

**2009**

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

**GOVERNMENT RESPONSE TO THE  
STANDING COMMITTEE ON PUBLIC ACCOUNTS (6<sup>TH</sup> ASSEMBLY)  
REPORT NO 14**

**REPORT ON ANNUAL AND FINANCIAL REPORTS 2006-2007**

**Presented by  
Mr Jon Stanhope MLA  
Chief Minister**

## **Government Response**

Standing Committee on Public Accounts Report No 14 – Report on Annual and Financial Reports 2006-2007 (6<sup>th</sup> Assembly)

### **Introduction**

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

The 6<sup>th</sup> Assembly Standing Committee on Public Accounts reviewed annual reports for:

- Legislative Assembly Secretariat.
- Auditor-General.
- Department of Treasury.
- ACTEW Corporation.
- ACT Government Procurement Board.
- ACT Insurance Authority.
- ACTTAB Ltd.
- Exhibition Park Corporation.
- Gambling and Racing Commission.
- Nominal Defendant.
- Rhodium Asset Solutions.
- Chief Minister's Department;
- Cultural Facilities Corporation.
- Commissioner for Public Administration.
- ACT Cleaning Industry Long Service Leave Board.
- ACT Construction Industry Long Service Leave Board.
- Australian Capital Tourism.

The Committee made 12 recommendations.

## **Response to Committee Recommendations**

### **Recommendation 1**

2.13 The Committee recommends that the ACT Government undertake a whole of government approach to improving departmental financial statements with a particular focus on assisting smaller agencies to meet the required standard.

#### **Government Response**

**Agreed.** Treasury will continue to work with agencies to develop and improve reporting processes, including the continued refinement and enhancement of the Model Financial Report and guidance provided to agencies on specific accounting issues to meet accounting standards requirements.

Treasury will also continue to work with the Auditor-General's Office to implement both an agreed timetable for the preparation of agency financial reports, and to improve the clarity and information content of financial reporting related Treasury Memoranda and Treasury sponsored training. All agencies, including smaller agencies, are provided with this information and support.

In the short term, it is not anticipated that the Shared Services Centre (SSC) will be used to facilitate the preparation of annual financial reports for the smaller agencies currently not using the SSC for this purpose. It is considered that the efficiency cost of using the SSC for this purpose outweighs any potential gain of doing so in the short term.

### **Recommendation 2**

3.4 The Committee recommends that the Government and the Legislative Assembly Secretariat finalise their discussions on creating an appropriate framework within which to apply the Latimer House principles to the ACT and report to the Legislative Assembly before the last sitting day of the Sixth Assembly.

#### **Government Response**

**Agreed.** In the Parliamentary Agreement for the 7<sup>th</sup> Assembly, dated 31 October 2008, the Government together with the ACT Greens committed to “endorse the Commonwealth (Latimer House) Principles on the Three Branches of Government” (Appendix 1, Clause 1.1).

The Parliamentary Agreement also committed to establishing an inquiry on how to strengthen the capacity of the Assembly to scrutinise government fiscal planning and improving scrutiny of the Estimates process.

This has now been supported by the Assembly with passage of a resolution on 11 December 2008 endorsing these Principles in the governance of the ACT.

The Assembly at the same time further resolved that the Administration and Procedure Committee inquire into appropriate mechanisms to coordinate and evaluate the

implementation of Latimer House Principles and that the Committee report by June 2009.

### **Recommendation 3**

3.20 The Committee recommends that the Government instruct agencies to respond to all recommendations contained in the final drafts of performance audit reports and remind agencies that this is a process separate from the government response to the final report.

#### Government Response

**Agreed-in-principle.** It is already a requirement that all agencies respond to report recommendations. This requirement will be highlighted in updated guidelines for responding to Auditor-General's reports and in other advice provided to agencies.

### **Recommendation 4**

3.26 The Committee recommends that the Government move to a process whereby all regulatory impact statements are publicly released following cabinet consideration.

#### Government Response

**Noted.** Under the *Legislation Act 2001*, Regulatory Impact Statements are required to be made public for subordinate legislation and disallowable instruments.

### **Recommendation 5**

3.30 The Committee recommends that the framework for implementation of triple-bottom-line rules and assessments be submitted to the ACT Government, and made public, before the 2008 ACT Election.

