# Report on Annual and Financial Reports 2017-2018

Standing Committee on Public Accounts

March 2019

Report 5

### Committee Membership

Vicki Dunne MLA Chair

Tara Cheyne MLA Deputy Chair (from 20 September 2018)

Nicole Lawder MLA (from 20 September 2018)

Bec Cody MLA

Alistair Coe MLA (until 20 September 2018)

Michael Pettersson MLA (until 20 September 2018)

Secretariat

Dr Brian Lloyd Secretary

Danton Leary Senior Research Officer

Lydia Chung Administrative Assistant

### Contact information

Telephone 02 6205 0137

Post GPO Box 1020, CANBERRA ACT 2601

Email [LAcommiteesPA@parliament.act.gov.au](mailto:LAcommiteesPA@parliament.act.gov.au)

Website [www.parliament.act.gov.au](http://www.parliament.act.gov.au)

### Resolution of appointment

At its meeting of 13 December 2016 the Legislative Assembly resolved to create ‘a Standing Committee on Public Accounts 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; and

(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’.[[1]](#footnote-1)

On 26 October 2017 the Legislative Assembly resolved to amend the above resolution as follows:

“Insert after (e)(i)(A), the words:

(AA) matters relating to market and regulatory reform (excluding Access Canberra), public sector management, taxation and revenue.” [[2]](#footnote-2)

### Terms of reference

The Assembly’s Resolution of Appointment for the Committee of 13 September 2016, cited above, provides for the Committee to ‘examine … all reports of the Auditor-General which have been presented to the Assembly’ and:

report to the Assembly any items or matters in those … reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Assembly should be directed.[[3]](#footnote-3)

It follows that Terms of Reference for each of the Standing Committee’s inquiries into Auditor-General’s performance audit reports are, in effect, the Auditor-General’s report itself.

## Acronyms

|  |  |
| --- | --- |
| ACTIA | Australian Capital Territory Insurance Authority |
| AFP | Australian Federal Police |
| CPI | Consumer Price Index |
| CTP | Compulsory Third Party (Insurance) |
| FOI | Freedom of Information |
| GST | Goods and Services Tax |
| ICRC | Independent Competition and Regulatory Commission |
| ICT | Information and Communications Technology |
| IT | Information Technology |
| LGBTIQ | Lesbian, Gay, Bisexual, Transgender, Intersex and Questioning |
| M2G | Murrumbidgee to Googong (Pipeline) |
| NDIS | National Disability Insurance Scheme |
| OLA | Office of the Legislative Assembly |
| PAMPR | Performance Audit Methods and Practices |
| PID | Public Interest Disclosure |
| SES | Senior Executive Service |

Table of Contents

[Committee Membership i](#_Toc3453012)

[Contact information i](#_Toc3453013)

[Resolution of appointment ii](#_Toc3453014)

[Terms of reference ii](#_Toc3453015)

[Acronyms iii](#_Toc3453016)

[Recommendations vii](#_Toc3453017)

[1 Introduction 1](#_Toc3453018)

[Background 1](#_Toc3453019)

[Conduct of inquiry 3](#_Toc3453020)

[Structure of report 4](#_Toc3453021)

[Acknowledgements 4](#_Toc3453022)

[2 Revenue Management 5](#_Toc3453023)

[Introduction 5](#_Toc3453024)

[Commercial rates 5](#_Toc3453025)

[Revenue Targets 7](#_Toc3453026)

[Rate Deferrals 7](#_Toc3453027)

[Rates in Times of Economic Downturn 8](#_Toc3453028)

[3 Financial Management 11](#_Toc3453029)

[Introduction 11](#_Toc3453030)

[Review of ACT Libraries 11](#_Toc3453031)

[The Upkeep of Territory Infrastructure 12](#_Toc3453032)

[Financial Relations with the Federal Government 12](#_Toc3453033)

[4 Superannuation Provision Account 15](#_Toc3453034)

[Introduction 15](#_Toc3453035)

[Fully Funding the defined Benefit Scheme by Assets 15](#_Toc3453036)

[The Peak in the Liability for the Defined Benefit Scheme 16](#_Toc3453037)

[5 Office of the Nominal Defendant of the ACT 17](#_Toc3453038)

[Introduction 17](#_Toc3453039)

[Debt Recovery 17](#_Toc3453040)

[Number of Claims 18](#_Toc3453041)

[6 ACT Third-Party Insurance Regulator 19](#_Toc3453042)

[Introduction 19](#_Toc3453043)

[Treatment of Children under the Compulsory Third Party Insurance Scheme 19](#_Toc3453044)

[7 Icon Water Ltd. 21](#_Toc3453045)

[Introduction 21](#_Toc3453046)

[Female Participation in Icon Water’s Workforce 22](#_Toc3453047)

[Information and Communication Technology Upgrade Program 24](#_Toc3453048)

[Impact of Drought on Water Supplies 25](#_Toc3453049)

[The Murrumbidgee to Googong Pipeline 26](#_Toc3453050)

[Icon Water’s Dividend Policy 28](#_Toc3453051)

[8 Workforce Capability and Governance 29](#_Toc3453052)

[Introduction 29](#_Toc3453053)

[Activity-based Work Environment and Staff Satisfaction 29](#_Toc3453054)

[Initiatives to Make Canberra a Lesbian, Gay, Bisexual, Transgender, Intersex and Questioning-Friendly City 31](#_Toc3453055)

[Public Interest Disclosures 32](#_Toc3453056)

[9 Independent Competition and Regulatory Commission 35](#_Toc3453057)

[Introduction 35](#_Toc3453058)

[Retail Power Prices 35](#_Toc3453059)

[Container Deposit Scheme 36](#_Toc3453060)

[10 Lifetime Care and Support Fund 39](#_Toc3453061)

[Introduction 39](#_Toc3453062)

[Number of Applicants to the Scheme and Types of Injuries Covered 40](#_Toc3453063)

[Investment Strategy 41](#_Toc3453064)

[11 ACT Ombudsman 45](#_Toc3453065)

[Introduction 45](#_Toc3453066)

[Freedom of Information Legislation 45](#_Toc3453067)

[Complaints Investigation 47](#_Toc3453068)

[Reportable Conduct Scheme 48](#_Toc3453069)

[12 ACT Insurance Authority 53](#_Toc3453070)

[Introduction 53](#_Toc3453071)

[Operations of the ACT Insurance Authority 53](#_Toc3453072)

