



Legislative Assembly for the ACT

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Report on Annual and Financial Reports 2005-06

APRIL 2007

Report 10

Committee membership

Mr Richard Mulcahy MLA Chair

Dr Deb Foskey MLA Deputy Chair

Ms Karin MacDonald MLA

Secretariat support

Secretary: Andréa Cullen

Administration: Lydia Chung

Contact information

Telephone: (02) 6205 0136

Facsimile: (02) 6205 0432

Email: committees@parliament.act.gov.au

Post: GPO Box 1020
 CANBERRA ACT 2601

Website: www.parliament.act.gov.au/committees

Resolution of appointment¹

The ACT Legislative Assembly appointed the Standing Committee on Public Accounts on 7 December 2004 to:

- (i) examine:
 - (A) the accounts of the receipts and expenditure of the Australian Capital Territory and its authorities; and
 - (B) all reports of the Auditor-General which have been presented to the Assembly;
- (ii) report to the Assembly any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Assembly should be directed;
- (iii) inquire into any question in connection with the public accounts which is referred to it by the Assembly and to report to the Assembly on that question; and
- (iv) examine matters relating to economic and business development, small business, tourism, market and regulatory reform, public sector management, taxation and revenue and sustainability.

Terms of reference

Inquire into the 2005-06 annual and financial reports of government departments and agencies as listed at **Appendix A** according to the schedule determined by the ACT Legislative Assembly.

¹ ACT Legislative Assembly, Minutes of Proceedings, Tuesday 7 December 2004, p. 12.

Conduct of inquiry

The Committee held public hearings on 29-30 November and 6-7 December 2006 and heard from Ministers and accompanying departmental and agency officers and members of governing boards. Witnesses who appeared before the Committee are listed at **Appendix B**.

The Committee met on 29 March and 11 April 2007 to discuss the Chair's draft report, which was adopted on 11 April 2007.

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SUMMARY OF RECOMMENDATIONS

RECOMMENDATION 1

2.18 The Committee recommends that the ACT Government require agencies to take up the Auditor-General's recommendation that agencies should ensure that their Annual Report includes the complete and correct version of the audited financial report.

RECOMMENDATION 2

2.23 The Committee recommends that the ACT Government require agencies to take up the Auditor-General's recommendation to plan their reporting processes to ensure compliance with the Treasury timetable.

RECOMMENDATION 3

2.26 The Committee recommends that the ACT Government require agencies to take up the Auditor-General's recommendation regarding improvement to the quality of annual statutory reporting practices and procedures and inquire into the causative factors contributing to this deterioration.

RECOMMENDATION 4

2.30 The Committee recommends that the Chief Minister's Department inform the Assembly on the outcome of Strategic Human Resources' review of 2005-2006 annual reports.

RECOMMENDATION 5

2.41 The Committee recommends that the Chief Minister's Annual Report Directions be amended to require satisfactory Agency compliance with the reporting requirements in connection with ACT Legislative Assembly Committee inquiries and reports as stipulated in the April 2002 Assembly Resolution.

RECOMMENDATION 6

3.10 The Committee recommends that the ACT Government establish appropriate governance arrangements at the outset of the Shared Services Centre, which provide a clear understanding and appreciation of the roles and responsibilities of the relevant participants in the governance framework, to safeguard the dual accountability of participants both for their individual organisations and for the shared arrangements.

RECOMMENDATION 7

3.12 The Committee recommends that the ACT Government ensure that where authorities have been merged into departmental operations, governance structures are clearly agreed and responsibilities defined, to safeguard against gaps in accountability and to make sure that the required performance is to be achieved.

RECOMMENDATION 8

3.22 The Committee recommends that the ACT Government delay debate of its *Public Interest Disclosure Bill 2006* until the outcomes of the ANU Democratic Audit of Australia and Ombudsman reviews are available, and that the ACT Government amend its Bill, as necessary, based on the reviews' recommendations.

RECOMMENDATION 9

3.30 The Committee recommends that the ACT Government reconsider its decision to merge the Commissioner for Public Administration's role and function with that of the Deputy Chief Executive of the Governance Division of CMD.

RECOMMENDATION 10

3.35 The Committee recommends that the ACT Government take steps to advance the proposed sustainability legislation.

RECOMMENDATION 11

4.10 The Committee recommends that the ACT Government offer multiyear funded art organisations grants that are indexed so that the grant funding increases according to CPI for each year for the term of the grant.

RECOMMENDATION 12

4.36 The Committee recommends that the Chief Minister's Department report back to the ACT Legislative Assembly on the outcomes of the Small Business Commissioner and the status of ongoing work/projects of the Small Business Commissioner.

RECOMMENDATION 13

4.44 The Committee recommends that the ACT Government ensure that the calculation errors affecting superannuation contributions are corrected as a matter of urgency.

RECOMMENDATION 14

4.63 The Committee recommends that the ACT Government expedite its response to the Report of the Community Sector Taskforce, *Towards a Sustainable Community Services Sector in the ACT*.

RECOMMENDATION 15

4.100 The Committee recommends that the ACT Government publish policy advice, provided by the Department of Treasury, in relation to revenue measures and reductions in outlays of expenditure.

RECOMMENDATION 16

4.101 The Committee recommends that the Department of Treasury, as part of improving performance, in relation to triple bottom line accounting, work towards a whole-of-government review of the measures taken to implement this concept, and their effectiveness, and report back to the ACT Legislative Assembly.

RECOMMENDATION 17

4.102 The Committee recommends that the Department of Treasury include in future annual reports a discussion on levels and rates of charging and taxing within the Territory. This should include a comparative analysis that recognises the different tiers of the Territory and State governments and takes into account any economies of scale from the division of these functions.

RECOMMENDATION 18

4.130 The Committee recommends that the ACT Government ensure that audited financial statements of entities, in which the Territory has a controlling interest, be tabled in the ACT Legislative Assembly.

RECOMMENDATION 19

4.131 The Committee recommends that the ACT Government publish the audited financial report for TransACT Communications Pty Ltd as soon as it becomes available and submit this report to the ACT Legislative Assembly, rather than waiting until the end of the financial year.

RECOMMENDATION 20

4.135 The Committee recommends that the ACT Government should give priority to making a decision regarding the granting of a permanent lease on Block 751 Gungahlin to EPIC.

RECOMMENDATION 21

4.140 The Committee recommends that in future rounds of all ACT Government Grants Programs, as part of the application process, the respective administrators seek permission from all applicants that the scope of their proposed projects may be made public, even if they are unsuccessful.

RECOMMENDATION 22

4.144 The Committee recommends that the Office for Women explore ways to more widely promote the ACT Women's Register.

1 INTRODUCTION

- 1.1 On 17 October 2006, the annual and financial reports of all government agencies were referred to relevant Standing Committees of the ACT Legislative Assembly.²
- 1.2 The below listed annual and financial reports for the 2005-06 financial year were referred to the Standing Committee on Public Accounts.
- ACT Auditor-General
 - ACT Cleaning Industry Long Service Leave Board
 - ACT Construction Industry Long Service Leave Board
 - ACT Gambling and Racing Commission
 - ACT Government Procurement Board
 - ACT Insurance Authority (ACTIA)
 - ACT Legislative Assembly Secretariat
 - ACTEW Corporation
 - ACTTAB Limited
 - Australian Capital Tourism
 - Australian International Hotel School
 - Chief Minister's Department³
 - Commissioner for Public Administration
 - Cultural Facilities Corporation
 - Department of Economic Development

² ACT Legislative Assembly, Minutes of Proceedings No. 77, 17 October 2006, pp. 835-836.

³ Those sections of the Chief Minister's Department Annual Report concerning the environment (refer 2005-06 BP4 Output class 2: Arts Heritage and Environment. Output 2.1 Environment Management and Regulation; Output 2.2: Nature Conservation & Land Management), are referred to the Standing Committee on Planning and Environment with the Minister for Territory and Municipal Services as the responsible Minister.

- Department of Treasury
 - Exhibition Park in Canberra (EPIC)
 - Nominal Defendant
 - Office of the Occupational Health and Safety Commissioner and ACT WorkCover
 - Office of the Small Business Commissioner
 - Rhodium Asset Solutions Limited
 - Stadiums Authority
- 1.3 Following consultation with the Standing Committee on Legal Affairs, the Committee agreed to consider the annual report of the Independent Competition and Regulatory Commission (ICRC). The Standing Committee on Public Accounts had considered this report in previous years.
- 1.4 After considering the referred annual reports, the Committee resolved not to examine further the 2005-06 annual reports of the:
- ACT Cleaning Industry Long Service Leave Board
 - ACT Construction Industry Long Service Leave Board;
 - ACT Legislative Assembly Secretariat;
 - ACTTAB Limited;
 - Australian International Hotel School; and
 - Nominal Defendant.
- 1.5 Due to a delay in finalising Rhodium Solutions Limited's financial accounts, in accordance with section 14(7) of the *Annual Reports (Government Agencies) Act 2004*, the Chief Minister approved an extension of time for presenting the annual report of Rhodium Asset Solutions Limited for the year ended 30 June 2006 to 31 December 2006.⁴

⁴ ACT Chief Minister, Paper: *Annual Reports (Government Agencies) Act, pursuant to subsection 14 (7) – Extension of time for presenting annual report 2005-06 – Statement of reasons – Rhodium Asset Solutions*, ACT Legislative Assembly, 21 September 2006.

- 1.6 The Chief Minister provided the following statement of reasons to the ACT Legislative Assembly for extending the period until the end of 2006:
- ‘The reason for delay is that the Auditor-General and the Board have formed the view that Rhodium’s financial accounts are not yet ready for independent verification and audit. A large number of financial reconciliations are required to be completed and an audit remediation strategy has been developed in consultation with the Auditor-General’.⁵
- 1.7 In accordance with section 13 of the *Annual Reports (Government Agencies) Act 2004*, the Chief Minister tabled on 12 December 2006 the annual report of Rhodium Asset Solutions Limited for the year ended 30 June 2006.⁶
- 1.8 The Committee resolved to examine the annual report of Rhodium Asset Solutions Limited as part of its inquiry into Auditor-General’s Report No. 5 of 2006: *Rhodium Asset Solutions Limited* and notified the responsible Minister accordingly.⁷
- 1.9 The Committee examined annual reports in relation to their compliance, where applicable, with the *Chief Minister’s Annual Report Directions*, legislative and other requirements.
- 1.10 The Committee thanks relevant ACT Government Ministers and accompanying departmental and agency officers, and members of governing boards, for providing their time and expertise as witnesses at its annual reports hearings.
- 1.11 The Committee also acknowledges the contribution of departmental and agency officers who provided supplementary information to the Committee which assisted its understanding of the many issues being considered.
- 1.12 The Committee sought clarification on a number of issues at public hearings, some of which are expanded upon in the next chapters. The full transcript

⁵ ACT Chief Minister, Paper: *Annual Reports (Government Agencies) Act, pursuant to subsection 14 (7) – Extension of time for presenting annual report 2005-06 – Statement of reasons – Rhodium Asset Solutions*, ACT Legislative Assembly, 21 September 2006.

⁶ ACT Legislative Assembly, Minutes of Proceedings No. 86, 12 December 2006, p. 905.

⁷ By correspondence to the Treasurer dated 30 November 2006.

of public hearings is available on the Assembly website at
<http://www.hansard.act.gov.au/hansard/2005/comms/default.htm#public>

2 PURPOSE AND INTENT OF ANNUAL REPORTS

- 2.1 Accountability of the Executive to the Legislative Assembly (and to the public) is a key principle of responsible government. For that to be achieved executive agencies must be fully committed to both accountability and disclosure of information in a straightforward way that is meaningful and can be easily understood without financial or accounting training.
- 2.2 The provision of meaningful operational and financial information by government to parliament and the public is a fundamental component of the accountability process.⁸
- 2.3 Annual reports are the principal and most authoritative way in which Chief Executives and Chairpersons account to the Legislative Assembly and other stakeholders, including the public, for the ways in which they have discharged their statutory and other responsibilities and utilised public funds over the preceding twelve months.⁹
- 2.4 As key accountability documents, annual reports are:
- the principal way in which agencies account for management performance through Ministers to the Legislative Assembly and the wider community;
 - tabled in the Assembly and form a key part of the historical record of government and public administration decisions, actions and outcomes;
 - a source of information and reference about the performance of agencies and service providers for other stakeholders, educational and research institutions, the media and the public; and
 - key reference documents and documents for internal management.¹⁰

⁸ Public Accounts Committee, Legislative Assembly of Queensland, December 2001, Report No. 59, *Annual Reporting in the Queensland Public Sector*, p. 1.

⁹ Auditor-General's Report No. 1 of 2003: *Effectiveness of Annual Reporting*, p. 1.

¹⁰ *Chief Minister's Annual Report Directions 2005-06*, p. 5.

- 2.5 The Committee notes that annual reports co-exist with other annual whole-of-government reporting to present an aggregated view of the performance of the ACT public sector as a whole.¹¹

Reporting framework

- 2.6 Annual and financial reports are prepared by all reporting entities in accordance with the:

- *Chief Minister's Annual Report Directions 2005-06*;
- *Annual Reports (Government Agencies) Act 2004*; and
- *Financial Management Act 1996*.

- 2.7 The Chief Minister told the ACT Legislative Assembly:

‘The government seeks to ensure that the directions and the acts are continually updated to reflect best practice and full accountability in accordance with government policy’.¹²

Annual Reports (Government Agencies) Act 2004

- 2.8 The *Annual Reports (Government Agencies) Act 2004* (the Act) sets the framework for annual reporting across the ACT public sector. This framework identifies which public bodies provide annual reports and outlines the timeframe for provision of reports.¹³

Chief Minister's Annual Report Directions 2005-06

- 2.9 The *Chief Minister's Annual Report Directions 2005-06* (the Directions)¹⁴, which are issued under the Act¹⁵, play a crucial and central role in setting minimum standards for the preparation, form and content of annual reports by departmental Chief Executives and the Chairpersons of public

¹¹ *Chief Minister's Annual Report Directions 2005-06*, p. 5.

¹² ACT Legislative Assembly: 2006 Week 9 Hansard, 21 September 2006, p. 3055.

¹³ *Annual Reports (Government Agencies) Act 2004*.

¹⁴ Accessible at: www.psm.act.gov.au/publications/Annual_Report_Directions_2005-2006.pdf

¹⁵ Part 2, Section 9, *Annual Reports (Government Agencies) Act 2004*

authorities.¹⁶ The Standing Committee on Public Accounts plays a consultative role in the process.¹⁷

- 2.10 The Directions prescribe a framework for annual reports that seeks to apply consistency in public accountability and statutory reporting requirements across the public sector.¹⁸ This is so that accountability is enhanced through the presentation of timely and performance-oriented information.¹⁹
- 2.11 The Directions also reflect the recent changes to agencies' financial and performance reporting resulting from the amendments to the *Financial Management Act 1996*. The content includes information on the new financial framework and subsequent revised reporting obligations.²⁰

Financial Management Act 1996 (the FMA)

- 2.12 The FMA provides for the financial management of the Government of the Territory, for the scrutiny of that management by the ACT Legislative Assembly; and specifies financial reporting requirements for the Government of the Territory.²¹

Compliance with Annual Report Directions

- 2.13 The Committee found that, overall, annual reports generally complied with the Directions. The Committee however, in assessing compliance of referred reports, noted the following areas for improvement, and proposes that the Government take note of its recommendations, supporting evidence and deliberation.

Timeliness of access

- 2.14 The Directions specify that all annual reports must be placed on ACT Government internet sites and provided for listing on a central site as soon

¹⁶ *Chief Minister's Annual Report Directions 2005-06* pp. 5-6.

¹⁷ Part 2, Section 8, Annual Reports (Government Agencies) Act 2004

¹⁸ ACT Legislative Assembly, Response to Question on Notice No. 64 to the ACT Auditor-General, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2004-05, QON PAC 64.

¹⁹ *Chief Minister's Annual Report Directions 2005-06*, p. 5.

²⁰ *Ibid.*, p. 6.