#### Government Response

**Noted.** The Government will publicly release its assessment framework as soon as it is finalised.

### **Recommendation 6**

3.31 The Committee recommends that triple-bottom-line reporting be included in Annual Reports beginning in 2009-10.

#### Government Response

**Agreed.** In the Parliamentary Agreement for the 7th Assembly, dated 31 October 2008, the Government committed to the introduction of triple-bottom-line annual reporting.

The Government is committed to triple-bottom-line as a philosophy, and has clearly indicated its intention to adopt a wider approach to triple-bottom-line rather than simply focusing on accounting.

#### **Recommendation 7**

3.33 The Committee recommends that the Treasurer report to the Assembly before the 2008 ACT Election on progress in implementing the recommendations of the review into socially responsible investment.

#### Government Response

**Noted.** The status of action taken to date has been included in the 2007-08 Treasury Annual Report, under Output EBT 1 – Superannuation Provision Account.

#### **Recommendation 8**

3.34 The Committee recommends that reporting on socially responsible investment is included in subsequent Annual Reports.

#### Government Response

**Agreed.**

#### **Recommendation 9**

3.71 The Committee recommends that all details of the Griffin Legacy arrangements between the ACT Government and the Commonwealth be provided to the Committee as soon as is possible.

#### Government Response

**Agreed.** The Government will provide full details of the Griffin Legacy arrangements between the ACT and Commonwealth Governments once the current uncertainty about the future of the National Capital Authority (NCA) and its funding becomes clearer. The ACT Government has pressed the Commonwealth Government to reinstate funding for the planned duplication of Constitution Avenue. It is anticipated that this will most effectively be pursued through the NCA once its future role and responsibilities are clarified.

#### **Recommendation 10**

3.84 The Committee recommends that the ACT Government conduct exit surveys of all staff leaving the ACT public service.

#### Government Response

**Agreed-in-principle.** The Government committed in the 2008-09 Budget monies to build further on the public-sector capacity. Strategies will focus on investing in staff,

providing training and leadership development opportunities in line with best practice, and recruitment and attraction strategies.

Strategic approaches to workforce planning will give the ACTPS agility to address its current staffing needs, as well as to anticipate future workforce requirements.

A survey of agencies was undertaken in July 2008 to ascertain agency use of exit surveys as a tool to assist in identifying “reasons why people exit the ACT Public Service”.

The survey results indicated that the majority of agencies do undertake exit interviews and find the information that they elicit, very useful. Consideration is currently being given to when and how exit survey can be systemised and standardised across agencies to ensure the gathering of information which is beneficial in addressing retention issues across the Service.

### **Recommendation 11**

3.100 The Committee recommends that the provisions in the ACT Code of Ethics for public servants relating to conflict of interest be strictly implemented.

#### Government Response

**Agreed-in-principle.** The ACT Code of Ethics is a key element included in all “ethics” related training for ACTPS employees and is referred to in a range of publications including the ACTPS Integrity Policy and the Procurement Guidelines.

The 2007 Agency Survey shows that, on the whole, agencies in the ACT Public Service are:

- committed to providing training and development both on ACTPS values and section 9 of the Public Sector Management Act and on Agency-specific values; and
- ensuring that processes for investigating and applying sanctions for breaches of section 9 of the Public Sector Management Act are applied in a consistent manner.

### **Recommendation 12**

3.101 The Committee recommends that the ACT Government release a full analysis of the cost of conducting the 2008 Balloon Spectacular.

#### Government Response

**Agreed.** The inaugural National Autumn Balloon Spectacular was held Saturday, 19 April to Sunday 27 April 2008.

Local company Balloon Aloft was contracted to deliver the event with assistance from the Chief Minister’s Department’s Special Events Unit. There was significant interest

from the ballooning fraternity, with over 30 balloons committing to the event, including special shapes and interest received from international pilots. The balloons managed five flying days out of nine with four days being weathered out due to fog and wind.

