

2020

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

**GOVERNMENT RESPONSE TO THE
STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM
REPORT NO 8**

REPORT ON ANNUAL AND FINANCIAL REPORTS 2018-2019

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

Introduction

On Thursday, 24 October 2019, the 2018-19 Annual and Financial reports of all ACT Government agencies were referred to the relevant Standing Committees of the Assembly for inquiry and reporting.

The following annual reports, or sections of annual reports, were referred to the Standing Committee on Economic Development and Tourism (the Committee):

- Chief Minister, Treasury and Economic Development Directorate;
- Cultural Facilities Corporation; and
- Environment, Planning and Sustainable Development Directorate.

Response to Committee Recommendations

Recommendation 1

The Committee recommends that annual reports present in a table all accountability indicators, success or failure against those indicators and explanations for significant variance.

Government Response – Noted.

There is already a requirement under the annual report directions for reports to ‘provide a holistic analysis of performance in relation to budget indicators, showing variances (including through statistics and graphs) and providing an explanation where accountability indicators under the Budget Papers have not been met’. Directorates and reporting entities will be reminded of this obligation.

Recommendation 2

The Committee recommends that the CMTEDD annual report include a breakdown of events at EPIC and their attendance.

Government Response – Agreed in principle.

A listing of events can be provided. Attendance numbers cannot always be provided due to many events not being ticketed such as markets and trade shows and where ticketed, there is no obligation on hirers to provide the details.

Recommendation 3

The Committee recommends that the Fix My Street website and app include a statement that it is not for requesting new services or infrastructure and direct users to the appropriate places to make such requests.

Government Response – Agreed.

The Fix My Street website will be updated.

Recommendation 4

The Committee recommends that once digital drivers’ licences are introduced, the ACT Government continue to make accessible a hard-copy identity document.

Government Response – Agreed.

Access Canberra acknowledges that some drivers will still want to have a hard-copy drivers licence card. Access Canberra is planning to make hard-copy drivers licence cards available for those who choose that option as a part of any digital licence scheme.

Recommendation 5

The Committee recommends that the ACT Government ensures that the notifiable invoices register is updated in a timely manner.

Government Response – Agreed.

Requirements for Notifiable Invoices are established in part 3A of the *Government Procurement Act 2001* (the Act). The Act requires that a Notifiable Invoices Register is kept and made public. The Act sets out what the Register must include in respect of each Notifiable Invoice. A Notifiable Invoice is an invoice with a value of \$25,000 or more, payable by a responsible Territory entity for goods, services, works or property provided to or procured by the Territory or a Territory entity. Within 21 days after the end of the month in which the invoice was paid, Territory entities must ensure the required information is captured in the Register.

Procurement ACT manages the process of publishing the Notifiable Invoices and coordinates the data from Territory entities. The Notifiable Invoices Register is available on data.act.gov.au and is published by the 20th of each month.

Recommendation 6

The Committee recommends that the Minister for Government Services and Procurement, by the last sitting in June 2020, provide the Assembly with an update on efforts to allow the notifiable invoices register to include data identifying the contract that each invoice was issued under, including target dates for completing significant stages of the project.

Government Response – Noted.

In 2019 Shared Services piloted the Oracle Procurements Contracts Cloud Module within the Transport Canberra and City Services Directorate, this module enables a systematic approach for the recording and reporting of ACT Government expenditures in a central system.

Shared Services has received approval from the Justice and Community Safety Directorate, the Chief Minister, Treasury and Economic Development Directorate, ACT Health, and Suburban Land Agency to introduce the Oracle Procurements Contracts Cloud Module within the 2020-21 financial year. The initiative is not mandatory and encompasses those agencies using the Oracle financial system.

Linking all notifiable invoices to contracts would require separate arrangements with directorates such as Canberra Health Services and Cemeteries who use other financial systems.

Shared Services has recently commenced a review of the needs of ACT Agencies with regards to Financial Management systems which is expected to be finalised next financial year.

Recommendation 7

The Committee recommends that Procurement ACT ensure that a consistent date convention is used in the notifiable invoices register to ensure that it can be accurately searched by date.

Government Response – Agreed.

The Notifiable Invoices Register is available on data.gov.au settings. This website has been adjusted to rectify inconsistencies to ensure that the entries are recorded in the dd/mm/yyyy format.

Recommendation 8

The Committee recommends that the ACT Government consider mandating the use of whole of government panels by directorates, except where a case is made for exemption for particular procurements.

Government Response – Noted.

Mandating whole of government arrangements could significantly enhance the efficacy of those arrangements from multiple perspectives. These include:

- *data capture and activity reporting* – enables comprehensive central reporting on government expenditure and activity in each category;
- *commercial return* – confidence on the full government expenditure being issued through an arrangement encourages more competitive tendering by suppliers and a stronger negotiating position for the Territory;
- *reputational* – poor utilisation of whole of government arrangements can be viewed as an act of bad faith to successful respondents to whole of government tenders;
- *efficiency* – eliminates unnecessary tender and request for quote processes and the associated reporting and compliance burden; and
- *policy implementation and compliance* – consistent application of procurement policy and practice.

The current procurement framework, however, establishes a broad discretion for Directors General and equivalents, whereby responsibility for procurement outcomes rests with them, and support and advice is provided by Procurement ACT. Establishing a mandatory use provision for whole of government arrangements would be a departure from that framework, and careful consideration of the consequences would be required before any such change was made.

Recommendation 9

The Committee recommends that the ACT Government, after sufficient operation of the design review panel, audit a sample of finished builds that received input from the panel and determine the reason for any variations from the agreed plans.

Government Response – Agreed in principle.

The National Capital Design Review Panel (Panel) provides independent, expert and impartial design advice on significant development proposals across the city. The Panel's advice is advisory only and therefore not all recommendations made by the panel may be incorporated into each development proposal. The Panel does not have an approval role.

The proponent is however required to provide a response to the Panel's advice when submitting a Development Application for assessment, either addressing the Panel's recommendations or providing a justification for not incorporating a recommendation.

The ACT Government is committed to enhancing design quality through design review and could audit a sample of development proposals once a sufficient number of projects have been completed, noting this will require additional resources to undertake this review.