[Premiums 54](#_Toc3453073)

[Home Birthing Trial 55](#_Toc3453074)

[Splitting of the Health Directorate 56](#_Toc3453075)

[13 Shared Services 57](#_Toc3453076)

[Introduction 57](#_Toc3453077)

[Windows 10 Rollout 57](#_Toc3453078)

[Cyber Security and Information and Communication Technology Safety 58](#_Toc3453079)

[Relocation from Macarthur House 60](#_Toc3453080)

[14 ACT Audit Office 61](#_Toc3453081)

[Introduction 61](#_Toc3453082)

[Poor Responses to Audits 62](#_Toc3453083)

[Modifications to Investigation Processes 63](#_Toc3453084)

[Unscheduled Audits 63](#_Toc3453085)

[15 Office of the Legislative Assembly 67](#_Toc3453086)

[Introduction 67](#_Toc3453087)

[Office of the Legislative Assembly Policy on Bullying and Harassment of Staff 67](#_Toc3453088)

[Security of the Legislative Assembly Building 69](#_Toc3453089)

[Double Glazing of Legislative Assembly Building 69](#_Toc3453090)

[16 Conclusion 73](#_Toc3453091)

[Appendix A - Witnesses 75](#_Toc3453092)

[12 November 2018 75](#_Toc3453093)

[Appendix B – Questions taken on Notice/ Questions on Notice 77](#_Toc3453094)

## Recommendations

[Recommendation 1](#_Toc3366706)

[2.15 The Committee recommends that the Revenue Office publish on its website easy-to-understand guidelines on rates deferrals, including the specific criteria for hardship consideration, in order to help people to more easily navigate the system.](#_Toc3366707)

[Recommendation 2](#_Toc3366708)

[2.16 The Committee recommends that the Chief Minister, Treasury and Economic Development Directorate increase staff understanding of the rates deferrals process to better manage requests for the service.](#_Toc3366709)

[Recommendation 3](#_Toc3366710)

[2.17 The Committee recommends that the ACT Government include information about rates deferrals on rates notices.](#_Toc3366711)

[Recommendation 4](#_Toc3366712)

[2.26 The Committee recommends that Treasury undertake modelling on the impact of economic downturn on commercial and residential property values, considering a range of scenarios and how this could have disproportional impacts on some property owners.](#_Toc3366713)

[Recommendation 5](#_Toc3366714)

[6.13 The Committee recommends that the Government reconsider the provisions relating to the ‘gratuitous care’ of children under the proposed changes to the Compulsory Third Party Insurance Scheme.](#_Toc3366715)

[Recommendation 6](#_Toc3366716)

[7.40 The Committee recommends that Icon Water include in the annual report a clear definition of each operating mode of the Murrumbidgee to Googong pipeline and record the time and associated costs spent in each mode.](#_Toc3366717)

[Recommendation 7](#_Toc3366718)

[8.11 The Committee recommends that the Government continue to monitor staff responses to the transition to the activity-based working environment, and where necessary, implement measures to ensure that staff concerns with the new environment are taken into consideration.](#_Toc3366719)

[Recommendation 8](#_Toc3366720)

[10.27 The Committee recommends that the Government reconsider how investment advice is provided to and considered by the Lifetime Care and Support Fund with a view to maximise efficiencies and minimise costs.](#_Toc3366721)

[Recommendation 9](#_Toc3366722)

[11.10 The Committee recommends that the Government work with the ACT Ombudsman to devise procedures that allow the Ombudsman to expeditiously review FOI requests in order to meet mandated response timelines.](#_Toc3366723)

[Recommendation 10](#_Toc3366724)

[11.21 The Committee recommends that in its annual report, the ACT Ombudsman differentiate public inquiries/contact from direct complaints.](#_Toc3366725)

[Recommendation 11](#_Toc3366726)

[15.15 The Committee recommends that the after-hours door at the Legislative Assembly’s public entrance be used as an automatic door during business hours, ahead of any future reconfiguration of the entrance.](#_Toc3366727)

[Recommendation 12](#_Toc3366728)

[15.16 The Committee recommends that any future reconfiguration of the Legislative Assembly’s public entrance ensure the entrance is more streamlined for people entering and exiting the building and more clearly promotes the purpose of the building.](#_Toc3366729)

## Introduction

### Background

* 1. On 25 October 2018, the Legislative Assembly for the ACT resolved that:

(1) the annual and financial reports for the financial year 2017-2018 and for the calendar year 2017 presented to the Assembly pursuant to the Annual Reports (Government Agencies) Act 2004 stand referred to the standing committees, on presentation, in accordance with the schedule below;

(2) the annual report of ACT Policing stands referred to the Standing Committee on Justice and Community Safety;

(3) notwithstanding standing order 229, only one standing committee may meet for the consideration of the inquiry into the calendar years 2017 and financial year 2017-2018 annual and financial reports at any given time;

(4) standing committees are to report to the Assembly on financial year reports by the last sitting day in March 2019, and on calendar year reports for 2017 by the last sitting day in March 2019;

(5) if the Assembly is not sitting when a standing committee has completed its inquiry, a committee may send its report to the Speaker or, in the absence of the Speaker, to the Deputy Speaker, who is authorised to give directions for its printing, publishing and circulation; and

(6) the foregoing provisions of this resolution have effect notwithstanding anything contained in the standing orders.[[4]](#footnote-4)

* 1. In a schedule to the resolution,[[5]](#footnote-5) Annual Reports of the following entities were referred to the Standing Committee.

| **Annual Report (in alphabetical order)** | **Reporting area** | **Ministerial Portfolio(s)** |
| --- | --- | --- |
| ACT Auditor-General |  | Office of the Legislative Assembly |
| ACT Insurance Authority |  | Minister for Government Services and Procurement |
| ACT Ombudsman |  | Office of the Legislative Assembly |
| Chief Minister, Treasury and Economic Development Directorate | ACT Third Party Insurance Regulator | Treasurer |
| Chief Minister, Treasury and Economic Development Directorate | Lifetime Care and Support Fund | Treasurer |
| Chief Minister, Treasury and Economic Development Directorate | Office of the Nominal Defendant of the ACT | Treasurer |
| Chief Minister, Treasury and Economic Development Directorate | Workforce, Capability and Governance | Chief Minister |
| Chief Minister, Treasury and Economic Development Directorate | State of the Service Report | Chief Minister |
| Chief Minister, Treasury and Economic Development Directorate | Superannuation Provision Account | Treasurer |
| Chief Minister, Treasury and Economic Development Directorate | Territory Banking Account | Treasurer |
| Chief Minister, Treasury and Economic Development Directorate | Economic Management | Treasurer |
| Chief Minister, Treasury and Economic Development Directorate | Financial Management | Treasurer |
| Chief Minister, Treasury and Economic Development Directorate | Revenue Management | Treasurer |
| Chief Minister, Treasury and Economic Development Directorate | Shared Services | Minister for Government Services and Procurement |
| Icon Water Limited |  | Treasurer |
| Independent Competition and Regulatory Commission |  | Treasurer |
| Office of the Legislative Assembly |  | Speaker of the Legislative Assembly for the ACT |