The Beijing Olympic Torch Relay and Anzac Day also occurred in this timeslot and the hot-air balloon event enhanced and complemented these other activities. An estimated 25,000 people visited the event over the nine day period with the Torch Relay day and Anzac Day being the biggest days. Free entertainment was provided each morning and included performances by the Beijing Olympic Torch Relay Choir, local bands and free children's science shows provided by Questacon. The Lions club cooked breakfast on each morning of the event and provided over 1100 hours in manpower to provide hot breakfast to the thousands of spectators who visited the event.

The National Autumn Balloon Spectacular was the major fundraising activity for the Lions Club and raised over \$22,000. Proceeds were donated to local charities including the Down Syndrome Association, Pegasus Riding School and Quota and will also be used to support a number of community projects such as the Sightfirst Campaign and Diabetes awareness campaigns.

An event evaluation survey was conducted throughout the event and a summary report of the results is attached.

The total cost of the event was \$167,000. This included \$30,000 for marketing and promotion \$10,000 for flight direction fees. The ACT Government provided a total of \$70,000. \$50,000 was provided by Tourism with the balance of \$20,000 provided by Chief Minister's Department.

A total of \$87,000 was raised in sponsorship and was provided in cash and in-kind by the following local businesses; Kaz Group, Hotel Heritage, AtewAGL, Canberra CBD Limited, Southern X Ten, The Canberra Times and ABC 666 Radio.

Local company Balloon Aloft was contracted to deliver the ballooning component of the event for a fee for service of \$10,000. Chief Minister's Department's Special Events Unit provided assistance with securing sponsorship and overseeing the logistics of the event. An event management company was contracted to oversee the daily site management for the event, including procurement of marquees and associated facilities. This arrangement was made through a process of seeking three quotes and approved on the basis of the relatively small cost of \$10,000. Marketing and promotional responsibilities were shared by CMD Special Events and Australian Capital Tourism.

A final Budget is as follows:

| <b>Balloons</b>                           |              |                               |
|-------------------------------------------|--------------|-------------------------------|
| Accommodation                             | \$27,000     | in kind                       |
| Gas                                       | \$8,000      |                               |
| Crew Catering                             | \$3,500      |                               |
| Weather Services                          | \$0          |                               |
| Flight Direction Services - Balloon Aloft | \$10,000     |                               |
| Insurance                                 | \$3,000      | <b>\$51,500</b>               |
| <b>Site Costs</b>                         |              |                               |
| Event Manager - Out There Productions     | \$10,000     |                               |
| Sound & Lighting                          | \$6,400      |                               |
| Marquees, Chairs and Tables               | \$18,000     |                               |
| Toilets                                   | \$4,000      |                               |
| Plumbing and Electrical                   | \$1,100      |                               |
| Waste Management                          | \$3,000      |                               |
| Security                                  | \$3,000      |                               |
|                                           |              | <b>\$45,500</b>               |
| <b>Marketing and Promotion</b>            |              |                               |
| Advertising and Collateral                | \$40,000     | in kind<br>in kind<br>in kind |
| Southern Cross Ten                        | \$10,000     |                               |
| The Canberra Times                        | \$10,000     |                               |
| ABC Radio                                 |              |                               |
| Entertainment                             | \$10,000     |                               |
|                                           |              | <b>\$70,000</b>               |
|                                           |              |                               |
|                                           | <b>Total</b> | <b>\$167,000</b>              |

| <b>Revenue</b>                                                         |              |                                                                                                                                                         |
|------------------------------------------------------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| ACT Government - TAMS                                                  | \$50,000     | Including: Kaz Group, Hotel Heritage, Southern Cross Ten, The Canberra Times, ABC Radio, ActewAGL, Canberra CBD Ltd.<br><br>Balloon Aloft and Kaz Group |
| ACT Government - CMD                                                   | \$20,000     |                                                                                                                                                         |
| Sponsorship - Cash and In-Kind                                         | \$87,000     |                                                                                                                                                         |
| Recovery of Infrastructure costs including chairs, tables and marquees | \$10,000     |                                                                                                                                                         |
|                                                                        |              |                                                                                                                                                         |
|                                                                        | <b>Total</b> | <b>\$167,000</b>                                                                                                                                        |

|                                   |                    |
|-----------------------------------|--------------------|
| <b>TOTAL COST TO THE ACT GOVT</b> | <b>\$70,000.00</b> |
|-----------------------------------|--------------------|

**Note:** Budget is GST exclusive.