²¹ *Financial Management Act 1996*

as reports are tabled in the Legislative Assembly, or provided to Members if the Assembly is not sitting. The Audit Office monitors compliance with this timing requirement.²²

2.15 In considering the Auditor-General's Report No. 8 of 2006: *2005-06 Financial Audits*, the Committee notes the Auditor-General's finding that:

'agencies' compliance with this requirement improved significantly in 2005-06 (96% complied) compared to 2004-05 (80% complied)'.²³

Quality assurance of audited financial reports

2.16 Whilst noting an improvement with the timeliness of agencies' compliance with placement of annual reports on the relevant website on the same day the printed copy is provided to the Legislative Assembly, the Committee notes, the Auditor-General found that:

'most (69%) of these annual reports contained inconsistencies between the audited financial reports and the version included in the annual reports'.²⁴

2.17 These inconsistencies included:

- figures and disclosures reported in the annual report being different to those of the audited financial report;
- the omission of information included in the audited financial report from the annual report; and
- audit reports not being published in the annual report.²⁵

RECOMMENDATION 1

2.18 **The Committee recommends that the ACT Government require agencies to take up the Auditor-General's recommendation that agencies should ensure that their Annual Report includes the complete and correct version of the audited financial report.**

²² Chief Minister's Annual Report Directions 2005-06, p. 9.

²³ ACT Auditor-General's Report No. 8 of 06: *2005-06 Financial Audits*, p. 17.

²⁴ *Ibid.*, p. 17.

²⁵ *Ibid.*

Timeliness of financial reporting processes

- 2.19 In considering the Auditor-General's Report No. 8 of 2006: *2005-06 Financial Audits*, the Committee notes the Auditor-General's finding that agencies should plan their reporting processes to comply with the Treasury timetable.²⁶
- 2.20 The Treasury reporting timetable includes the date by which certified financial reports are required to be provided to the ACT Audit Office. The Auditor-General found that:
- '45% of agencies complied with this deadline in 2005-06 compared with 31% in 2004-05'.²⁷
- 2.21 Further, the Auditor-General stated that:
- 'The continuing high level of non-compliance with the reporting timetable and deteriorating quality of financial reports increases the risk of breaches of annual reporting requirements, including non-compliance with the relevant accounting standards and annual statutory reporting and financial reporting timetables and increases the costs of auditing'.²⁸
- 2.22 While noting a slight improvement in compliance with the Treasury reporting timetable, the Committee further notes the Auditor-General's observation that the continued unsatisfactory level of compliance indicates that agencies are not giving sufficient priority to complying with the Treasury timetable, and have not planned their reporting processes to ensure financial reports are prepared and ready for audit in a timely manner.²⁹

²⁶ ACT Auditor-General's Report No. 8 of 06: *2005-06 Financial Audits*, p. 16.

²⁷ *Ibid.*

²⁸ *Ibid.*

²⁹ *Ibid.*

RECOMMENDATION 2

- 2.23 **The Committee recommends that the ACT Government require agencies to take up the Auditor-General's recommendation to plan their reporting processes to ensure compliance with the Treasury timetable.**

Quality of financial reports

- 2.24 In considering the Auditor-General's Report No. 8 of 2006: *2005-06 Financial Audits*, the Committee notes the Auditor-General's finding that agencies' processes for preparing financial reports require improvement.³⁰

- 2.25 The Auditor-General found that:

'The percentage of financial reports rated satisfactory³¹ or good³² fell significantly from 75% in 2004-05 to 55% in 2005-06. Unsatisfactory³³ reports rose significantly from 3% in 2004-05 to 22% in 2005-06'.³⁴

RECOMMENDATION 3

- 2.26 **The Committee recommends that the ACT Government require agencies to take up the Auditor-General's recommendation regarding improvement to the quality of annual statutory reporting practices and procedures and inquire into the causative factors contributing to this deterioration.**

³⁰ ACT Auditor-General's Report No. 8 of 06: *2005-06 Financial Audits*, pp. 15-16.

³¹ Satisfactory – Financial report was well prepared with few adjustments being needed to amounts/disclosures (ACT Auditor-General's Report No. 8 of 06: *2005-06 Financial Audits*, p. 15).

³² Good – Financial report was well prepared. Little or no adjustments were needed to amounts/disclosures (ACT Auditor-General's Report No. 8 of 06: *2005-06 Financial Audits*, p. 15).

³³ Unsatisfactory – Financial report was not well prepared. Many adjustments were needed to amounts/disclosures (ACT Auditor-General's Report No. 8 of 06: *2005-06 Financial Audits*, p. 15).

³⁴ ACT Auditor-General's Report No. 8 of 06: *2005-06 Financial Audits*, p. 15.

Continuous improvement

2.27 The Committee notes the Directions for 2005-06 includes a section on feedback which highlights the importance of obtaining periodic feedback on the effectiveness of annual reports.³⁵

2.28 In its examination of the referred annual reports, the Committee identified the following common deficiencies in the performance information produced by departments and agencies:

- completed initiatives and projects not reported against those planned for the current year; and
- agencies not giving a balanced presentation of the results of operations, emphasising mainly the 'good news' with few references to status of projects such as progress, problems encountered, results and financial impact.

2.29 The Committee understands that the Strategic Human Resource unit within CMD conducts a review of all annual reports. At the conclusion of this review process, all entities are provided with feedback.³⁶

RECOMMENDATION 4

2.30 **The Committee recommends that the Chief Minister's Department inform the Assembly on the outcome of Strategic Human Resources' review of 2005-2006 annual reports.**

Legislative Assembly Committee inquiries and reports

2.31 The Committee notes that the reporting requirement in connection with Legislative Assembly Committee inquiries and reports, as specified in the 2005-06 Directions, is somewhat less prescriptive than that specified in the 2004-05 Directions.

³⁵ *Chief Minister's Annual Report Directions 2005-06*, p. 10.

³⁶ *Ibid.*

2.32 The detail of this external scrutiny reporting requirement is stipulated under a resolution of the Assembly. The Assembly Resolution of 10 April 2002 states:

‘That:

- 1) this assembly calls upon the Chief Minister to include in any relevant instrument relating to the information to be included in annual reports made pursuant to the provisions of the Annual Reports (Government Agencies) Act 1995 directions to include a schedule outlining action that has been achieved and is in progress on the implementation of recommendations of Assembly standing and select committees that have been accepted by the Government of the day in response to those committee reports;
- 2) this provision commences in relation to the current Government’s responses to committee reports of the Fourth Assembly, and, after initial publication, the schedules included in subsequent annual reports only need include information required on achievements in the relevant period and action that remains outstanding; and
- 3) this resolution have effect from the commencement of the Fifth Assembly and continue in force unless and until amended or repealed by this or a subsequent Assembly or the relevant provisions of the legislation are amended by an Assembly’.

2.33 Under the 2004-05 Directions, compliance with this Resolution of the Assembly was specified as follows:

‘Agencies must include a list of completed inquiries by Legislative Assembly Committees that relate to the operations of the agency. Agencies should also provide details on the implementation of recommendations of Assembly Committees that have been accepted by the Government of the day in response to Committee reports.

This schedule should indicate, for each Committee report:

- a) the name of the committee, the report number and title, and the date the report was tabled in the Legislative Assembly;
- b) details of the recommendations of the report that have been accepted, either in whole or in part, by the Government: and

- c) a summary of action to date, either completed or in progress (including milestones completed), in implementing these recommendations'.³⁷

2.34 Under the 2005-06 Directions, compliance with this resolution of the Assembly was specified as follows:

'The agency must report on the most significant developments in external scrutiny of the agency's response, including particulars of:

- Reports on the operations of the department by the Auditor-General (other than the report on financial statements), a Legislative Assembly committee or the ACT Ombudsman'.³⁸

2.35 The Committee is of the view that the reporting requirement by agencies in connection with Legislative Assembly Committee inquiries and reports as specified in the 2005-06 Directions does not adequately reflect the intent of the April 2002 Assembly Resolution.

2.36 The Committee believes that the provision of information is central to ensuring accountability. A core aspect of accountability is providing further information when required, such as providing details on the implementation of recommendations of Assembly Committees that have been accepted by the Government of the day in response to Committee reports.³⁹

2.37 The Committee reiterates the importance of the 2002 Assembly Resolution by citing the following example of unsatisfactory implementation of the recommendations of an Assembly Committee.

2.38 In a performance audit report, the Auditor-General found that:

'...there has been unsatisfactory implementation of the recommendations of the Standing Committee on Health and Community Care's 1999 inquiry into waiting lists'.⁴⁰

2.39 The Committee notes that whilst an action plan was created to progress the implementation of the recommendations, the Auditor-General found there

³⁷ Chief Minister's 2004-05 Annual Report Directions, pp. 47-48.

³⁸ *Ibid.*, pp. 20-21.

³⁹ Griffith, G., 'Parliament and Accountability: The Role of Parliamentary Oversight Committees', NSW Parliamentary Library, October 2005, pp. 1-11.

⁴⁰ ACT Auditor-General's Report No. 8 of 2004: *Waiting Lists for Elective Surgery & Medical Treatment*, p. 58.

was no record of its completion available until late 2004. Further, some undertakings stated as being current in the action plan did not actually take place.⁴¹

- 2.40 Although, during the reporting period under examination, many departments and agencies provided details relating to their operations on the implementation of recommendations of Assembly Committees, the Committee believes that the revised reporting requirement could contribute to the unsatisfactory implementation of the recommendations of an Assembly Committee in the future.

RECOMMENDATION 5

- 2.41 **The Committee recommends that the Chief Minister's Annual Report Directions be amended to require satisfactory Agency compliance with the reporting requirements in connection with ACT Legislative Assembly Committee inquiries and reports as stipulated in the April 2002 Assembly Resolution.**

⁴¹ ACT Auditor-General's Report No. 8 of 2004: *Waiting Lists for Elective Surgery & Medical Treatment*, p. 59.

3 WHOLE-OF-GOVERNMENT ISSUES ARISING FROM DEPARTMENT AND AGENCY REPORTS

- 3.1 During discussions over the course of the public hearing program, the Committee explored a number of general issues arising from the annual reports.

Impact of changed administrative arrangements

- 3.2 The Committee notes that changed administrative arrangements during the 2005-06 reporting period resulted in the transfer and integration of functions between departments and the creation of the Shared Services Centre.
- 3.3 Throughout its inquiry, the Committee was interested in exploring and identifying any areas of potential concern from the changed arrangements. This included how the various organisational restructures have impacted on staffing arrangements and the performance of affected agencies.
- 3.4 The Committee notes that whilst the changed administrative arrangements had resulted in the consolidation of some services across government, the Department of Treasury had grown.⁴² The Committee was interested to ascertain whether the Department of Treasury had to deliver some efficiency dividends and how many positions this equated to. In response, the Under Treasurer stated:

‘I would not be able to provide a figure for the number of positions at the moment and it may not be possible to directly translate efficiency dividends into actual positions, but there were a number of measures in the budget about improving efficiency across government in the provision of corporate services, procurement services and IT services and those applied equally to the Treasury as they did to any other department’.⁴³

⁴² Transcript of evidence, 6 December 2006, p. 65.

⁴³ *Ibid.*

- 3.5 Further, on several occasions the Committee sought detail on the level of consultation conducted by the Government with key stakeholders before decisions were made to transfer and integrate a range of functions as a result of machinery of government changes. Frequently, the response provided was that changed administrative arrangements had been a budget decision and no consultation with key stakeholders was undertaken.
- 3.6 The Committee notes that in the ACT Audit Office's Annual Report 2005-06, the Auditor-General commented that the creation of a Shared Services Centre will attract audit attention.⁴⁴ The Auditor-General stated:
- '...the creation of a shared services centre to provide a range of services (including human resource management, finance, information technology and communications, procurement, and records management) to agencies across the public sector requires significant audit attention, especially during its early establishment'.⁴⁵
- 3.7 In evidence, the Auditor-General told the Committee that:
- '...we would like also—in one or two years time, once the Shared Services Centre has been well established—to come back and see whether or not the efficiency and the saving intended by the government was achieved. That was an important objective for shared services. We had in mind that in our program we would do that audit regarding the savings, if any, as intended by government policy'.⁴⁶
- 3.8 In response to a supplementary question about whether the implementation of the shared services arrangements had the potential to affect the quality and timing of financial reporting in the Territory, the Auditor-General stated:
- 'The Audit Office sees the implementation of the shared services arrangements as having the potential to significantly affect the quality and timing of financial reporting in the Territory. Areas of potential concern could include the loss of accounting and reporting experience, implementation of control systems, flows

⁴⁴ ACT Auditor General's Report No. 7 of 2006: *Annual Report 2005-06*, p. 10.

⁴⁵ *Ibid.*

⁴⁶ Transcript of evidence, 30 November 2006, p. 49.

of financial information and other 'teething problems' associated with the establishment of a new shared services arrangements. If these changes are not well managed, then the quality and timeliness of financial reporting in the Territory could be adversely impacted'.⁴⁷

- 3.9 The Auditor-General further noted that whilst agencies will retain legal responsibility for their financial reports they would be placing significant reliance on the Shared Services Centre's capacity to meet their statutory financial reporting obligations in 2006-07.⁴⁸

RECOMMENDATION 6

- 3.10 **The Committee recommends that the ACT Government establish appropriate governance arrangements at the outset of the Shared Services Centre, which provide a clear understanding and appreciation of the roles and responsibilities of the relevant participants in the governance framework, to safeguard the dual accountability of participants both for their individual organisations and for the shared arrangements.**

- 3.11 In relation to potential concerns regarding the merger of some authorities into departmental operations, the Auditor-General noted that:

'The Audit Office also has a concern regarding the reduced level of transparency in financial reporting as a result of the merger of some authorities into Departmental operations. The loss of individual reporting entity's [sic] such as the Emergency Services Authority and the Office of Children, Youth and Family Services could make it more difficult to ascertain the full cost of operating these agencies'.⁴⁹

⁴⁷ ACT Legislative Assembly, Response to Supplementary Question No. 4 to the ACT Auditor-General, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC SQ04.

⁴⁸ *Ibid.*

⁴⁹ *Ibid.*

RECOMMENDATION 7

- 3.12 **The Committee recommends that the ACT Government ensure that where authorities have been merged into departmental operations, governance structures are clearly agreed and responsibilities defined, to safeguard against gaps in accountability and to make sure that the required performance is to be achieved.**

ACT Government *Public Interest Disclosure Bill 2006*

- 3.13 The Committee notes that a proposal to replace the *Public Interest Disclosure Act* is currently before the ACT Legislative Assembly (the *Public Interest Disclosure Bill 2006* was presented by the Chief Minister on 8 June 2006)⁵⁰.

The new Act aims to provide:

‘clearer and more effective procedures for making, investigating and addressing disclosures about public maladministration’.⁵¹

- 3.14 The Committee was interested in the impact recent changes to the Public Interest Disclosure (PID) legislation would have on the Auditor-General’s current role⁵² and whether the Office had made any representations to the ACT Government regarding the amendments.⁵³

- 3.15 In response the Auditor-General advised that during the process of preparing the proposal to replace the *Public Interest Disclosure Act 1994*, the Office was consulted and subsequently provided advice and input into the process.⁵⁴

- 3.16 The Auditor-General commented:

‘The issue that we had under the old PID arrangements was that we would receive quite a number of PIDs on issues that we may not have a lot of expertise on—for example, employer-employee relationships, comments about

⁵⁰ ACT Legislative Assembly, Minutes of Proceedings No. 67, 8 June 2006, p. 740.

⁵¹ *Public Interest Disclosure Bill 2006*, Explanatory Statement, 8 June 2006, p. 2.

⁵² Under the new Act, the Auditor-General’s role will be restricted to disclosures about matters that relate to the *Financial Management Act 1996* (ACT Auditor General’s Report No. 7 of 2006: *Annual Report 2005-06*, p. 7).

⁵³ Transcript of evidence, 30 November 2006, p. 49.