### Conduct of inquiry

* 1. The Committee held a public hearing for the inquiry on Monday 12 November 2018.[[6]](#footnote-6)
  2. The Chief Minister and Treasurer, and the Minister for Government Services and Procurement, and their officers, appeared before the Committee. As did the Speaker of the Legislative Assembly, the ACT Auditor-General, and the ACT Ombudsman, and their officers.
  3. The Committee received 24 answers to questions taken on notice (QTON) during the public hearing and 10 answers to questions on notice (QON) received after the public hearing.[[7]](#footnote-7) A complete summary of QTONs and QONs can be seen at Appendix B.

### Structure of report

* 1. The report is structured according to the order of each entities’ appearance before the Committee. The structure is as follows:
* Chapter 1 – Introduction, is the present chapter;
* Chapter 2 – Revenue Management;
* Chapter 3 – Financial Management;
* Chapter 4 – the Superannuation Provision Account;
* Chapter 5 – the Office of the Nominal Defendant of the ACT;
* Chapter 6 – the ACT Third-Party Insurance Regulator;
* Chapter 7 – Icon Water;
* Chapter 8 – Workforce Capability and Governance;
* Chapter 9 – the Independent Competition and Regulatory Commission;
* Chapter 10 – the Lifetime Care and Support Fund;
* Chapter 11 – the ACT Ombudsman;
* Chapter 12 – the ACT Insurance Authority;
* Chapter 13 – Shared Services;
* Chapter 14 – the ACT Audit Office;
* Chapter 15 – the Office of the Legislative Assembly.

### Acknowledgements

* 1. The Committee thanks Mr Andrew Barr MLA, Chief Minister and Treasurer, and Ms Rachel Stephen-Smith MLA, the Minister for Government Services and Procurement for appearing before the Committee and cooperating in the inquiry process. The Committee also thanks directorate and agency officers for appearing and providing additional information as requested.
  2. The Committee also thanks Ms Joy Burch MLA, Speaker of the Legislative Assembly, Mr Ajay Sharma, Acting Auditor-General, Mr Michael Manthrope, ACT Ombudsman, and their officers, for their cooperation with the inquiry process and for providing additional information as requested.

## 

## Revenue Management

### Introduction

* 1. According to the ACT Government Directory, Revenue Management:

…is responsible for providing advice on revenue and taxation; management of the Territory’s taxation base including the development of revenue and taxation legislation; compliance activities; debt management; administering the Territory’s rates and land tax including valuations, remissions and rebates (pensioners); administering concessions and grants in the ACT; and administering the Home Loan Portfolio.[[8]](#footnote-8)

* 1. The Treasurer and his officers appeared before the Committee and answered questions regarding Revenue Management.
  2. The Committee asked questions regarding:
* commercial rates;
* revenue targets;
* rate deferrals;
* rates in times of economic downturn;
* the budget outlook for the Territory;
* the outlook for the property sector;
* revaluation of properties on Flemington Road.
  1. Of these, the matters the Committee addressed in more detail are discussed below.

### Commercial rates

* 1. The Committee dedicated considerable discussion to the matter of commercial rates, covering a wide range of related issues. The Committee requested information from the Treasurer on whether the ACT Government has conducted modelling on the impact of commercial rate rises on businesses in the ACT. The Treasurer had undertaken to provide written advice on this topic in response to a motion in the Assembly,[[9]](#footnote-9) which the Committee received while hearings were in progress.[[10]](#footnote-10) The Committee subsequently published this letter and made it available on its website.[[11]](#footnote-11) The Committee asked about how commercial rates are set and revised. The Committee heard that, ultimately, rates are determined in order to meet revenue targets set by the ACT Government and that values for individual properties are determined to establish the relative contribution of landholders to this revenue target. The Committee asked about the effect of lease variations on commercial rates. The Committee heard that lease variation can result in significant increases to commercial rates and that such lease variations are sometimes missed by the Revenue Office resulting in costly retrospective rates charges to property owners.[[12]](#footnote-12)

#### Inquiry into Commercial Rates

* 1. On 29 November 2018, the Legislative Assembly referred an inquiry on commercial rates to the Committee.[[13]](#footnote-13) This inquiry will provide a detailed analysis of commercial rates and their impact on Canberra’s business community, including the matters addressed during the Annual Report hearing. The terms of reference for this inquiry are available on the inquiry website.[[14]](#footnote-14)
  2. In light of Committee’s ongoing inquiry into commercial rates, the Committee reserves comment on this issue until the finalisation of that inquiry.

### Revenue Targets

* 1. The Committee asked whether the Government was tracking to make its revenue targets. The Under Treasurer stated that ‘I think we are very close to budget in terms of taxation revenue’.[[15]](#footnote-15)
  2. The Committee sought clarification whether this target took account of $178 million in land sales revenue carried over from the previous year’s budget period. The Under Treasurer explained that ‘that is on top of it being on target’.[[16]](#footnote-16)
  3. In response to a question taken on notice on this subject, the Treasurer clarified the situation in relation to land sales revenue:

…at the end of the first quarter 2018-19, the Suburban Land Agency’s land sales revenue was $87 million higher than the 2018-19 Budget’s estimate for this period. This was predominately due to the deferred settlement of Denman Prospect stage 2 which was to occur on 30 June 2018, but was subsequently delayed by the purchaser and paid in 2018-19.[[17]](#footnote-17)

* 1. The Treasurer provided some details on the context of declining revenue from duties. He noted that for the year 2010-11 duties amounted to $426 million, while for 2017-18 they were $258 million. He explained that while revenue from duties has been volatile over the past decade, with significant fluctuations caused by large commercial transactions, there was a general downward trend. He noted:

