its annual report in its financial statements so that it is audited by the Auditor-General.

Government Position

Noted. The Government supports this requirement. The Government notes however, that key management personnel remuneration is included in the financial statements in accordance with Australian Accounting Standards. Information on executive remuneration in accordance with the *Territory-owned Corporations Act 1990* is reported in the remuneration table. It should be noted that these two reporting requirements may differ. We note ACTEW has agreed to the recommendation.

Recommendation 2

Communication processes between the Government and ACTEW should be documented.

Government Position

Agreed.