⁵⁴ *Ibid.*

management behaviour—or things that do not really relate to financial mismanagement or significant issues on finance. Under the old act, we are obliged to consider PIDs and make an appropriate decision. An improvement in the new act will give a clearer role concerning the financial side of it rather than including other management behaviour which may be more appropriately looked at by the Public Service Commission or Ombudsman, for example'.⁵⁵

3.17 The Committee is aware that academic work is currently being conducted in regard to public interest disclosure legislation by the Australian National University's (ANU) Democratic Audit of Australia.⁵⁶ This work includes an issues paper, *Public Interest Disclosure Legislation in Australia – Towards the Next Generation*, which rated the ACT Government's *Public Interest Disclosure Bill 2006* as the second worst in Australia following the Commonwealth.⁵⁷

3.18 In response, the Chief Minister advised that the issues paper had been received by CMD and:

'...is currently being reviewed. Responses to the paper have been invited and are due by 30 March 2007'.⁵⁸

3.19 The Committee also understands that all Ombudsmen around Australia have agreed to collectively examine PID regimes and the Chief Minister advised that the ACT Government was aware of this.⁵⁹

3.20 Further, the Chief Minister stated:

'The Public Interest Disclosure Bill 2006 was presented on 8 June 2006 with subsequent debate adjourned. The Bill has been prepared addressing concerns about the operation of the current legislation that were identified by ACT

⁵⁵ Transcript of evidence, 30 November 2006, p. 49.

⁵⁶ Since 2002 a team at the Australian National University has been engaged in auditing the strengths and weaknesses of Australian democracy. The Audit recognises that democracy is a complex notion, and so applies a detailed set of questions which has already been field-tested in overseas countries. The framework was pioneered in the United Kingdom and then further developed under the auspices of the International Institute for Democracy and Electoral Assistance (IDEA) in Stockholm. IDEA further tested the framework in eight countries including New Zealand. IDEA is currently updating its Audit framework to take account of the experience of further national Audits, including the Democratic Audit of Australia (ANU – Democratic Audit of Australia, 2007).

⁵⁷ Brown, A.J., *Public Interest Disclosure Legislation in Australia – Towards the Next Generation*, ANU Democratic Audit.

⁵⁸ ACT Legislative Assembly, Response to Supplementary Question No. 77 to the ACT Auditor-General, Standing Committee on Public Accounts, Inquiry on Annual and Financial reports 2005-06, PAC SQ77.

⁵⁹ *Ibid.*

Government agencies, the ACT Ombudsman and members of the public during consultations in 2004-2005'.⁶⁰

- 3.21 The Chief Minister also stated that the issues paper, *Public Interest Disclosure Legislation in Australia – Towards the Next Generation*, was currently:

'...being reviewed with comments being prepared. Once completed, the Government will consider any need to further delay debate on the Bill and/or incorporate any amendments'.⁶¹

RECOMMENDATION 8

- 3.22 **The Committee recommends that the ACT Government delay debate of its *Public Interest Disclosure Bill 2006* until the outcomes of the ANU Democratic Audit of Australia and Ombudsman reviews are available, and that the ACT Government amend its Bill, as necessary, based on the reviews' recommendations.**

- 3.23 Further, the Chief Minister advised that the Commissioner for Public Administration will hold responsibility for implementation of the new ACT *Public Interest Disclosure Act* when it is enacted.⁶²

Commissioner for Public Administration role and function

- 3.24 The Committee discussed the merging of the Commissioner's role and function with that of the Deputy Chief Executive of the Governance Division of CMD and the consequent rationalisation of staff within the Commissioner's office.

- 3.25 Given the aforementioned changes, the Committee sought information on how the Commissioner's role would now be supported through the new CMD arrangements. The Chief Executive of CMD explained that:

'There has always been significant support for the commissioner provided by the department. The commissioner had specific staff allocated when we had a separate commissioner, although it was a part-time role, but relied upon

⁶⁰ ACT Legislative Assembly, Response to Supplementary Question No. 77 to the ACT Auditor-General, Standing Committee on Public Accounts, Inquiry on Annual and Financial reports 2005-06, PAC SQ77.

⁶¹ *Ibid.*

⁶² ACT Legislative Assembly, Response to Supplementary Question No. 83 to the ACT Auditor-General, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC SQ83.

support from the broader department in terms of HR, finance and other personnel within the governance division, and that level of support is still provided'.⁶³

- 3.26 Notwithstanding the advice that the Commissioner will continue to have unfettered access to staff within CMD, the Committee remains concerned that the new arrangements have the potential to impact on the ability of the Commissioner to independently analyse and provide advice about the public service.⁶⁴
- 3.27 As a statutory role, the Commissioner for Public Administration is an independent and impartial role and it must be able to exercise its powers and perform its functions without fear, favour or prejudice in the interests of the maintenance of effective and efficient public administration and of a high standard of professional ethics in the public service.
- 3.28 The Committee is concerned that the blending of the Commissioner's role and function with that of the Deputy Chief Executive of the Governance Division of CMD risks endangering the Commissioner's independence by becoming directly involved in the machinery of government.
- 3.29 Further, given the increased role the Commissioner will play in the implementation of the new ACT *Public Interest Disclosure Act*, the Committee is of the view that the ability of the Commissioner to independently analyse and provide advice about the public service will be crucial to ensure the best informed independent advice.

RECOMMENDATION 9

- 3.30 **The Committee recommends that the ACT Government reconsider its decision to merge the Commissioner for Public Administration's role and function with that of the Deputy Chief Executive of the Governance Division of CMD.**

⁶³ Transcript of evidence, 7 December 2006, p. 130.

⁶⁴ *Ibid.*, pp. 130-132.

Sustainability legislation

- 3.31 The Committee was interested in the Government's progress towards the introduction of sustainability legislation.
- 3.32 The Committee notes that the Government recognises that an emphasis on economic growth⁶⁵ exclusively may not result in the achievement of broader social and environmental objectives.⁶⁶
- 3.33 To address this the ACT Government has confirmed an overarching commitment to the principle of sustainable development, that is to whole-of-government:
- '...policies that are economically sound, environmentally sustainable, and which 'promote equity, inclusion and the development of social capital'.⁶⁷
- 3.34 In response to a supplementary question, the Chief Minister advised the Committee that:
- 'The ACT Government is embedding sustainability into its decision-making. While this work continues consideration is being given to the shape and form of sustainability legislation'.⁶⁸

RECOMMENDATION 10

- 3.35 **The Committee recommends that the ACT Government take steps to advance the proposed sustainability legislation.**

⁶⁵ The Economic White Paper suggests that whilst the economic market place is generally the best placed medium for allocating scarce resources, it may fail to give due weight to social, distributional and environmental considerations (ACT Government, *Economic White Paper for the Australian Capital Territory*, 2003, p. 31).

⁶⁶ ACT Government, *Economic White Paper for the Australian Capital Territory*, 2003, p. 31.

⁶⁷ *Ibid.*

⁶⁸ ACT Legislative Assembly, Response to Supplementary Question No. 75 to the Chief Minister, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC SQ75.

4 SPECIFIC ISSUES ARISING FROM DEPARTMENT AND AGENCY REPORTS

ACT Auditor-General

ACT Audit Office

- 4.1 In relation to the ACT Audit Office's annual program of financial and performance audits of the Territory and its agencies, the Committee was interested in whether the Auditor-General had identified any consistent concerns arising from these audits.⁶⁹
- 4.2 As mentioned previously in this Report, in connection with financial audits, the Auditor-General expressed concern regarding the quality and timeliness of financial reporting. The Auditor-General stated:
- 'We are certainly very concerned that the quality of financial statements has worsened. Timeliness in terms of the preparation of these statements also is not good'.⁷⁰
- 4.3 The Committee discussed the continuing difficulties for the Auditor-General's Office in attracting and retaining skilled staff and its subsequent impact on the Office's capacity to complete performance audits within the targeted performance measure of nine months.⁷¹ During 2005-06, the Committee notes that the performance audit team achieved an improvement in both the average time for completion, and the percentage of audits completed within nine months.⁷²

⁶⁹ Transcript of evidence, 30 November 2006, pp. 42-45.

⁷⁰ *Ibid.*, p. 44.

⁷¹ *Ibid.*, pp. 46-48

⁷² ACT Auditor General's Report No. 7 of 2006: *Annual Report 2005-06*, p. 11.

4.4 As referred to earlier, the Committee was interested in the impact recent changes to the Public Interest Disclosure (PID) legislation⁷³ would have on the Auditor-General's current role and whether the Office had made any representations to the ACT Government regarding the amendments.⁷⁴

4.5 The Committee commends the efforts instigated by the Office to address the challenges with high staff turnover whilst continuing to deliver high quality performance outcomes. The Auditor-General advised:

'This year we have gone to different forums and advertised our office there. I am thinking of writing to chief executives and asking them about the option of having some staff exchanges, given that the restructuring of government departments allows for staff movement and the reduction of staff. That is one of the additional actions that we may try this year. We went to the university and tried to recruit students part time for training up from a very basic level, hopefully making them familiar with our work so that by the time they have graduated they would like to work with us'.⁷⁵

4.6 The Committee is pleased to hear that the Office has had some success with engaging university students on a part time basis and looks forward to further developments with this recruitment pathway.⁷⁶

4.7 The Committee also explored issues relating to:

- instances of non-compliance with Australian Accounting Standards⁷⁷; and
- representations from Members of the ACT Legislative Assembly⁷⁸.

⁷³ Under the new Act, the Auditor-General's current role will be restricted to disclosures about matters that relate to the *Financial Management Act 1996* (ACT Auditor General's Report No. 7 of 2006: *Annual Report 2005-06*, p. 7).

⁷⁴ Transcript of evidence, 30 November 2006, pp. 49-50.

⁷⁵ *Ibid.*, pp. 46-47.

⁷⁶ *Ibid.*, pp. 47-48.

⁷⁷ *Ibid.*, pp. 51-53.

⁷⁸ *Ibid.*, p. 51.

Arts portfolio

artsACT - Chief Minister's Department

- 4.8 Given the significant influence the ACT Cultural Council has on the ACT Government's arts policies, the Committee sought an explanation on how members of the Council are selected and how their objectivity on matters of funding and policy direction is assured or guaranteed. A representative of CMD stated:

'Members of the council are appointed by the Minister for the Arts. Appointments are usually based on a two-year term with an extension if the member believes that is appropriate and the minister supports that decision. From time to time public expressions of interest are sought through advertising in the media, and a register of interested parties is kept. There is also a process through the peer committees where appropriate members demonstrate their interest and ability.

There is an attempt to get a good spread of appropriate art form, administrative marketing and business expertise and that is always provided to the minister. There is a code of conduct under which members all agree to operate and that is monitored by the chair and by artsACT staff. Once appointed by the minister the council always meets with at least one senior artsACT member present, and the director of artsACT is an ex officio member of the council. Conflict of interest issues and matters such as that are always raised at each meeting. Any issue where there might be a possibility that some difficulty might arise is raised, discussed and minuted'.⁷⁹

- 4.9 The Committee sought information on whether general arts grant funding had been sufficient and would continue to be adequate to allow for increases equivalent to Consumer Price Indexation (CPI) in grants to key multiyear funded arts organisations,. An official from artsACT explained that:

'A range of grant programs across government, including the arts, do not automatically receive indexation. Like all other areas of expenditure they are decided by the government of the day in the budget process. To my knowledge grant programs have not been treated any differently from that. It has been

⁷⁹ Transcript of evidence, 7 December 2006, pp. 155-156.

acknowledged in the question you are referring to that there were some areas of activity, primarily in the community services area. I understand that not all of the ones in that were followed.

Those that are perceived as service level agreements where they are undertaking work that the government would otherwise be required to do have tended to receive indexation. But I suspect it is still a government decision at budget time anyway. In the arts program some grants received indexation and some did not. The Cultural Council has tried to offer multiyear funded organisations CPI in the first year at least, or the year where there is perceived to be the most inflation, and to accommodate that within the fund. We, like other areas of government, then put the proposal to the government for indexation if the budget so allows'.⁸⁰

RECOMMENDATION 11

4.10 **The Committee recommends that the ACT Government offer multiyear funded art organisations grants that are indexed so that the grant funding increases according to CPI for each year for the term of the grant.**

4.11 In response to a supplementary question, seeking assurance that plans had not been made to withdraw multiyear funding for key arts organisations, the Minister for Arts advised that:

'As stated in Arts Canberra, action statement on the arts for 2006-2008, 'multiyear funding' to Key Arts Organisations is a priority of the ACT Government. Consequently, there are no plans to withdraw the Key Arts Organisation 'multiyear funding' category from the ACT Arts Fund'.⁸¹

4.12 The Committee also explored and discussed issues relating to:

- how members of the ACT public art panel are selected⁸²;
- the terms of the renegotiated agreement with the ANU Faculty of Arts and how it differed from the previous agreement⁸³;

⁸⁰ Transcript of evidence, 7 December 2006, p. 158.

⁸¹ ACT Legislative Assembly, Response to Question Taken on Notice No. 103 to the Minister for Arts, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC QTON 103.

⁸² Transcript of evidence, 7 December 2006, p. 156.

⁸³ *Ibid.*, pp. 156-157.

- review of the 2007 arts fund⁸⁴;
- costs associated with completing the design and preparation for the construction of Canberra Glassworks, further design on the proposed Belconnen Arts and Cultural Centre, and consideration of options for the provision of an enhanced performing arts facility in City West⁸⁵; and
- the ACT Festival Fund⁸⁶.

Cultural Facilities Corporation

4.13 As part of the whole-of-government savings initiatives introduced in the 2005-06 ACT Budget, the Corporation received a 5% reduction in its subvention for 2005-06 and the forward years. The Committee notes that the Corporation met this budgetary challenge by pursuing a program of revenue initiatives and cost savings, enabling it to achieve a slightly better than budget result for 2005-06.⁸⁷ In regard to the Government's revenue raising and cost reduction program, the Committee sought detail on whether the 5% reduction had adversely impacted on the operating effectiveness of the Corporation. The Chief Executive Officer of the Cultural Facilities Corporation stated:

‘That revenue raising and cost reduction program was quite broad ranging and covered things like increasing ticket prices, venue hire charges and, in some cases, admission charges to properties, together with expenditure reductions across the whole range of our activities. We feel that we were able to accommodate those revenue increases and expenditure reductions without an adverse impact on the services and activities that we provide.

In implementing the further reductions to our budget we are seeking to do that in a way that has the least possible impact on the community services and activities that we offer. We have devised a broad-ranging program of revenue increases and expenditure reductions for this current financial year. That will be

⁸⁴ Transcript of evidence, 7 December 2006, p. 157.

⁸⁵ Transcript of evidence, 7 December 2006, p. 157; ACT Legislative Assembly, Response to Question Taken on Notice No. 133 to the Minister for Arts, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC QTON 133.

⁸⁶ ACT Legislative Assembly, Response to Question Taken on Notice No. 121 to the Minister for Arts, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC QTON 121.

⁸⁷ Cultural Facilities Corporation, *Annual Report 2005-06*, p. 7.

a more broad-ranging program than last year's in view of additional budget cuts. That will include additional items such as restructuring of the organisation which will involve a number of staff reductions. Another large element of our program is to reduce the areas we occupy in North Building and on which we pay rent, and to hand those back to Property ACT in order to achieve rental savings'.⁸⁸

4.14 The Committee was also interested to ascertain the impact of the budget reduction on the Canberra Museum and Gallery (CMAG), in particular, how many positions were lost. In response, the Chief Executive Officer of the Cultural Facilities Corporations told the Committee:

'Referring to staff cuts, the overall cut we are seeking to achieve equates to five full-time positions across the corporation. We are going through a highly consultative process with staff and with unions to achieve those cuts in a way that produces the best outcomes for the organisation and that has the least impact on services to the community'.⁸⁹

4.15 Given the operational challenges resulting from the presence of a major construction site between two main venues of the Canberra Theatre Centre, for the Civic Library and Link Project, the Committee commended the Corporation on its efforts in managing the Project throughout the year and its successful completion.⁹⁰

4.16 The Committee also explored and discussed issues relating to:

- key findings of the focus groups held to discuss the future development, refinement and educational outcomes of the Symphony for Kids program⁹¹; and
- exhibition of the Nolan Gallery's works⁹².