What you see there is that last year’s duties take of $258 million was the lowest across the decade. And since tax reform began, even though there has been more transactions more residential properties, more commercial properties, we have seen that duties have fallen. The estimate for 2018-19 is $275 million. If it hits that estimate, that would make it the third lowest over the course of this decade.[[18]](#footnote-18)

### Rate Deferrals

* 1. The Committee noted feedback from constituents on the difficulty of navigating the process of rate deferrals, with some people even being informed that there are no deferrals. The Committee asked how the process was managed in the Revenue Office.
  2. Mr Kim Salisbury, Director, Revenue Management, informed the Committee that ‘deferrals have gone up quite substantially’ compared to before. He suggested that further training of staff may be required to ensure that they communicate accurate information to members of the public concerning the deferral process.[[19]](#footnote-19)
  3. When asked whether the Revenue Office has any specific criteria for hardship in judging claims for rate deferral, Mr Salisbury indicated that there were such criteria, but noted that they were internal guidelines and were not published.[[20]](#footnote-20) The Committee suggested that these guidelines be published to help people navigate the system.

Recommendation 1

The Committee recommends that the Revenue Office publish on its website easy-to-understand guidelines on rates deferrals, including the specific criteria for hardship consideration, in order to help people to more easily navigate the system.

Recommendation 2

The Committee recommends that the Chief Minister, Treasury and Economic Development Directorate increase staff understanding of the rates deferrals process to better manage requests for the service.

Recommendation 3

The Committee recommends that the ACT Government include information about rates deferrals on rates notices.

### Rates in Times of Economic Downturn

* 1. Noting earlier comments that the Government determines rates in order to meet set revenue targets—in this case amounting to a 6 per cent increase in rates across the board—the Committee asked how such a practice accounts for a possible downturn in either the commercial or residential sector.
  2. The Under Treasurer, Mr David Nicol, explained that

In the following year, if the government of the day sets a revenue target of X, we will set the ratings factors based on the most recent valuations for properties across the Territory to get that revenue target.[[21]](#footnote-21)

* 1. This meant that if values were to go down, ‘the ratings factors would be adjusted to ensure the desired revenue target’; that is, ratings values would go up. The Under Treasurer noted that this also meant ‘if property values went up, for the revenue target the ratings factors would come down’.[[22]](#footnote-22)
  2. Mr Salisbury provided more details on how downturns affect the ratings regime. He explained:

…we would determine whether that reduction in values is across the board, and, if it was, we would make across the board, blanket adjustments. If it was in particular precincts then we would similarly do a property-by-property analysis and make those adjustments to those particular properties that were affected. It really depends on what happens in the market in terms of baselining the values.[[23]](#footnote-23)

* 1. The Committee suggested that this scenario means that if property values drop in large sections of the Territory, with smaller sections seeing property value rises, those areas that see values rise must absorb the loss in revenue caused by drops in value elsewhere. Such a situation may see significant hardship on a minority of property owners.
  2. The Treasurer replied that

…as part of the annual budget process and the setting of the rating factors for the coming year, treasury would advise of such an anomaly, should it occur, and the Government would need to make a decision in relation to that particular circumstance. The system allows for, every year, the making of that determination.[[24]](#footnote-24)

* 1. The Treasurer listed measures open to the Government to respond to such economic downturns: collecting less revenue; adjusting the rate of tax reform in a particular year; allowing natural stabilisers in the budget to come into effect; or running a deficit.[[25]](#footnote-25)
  2. The Committee asked whether the Government had done any modelling or forecasting of the impact of a downturn in commercial or residential property values. The Under Treasurer informed the Committee that it had not.[[26]](#footnote-26)

Recommendation 4

The Committee recommends that Treasury undertake modelling on the impact of economic downturn on commercial and residential property values, considering a range of scenarios and how this could have disproportional impacts on some property owners.

## Financial Management

### Introduction

* 1. The Annual Report describes the Chief Minister, Treasury and Economic Development Directorate’s role in relation to financial management:

The directorate is responsible for advising the Government and agencies on the development of the Territory’s Budget; providing policy and budget advice on a range of Government priorities and services; and advising on financial issues relating to agencies and the Territory including whole of government financial reporting.[[27]](#footnote-27)

* 1. The Treasurer and his officers appeared before the Committee and answered questions regarding Financial Management.
  2. The Committee asked questions concerning:
* the review of ACT libraries;
* the upkeep of Territory infrastructure;
* financial relations with the Federal Government.

### Review of ACT Libraries

* 1. The Committee inquired into the nature of the Directorate’s review of ACT libraries and its outcome. Mr Mark Whybrow, Executive Director, Finance and Budget, informed the Committee that the review was ‘of the base operating costs of the library’, and that the outcome in the 2018-19 budget was ‘the provision of an additional $3.192 million’. This was a ‘new initiative and provided approximately $800 000 per year going forward’.[[28]](#footnote-28)
  2. When asked about the nature of the budget increase, Mr Whybrow explained that it was to cover ‘an ongoing base funding issue’. The Treasurer clarified that this was caused by increased demand for library services with a growing ACT population.[[29]](#footnote-29)
  3. Mr Whybrow also informed the Committee that the gap in ACT libraries’ budget had been ‘managed through Transport Canberra and City Services, through redirection of other resources to the libraries’ for the 2017-18 financial year.[[30]](#footnote-30)

### The Upkeep of Territory Infrastructure

* 1. The Committee asked about the nature of two planned reviews of sustainable repairs and maintenance in property services. The Treasurer noted that

These are issues that will increase over time. Certainly it has been the Cabinet’s view that money invested now in pre-emptive maintenance and improvements in the quality of our Territory asset base will save money in the long term.[[31]](#footnote-31)

* 1. When asked to clarify the types of infrastructure that would benefit from pre-emptive maintenance, the Treasurer responded: ‘a range of public infrastructure—everything from buildings, plant and equipment to public realm infrastructure’. He noted that the specific requirements would be highlighted through the review process.[[32]](#footnote-32)
  2. The Committee asked whether the reviews, once completed, will be made public. The Under Treasurer, Mr David Nicol, explained that ‘generally they go to Cabinet for consideration’.[[33]](#footnote-33)

### Financial Relations with the Federal Government

* 1. The Committee asked about the role the ACT takes in negotiations with the Commonwealth and how the ACT Government is trying to get the best deal for ACT residents in these negotiations.
  2. The Treasurer explained that there has been a general shift in Commonwealth-State-Territory financial agreements from population-based funding to more needs-based funding. The effect of this shift ‘has been to see the ACT move to be second only to WA in being the least reliant on Commonwealth funding as a share of our total revenue take’.[[34]](#footnote-34)
  3. The Treasurer went on to explain that this state of affairs ‘necessitates the Territory taking greater responsibility for its own revenue raising and for its own service delivery’.[[35]](#footnote-35)
  4. He further noted that in relation to GST, the Federal Government has made commitments that no State or Territory will become worse off due to commitments made to Western Australia by the Federal Government. He also noted the Federal Government’s commitments to longer term housing and homelessness funding.
  5. On the negative side, the Treasurer pointed out Federal cuts in health and education funding that have little prospect of being reversed in the immediate future.[[36]](#footnote-36)

## Superannuation Provision Account

### Introduction

* 1. The Annual Report explains that the Superannuation Provision Account:

…is established to recognise the investment assets and defined benefit employer superannuation liabilities of the Territory which includes past and current ACT employees who are members of the Australian Government’s Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS) and Members of the Legislative Assembly Defined Benefit Superannuation Scheme.[[37]](#footnote-37)

* 1. The Treasurer and his officers appeared before the Committee and answered questions regarding the Superannuation Provision Account.
  2. The Committee asked questions concerning:
* fully funding the defined benefit scheme by assets;
* the peak in the liability for the defined benefit scheme.

### Fully Funding the defined Benefit Scheme by Assets

* 1. The Committee noted that the net cost of services for the Superannuation Provision Account was 30 per cent lower than expected for the 2017-18 budget and that for the long run, the investment return for the scheme is above target. The Committee asked when the scheme is forecast to be fully funded by assets.
  2. Mr Patrick McAuliffe, Director, Asset Liability Management and Insurance, confirmed that the scheme’s long-term return target of 4.7 per cent plus CPI is being met, with long-term returns at 5.3 per cent plus CPI. He emphasised that investment returns ‘are going to continue to be volatile’, but informed the Committee that ‘the current objective is to have the liabilities fully covered by June 2030’.[[38]](#footnote-38)

### The Peak in the Liability for the Defined Benefit Scheme

* 1. The Committee asked when the liability for the defined benefit scheme is projected to peak.
  2. Mr McAuliffe clarified that the liability is projected to continue to grow beyond 2030, when the scheme is expected to be fully funded by assets. Mr Stephen Miners, Deputy Under Treasurer, referred to the 2018-19 Budget Paper 3 which indicates that the liability will reach a peak of $665 000 000 in 2042-43.[[39]](#footnote-39)

## Office of the Nominal Defendant of the ACT

### Introduction

* 1. According to the ACT Government website, the Nominal Defendant of the ACT is

…a statutory office which exists to enable persons injured by unregistered vehicles without CTP insurance or by unidentified vehicles (e.g. hit and run accidents) to be compensated. The Nominal Defendant is funded by levies on ACT CTP insurers and the ACT and Commonwealth Governments.[[40]](#footnote-40)

* 1. The Treasurer and his officers appeared before the Committee and answered questions regarding the Office of the Nominal Defendant of the ACT.
  2. The Committee asked questions concerning:
* debt recovery;
* the number of claims processed by the Nominal Defendant;
* trends in the number of claims;
* total payouts;
  1. Of these, the matters that the Committee addressed in more detail are discussed below.

### Debt Recovery

* 1. The Committee asked how many debts have or have not been recovered in the last financial year from at-fault drivers.
  2. Mr John Fletcher, General Manager, ACT Insurance Authority, noted that there are currently 48 recovery-only files and explained that debt recovery is difficult because ‘many of the individual involved do not have any assets, and obviously a process to invest funds in trying to recover from them is a pretty pointless process’. He also acknowledged that due to the limited capacity of most individuals to pay, debt recovery activities can amount to a further cost to the fund.[[41]](#footnote-41)
  3. He also confirmed that the non-recovery of debts does not have a detrimental impact on the fund’s budget, noting that the expectation of debt recovery ‘in terms of our financial profile is very low’.[[42]](#footnote-42)

### Number of Claims

* 1. The Committee asked how many claims had to be processed by the Nominal Defendant in the previous financial year.
  2. Mr Fletcher answered that there were 53 new claims in 2017-18, with a total of 146 claims currently open. Of these, 36 per cent were for unidentified vehicles; 59 per cent were for unregistered and uninsured vehicles, and 5 per cent were related to unregistered vehicle permits.[[43]](#footnote-43)

## ACT Third-Party Insurance Regulator

### Introduction

* 1. The Annual Report describes the role and function of the ACT Third-Party Insurance Regulator:

The Australian Capital Territory Compulsory Third-Party Insurance Regulator is an independent Territory authority established under section 14 of the *Road Transport (Third-Party Insurance) Act 2008* to regulate compulsory third-party (CTP) insurance in the Territory.[[44]](#footnote-44)

* 1. The Treasurer and his officers appeared before the Committee and answered questions regarding the ACT Third-Party Insurance Regulator.
  2. The Committee asked questions concerning:
* treatment of children under the CTP scheme;
* the citizens jury process in determining a new scheme;
* proposed improvements to the current scheme;
* how the regulator will work under the new scheme in relation to complaints;
  1. Of these, the matter the Committee addressed in more detail is discussed below.

### Treatment of Children under the Compulsory Third Party Insurance Scheme

* 1. The Committee asked whether injured children are treated the same as adults with injuries under the current CTP scheme.
  2. Ms Lisa Holmes, Director, Financial Framework Management and Insurance, responded that the legislation does not make any distinctions between children and adults.[[45]](#footnote-45)
  3. The Committee asked, if a child is injured and a parent is required to take a lot of time off work in order to care for the child, how such a situation is accommodated under the scheme.
  4. Ms Holmes replied that ‘there are different types of heads of damage which people are able to access under common law. They have access to funding in relation to what they need for caring’.[[46]](#footnote-46)
  5. The Committee asked whether the situation will be different under the new scheme.
  6. Ms Holmes responded that ‘gratuitous care is not paid for’ under the new scheme. She explained that gratuitous care is care which is provided by family members. She provided an explanation for why gratuitous care is not covered under the new scheme:

The reason is that we want family members to be family member and for people who actually require care to get care from people who are properly qualified. It is not that there is no care under what is proposed; there is no gratuitous care. People have access to paid care for what they need.[[47]](#footnote-47)

* 1. The Committee sought clarity as to whether, under the new scheme, in situations where a child is injured and a parent is required to take extended leave from work, such individuals will not be able to claim for the time off work.
  2. Ms Holmes explained that the new CTP insurance model chosen by citizens’ jury ‘has no gratuitous care paid for’.[[48]](#footnote-48)

Recommendation 5

The Committee recommends that the Government reconsider the provisions relating to the ‘gratuitous care’ of children under the proposed changes to the Compulsory Third Party Insurance Scheme.