⁸⁸ Transcript of evidence, 7 December 2006, p. 158.

⁸⁹ *Ibid.*, p. 159.

⁹⁰ Transcript of evidence, 7 December 2006, p. 159; Cultural Facilities Corporation, *Annual Report 2005-06*, pp. 7-8.

⁹¹ Transcript of evidence, 7 December 2006, p. 160.

⁹² ACT Legislative Assembly, Response to Supplementary Question No. 109 to the Minister for Arts, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC SQ109.

Attorney General's portfolio

Independent Competition and Regulatory Commission (ICRC)

4.17 With the transfer of the ICRC to the new Office of Regulatory Services in the Department of Justice and Community Safety (JACS), the Committee was interested to ascertain how the move would impact on the ICRC's role and independence.⁹³

4.18 The Attorney General did not believe that the new administrative arrangements would compromise the independence of the ICRC, stating:

'There are plenty of examples of statutory officeholders performing functions within government agencies. That does not compromise their independent decision-making powers, by their very nature. In this instance in particular, the ICRC deals predominantly with the private sector in terms of pricing. It also deals with some government agencies, but mostly they are not government agencies within the justice portfolio'.⁹⁴

4.19 Further, when questioned whether the ICRC's decisions have the potential to impact on government revenues, the Attorney General replied:

'Only in some respects. The government has taken a deliberate decision that in some respects the ICRC will not be responsible for determining pricing in some areas which are properly subject to government budget decision-making. We should not be in a position where we are second-guessing what the ICRC is going to be determining when we are assessing our revenues...in relation to the ICRC, it is not in any way intended to compromise the statutory independence of the commissioners. The commissioners will be responsible for certain functions that they are undertaking, and for decision making in certain areas. We will be maintaining those, and the commission will continue to report as a statutory authority, as I understand it...we have not actually removed its status as a statutory authority. It will continue to report. It will have the ability to report independent of government on decisions it makes'.⁹⁵

⁹³ Transcript of evidence, 6 December 2006, p. 101.

⁹⁴ *Ibid.*, p. 101.

⁹⁵ *Ibid.*, p. 102.

4.20 The Committee remains concerned about the future of the Commission in its current form, and its ability to perform its functions independent of government in relation to water, waste water and greenhouse gas regulation, pricing regulated industries; providing advice on issues around competitive neutrality; and arbitrating on disputes about access to third party infrastructure.⁹⁶

4.21 In relation to prepaid electricity meters, the Committee notes that the Essential Services Consumer Council, ACT (ESCC) had expressed concern about the introduction of an electricity prepayment meter system code. In response, the Committee understands that the Treasurer had directed the ICRC to consult with the ESSC about its social impact.

4.22 The Senior Commissioner, in advising whether the consultation had been completed and its subsequent outcome, stated:

‘...those references obviously refer to some time back. There had been discussions going on. There were discussions going on all the way through that process, because it is a difficult, particular issue. There was some correspondence from the Treasurer in relation to those matters, all of which were addressed. We reported back to the Treasurer to his satisfaction.

The process of discussion continued on and, indeed, went into a great deal of detail with the ESCC and others. Quite rightly, they raised a number of matters of some concern which we had to take into account. We have made a number of changes to the proposed code that was being put forward by the company concerned—Aurora—and a number of changes to the code that have been accepted in South Australia, to try and pick up particular points here.

We have been very conscious of the need to link any rules and arrangements applying here in the ACT with the way in which our legislation is structured and the way in which that links with the safety net arrangements we have through the ESCC and other bodies... those discussions occurred and we came to a conclusion. There is a code in place. It has appropriate safeguards and backups, with checks and balances there that the commission will oversight and

⁹⁶ Transcript of evidence, 6 December 2006, pp. 101-102.

supervise. We will continue to work closely with the ESCC and others on that matter'.⁹⁷

4.23 The Committee also explored and discussed issues relating to:

- the future of the ICRC⁹⁸;
- delay in completing the review of the *Utilities Act* and the *ICRC Act*⁹⁹; reduction in number of reports¹⁰⁰;
- delay in the transfer of regulatory powers to the new Australian Energy Regulator¹⁰¹;
- the effects of full retail contestability in the ACT energy market relative to other Australian jurisdictions¹⁰²; and
- how the ICRC consults when there is a particular area that it is reporting on¹⁰³.

Business and economic development portfolio

Department of Economic Development

4.24 Notwithstanding the 2005-06 Budget decision to extend funding to the Knowledge Fund for the 2008-09 outyear (\$3 million)¹⁰⁴, the Committee notes that as a result of decisions arising from the 2006-2007 Budget, the Knowledge Fund has now concluded. As a consequence, the Committee was curious to know how the Government would continue to provide active support for sustainable innovation in small and micro businesses. The Minister for Business and Economic Development stated:

⁹⁷ Transcript of evidence, 6 December 2006, pp. 105-106.

⁹⁸ *Ibid.*, pp. 106-107.

⁹⁹ *Ibid.*, p. 106.

¹⁰⁰ *Ibid.*, p. 107.

¹⁰¹ *Ibid.*, pp. 100-101.

¹⁰² *Ibid.*, p. 103.

¹⁰³ *Ibid.*, pp. 104-105.

¹⁰⁴ ACT Department of Economic Development, *Annual Report 2004-05*, p. 8.

‘The ACT government has, through this latest budget and restructuring of Business ACT, determined on a different framework of support for business within the Australian Capital Territory. That framework does not include a continuation of grant-based support through schemes such as the knowledge fund or indeed through incentives such as payroll, stamp duty or other revenue holidays. There is a debate that we can have around that.

The ACT government believes that the new direction and approach is appropriate for the times... In the context of our other priorities—the size of our jurisdiction, the strength of our economy, the performance of business—it just doesn’t make sense to maintain a regime which reflected the second-highest level of business support of any jurisdiction in Australia. That is the view that I came to and the view that is reflected in the new arrangements’.¹⁰⁵

- 4.25 Further, as a result of the Government’s new framework for supporting business in the ACT, the Minister told the Committee that in consultation with businesses throughout the ACT, the Government had:

‘...identified the two most pressing current requirements of business within the territory—the issue of skills, skilling up, population and labour force—and we have responded very positively to that through the establishment of the Skills Commission. The Skills Commission is a one-of-a-kind commission throughout Australia and it is the most innovative response, I believe, of any of the jurisdictions to skill shortages.

The other issue that is always identified to us by business as of major importance, particularly in the context of a macro jurisdictional position, is the provision of advice, mentoring and support. We have provided significant additional funds for those services in this last budget to replace to some extent some of the knowledge fund funding that was previously granted. I believe the annual allocation to the knowledge fund was around \$4 million. We are providing an additional \$1 million for mentoring and support. We are providing \$500,000 for the Skills Commission’.¹⁰⁶

- 4.26 The Committee was interested to ascertain whether the Skills Commission included expertise in sustainable industries. The Minister for Business and Economic Development replied:

¹⁰⁵ Transcript of evidence, 7 December 2006, p. 145.

¹⁰⁶ *Ibid.*, pp. 145-146.

‘No. There was nobody specifically chosen from the sustainability industries. There was nobody specifically chosen from any of the other areas of major demand. There is nobody with specific expertise in biotechnology. There is nobody with specific expertise in the defence industries. There is nobody with specific expertise in cheffing—an area of major skill shortage in the territory. There is nobody with specific expertise in taxi driving—a calling where nobody can find employees. There is nobody specifically representing a thousand industries all screaming for skilled employees’.¹⁰⁷

4.27 In relation to the Canberra commerce offices supported by the Government in Shanghai, Washington DC and Chenzhen, the Minister for Business and Economic Development advised that the ACT was probably the only Australian jurisdiction not to have permanent, staffed government offices around the world.¹⁰⁸ Further, according to the Minister, this situation placed the ACT at a competitive disadvantage:

‘As one goes around the world, there are permanent, staffed government offices—essentially to facilitate access by business, not to provide a shopfront, an office or a home for public servants, government officials or ministers. The ACT is at a disadvantage. Our great competitors in terms of skills, people, business, connections and contacts are the states and territories. To the extent that we are seeking to export, to do business around the world and to grow the ACT economy, our competitors are the states. We are at a significant competitive disadvantage when it comes to overseas representation and the making of connections and introductions’.¹⁰⁹

4.28 The Committee also explored issues relating to:

- introduction of small business charters and their subsequent monitoring¹¹⁰;
- the reaction from ACT small business to the closure of the Office of the Small Business Commissioner¹¹¹;

¹⁰⁷ Transcript of evidence, 7 December 2006, p. 148.

¹⁰⁸ *Ibid.*, p. 142.

¹⁰⁹ *Ibid.*, pp. 142-143.

¹¹⁰ *Ibid.*, pp. 138-140.

¹¹¹ *Ibid.*, p. 139.

- numbers of staff now employed in the business and economic development portfolio¹¹²;
- the issue of funding for industry training councils¹¹³;
- sustainable industries¹¹⁴; and
- the role of government in business¹¹⁵.

Office of the Small Business Commissioner

4.29 The Committee noted that as a result of decisions arising from the 2006-07 Budget, the Office of the Small Business Commissioner was abolished on 30 June 2006. As a consequence, relevant functions of the Small Business Commissioner will be delivered from within CMD.¹¹⁶

4.30 Given the changes to the formal responsibilities of the Small Business Commissioner¹¹⁷, the Committee was interested in the extent to which individual aspects of those responsibilities have been continued. The Minister for Business and Economic Development stated the:

‘...functions of the Small Business Commissioner have in large part been incorporated but will be delivered under vastly different models. To the extent that one could summarise the Small Business Commissioner’s functions as advisory, mediation or red tape reduction roles, in one capacity or another each of those roles continues to be pursued or available via a range of different mechanisms’.¹¹⁸

4.31 Given that the Small Business Commissioner completed less than two years of presumably a contract for some years, the Committee was interested in

¹¹² Transcript of evidence, 7 December 2006, p. 141.

¹¹³ Transcript of evidence, 7 December 2006, p. 149; ACT Legislative Assembly, Response to Question Taken on Notice No. 126 to the Minister for Business and Economic Development, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC QTON 126.

¹¹⁴ Transcript of evidence, 7 December 2006, pp. 146-149.

¹¹⁵ *Ibid.*, pp. 147-149.

¹¹⁶ The Office of the Small Business Commissioner was established under, and administered, by the *Small Business Commissioner Act 2004*. In June 2006 the Legislative Assembly repealed this Act, effective from 1 July 2006 (*Office of the Small Business Commissioner Annual Report 2005-06*, p. 21).

¹¹⁷ ACT Department of Economic Development, *Annual Report 2005-06*, p. 17.

¹¹⁸ Transcript of evidence, 7 December 2006, pp. 138-139.

information on the costs incurred concluding the Commissioner's contract. The Chief Executive of CMD stated:

'The commissioner was a statutory officer appointed under the provisions of the legislation which established the commissioner's roles and responsibilities. He had a standard ACT public service executive contract. Under the terms of that contract, he was provided with a separation payment that was calculated on the basis of his salary and length of service with the territory'.¹¹⁹

4.32 Further, as a consequence of the changes to the formal responsibilities of the Small Business Commissioner, the Committee was interested as to whether compliance with the prepared charters was monitored. An official of CMD informed the Committee that up until:

'...30 June, those charters were put in place by the Small Business Commissioner. They were sequentially put in place and I believe most were up to completion around 30 June. As things stand now, there has been no monitoring activity over the last five months'.¹²⁰

4.33 The Committee understands that the creation of the Small Business Commissioner as an independent statutory officer was seen as an important vehicle to help agencies and the ACT Government identify the unintended consequences of poor regulation and develop timely remedial options. Further, the Commissioner's role was also seen as critical in advocating other policy changes that could develop a more enterprising culture and a supportive environment for small business formation, survival and growth.¹²¹

4.34 The Committee has great difficulty reconciling the efficiencies gained by the abolishment of the Office of the Small Business Commissioner, which was established using a significant investment of taxpayers' funds, less than two years after its formation.

¹¹⁹ Transcript of evidence, 7 December 2006, p. 140.

¹²⁰ *Ibid.*, p. 138.

¹²¹ Office of the Small Business Commissioner, *Annual Report 2005-06*, p. 12.

4.35 The Committee also explored issues relating to:

- redirection of the Office's website to the Business ACT portal¹²²;
- mediation services to provide a low-cost, timely and user-friendly way to resolve commercial disputes¹²³;
- the Commissioner's identification of possible priority areas of activity for the 2006-07 financial year¹²⁴; and
- the business cost calculator¹²⁵.

RECOMMENDATION 12

4.36 **The Committee recommends that the Chief Minister's Department report back to the ACT Legislative Assembly on the outcomes of the Small Business Commissioner and the status of ongoing work/projects of the Small Business Commissioner.**

Chief Minister's portfolio

Commissioner for Public Administration

4.37 As referred to previously, the Committee discussed the merging of the Commissioner's role and function with that of the deputy Chief Executive of the Governance Division of CMD and the consequent rationalisation of staff within the Commissioner's office.

4.38 The Committee also explored and discussed issues relating to:

- agencies surveyed about issues in administering the *Human Rights Act*¹²⁶;

¹²² Transcript of evidence, 7 December 2006, p. 138; ACT Legislative Assembly, Response to Question Taken on Notice No. 124 to the Minister for Business and Economic Development, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC QTON 124.

¹²³ Transcript of evidence, 7 December 2006, pp. 152-153.

¹²⁴ *Ibid.*, pp. 149-152.

¹²⁵ *Ibid.*, pp. 151-152.

¹²⁶ *Ibid.*, pp. 110-111.

- the replacement of the State of the Service Report with a work force profile¹²⁷;
- the role of the Commissioner in supporting the significant cultural changes required for implementation of the ACT Government reform agenda¹²⁸; and
- breaches of the ACT Public Service's Code of Ethics¹²⁹.

Chief Minister's Department (CMD)

Public sector management group

4.39 In considering Auditor-General's Report No 8 of 2006: *2005-06 Financial Audits*, the Committee notes that the Auditor-General commented that:

'Leave records on CHRIS 21 were not being progressively updated for a significant part of 2005-06. By the time the leave module in CHRIS 21 became available, there was a considerable backlog of leave transactions to be processed. Many errors were found in the recording of leave and significant problems were noted with the maintenance of accurate and reliable records'.¹³⁰

4.40 The Auditor-General believed that these problems increased the:

'...risk of over/underpayments to employees and agencies and employees not having sufficient information to effectively monitor and manage their employee benefit liabilities during 2005-06. The lack of reliable and accurate records also increased the risk that agencies would not meet their statutory reporting obligations'.¹³¹

4.41 Given the ongoing problems with Chris 21, the Committee discussed at length with the Chief Minister and Chief Executive of CMD the difficulties experienced with the implementation of Chris 21.¹³²

¹²⁷ Transcript of evidence, 7 December 2006, p. 132.

¹²⁸ *Ibid.*, p. 132.

¹²⁹ *Ibid.*, p. 134.

¹³⁰ ACT Auditor-General's Report No. 8 of 2006: *2005-06 Financial Audits*, p. 19.

¹³¹ *Ibid.*

¹³² Transcript of evidence, 7 December 2006, pp. 109-110.

4.42 The Committee understands that one of the problems uncovered during the implementation process related to embedded faults in the methodology of the previous provider.¹³³ The Chief Executive stated:

‘Those errors come to calculation errors which affect superannuation contributions in particular for a variety of employees. Those embedded faults in the previous system were not uncovered until we went through the business mapping process that is necessary to write the programs for the new system. I am pleased to say that almost every issue has now been resolved. The one remaining issue, which relates to superannuation, will be rectified and thoroughly tested in the first part of the next calendar year, with implementation before the middle of next year’.¹³⁴

4.43 The Committee remains concerned about the potential impost on ACT taxpayers and former public servants of the calculation errors affecting superannuation contributions for a variety of employees.