## Icon Water Ltd.

### Introduction

* 1. Icon Water Ltd. ‘is an unlisted public company owned by the ACT Government’. It owns and operates ‘assets worth over $2.4 billion, comprising the ACT’s network of dams, water treatment plants, sewage treatment plants, reservoirs, water and sewage pumping stations, mains and related infrastructure’. Icon Water is ‘governed by an independent board of directors who exercise a governance, strategic and oversight role’.[[49]](#footnote-49)
  2. The Treasurer and Icon Water management appeared before the Committee and answered questions regarding Icon Water.
  3. The Committee asked questions concerning:
* the meeting schedule of Icon Water’s remuneration committee for 2017-18;
* the remuneration committee’s role and functioning;
* female participation in Icon Water’s workforce;
* Icon Water’s graduate recruitment program;
* Icon Water’s ICT upgrade program;
* the impact of drought on water supplies;
* fully depreciated and replaceable assets;
* the Murrumbidgee to Googong pipeline;
* Icon Water’s dividend policy
* the recruitment process for a new CEO.
  1. Of these, matters which the Committee addressed in more detail are discussed below.

### Female Participation in Icon Water’s Workforce

* 1. The Committee asked about initiatives to improve the participation of female workers in non-traditional roles within Icon Water.
  2. Mr Ray Hezkial, Chief Executive Officer, explained that ‘out gender split at the moment is about 24 per cent female as a total composition of the workforce’. He noted that while women are well represented in some areas of the business, they were trying to improve representation in non-traditional areas, such as engineering and trades-based roles.[[50]](#footnote-50)
  3. Mr Hezkial explained the types of initiatives the company was currently undertaking to increase such representation:

We have a very detailed diversity strategy which includes a number of initiatives, including looking at the way we have structured our work to make sure we can offer flexible work arrangements. We are also engaging with external industries; we are turning up at career expos. And we are doing all we can to try to change the way we promote ourselves out in the community to be able to attract those candidates.[[51]](#footnote-51)

* 1. Mr Hezkial stated that while it is very difficult to attract female employees into these non-traditional roles, the company was making progress. He noted that a female mechanical fitter and a plumber had recently joined the company and that the company was attempting to create a pipeline into the company for women. He explained that ‘we recently instituted a graduate program and an apprenticeship program to try to improve that pipeline into the business’.[[52]](#footnote-52)
  2. The Committee asked whether the company’s graduate and apprenticeship programs have a specific focus on women.
  3. Mr Hezkial responded that it did and they aimed for 50 per cent representation for each program. Ms Jane Breaden, General Manager, Business Services, explained that the company had taken in four graduates, three of which were women.[[53]](#footnote-53)
  4. In response to a question on the contract for graduates, Mr Hezkial informed the Committee that the graduate contracts were two-year fixed-term contracts, at the completion of which, ‘if there are job opportunities within the business those candidates are welcome to apply. Of course, that would be a head start for them, but there is no guarantee of employment at the end of that period’.[[54]](#footnote-54)
  5. He also explained the types of roles the graduates undertake during their contracts; ‘effectively a professional rotation’. He elaborated:

We make sure that they are able to experience as much of the business as possible through varied disciplines. We have engineers who at any one time could be based in our operational areas, our engineers section or our finance areas. Effectively, those rotations are managed in such a way that we make sure there is equal distribution of time and to cater for any graduate’s particular interest, if we can.[[55]](#footnote-55)

* 1. The Committee asked what external organisation Icon Water has partnered with in order to increase and diversify the pool of candidates for jobs.
  2. Mr Hezkial stated that they work with education institutions for this purpose. He explained:

We have been talking to universities and we have been talking to TAFEs. We represent ourselves at any career expos that are happening.[[56]](#footnote-56)

* 1. The Committee asked what efforts have been made at retaining employees.
  2. Mr Hezkial mentioned flexible working arrangements and workplace culture as important factors in retention of staff. He noted that ‘I think those work arrangements are also very important from the perspective of providing a flexible environment so that people can basically have that work-life balance as well’.[[57]](#footnote-57)
  3. Ms Breaden provided more details on the type of flexible working arrangements the company offers:

They can be part time, with what people typically know as part-time arrangements. It can also be entering into early start, early finish arrangements, or late start, late finish arrangements, for example. That can be on a permanent basis. It may be that an individual makes an agreement with their supervisor that they will continuously start early or finish early on certain days. It can be on an ad hoc basis…For example, some parents choose to leave early one day a week, to be able to pick their kids up from school, and make up for that time by either starting early or working late on other days.[[58]](#footnote-58)

### Information and Communication Technology Upgrade Program

* 1. The Committee noted the ICT upgrade program currently being undertaken by Icon Water and asked whether the system is an off-the-shelf product or a custom-built one.
  2. Mr Hezkial informed the Committee that the company had a number of current ICT upgrade programs underway to renew ‘core systems or legacy systems that have reached the end of their useful life’. He explained that ‘the predominant project afoot at the moment is the replacement of our works and assets management system. That is the primary system we use to manage our work, how we distribute that work into the field, and is also the central repository for all our asset-related information’.[[59]](#footnote-59)
  3. He also noted the company has a related project to upgrade its geospatial systems. He explained that ‘those are effectively our mapping system, so all our pipelines and the graphical representation of all our assets’. He informed the Committee that the company plans to have both of these upgraded systems integrated and working as one: ‘That enables us to have visibility over where our workforce is at any one point in time; improve the mobility of our workforce; and also have more information accessible to people within our business who are making decisions’.[[60]](#footnote-60)
  4. Mr Hezkial told the Committee that the ICT upgrades are ready-made products that the company has bought, not custom-built systems. He emphasised that the company has ‘a very deliberate strategy of making sure we buy products off the market. Our digital strategy shies away from any customisation, so we are effectively using off-the-shelf products and doing minimal configuration where required’.[[61]](#footnote-61)
  5. When asked if the systems are intended to be made available to field staff on handheld and mobile devices, Mr Hezkial responded that ‘that is absolutely our intention’. He elaborated:

As it stands today, most of our workforce is mobile enabled and they all have iPads. The vast majority have iPads and mobile phones. We would like to move to having all information that is typically accessible in the office from a work perspective available to crews and staff out on the field so that they can make the best decision they can.[[62]](#footnote-62)

* 1. Mr Hazikal indicated that these projects are expected to be completed by the end of May next calendar year. He admitted that if they run over schedule, ‘there would definitely be cost impost on the business’.[[63]](#footnote-63)

### Impact of Drought on Water Supplies

* 1. The Committed asked about the impact of the drought on the Territory’s water supplies and the measures Icon Water would take to ensure the Territory’s water security if the drought was to worsen.
  2. Mr Hezkial informed the Committee that the water security of the Territory was in a ‘very strong’ position. Through investments made in water security major projects, the Territory has effectively increased ‘our total storage capacity in the order of 35 per cent. So we have moved from a total storage capacity of 205 gigalitres to 278 gigalitres’.[[64]](#footnote-64)
  3. On the question on planning to ensure water security remains strong, Ms Breaden explained that while water restriction remain very unlikely over the short term:

What we do have in place are the permanent water conservation measures that were put in place in 2010, at the end of the millennium drought. Those conservation measures have just altered, as we move into spring, summer and autumn. There are heightened restrictions on how people can water their garden. For example, in winter you can water your garden with a sprinkler at any point in time. In spring, summer and autumn it is between 9 pm and 6 am. So we have those permanent water conservation measures in place.[[65]](#footnote-65)

* 1. When questioned about public awareness of these conservation measures, Ms Breaden accepted that ‘there is some work to do to increase awareness’ and noted that ‘as we move into summer, we are intending to work with the ACT Government to remind the community of the importance of wise water use and the presence of those water restrictions’.[[66]](#footnote-66)
  2. Ms Breaden also explained that decisions about which dam to draw water from are part of the water security measures that Icon Water takes. She noted that ‘we make decisions constantly about where each individual dam is at and what is the best place to draw water from, taking into account both the current conditions and forecasts into the coming years’.[[67]](#footnote-67) Mr Hezkial added to this, noting that ‘very crudely, what we try to do is balance our water reserves so that we minimise any potential for loss of water out of the system’.[[68]](#footnote-68)

### The Murrumbidgee to Googong Pipeline

* 1. The Committee asked if the Murrumbidgee to Googong (M2G) pipeline has transported water, apart from when it is turned on to test if the pumps still work.
  2. Ms Breaden informed the Committee that the pipeline had been used to pump water ‘for a number of weeks about two or three months ago’. She explained that ‘we had to stop pumping because there was not sufficient water in the Murrumbidgee for us to continue safely’. She noted that ‘at the moment the pipeline is in suspension mode’.[[69]](#footnote-69)
  3. The Committee asked how much water had been transferred by the pipeline. This question was taken on notice and the Treasurer supplied an answer on 22 November 2018:

Icon Water confirms that the total volume of water transferred by the M2G pipeline during the period 31 July to 26 August 2018 was 430ML.

This volume of water was equivalent to 11% of total water supplied for Canberra and Queanbeyan consumption during this period. This volume also represents 11% of the total natural inflows to all Icon Water storages during this period and 77% of the inflows to the Googong reservoir.[[70]](#footnote-70)

* 1. The Committee asked the meaning of ‘suspension mode’. Ms Breaden explained that it ‘is probably what you might call the lower cost mode’. In this mode, the pumps are operated for about two days every three months to keep the equipment in working order. When Icon Water wishes to use the pipeline the pumps get switched to stand-by mode. Ms Breaden noted that ‘to get it from suspension mode to operating mode would take about six months’.[[71]](#footnote-71)
  2. Later in the hearing, Mr Sam Sachse, Chief Financial Officer, contradicted Ms Breaden’s statement when he claimed that the Murrumbidgee to Googong pipeline is currently in standby mode, not suspension mode. He noted that ‘we have developed a suspension mode, but there is no intention to move to suspension mode at the moment’ and that ‘water levels at the moment are not sufficiently high enough to actually move it to suspension mode’[[72]](#footnote-72)
  3. In response to this confusion over the current mode of the pipeline, the Committee sought clarification. This question was taken on notice, with the Committee receiving a response from the Treasurer on 22 November 2018. The response did not clarify the current status of the pipeline, but provided the following information:

The Murrumbidgee to Googong Pipeline (M2G) Operation Environment Management Plan, approved by the Commonwealth, ACT and NSW Government regulators, defines each of the three modes for the M2G.

Depending on the climate conditions, rainfall, river flow and water demand, the M2G can be in one of three modes:

* Suspension mode: parts of the system may be decommissioned requiring lead time before start up. No water can be transferred.
* Standby: ready to run, all components in place and being operated routinely for maintenance purposes.
* Operating: operating and transferring to increase Googong reservoir storage levels.[[73]](#footnote-73)
  1. Given statements by Ms Breaden that the pipeline is operated intermittently for routine maintenance reasons, it can be deduced that the pipeline is currently in standby mode.
  2. The Committee inquired about the costs associated with running the pipe in suspension and standby modes. This question was taken on notice, with the Treasurer providing a response on 22 November 2018. The response stated that:

Based on costs incurred to date in operating and maintaining the Murrumbidgee to Googong pipeline, extrapolated operational costs are in the order of $2000 per day for Standby mode (including pumping, maintenance and environmental monitoring) and $220 per day in Suspension mode.[[74]](#footnote-74)

* 1. The Committee asked why the pipeline had been operated over several weeks in July and August 2018. Mr Hezkial explained that the purpose was ‘to extract water out of the Murrumbidgee, but it was also an opportunity to make sure [the pipeline] was serviceable’.[[75]](#footnote-75)
  2. The Committee suggested that if it was necessary to pump water from the Murrumbidgee into the Googong reservoir, Icon Water must have been concerned about the water level in Googong. Mr Hezkial stated that that was not the case. He explained:

We have a water strategy that is a multi-criteria decision-making framework. We will typically look at all our storage levels across both catchments. We will look at our forecast demand and make decisions based on those climatic conditions. One of the variables is the level of water in the river. We will make the best decision for our storage level and our customers, based on the set of circumstances we have in front of us.[[76]](#footnote-76)

* 1. In response to a question taken on notice concerning the cost of running the pipeline intermittently between 31 July and 26 August 2018, including the electricity cost involved, the Treasurer informed the Committee that the cost was ‘$118 623.36. Of this, the electricity component was $91 980.81’.[[77]](#footnote-77)

Recommendation 6

The Committee recommends that Icon Water include in the annual report a clear definition of each operating mode of the Murrumbidgee to Googong pipeline and record the time and associated costs spent in each mode.