RECOMMENDATION 13

4.44 **The Committee recommends that the ACT Government ensure that the calculation errors affecting superannuation contributions are corrected as a matter of urgency.**

4.45 In relation to the Community Inclusion Board website, the Committee expressed concern that it appeared to be no longer operating. A CMD official stated:

‘The website is undergoing maintenance and it was just a change of provider to get some more effective website support, so it has to be rebuilt. I also take Dr Foskey’s comment that there should be an explanation of that on the current website. We will get you a timing on when our website will be rebuilt’.¹³⁵

4.46 The Committee noted that \$320, 000 of the Community Inclusion Fund was rolled over from 2005-06 to 2006-07 and sought information on how this money will be allocated. In response the Committee was advised that:

¹³³ Transcript of evidence, 7 December 2006, p. 110.

¹³⁴ *Ibid.*, pp. 137-138.

¹³⁵ *Ibid.*, pp. 122-123.

‘First, it is still being rolled over back into the community inclusion fund. It was rolled over to reflect the basis that there was some planned expenditure. You then have to adjust that expenditure on the basis that some grants are for 12 months, some for two years and some for three, so you have to adjust the costs over the forward years’.¹³⁶

4.47 The Committee was interested to ascertain why the target date for the review of the Workers’ Compensation Scheme had not been achieved. The Chief Executive of CMD explained:

‘When the targets were first put together there was an expectation that the review would be done in the 2005-06 financial year. For a variety of reasons, one of which was the timing of funding but there were some other complications, we weren’t quite ready to do it in the 2005-06 financial year. The decision was taken to delay the provision of the money to the 2006-07 financial year so that the provision of the money, our own personnel resources and departmental resources could be aligned. We had quite a heavy work load—we always do—and we weren’t physically in a position to do the review within that particular time frame. As a consequence, a decision was taken, after we’d set the target, to change the time frame, which is why we didn’t meet the target’.¹³⁷

4.48 The Committee also explored and discussed issues relating to:

- the delay in implementing enterprise-wide risk management as required by the ACT Insurance Authority and whether the delay had any adverse implications¹³⁸;
- development of the whole-of-Government Cultural Change program¹³⁹; and
- progress in implementing recommendations from Auditor-General Report No. 3 of 2005: *Ecologically Sustainable Reporting* and No. 6 of 2005: *Government Procurement*¹⁴⁰.

¹³⁶ Transcript of evidence, 7 December 2006, p. 123.

¹³⁷ *Ibid.*, p. 121.

¹³⁸ *Ibid.*, p. 120.

¹³⁹ *Ibid.*, pp. 118-120.

¹⁴⁰ *Ibid.*, pp. 112-115.

Strategic projects and implementation

4.49 In relation to the International Arboretum and Gardens, the Committee sought information on the species that have been ordered and delivered.¹⁴¹ A CMD official responded:

‘We currently have a thousand Wollemi, sequoias, candle gums, mesa oaks, dragon trees and ginkgos...all have been vetted by the tree group and experts as endangered species. They are being carefully tended to’.¹⁴²

4.50 The Chief Minister added:

‘This is a major act of conservation by the ACT government. I have no doubt that in the future this project will receive accolades from all of the significant Green and wildlife groups round the world. The vital work that this government is doing to conserve endangered species is a matter of enormous pride’.¹⁴³

4.51 In relation to the plantings, the Committee notes its concern regarding the timing and viability of survival in drought conditions.

Indigenous affairs portfolio**Office of Aboriginal and Torres Strait Islander Affairs – Department of Disability, Housing and Community Services (DHCS) (formerly CMD)**

4.52 In relation to the Aboriginal and Torres Strait Islander (ATSI) Consultative Council, the Committee was interested in an update on the new representative arrangements for Aboriginal and Torres Strait Islander people in the ACT and whether these had addressed the issues regarding the Territory’s mobile indigenous population.¹⁴⁴ An official from the Department of Disability, Housing and Community Services commented:

¹⁴¹ Transcript of evidence, 7 December 2006, pp. 126-127.

¹⁴² *Ibid.*, p. 128.

¹⁴³ *Ibid.*, p. 129.

¹⁴⁴ *Ibid.*, p. 161.

'The focus of the work of the consultative council in the previous year, 2005-06, continued on, particularly with community consultation aspects. There were several meetings. A community report was done on what the community's expectations are of such a body. Where we are up to at the moment is that the Office of Aboriginal and Torres Strait Islander Affairs has been working hard with our government solicitor to develop a draft constitution and draft electoral regulations. That is where we are up to at the moment. Those documents are on the way up for consideration by government'.¹⁴⁵

4.53 In relation to the issue regarding a mobile indigenous population, the Minister for Indigenous Affairs added:

The last advice I received from the consultative council on its negotiations or its consultations was that the consensus within the indigenous community was that it should be an ACT resident or representative body. I must say that that is a position that I lean to myself, without being dogmatic about it.

But in any model that one imagines, it would be very difficult for the ACT government to extend across the border voting rights or representative rights. We were the only ATSI regional council which crossed the border under the previous administrative arrangements for indigenous representation throughout Australia. There was only one indigenous representative organisation or ATSIC regional council which crossed the border. It was the Queanbeyan ATSIC regional council, which represented the ACT. It was an uncomfortable model in terms of representation. It created a range of difficulties. The second last and third last of the most recent chairs of the ATSI Queanbeyan regional council were residents of Nowra. In a representational sense, it created significant issues for ACT resident indigenous people to have such a broad representation. These things have not been finalised, but we are getting there. I think it will be ACT specific'.¹⁴⁶

4.54 The Committee also explored and discussed issues relating to:

- the indigenous arts development forum¹⁴⁷;
- the progression of the draft ATSI framework¹⁴⁸; and

¹⁴⁵ Transcript of evidence, 7 December 2006, pp. 161-162.

¹⁴⁶ *Ibid.*, pp. 161-162.

¹⁴⁷ *Ibid.*, p. 161.

¹⁴⁸ *Ibid.*, p. 161.

- funding to support the refurbishment and operation of the ATSI Centre¹⁴⁹.

Industrial relations portfolio

Office of Industrial Relations - CMD

- 4.55 The Committee was interested in the extent of the contribution made by the Office of Industrial Relations (the Office) to the States and Territories' *Submission to the Inquiry of the Senate Employment, Workplace Relations and Education Committee into the Workplace Relations Amendment (Work Choices) Bill 2005 (Commonwealth)*.¹⁵⁰
- 4.56 In response, the Minister for Industrial Relations informed the Committee that the Office provided advice in relation to the joint submission and supported the previous Minister for Industrial Relations in her appearance before the Senate committee hearing on 14 November 2005. Further, the Office's contribution was managed within existing resources as part of its role in providing the Minister with policy support.¹⁵¹
- 4.57 Given the ACTs unique status in terms of industrial relations law, in that the Territory does not have a state-based industrial relations system like the six states, the Committee discussed at length with the Minister for Industrial Relations the benefits to the ACT from its involvement in the joint submission.¹⁵² The Minister for Industrial Relations commented that given such a unique status it was important for the Territory to participate in the Senate inquiry.¹⁵³
- 4.58 The Committee discussed the four improvement targets developed in 2003-04 for injury prevention and management in the ACT public sector. The Chief Executive of CMD advised that the targets were in areas where

¹⁴⁹ ACT Legislative Assembly, Response to Supplementary Question No. 111 to the Minister for Indigenous Affairs, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC SQ111.

¹⁵⁰ Transcript of evidence, 30 November 2006, p. 34.

¹⁵¹ ACT Legislative Assembly, Response to Question Taken on Notice No. 118 to the Minister for Industrial Relations, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC QTON 118.

¹⁵² Transcript of evidence, 30 November 2006, p. 35.

¹⁵³ *Ibid.*

underperformance was occurring in the ACT public sector and the Office was attempting to target this underperformance.¹⁵⁴

- 4.59 The Committee notes that the ACT public sector did not meet either of the 2005-06 interim targets set for *reducing the number of claims reaching five days time off work by 40% by 2012* and *reducing the average lost time rate by 40% by 2012*. In response to the Committee seeking an explanation for the failure to meet the 2005-06 interim targets, a representative of the Office stated:

‘It is very hard to say. I think all jurisdictions are having difficulty with that target. I guess we have probably got the low-hanging fruit, so to speak; we have got the easier claims out of the system initially and the more difficult claims will take a little bit longer to bite into. The signs are that we will get there. Psychological injuries in particular, which is one of the really big issues across all jurisdictions, are coming down substantially in the ACT’.¹⁵⁵

- 4.60 The Committee was pleased to hear that stress claims were falling across the ACT public sector and that the ACT was one of the few jurisdictions that were securing a reduction. The Chief Executive of CMD commented:

‘We have indeed reversed that trend. The trend line two years ago was this way and it is now that way, so we have had considerable success in that area. That is reflected in our premiums, which are coming down as well’.¹⁵⁶

- 4.61 In relation to the *Towards a Sustainable Community Services Sector in the ACT – Report of the Community Sector Taskforce*¹⁵⁷, the Committee was interested in whether any progress had been made on establishing a mandatory portable long service leave scheme for the community sector.¹⁵⁸ The Minister for Industrial Relations noted that a recommendation from the Report did look at exploring the possibility of such a scheme, however:

‘The recommendation of the community sector task force was to explore, so there is no commitment to such a scheme. It would be expensive in the first instance, so the government is going to progress through the recommendations

¹⁵⁴ Transcript of evidence, 30 November 2006, pp. 35-37.

¹⁵⁵ *Ibid.*, p. 36.

¹⁵⁶ *Ibid.*, p. 36.

¹⁵⁷ Community Sector Taskforce, *Towards a Sustainable Community Services Sector in the ACT – Report of the Community Sector Taskforce*, March 2006 (Released July 2006).

¹⁵⁸ Transcript of evidence, 30 November 2006, pp. 37-38.

of the community sector task force. As I have indicated, some sit within the Industrial Relations portfolio, and I am pursuing those, particularly in relation, as I have said, to issues around industrial relations advice in the community sector. Many of the recommendations, though, fall in the Disability and Community Services portfolio, held by the Deputy Chief Minister. So there are three ministers now working on aspects of the task force report'.¹⁵⁹

4.62 The Committee was pleased to hear that work is progressing across three different Ministers on the preparation of a Government response to the Report.¹⁶⁰

RECOMMENDATION 14

4.63 **The Committee recommends that the ACT Government expedite its response to the Report of the Community Sector Taskforce, *Towards a Sustainable Community Services Sector in the ACT*.**

4.64 The Committee also explored issues relating to:

- improvement targets for injury prevention and management in the ACT public sector¹⁶¹;
- analysis of the impact of the Commonwealth changes to the *Workplace Relations Act 1996* on ACT legislation¹⁶²;
- work completed to traverse the WorkChoices and welfare to work interface; and
- whether the Asbestos Taskforce came in under budget¹⁶³.

Office of the Occupational Health and Safety (OH&S) Commissioner and ACT WorkCover

4.65 In discussing the key ACT WorkCover challenges for the coming year, the Committee was interested in the OH&S Commissioner's thoughts on

¹⁵⁹ Transcript of evidence, 30 November 2006, pp. 37-38.

¹⁶⁰ *Ibid.*, p. 38.

¹⁶¹ *Ibid.*, pp. 35-36.

¹⁶² *Ibid.*, pp. 39-40.

¹⁶³ *Ibid.*, pp. 36-37.

whether the integration of ACT WorkCover within the Office of Regulatory Services would affect his statutory independence. In response, the OH&S Commissioner stated:

‘It is a difficult one. What is clear is that the nature of the OH&S commissioner role that was established back in 2000 will probably need to be looked at in the context of being in an agency situation rather than having an agency directly reporting to the position as it was prior to 1 July this year. I think there will need to be a look at that, and I have recommended that in my quarterly report to the Assembly, which I am sure you have seen, simply because what had developed in that role in the context of having an agency and a direct appropriation for budget, and basically control over the work force, is not the circumstance now and it does need to be looked at as to what governance arrangement would be appropriate in the future given the changed environment’.¹⁶⁴

4.66 The Minister for Industrial Relations added:

‘We are undertaking a significant piece of work at this time to ensure that there is absolute clarity around those arrangements and I am very pleased that that work has been undertaken in a collaborative way. We will obviously be making announcements in the near future about that’.¹⁶⁵

4.67 Further, in response to a supplementary question regarding the level of consultation with key stakeholders prior to the decision to integrate ACT WorkCover with the office of Regulatory Services, the Minister for Industrial relations stated:

‘This was a budget decision and no consultation with key stakeholders was undertaken’.¹⁶⁶

4.68 The Committee also canvassed issues relating to private sector compliance with key workplace indicators on safety and dangerous substances¹⁶⁷.

4.69 The Committee notes that the OH&S Commissioner resigned shortly after his appearance before this Committee. No mention of this resignation was

¹⁶⁴ Transcript of evidence, 30 November 2006, pp. 40-41.

¹⁶⁵ *Ibid.*, p. 41.

¹⁶⁶ ACT Legislative Assembly, Response to Supplementary Question No. 20 to the Minister for Industrial Relations, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC SQ20.

¹⁶⁷ Transcript of evidence, 30 November 2006, p. 40.

made to the Committee during the appearance of the Commissioner and it is unclear whether the Commissioner was already planning to resign at the time of his appearance. Given that the Commissioner's testimony concerned an assessment of his statutory independence in his role, the Committee is concerned that this fact may have had a bearing on discussions. The Committee is concerned that it did not have the necessary information to properly question the Commissioner.

Tourism, sport and recreation portfolio

Australian Capital Tourism

- 4.70 With the transfer of responsibility for tourism to the Department of Territory and Municipal Services, the Committee was concerned about the subsequent impact on the viability and performance of tourism promotion in the ACT.
- 4.71 Whilst noting that the following example fell outside the reporting period under examination, the Committee highlighted it as an example of where it could be construed that recent administrative arrangements were impacting on the viability and performance of tourism in the ACT.
- 4.72 The Committee noted that a recent calendar presented in national newspapers by Tourism Australia promoting different destinations in Australia, did not mention the ACT as a destination, yet every other state and territory was featured.¹⁶⁸ In response, the Minister for Tourism, Sport and Recreation stated:

'I did see that calendar as well and was dismayed that Tourism Australia had excluded the ACT from it. I have had some conversations with industry representatives in the last few days, who are equally dismayed at that decision. It was not one that was in any way a reflection upon Australian Capital Tourism but simply a decision that Tourism Australia made and something that we have concerns about and will be raising with Tourism Australia'.¹⁶⁹

¹⁶⁸ Transcript of evidence, 30 November 2006, p. 13.

¹⁶⁹ *Ibid.*

4.73 The Minister for Tourism, Sport and Recreation assured the Committee that the decision made by Tourism Australia was independent of the budget resources provided to Australian Capital Tourism. The Committee remains concerned that recent administrative arrangements may impact on the viability and performance of tourism promotion for the ACT.¹⁷⁰

4.74 In connection with sustainability and the environment, the Committee was interested in initiatives which promote the ACT environment and region. The Minister for Tourism, Sport and Recreation stated:

‘...the Canberra heritage trails, which are self-drive tours. I had the opportunity to launch that a few months back. They are self-drive trails throughout southern parts of the territory, designed essentially to focus on our natural, indigenous and built heritage. The three roots [*sic*] have strong story lines connecting current attractions, together with onsite signage that will enhance visitors’ understanding of those three important elements of the territory’s history’.¹⁷¹

4.75 The Committee sought further information on how the Canberra Heritage Trails were promoted. The Minister advised that:

‘There is information at the visitor centre. We are also set to promote them through the various websites. We did only launch those trails in the last six weeks or so. We will seek to make them a major feature of our tourism awareness campaigns in the years ahead’.¹⁷²

4.76 In response to a supplementary question, regarding a reduction in the staffing level at the Canberra and Region Visitors Centre due to a change in customer preferences, the Minister for Tourism, Sport and Recreation stated:

‘An enhanced reservation system better matching consumer preferences was introduced, resulting in a faster delivery of service. The changes in technology and the continuing preferences to book online, as well as streamlining of services have resulted in the workload being shared amongst the remaining team members’.¹⁷³

¹⁷⁰ Transcript of evidence, 30 November 2006, p. 13.

¹⁷¹ *Ibid.*, pp. 13-15.

¹⁷² *Ibid.*, p. 14.

¹⁷³ ACT Legislative Assembly, Response to Supplementary Question No. 9 to the Minister for Tourism, Sport and Recreation, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC SQ09.

4.77 The Committee sought an explanation on the criteria used for selecting stallholders to exhibit at Floriade's Craftsman's Corner. A representative of Australian Capital Tourism stated:

'There are a couple of criteria that exist at the moment. The products that exist in the two main marquees must be Australian made. We do have a blend of local suppliers and interstate suppliers as part of those. Because of the limitations on the site as far as electricity and space are concerned, we are limited in the area that we open up for the marquees. We try to ensure that there is a good variety of product but also account for those other two factors.

The other thing is to make sure that the products are quality. We have tended to make sure that we have product examples sent through prior to the event so that we can make sure that the experience is enhanced—that the whole experience is enhanced by having those stores available. But the greatest limiter of it is that parking is a challenge there if we were to expand the site. The electricity is probably the key for us at the moment. We have full demand on the supplies of electricity that go into the area'.¹⁷⁴

4.78 Further, in response to a question taken on notice regarding the current mix of local versus interstate suppliers represented in the Craftsman's Corner and Floriade Village, the Minister for Tourism, Sport and Recreation advised:

'There were 15 local and 38 interstate stallholders in the Craftsman's Corner at the 2006 Floriade. The Floriade Village (food stalls) was operated by an interstate catering company. There were 48 locals and 16 interstate workers in the catering section'.¹⁷⁵

4.79 The Committee notes that this event should be showcasing businesses from the ACT and capital region as a matter of priority.

¹⁷⁴ Transcript of evidence, 30 November 2006, p. 17.

¹⁷⁵ ACT Legislative Assembly, Response to Question Taken on Notice No. 114 to the Minister for Tourism, Sport and Recreation, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC QTON 114.

4.80 The Committee also explored issues relating to:

- increasing the levels of awareness of domestic target markets, domestic visitation, length of stay by visitors, economic benefits from tourism¹⁷⁶; and international and domestic marketing¹⁷⁷;
- viability of the Rally of Canberra¹⁷⁸; and
- the level of government support for the tourism awards¹⁷⁹.

Department of Economic Development

4.81 In relation to the Sport and Recreation Grants program, the Committee was interested in how the \$2.4 million amount distributed in 2005-06 compared with previous reporting periods.¹⁸⁰ The Minister for Tourism, Sport and Recreation stated:

‘Going back to 2000-01, the amount was in the order of \$2.3 million. I understand that a Treasurer’s advance was made available in 2001-02 of \$150,000, which bumped the program up to about \$2.5 million. In 2002-03 it was in the order of \$2.4 million. In 2003-04 it was \$2.5 million. In 2004-05 it was \$2.581 million. In 2005-06, it was \$2.4 million’.¹⁸¹

4.82 As the Kids at Play Program, designed in part to combat the rising trend of childhood obesity, had for another year proven to be a worthwhile program, the Committee sought an assurance that it would continue to receive ongoing funding. The Minister for Tourism, Sport and Recreation stated:

‘Yes, I do share your view on the success of that program. It is important to note that it is moving into its second phase, that the initial setup was indeed very successful and we are now moving into phase two of the program. The current band service will continue for the early childhood sector and selected community events, but the primary focus of the program now is on the

¹⁷⁶ Transcript of evidence, 30 November 2006, pp. 12-13.

¹⁷⁷ *Ibid.*, pp. 20-21.

¹⁷⁸ *Ibid.*, p. 21.

¹⁷⁹ *Ibid.*, p. 21.

¹⁸⁰ *Ibid.*, pp. 21-22.

¹⁸¹ *Ibid.*, pp. 21-22.

education of primary carers of children in the ACT. We are looking at further developing partnerships with the heart foundation and ACT Health to facilitate joint promotion of not only physical activity but also nutrition and healthy lifestyles overall. As part of the roll-out of this second phase, practical resource has been developed and a series of play shops will be conducted throughout the new year. The tender process and the design of the resources will be completed by mid-December this year'.¹⁸²

4.83 The Committee notes the value of the Kids at Play Program and that in 2006-2007, Sport and Recreation ACT will work towards implementing phase 2 of the Program to educate parents, grandparents and primary carers on play opportunities to increase levels of physical activity in children's lives.¹⁸³

4.84 Under the Department's Actively Ageing Framework¹⁸⁴, the Committee discussed the success of the PrYme Movers Program and was interested to ascertain whether it would continue to receive ongoing funding. The Committee was pleased to hear that there was continuity of funding for the program into the out years.¹⁸⁵

4.85 The Committee also explored issues relating to:

- whether there had been an increase or decrease in recent years in the number of contests approved in the ACT under the Boxing Control Act 1993¹⁸⁶;
- the issue of funding for elite sport versus community-based sport¹⁸⁷; and
- the ACT Government's working relationship with the Australian Institute of Sport¹⁸⁸.

¹⁸² Transcript of evidence, 30 November 2006, p. 23.

¹⁸³ ACT Department of Economic Development, *Annual Report 2005-06*, p. 24.

¹⁸⁴ ACT Legislative Assembly, Response to Supplementary Question No. 6 to the Minister for Tourism, Sport and Recreation, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC SQ06.

¹⁸⁵ Transcript of evidence, 30 November 2006, pp. 23-24.

¹⁸⁶ *Ibid.*, pp. 22-23.

¹⁸⁷ *Ibid.*, pp. 24-25.

¹⁸⁸ *Ibid.*, pp. 25-26.

Stadiums Authority

4.86 The Committee sought an explanation for why the number of events held during the reporting period was two less than budgeted. The Minister for Tourism, Sport and Recreation told the Committee that twenty four events were planned for 2005-06, including one soccer international and one entertainment event. Two of the twenty four events were not secured. He told the Committee that the entertainment event changed dates from November to March and was then cancelled due to illness and that the soccer event did not eventuate. These changes in the event planning were beyond the control of the Stadiums Authority.¹⁸⁹

4.87 The Committee was interested in how Stadium memberships compared with previous reporting periods and whether any specific strategies had been used to improve the rate of uptake.¹⁹⁰ The Chief Executive of the Stadiums Authority stated:

‘The memberships in this financial year increased from the previous year; and they increased from the previous year. Club Stadium is a membership base for membership of Canberra Stadium. There are two corporate suites contained in the east stand. The figure of 151 represents pretty well the maximum membership of that club. It is a good result’.¹⁹¹

4.88 The Stadiums Authority attributed a reduction in aggregate attendance at Brumbies games to an increase in ticket prices for Brumbies home games in 2006.¹⁹² The Committee sought further information on the justification for the ticket price increase. The Minister for Tourism, Sport and Recreation commented:

‘That was a decision the Brumbies made. It was their call. I think another factor worth putting on the record is that the crowds are somewhat contingent on the

¹⁸⁹ ACT Legislative Assembly, Response to Question Taken on Notice No. 112 to the Minister for Tourism, Sport and Recreation, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC QTON 112.

¹⁹⁰ Transcript of evidence, 30 November 2006, p. 32.

¹⁹¹ *Ibid.*

¹⁹² Stadiums Authority, *Annual Report 2005-06*, p. 9.

Brumbies' opponents. Historically, New South Wales and New Zealand teams have drawn larger crowds than Queensland and the South African teams.

With the introduction of the Western Force and an additional Australian team in the competition, that certainly helps, because Australian and New Zealand teams tend to draw larger crowds. But obviously our marquee event is the Brumbies/Waratahs game each year. That is nearly always sold out, unlike the Brumbies/Reds game, largely as a result of Queensland's poor performance in the super 12 and super 14 over a number of years'.¹⁹³

4.89 The Committee also explored issues relating to:

- the departure of the previous CEO¹⁹⁴;
- why the net revenue from functions, conferences and memberships came in below budget¹⁹⁵;
- measures put in place to ensure that budget shortfalls do not happen in the future¹⁹⁶;
- decision to increase the capacity of Canberra Stadium¹⁹⁷; and
- provision of catering services for Canberra Stadium¹⁹⁸.

Treasury portfolio

Department of Treasury

ACT Procurement Solutions

4.90 In the context of government procurement principles, which include environmental sustainability, local industry development and ethical suppliers, the Committee was interested in progress on ethical purchasing.¹⁹⁹

¹⁹³ Transcript of evidence, 30 November 2006, p. 33.

¹⁹⁴ *Ibid.*, pp. 31-32.

¹⁹⁵ *Ibid.*, p. 32.

¹⁹⁶ *Ibid.*, pp. 32-33.

¹⁹⁷ *Ibid.*, pp. 33-34.

¹⁹⁸ *Ibid.*, p. 32.

¹⁹⁹ Transcript of evidence, 6 December 2006, p. 85.

4.91 The Committee was informed that in terms of ethical suppliers, under the *Government Procurement Act*, the Government requires agencies to deal only with suppliers that comply with their employee and industrial relations obligations. Additionally, as part of a tender and contract requirement, ACT Procurement Solutions has the capacity to audit suppliers to ensure compliance with relevant employee and industrial obligations. In relation to fair trade, an official from ACT Procurement Solutions advised that:

‘...we have had some discussions with the Oxfam fair trade group; they used to be Community Aid Abroad. We’ve had them give a presentation to our procurement officers, so we have a better understanding of some of those issues. It has certainly been a topic of interest, including to the Assembly in relation to fair trade sources of coffee and things; there was a resolution, I think, in the Assembly about 18 months or two years ago...the onus is on agencies when they’re determining their needs, and I think that’s an important point. My group don’t determine what it is that agencies buy. We help them to buy what they need to meet their business needs’.²⁰⁰

4.92 Following the Government’s decision to move towards centralised procurement, the Committee discussed with the Treasurer, the Acting Chair of the ACT Procurement Board and the Executive Director of ACT Procurement Solutions how ACT Procurement Solutions was managing the considerable increase in its workload and whether there was likely to be any adverse impacts.²⁰¹

Financial and economic management

4.93 To assist with making forward projections which underpin the whole budget process, the Committee discussed at some length, with the Treasurer and Under Treasurer, the difficulties in sourcing accurate information from which to estimate the change in population between censuses.²⁰²

4.94 In relation to the strategic and functional review, the Committee was interested in further detail on the resources provided by the Department to

²⁰⁰ Transcript of evidence, 6 December 2006, pp. 85-86.

²⁰¹ *Ibid.*, pp. 94-95.

²⁰² *Ibid.*, pp. 59-61.

the review. The Committee heard that the Department of Treasury provided resources from its Budget Policy and Coordination Division and this included:

‘...officers within the Treasury. We also supplied some financial resources in order to engage consultants to assist with the review. Some of those resources we would have applied in any case to the former expenditure review process, which was an ongoing process that the Treasury had undertaken each year. That was rolled into the strategic and functional review’.²⁰³

4.95 Given the Department had completed a draft discussion paper on triple bottom line accounting which had been circulated to departments and agencies, the Committee asked whether the paper could be made available. In response, the Under Treasurer stated:

‘We would not be proposing to make it available just yet because we have not had an opportunity yet to consult with the government on that. We would like to do that and then finalise the framework, but at that point I assume that it should be available for wider circulation’.²⁰⁴

4.96 The Committee discussed, with the Treasurer and Under Treasurer, investment decisions made under the Superannuation Provision Account (the SPA).²⁰⁵ The Committee was interested to know:

‘...with regard to investment, how the decision is made as to where to invest superannuation dollars...how is the decision taken and what regard is given to ethical investment’.²⁰⁶

4.97 Subsequent to the Treasurer’s appearance, the Committee notes that the Chief Minister called for a review of investment decisions made under the SPA.²⁰⁷

4.98 The Committee understands that the Chief Minister:

²⁰³ Transcript of evidence, 6 December 2006, pp. 62-63.

²⁰⁴ *Ibid.*, p. 68.

²⁰⁵ The Superannuation Provision Account (SPA) was established in 1991 to assist the ACT Government in managing its superannuation liabilities. The SPA is not a superannuation scheme for ACT Government employees, but an ACT Government account that receives appropriations and makes payments in connection with the ACT Government’s superannuation liabilities to the Commonwealth and to MLAs (ACT Department of Treasury, *Annual Report 2005-06*, p.22); Transcript of evidence, 6 December 2006, pp. 74-75.

²⁰⁶ *Ibid.*, p. 74.

²⁰⁷ Mannheim, M., ‘Stanhope calls for super review’, *Canberra Times*, 19 January 2007, p. 1.

'...has requested a detailed briefing from Treasury officials about the nature of the investments...to address any "stark divergences" between the Government's policies and its financial interests. He admitted yesterday he had not considered some of the implications of funding, but warned against the dangers of politicians influencing investment decisions'.²⁰⁸

Revenue management

4.99 In connection with the Territory's management of its taxation revenue system, the Committee was interested in the work Treasury does in relation to impact assessments, particularly, the implications of increases in rates and charges on the community generally, and specific groups or constituencies within the community. The Under Treasurer explained that:

'...when we are providing policy advice to the government the Treasury would take into account a number of considerations, not only purely economic considerations but also broader social implications. That would be contained in policy advice that we obviously give to the government through the budget process. Looking at rates and charges and taxes, of course, we are also mindful of the rates prevailing in other parts of the country. We would ensure that advice on those sorts of matters was provided to the government'.²⁰⁹

RECOMMENDATION 15

4.100 **The Committee recommends that the ACT Government publish policy advice, provided by the Department of Treasury, in relation to revenue measures and reductions in outlays of expenditure.**

RECOMMENDATION 16

4.101 **The Committee recommends that the Department of Treasury, as part of improving performance, in relation to triple bottom line accounting, work towards a whole-of-government review of the measures taken to implement this concept, and their effectiveness, and report back to the ACT Legislative Assembly.**

²⁰⁸ Mannheim, M., 'Stanhope calls for super review', *Canberra Times*, 19 January 2007, p. 1.

²⁰⁹ Transcript of evidence, 6 December 2006, p. 57.

RECOMMENDATION 17

4.102 **The Committee recommends that the Department of Treasury include in future annual reports a discussion on levels and rates of charging and taxing within the Territory. This should include a comparative analysis that recognises the different tiers of the Territory and State governments and takes into account any economies of scale from the division of these functions.**

4.103 Given that Goods and Services Tax (GST) payments to the ACT in the 2006-07 fiscal year will increase by six per cent on the previous fiscal year, the Committee was interested whether the Treasurer believed that the current level of funding received by the ACT from the Commonwealth was fair and equitable relative to other states and territories. The Treasurer stated:

‘The argument the ACT has consistently put—and it is an argument which the previous Treasurer put regularly at these hearings—is that, to the extent that there is an unfairness, the unfairness might relate to the levels of income tax the ACT provides to the nation proportionately on a per capita basis as a result of our significantly above national average individual and household incomes.

In relation to equalisation and distribution, I do not have a particular issue with the model or the distribution. That is not a position I put or that the ACT puts. Some of my colleagues do, of course—most notably New South Wales and Victoria and, increasingly, Queensland—but, interestingly, it is not a view shared by the ACT, the Northern Territory, Tasmania or South Australia.

My greatest concern, frankly—and I believe intuitively but I may be proven wrong when the latest Australian Bureau of Statistics census data is released—is that the ACT population is significantly higher than the Australian Bureau of Statistics annually reports it. To the extent that we may have been disadvantaged in recent years, I believe there is a real potential that this census will show that the ACT population has been significantly understated over the last four to five years’.²¹⁰

²¹⁰ Transcript of evidence, 6 December 2006, p. 58.

- 4.104 The Committee understands that the proposed release dates for Australia's fifteenth national Census in 2006 are June/July 2007.²¹¹ Australia's fourteenth national Census of Population and Housing took place on 7 August 2001. On Census Night, 7 August 2001, there were 309, 184 persons counted in the Australian Capital Territory (ACT).²¹²
- 4.105 Post the release of 2006 Census data, the Committee intends examining, as part of its Report on the 2005-06 Financial Audits, whether the ACT population has been significantly understated over the last four to five years.
- 4.106 The Committee sought details of what conditions were not being met by an unexpected number of First Home Owner Grants recipients who were requested to be repaid. The Commissioner for Revenue advised that:
- 'Under the first home owner grants, the people accepting the grants are required to take up residence in the property as their primary place of residence. The compliance program has found that a large number of people have failed to do that, and failed to advise the Revenue Office and repay the grant. Last year that led to, I think, around \$600,000 worth of assessments being issued for the repayment of grants—up to about 50 first home owners'.²¹³

Shared Services

- 4.107 In connection with the issue of provision and cost of in-house services, the Committee discussed at some length with the Treasurer, Under Treasurer and the Acting General Manager of InTACT, the efficiency of IT services provided by InTACT. The Treasurer advised that it is an area that Treasury would like to make further improvements in and, to ensure that it is operating efficiently, each year, InTACT undertakes detailed benchmarking studies with the Gartner Group.²¹⁴
- 4.108 Notwithstanding that the recent benchmarking study showed that InTACT's costs were competitive with peer organisations, the Committee queried

²¹¹ www.abs.gov.au/websiteabs/d3310114.nsf

²¹² www8.abs.gov.au/ABSNavigation/prenav/ProductSelect?

²¹³ Transcript of evidence, 6 December 2006, p. 69.

²¹⁴ *Ibid.*, p. 65.

whether this takes into account the capital investment that a private sector business would have to take into account.²¹⁵ InTACT's Chief Finance Officer confirmed that in relation to the benchmarking report, the capital costs from equity funded assets, which are government-funded assets, are not included in the comparison, but:

'...that is also taken into account when looking at the peer groups and the figures that are provided by those organisations. The investment in the network would be excluded from our figures, but also from the peers at the same time. So there is still a comparison between like and like as to direct costs. So it is looking at costs, the benchmarking, not the pricing that we charge. But over the last few years in relation to our costs, we have kept them within the CPI. Also, for example, our desktop support charge has reduced considerably over the last three or four years, too. InTACT has made a concerted effort to reduce this and one of the things that InTACT has introduced is a defined costs model, which is improving as we work with the agencies to identify and make our costs as transparent as possible'.²¹⁶

4.109 The Committee also explored and discussed issues relating to:

- an explanation for the length of time taken for the Government to switch to Government Financial Statistics (GFS) reporting²¹⁷;
- the submission, liaison and briefing process with Standard and Poor's²¹⁸;
- given the consolidation of services within Treasury arising from changed administrative arrangements, whether the Department of Treasury was still required to deliver the same efficiency dividend²¹⁹;
- rural drought relief waivers²²⁰;
- higher than expected revenue collected due to the identification of undeclared properties liable for land tax²²¹;

²¹⁵ Transcript of evidence, 6 December 2006, p. 66.

²¹⁶ *Ibid.*, p. 67.

²¹⁷ *Ibid.*, pp. 56-57.

²¹⁸ *Ibid.*, pp. 61-62.

²¹⁹ *Ibid.*, pp. 65-66.

²²⁰ *Ibid.*, p. 69.

- the profile of recipients taking advantage of the Home Buyer Concession Scheme and the importance of the Scheme to their capacity to purchase a home²²²;
- satisfaction with the renegotiation of the ACT-NSW cross border agreement on health services²²³;
- the nature and current status of a category 1 non-conformance by a sub-unit within Treasury in relation to procurement²²⁴;
- the fact that InTACT did not meet its targets for responding to service requests or for resolving requests in 2005-06 due to the installation of a new service desk management tool²²⁵;
- the fact that InTACT staff numbers were projected to increase to 260 by 30 June 2006²²⁶; and
- the fact that InTACT's supplies and services expenditure increased by \$5.4 million due, in part, to higher than expected contractor costs, inability to fill vacancies with permanently appointed staff and higher than expected operating lease costs²²⁷.

ACT Gambling and Racing Commission

4.110 The Committee sought an explanation as to why the Commission had approved only ten additional machines for the Eastlake Football Club, which had sought thirty, and no additional machines for the Soccer Club of Canberra, which had sought eighteen. The Chief Executive of the Commission stated:

‘Firstly with the soccer club, there are some very detailed legislative criteria in both the Gaming Machine Act and the regulations that applicants must meet.

²²¹ Transcript of evidence, 6 December 2006, p. 70; ACT Legislative Assembly, Response to Question Taken on Notice No. 120 to the Treasurer, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC QTON 120.

²²² Transcript of evidence, 6 December 2006, pp. 70-71.

²²³ *Ibid.*, pp. 71-74.

²²⁴ *Ibid.*, pp. 76-79.

²²⁵ *Ibid.*, pp. 79-80.

²²⁶ *Ibid.*, pp. 79-81.

²²⁷ *Ibid.*, pp. 81-83.

That includes a social impact assessment, which is open for public scrutiny and public comment. In making an assessment of additional machines that are applied for the commission considers what we call a needs basis, which is justification for the additional machines, as well as the social and economic impact of those additional machines. In the case of the soccer club, it was judged that they could not justify additional machines, so the commission considered no machines were justified or approved. In the case of Eastlake, some machines were initially considered justified. That case ended up under review with the Administrative Appeals Tribunal. Following the tribunal's decision, the club was allowed to submit additional information which was not available at the time of the decision. The commission decided, based on that additional information, to allocate the full 30 additional machines to that club'.²²⁸

- 4.111 The Treasurer was asked whether it would make more sense to mandate a proportion of each Club's community contribution to provide support for problem gamblers. In response the Chief Executive of the Commission explained:

'Not necessarily. It is the prerogative, I suppose, of all clubs to decide where their community contributions are allocated. For example, a club is set up to achieve certain objects—a football club to have a football team on the field, et cetera The government decided, as part of the review of the Gaming Machine Act in 2004, that the clubs should continue to be able to allocate to the community as they see best. So, based on that policy and what the legislation indicates, it is better for each licensee to decided where their contributions are allocated'.²²⁹

ACT Government Procurement Board

- 4.112 In relation to a recent review of the *Government Procurement Act* provided to Government and tabled in the Assembly on 23 November 2006, the Committee notes that the review found that the ACT Government Procurement Board had contributed to the improved quality of procurement activities.²³⁰

²²⁸ Transcript of evidence, 6 December 2006, pp. 97-98.

²²⁹ *Ibid.*, p. 98.

²³⁰ *Ibid.*, p. 96.

4.113 The Committee also explored issues relating to:

- an expectation of additional responsibilities and workload on ACT Government Procurement Board members in 2006-07 due to the consolidation of procurement activities in Procurement Solutions²³¹;
- the impact of failure to meet six key deliverables by the Board in 2005-06 on new deliverables and milestones in 2006-07²³²;
- the impact of the Auditor-General's fourteen recommendations on the operation, management and policies of government procurement in the ACT²³³; and
- how the ACT Procurement Board takes into account the impact on some workers of the new WorkChoices and welfare-to-work arrangements when purchasing services from business and community suppliers.²³⁴

ACT Insurance Authority (ACTIA)

4.114 In noting that the ACTIA reported significant increases in incident numbers in the 2005-06 period, the Committee sought more detail on whether significant meant a 'massive' or 'marginal' increase. The General Manager of ACTIA advised that:

'When we talk about "significant", we mean doubling or tripling—huge increases in the number of incidents reported. There are two real reasons for that. One was a lack of understanding of what really needed to be reported. The second was that, as we have discussed in the past, some agencies were somewhat reluctant to report issues where they saw privacy concerns'.²³⁵

²³¹ ACT Legislative Assembly, Response to Supplementary Question No. 28 to the Treasurer, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC SQ28.

²³² ACT Legislative Assembly, Response to Supplementary Question No. 27 to the Treasurer, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC SQ27.

²³³ ACT Legislative Assembly, Response to Supplementary Question No. 26 to the Treasurer, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC SQ26.

²³⁴ ACT Legislative Assembly, Response to Supplementary Question No. 46 to the Treasurer, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC SQ46.

²³⁵ Transcript of evidence, 7 December 2006, p. 163.

- 4.115 The Committee was told that the incidents reporting an increase were mostly in the field of personal injury claims, both public liability and medical malpractice.²³⁶
- 4.116 Given the adoption of the new Australian equivalent International Financial Reporting Standards had altered the prudential margin, the Committee was interested to ascertain if the increase in the prudential margin would require an increase in premiums to cover a high outstanding claims estimate, or whether the Government would cover the risk internally.²³⁷ The General Manager of ACTIA advised that:
- ‘It does influence the premiums directly. Yes, it is an extreme cost. The point to remember is that it is virtually a safety margin: we do incur extra liabilities, but it gives us a better chance of anticipating any increases in liabilities as the claims develop’.²³⁸
- 4.117 In considering the Auditor-General’s Report No 8 of 2006: *2005-06 Financial Audits*, the Committee notes the Auditor-General commented that:
- ‘Although the Authority’s long-term financial position has improved from the prior year, the ratio of total assets to liabilities (0.9 to 1) is less than the budget benchmark (1 to 1) and indicates that the Authority did not have enough assets to meet its liabilities at 30 June 2006’.²³⁹
- 4.118 The Committee also explored and discussed issues relating to: better tailoring of risk analyses to the reality of the Government’s insurance environment²⁴⁰; and claims made policy²⁴¹.

²³⁶ Transcript of evidence, 7 December 2006, p. 163.

²³⁷ *Ibid.*, p. 164.

²³⁸ *Ibid.*, p. 164.

²³⁹ ACT Auditor-General, Report No 8 of 2006: *2005-06 Financial Audits*, p. 98.

²⁴⁰ Transcript of evidence, 7 December 2006, p. 164

²⁴¹ *Ibid.*, p. 164.

ACTEW Corporation Limited

- 4.119 The Committee discussed at length with the Treasurer and Managing Director of ACTEW, the cost and commensurate charging for a water restriction regime and whether or not it can be justified, permanent water conservation measures, the impact of climate change on water supplies and consumption, ACTEW's examination of and community consultation as part of the future water options and modelling of water supply, water flows and consumption on the basis of a major reduction in inflows into dams in the ACT.
- 4.120 In relation to ACTEW's consultation as part of the future water options²⁴², in response to the question of whether the community wished to have absolutely no restrictions ever or were prepared to accept, in very difficult and occasional circumstances, a level of restrictions in return for not having to invest in massive additional water supply, the Managing Director informed the Committee that the:

'...answer to those examinations and community consultations was yes: while nobody liked water restrictions, they were accepted as part of the risk profile of supplying this product, which in the end we rely on the skies to deliver to us, unlike various other supplies—such as gas or electricity, where you can produce more if you wish. We have proceeded on the basis, very publicly declared, that for every 100 years there would be five years—that is, 60 months—when we would be in water restrictions. There is nothing hidden about that. It was very overt. We will continue to work on that basis until we are told to change. As well as that, we worked on the assumption, in the future water options, that there would be a reduction of consumption of 12 per cent by 2013 and 25 per cent by 2023'.²⁴³

²⁴² The Future Water Options project has studied three new water sources for the ACT, to recommend what will best suit the region over the next 50 years (ACTEW 2007).

²⁴³ Transcript of evidence, 6 December 2006, p. 88.

- 4.121 The Committee was told that the introduction of permanent water conservation measures (PWCM)²⁴⁴ had been successful, in that ACTEW:
- ‘...had a target to achieve an eight per cent reduction in per capita consumption based on that. Despite the fact that the measures were in place during an extremely hot and dry period, particularly in autumn and this winter, we have achieved better than the eight per cent target. So they have been successful, and they are hardly onerous’.²⁴⁵
- 4.122 The Committee further heard that decisions on the level of temporary water restrictions²⁴⁶ and the timing of these restrictions are based on the most exhaustive modelling of water supply, water flows and consumption.²⁴⁷ According to ACTEW, bringing forward stage three restrictions by six weeks, with a couple of exemptions, is likely to avert the need to introduce stage four restrictions in 2007.²⁴⁸
- 4.123 The Committee understands that stage three water restrictions took effect from 16 December 2006.²⁴⁹
- 4.124 As part of the Territory’s population policy initiatives focusing on increasing the size of the ACT population, the Committee was interested in whether water issues had been taken into account. The Chief Minister advised that water issues had been taken into account with ACTEW:
- ‘...planning for sustainable water supplies for up to 500, 000 people’.²⁵⁰

²⁴⁴ Permanent water conservation measures (PWCM) are the permanent water use rules that apply when temporary (drought) water restrictions are not in place. They are intended to promote ongoing efficient water use rather than boost storage levels in times of water scarcity (ACT Legislative Assembly, Response to Supplementary Question No. 53 to the Treasurer, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC SQ53).

²⁴⁵ Transcript of evidence, 6 December 2006, p. 88.

²⁴⁶ When temporary (drought) water restrictions are in place, as they are now, these are rules that apply to boost storage levels in times of water scarcity (ACT Legislative Assembly, Response to Supplementary Question No. 53 to the Treasurer, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC SQ53).

²⁴⁷ Transcript of evidence, 6 December 2006, p. 88.

²⁴⁸ *Ibid.*

²⁴⁹ ACTEW Corporation, Stage 3 Water Restrictions, www.actew.com.au/conservation/Stage3Restrictions.aspx

²⁵⁰ ACT Legislative Assembly, Response to Supplementary Question No. 73 to the Chief Minister, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC SQ73.

- 4.125 In connection with pricing, the Committee discussed the elasticity of price, in that consumers should meet the water restrictions and face an increase in price from a technical and comparative perspective.²⁵¹
- 4.126 Another issue discussed was the differing views to water pricing. The Committee notes that the regulator's approach to pricing, which instead of being a risk-based approach that routinely incorporates the risk of reduced water consumption through restrictions, is compensation based, that is when ACTEW does lose revenue through restrictions they are subsequently compensated, in part, in that their weighted average cost of capital is met. For consumers this means that although they have reduced their water use, they end up paying more for water in subsequent years, even though they may still potentially be using less.
- 4.127 In connection with whether the economic viability of TransACT had improved over the 2005-06 period, the Committee sought clarification on ACTEW's decision to inject a further \$1.25 million of capital into TransACT. The Managing Director advised that ACTEW had injected \$1.25 million into TransACT to maintain about a 20 per cent share holding, so that if it was sold, ACTEW would not forgo a return to the people of Canberra for its original investment.²⁵² The Managing Director further added:
- 'We made a judgment that there were purchasers. Our board made a judgment that there were purchasers. They are not going away and further ones have emerged. If the company is sold, and it could be sold at any time, and we have suddenly passed up \$10 million or \$6 million for the sake of an investment of \$1.2 million, I think I would be answering to a different point of view at this committee'.²⁵³
- 4.128 In its consideration of the Financial Audits of 2005-06, the Committee notes that ACTEW has also provided a guarantee over debt funding for TransACT of \$25 million.²⁵⁴

²⁵¹ Transcript of evidence, 6 December 2006, pp. 89-91.

²⁵² *Ibid.*, pp. 92-94.

²⁵³ *Ibid.*, p. 93.

²⁵⁴ ACT Auditor-General's Report No. 8 of 2006: *2005-06 Financial Audits*, p. 58.

4.129 Further, the Committee notes that in recent years, ACTEW has used unaudited information on TransACT to equity account its investment in TransACT because TransACT's financial audit was not complete when ACTEW's financial report and audit report were signed.²⁵⁵

RECOMMENDATION 18

4.130 **The Committee recommends that the ACT Government ensure that audited financial statements of entities, in which the Territory has a controlling interest, be tabled in the ACT Legislative Assembly.**

RECOMMENDATION 19

4.131 **The Committee recommends that the ACT Government publish the audited financial report for TransACT Communications Pty Ltd as soon as it becomes available and submit this report to the ACT Legislative Assembly, rather than waiting until the end of the financial year.**

Exhibition Park in Canberra (EPIC)

4.132 The Committee discussed the issues surrounding the lease of Block 751 Gungahlin (the Block) by EPIC and that EPIC considered the lease to be a major factor for its survival. The Committee queried the delay in reaching a decision on the lease and noted that the development of a Master Plan Concept, to convince the ACT Government to grant a permanent lease on the Block, had only recently commenced. In response, the Chief Executive of EPIC commented that:

'EPIC initially commissioned a company to do a master plan study for us. We did not feel that was adequate, and we had to virtually recommence the process. Given that the trust meets only once a month, it becomes a long, convoluted process'.²⁵⁶

4.133 The Committee understands that the Under Treasurer has met with the EPIC Trust with a view to forming a working party with key decision makers to

²⁵⁵ ACT Auditor-General's Report No. 8 of 2006: *2005-06 Financial Audits*, p. 52.

²⁵⁶ Transcript of evidence, 7 December 2006, p. 168.

work through issues regarding granting EPIC a permanent lease on the Block.²⁵⁷ The Chief Executive of EPIC added that the Trust has:

‘...received some draft comments from the departments that are likely to have a major impact into the decision on the master plan. We received those on 30 November. We are currently working through those. We are hoping that it will be submitted to the government for decision in January or February’.²⁵⁸

4.134 The Committee is concerned that the delay in a decision regarding EPIC’s lease of Block 751 Gungahlin could result in potential events being turned away.²⁵⁹

RECOMMENDATION 20

4.135 **The Committee recommends that the ACT Government should give priority to making a decision regarding the granting of a permanent lease on Block 751 Gungahlin to EPIC.**

4.136 The Committee also explored and discussed issues relating to EPIC’s management of environmental issues resulting from requirements related to nearby dwellings²⁶⁰.

Women’s portfolio

Office for Women – Department of Disability, Housing and Community Services (DHCS) (formerly CMD)

4.137 The Committee was interested to ascertain how the percentages of women graduate trainees in the ACT public service and Take the Lead senior officer development program compared with previous reporting periods.²⁶¹ The Chief Executive of CMD stated:

‘We have always attempted to get as high a participation rate as possible every year. I do presentations to these programs—all of them—and always have done,

²⁵⁷ Transcript of evidence, 7 December 2006, pp. 167-168.

²⁵⁸ *Ibid.*, pp. 167-168.

²⁵⁹ Transcript of evidence, 7 December 2006, p. 167; EPIC, *Annual Report 2005-06*, p. 10.

²⁶⁰ Transcript of evidence, 7 December 2006, pp. 165-166.

²⁶¹ Transcript of evidence, 29 November 2006, p. 6.

and the mix has been high...the comparable figures for the previous year were that in the graduate program 66 per cent were women, so it was higher, and in the Take the Lead program it was 53 per cent'.²⁶²

4.138 The Committee sought an explanation for why only three of the six ACT Women's Plan objectives were reported in 2005-06. The Chief Executive of CMD advised:

'The six objectives of the women's plan are actually spread across all agencies. CMD was responsible for only three. That is why we have reported on only three...the others are reported on by other agencies'.²⁶³

4.139 In relation to the ACT Women's Grants Program, the Minister for Women agreed to consider the Committee's request for information on the scope of proposed projects for unsuccessful applicants in the 2005-06.²⁶⁴ In response, the Minister for Women advised the Committee that:

'after further consideration, and advice provided by my Department, I cannot provide this information, as the government did not seek permission from applicants in previous Grant rounds, to publicly release their details'.²⁶⁵

RECOMMENDATION 21

4.140 **The Committee recommends that in future rounds of all ACT Government Grants Programs, as part of the application process, the respective administrators seek permission from all applicants that the scope of their proposed projects may be made public, even if they are unsuccessful.**

4.141 In relation to the transfer of the Office for Women to the DHCS, the Committee was interested in whether the new administrative arrangements were having an impact on the Office. A representative from DHCS stated:

'The ACT Office for Women moved over holus-bolus, if you like, to DHCS, and it retained its status as an office for women. At the first ministerial council meeting, I spent a bit of time talking about what it meant to be part of the broad

²⁶² Transcript of evidence, 29 November 2006, pp. 6; 10.

²⁶³ *Ibid.*, pp. 2-3; 6-7.

²⁶⁴ *Ibid.*, pp. 1-6.

²⁶⁵ ACT Legislative Assembly, Response to Supplementary Question No. 3 to the Minister for Women, Standing Committee on Public Accounts, Inquiry on Annual and Financial Reports 2005-06, PAC SQ03.

human services department and assured them that it would still have a whole of government focus—which indeed it does.

In terms of how it works within the department, it has two senior executives who are responsible for it—me as the executive director of policy and organisational services, Adam Stankevicius, who is the director in charge of the area, and then through to the chief executive. It sits with a couple of executives, rather than just one in the Chief Minister’s Department, but in terms of the staffing functions they transferred over as was’.²⁶⁶

4.142 As part of building an understanding of the representation of women across the ACT community, the Committee commended a 2004 initiative providing statistics on women in the ACT. The Committee was pleased to hear that there were plans to produce another document along similar lines.²⁶⁷

4.143 In relation to the ACT Women’s Register, the Committee sought comment on how the 114 women currently registered compared with previous reporting periods. In response, the Minister for Women told the Committee:

‘I do not think there has been big growth in the ACT Women’s Register. It is an area that we would need to look closely at, to see that it is actually serving the purpose that it was started for. We expanded the ACT Women’s Register so that women could list for non-government boards and committees, but from my discussion with women’s organisations and the Ministerial Advisory Council on Women I think that perhaps it has not lived up to everything that it was meant to do. Whilst women are listed there, the use of the register as a place to find women is not clear. I think we need to respond to that and look at whether there are better ways of providing a place where women can list their name and be contacted for appointments to boards and committees once they are on there’.²⁶⁸

RECOMMENDATION 22

4.144 **The Committee recommends that the Office for Women explore ways to more widely promote the ACT Women’s Register.**

²⁶⁶ Transcript of evidence, 29 November 2006, p. 8.

²⁶⁷ *Ibid.*, p. 10.

²⁶⁸ *Ibid.*, p. 6.

4.145 The Committee also explored issues relating to:

- the Women's Action Plan for 2005-06²⁶⁹;
- progress in implementing the ACT Women's Plan²⁷⁰;
- statistical evidence on whether the status of women is improving²⁷¹; and
- the means by which the Ministerial Advisory Council on Women 2005-06 and the Minister for Women made representations on the Council's priority areas to other Members of the ACT Government²⁷².

²⁶⁹ Transcript of evidence, 29 November 2006, pp. 8-9.

²⁷⁰ *Ibid.*, pp. 8-9.

²⁷¹ *Ibid.*, pp. 8-9.

²⁷² *Ibid.*, pp. 7-8.

5 CONCLUSION

- 5.1 The Committee has made 22 recommendations in relation to the evidence presented to it. The Committee would like to thank Ministers and accompanying departmental and agency staff and members of governing boards for their time and cooperation during the course of the inquiry process.

Richard J Mulcahy MLA

Chair

11 April 2007

APPENDIX A: Annual reports referred to the Committee for inquiry by the ACT Legislative Assembly²⁷³

- ACT Auditor-General
- ACT Cleaning Industry Long Service Leave Board
- ACT Construction Industry Long Service Leave Board
- ACT Gambling and Racing Commission
- ACT Government Procurement Board
- ACT Insurance Authority (ACTIA)
- ACT Legislative Assembly Secretariat
- ACTEW Corporation Limited
- ACTTAB Limited
- Australian Capital Tourism
- Australian International Hotel School
- Chief Minister's Department²⁷⁴
- Commissioner for Public Administration
- Cultural Facilities Corporation
- Department of Economic Development
- Department of Treasury
- Exhibition Park in Canberra
- Nominal Defendant
- Office of the Occupational Health and Safety Commissioner and ACT WorkCover
- Office of the Small Business Commissioner
- Rhodium Asset Solutions Limited
- Stadiums Authority

²⁷³ ACT Legislative Assembly, Minutes of Proceedings No. 77, 17 October 2006, pp. 835-836.

²⁷⁴ Those sections of the Chief Minister's Department Annual Report concerning the environment (refer 2005-06 BP4 Output class 2: Arts Heritage and Environment. Output 2.1 Environment Management and Regulation; Output 2.2: Nature Conservation & Land Management), are referred to the Standing Committee on Planning and Environment with the Minister for Territory and Municipal Services as the responsible Minister.

Following consultation with the Standing Committee on Legal Affairs, the Committee resolved to examine the following annual report:

- Independent Competition and Regulatory Commission²⁷⁵

²⁷⁵ As noted previously, the Standing Committee on Public Accounts had considered this report in previous years.

APPENDIX B: Witnesses who appeared before the Committee

Wednesday 29 November 2006

Ms Katy Gallagher MLA

Minister for Women

Ms Bronwen Overton-Clarke, Executive Director, Policy and Organisational Services, Department of Housing and Community Services (DHCS)

Mr Adam Stankevicius, Director, Governance, Strategy and Community Policy, DHCS

Thursday 30 November 2006

Mr Andrew Barr MLA

Minister for Tourism, Sport & Recreation

Mr Mike Zissler, Chief Executive, Department of the Territory and Municipal Services (TAMS)

Mr Hamish McNulty, Executive Director, Environment & Recreation, TAMS

Dr Maxine Cooper, Executive Director, Enterprise Services, TAMS

Ms Sue Marriage, Director, Sport & Recreation, TAMS

Ms Sarah Hitchcock, A/g General Manager, Australian Capital Tourism

Mr Neale Guthrie, Chief Executive Officer, Stadiums Authority

Thursday 30 November 2006

Mr Andrew Barr MLA

Minister for Industrial Relations

Mr Mike Harris, Chief Executive, Chief Minister's Department (CMD)

Ms Catherine Hudson, Deputy Chief Executive, Governance, CMD & Acting
Commissioner for Public Administration

Ms Liesl Centenera, Director, Office of Industrial Relations, CMD

Mr Mark McCabe, Senior Manager, Workplace Injury Performance, CMD

Ms Kate Nesor, Chief Financial Officer, Corporate Finance, CMD

Mr Erich Janssen, OH&S Commissioner

Mr Ian York, Manager, Corporate Services, ACT WorkCover

Mr Peter Matthews, Default Insurance Fund Manager

Thursday 30 November 2006

Ms Tu Pham

ACT Auditor-General

Mr Rod Nicholas, Director, Performance Audits & Corporate Services, ACT Audit
Office

Mr Bernie Sheville, Director, Financial Audits, ACT Audit Office

Wednesday 6 December 2006

Mr Jon Stanhope MLA

Treasurer

Dr Paul Grimes, Under Treasurer/Chief Executive, Department of Treasury (DT)

Ms Megan Smithies, Executive Director, Finance and Budgets Division, DT

Mr Roger Broughton, Executive Director, Investment and Economics Division (IED), DT

Mr Khalid Ahmed, Executive Director, Policy Coordination and Development Division, DT

Mr Graeme Dowell, Commissioner for Revenue, ACT Revenue Office, DT

Mr Mick Chisnall, A/g General Manager, InTACT, Shared Services, DT

Mr John Robertson, Executive Director, ACT Procurement Solutions, DT

Mr Neil Bulless, Director, Finance and Budget Division (FAB), DT

Ms Kirsten Thompson, Director, FAB, DT

Ms Lisa Holmes, Acting Director, Accounting Branch, DT

Mr Michael Vanderheide, Head, Shared Services, DT

Mr Ross Burton, Chief Financial Officer, InTACT, Shared Services, DT

Mr Tom McDonald, Director, Legal and Insurance Policy, IED, DT

Mr Jason McNamara, Director, Economics Branch, IED, DT

Mr Michael Costello, Managing Director, ACTEW Corporation Ltd

Mr Aspi Baria, Technical Specialist – Water, ACTEW Corporation Ltd

Mr Ross Knee, Principal Strategic Planner, ACTEW Corporation Ltd

Mr Simon Wallace, Chief Accounting Officer, ACTEW Corporation Ltd

Mr Hamish McNulty, Acting Chair, ACT Government Procurement Board

Mr Bob Venables, Manager, Procurement Policy, ACT Procurement Solutions, DT

Mr Greg Jones, Chief Executive, ACT Gambling and Racing Commission

Wednesday 6 December 2006

Mr Simon Corbell MLA

Attorney General

Mr Ian Primrose, Chief Executive, Independent Competition and Regulatory Commission (ICRC), Office of Regulatory Services, Department of Justice and Community Safety (JACS)

Mr Paul Baxter, Senior Commissioner, ICRC, Office of Regulatory Services, JACS

Thursday 7 December 2006

Mr Jon Stanhope MLA

Chief Minister

Mr Mike Harris, Chief Executive, Chief Minister's Department (CMD)

Ms Pam Davoren, Deputy Chief Executive, Policy, CMD

Mr Phil Tardif, Director, Cabinet Office, CMD

Mr Greg Ellis, Director, Economic, Regional and Planning, CMD

Mr David Butt, Director, Energy and Water Policy, CMD

Ms Sue Hall, Director, Corporate Management, CMD

Ms Penny Farnsworth, Acting Director, Social Policy and Implementation, CMD

Ms Kate Naser, Chief Financial Officer, Corporate Finance, CMD

Dr Philip Dorling, Senior Manager, Intergovernmental & Legal Affairs, Cabinet Office, CMD

Ms Catherine Hudson, Deputy Chief Executive, Governance, CMD & Acting Commissioner for Public Administration

Ms Jan Weir, Senior Manager, Strategic Human Resources (HR), CMD

Ms Kirsten Hurford-Clark, Senior Project Officer, Strategic HR, CMD

Ms Greg Haustead, A/g Senior Manager, Industrial Relations Policy, CMD

Mr George Tomlins, Executive Director, Strategic Priorities, CMD

Mr Philip Mitchell, Executive Director, Strategic Priorities, CMD

Mr Jeremy Lasek, Executive Director, Arts, Communications, Events and Protocol,
CMD

Thursday 7 December 2006

Mr Jon Stanhope MLA

Minister for Business and Economic Development

Mr Mike Harris, Chief Executive, Chief Minister's Department (CMD)

Mr Ian Cox, A/g Director, Business & Economic Policy, CMD

Ms Dita Hunt, Senior Manager, Business & Economic Policy, CMD

Ms Lisa Holmes, Acting Director, Accounting Branch, Department of Treasury

Thursday 7 December 2006

Mr Jon Stanhope MLA

Minister for Arts

Mr Mike Harris, Chief Executive, Chief Minister's Department (CMD)

Mr John Stanwell, A/g Director, artsACT, CMD

Mr Jeremy Lasek, Executive Director, Arts, Communications, Events and Protocol,
CMD

Ms Kate Naser, Chief Financial Officer, Corporate Finance, CMD

Ms Harriet Elvin, Chief Executive Officer, Cultural Facilities Corporation

Mr John Wicks, Chief Financial Officer, Cultural Facilities Corporation

Mr Alan Ramsay, Manager, Corporate Services, Cultural Facilities Corporation

Thursday 7 December 2006

Mr Jon Stanhope MLA

Minister for Indigenous Affairs

Ms Sandra Lambert, Chief Executive, Department of Disability, Housing and Community Services (DHCS)

Mr Martin Hehir, Acting Deputy Chief Executive, DHCS

Mr Nic Manikis, Director, Office of Multicultural, Aboriginal & Torres Strait Islander Affairs, DHCS

Ms Bronwen Overton-Clarke, Executive Director, Policy & Organisational Services, DHCS

Mr Adam Stankevicius, Governance, Strategy & Community Policy, DHCS

Thursday 7 December 2006

Mr Jon Stanhope MLA

Treasurer

Dr Paul Grimes, Under Treasurer/Chief Executive

Mr Peter Mathews, General Manager, ACT Insurance Authority (ACTIA)

Mr Tony Sadler, General Manager, Exhibition Park in Canberra (EPIC)