### Icon Water’s Dividend Policy

* 1. The Committee observed that Icon Water’s ‘liabilities are increasing especially the interest-bearing liabilities…It seems that you are borrowing to pay the ACT Government dividend’. The Committee asked what the company’s dividend policy is.[[78]](#footnote-78)
  2. Mr Sachse responded that the dividend policy ‘for the payout ratio is that about 80 per cent of the profit is getting paid out as a dividend’. He provided further details:

Icon Water’s gearing ratio is 53 per cent. It has come down significantly since previous years, when it peaked at around 60 per cent. A few years ago the Icon Water board discussed dividend policy with the shareholders, and the shareholders agreed on a revised dividend policy. It has reduced the dividend payout ratio from 100 per cent to about 80 per cent. The Icon Water board is comfortable with the dividend policy at the moment and believes that Icon Water’s gearing is sustainable.[[79]](#footnote-79)

## Workforce Capability and Governance

### Introduction

* 1. The ACT Government Website explains that Workforce Capability and Governance:

…is responsible for ACT public sector employment legislation and conditions, as well as providing advice to Government on matters related to employment, industrial relations and human resource management.[[80]](#footnote-80)

* 1. The Chief Minister and his officers appeared before the Committee and answered questions regarding Workforce Capability and Governance.
  2. The Committee asked questions concerning:
* activity-based work environment and employee satisfaction;
* initiatives to make Canberra a LGBTIQ-friendly city;
* public interest disclosures.

### Activity-based Work Environment and Staff Satisfaction

* 1. The Committee noted a survey of staff satisfaction with new activity-based work arrangements within the Service which indicated that 31 per cent of staff would prefer not to continue with the new arrangements. The Committee asked why these staff were not satisfied and what measures are being taken to make them more comfortable.
  2. Ms Kathy Leigh, Head of Service and Director-General, responded that the Directorate had established a working group—the Workforce Transformation Group—which will focus on ‘culture and how employees will work in that new environment’.[[81]](#footnote-81)
  3. Ms Meredith Whitten, Deputy Director-General, Workforce Capability and Governance, provided more details on the Government’s transition to activity-based work environments. She noted that of the 22 000 ACT public servants, 800 had transitioned to activity-based work environments in Dickson and Fyshwick. She explained that the Workforce Transformation Group ‘comprises representatives from each of the directorates who will be moving into the new Civic and Dickson office buildings’ in October 2020 and February 2020, respectively. One of the working groups which support the Workforce Transformation Group is called the Culture Ready Working Group. This group ‘has developed materials, including guides for people to have the conversation with their teams about what activity-based work looks like’. This material is available on a portal.[[82]](#footnote-82)
  4. The Chief Minister provided a more detail response to this line of questioning via an answer to a question on notice, supplied to the Committee on 29 November 2018. He noted:

Since February 2018, the Culture Ready Working Group has developed resources to support workforce transformation. These include: a suite of face to face training materials; team work tools and associated guidance that can be used by directorates to shape and support staff development and positive workplace cultures.[[83]](#footnote-83)

* 1. Addressing a question on the costs associated with the Culture Ready Working Group, this answer to a question on notice also indicated that the Working Group ‘makes effective use of existing networks at no additional resourcing impact’.[[84]](#footnote-84)
  2. After confirming that the new working environments will be largely open planned spaces, the Committee asked about potential privacy concerns with workers dealing with their managers and those requiring to have sensitive discussions.
  3. Ms Whitten noted that with activity-based work environments ‘there is a higher proportion of meeting rooms available for people to have formal meetings, where they have been formally established and invites have been issued, or smaller meeting rooms for those private conversations’. She also pointed out that Jabber technology can be used to initiate such informal, private meetings.[[85]](#footnote-85)

Recommendation 7

The Committee recommends that the Government continue to monitor staff responses to the transition to the activity-based working environment, and where necessary, implement measures to ensure that staff concerns with the new environment are taken into consideration.

### Initiatives to Make Canberra a Lesbian, Gay, Bisexual, Transgender, Intersex and Questioning-Friendly City

* 1. The Committee asked about what is being done to make Canberra the most LGBTIQ-friendly city in Australia.
  2. The Chief Minister noted that the ACT Public Service is a ‘member of Pride in Diversity, which is an employer program for a number of individual government departments at a federal level…and some individual departments, I understand, at a state and territory level, together with a range of corporations that you might describe as medium or large’.[[86]](#footnote-86)
  3. Ms Leigh added to the Chief Minister’s comments, noting that the Service had conducted a survey ‘to make sure…we had that baseline information so that we understood the perspectives of our staff: how welcomed our LGBTIQ employees felt and awareness generally amongst our staff’. [[87]](#footnote-87)
  4. Ms Leigh noted other efforts the Service had taken to make it more LGBTIQ and diversity-friendly. She informed the Committee that ‘every directorate has diversity champions. We also have our respect, equality and diversity framework. Again every directorate has both SES executive sponsors and contact officers that people can go to through their directorates’.[[88]](#footnote-88)
  5. The Committee asked if this includes people who are transitioning.
  6. The Chief Minister acknowledged that this issue ‘perhaps presents the greatest challenge at the moment within the broader public debate’. He noted that ‘there is no doubt that there is an education component to what is necessary both within the broader community and also in the context of the ACT Public Service’. He expanded:

We work with advocacy organisations like A Gender Agenda to support the production of resources and assistance to people in transition and also those in their workplace. This also has an element of focus as it relates to services delivery. There are many practical examples across government service deliver where moving beyond a gender binary will be important in the context of allowing and recognising a greater level of diversity than might have been the case in the last century.[[89]](#footnote-89)

### Public Interest Disclosures

* 1. The Committee noted that the Public Sector Standards Commissioner deals with misconduct processes, other complaints and public interest disclosures (PIDs). The Committee sought clarification from the Commissioner on the difference between other complaints and PIDs.
  2. Mr Ian McPhee, Public Sector Standards Commissioner, explained that while the Public Interest Disclosure Act does not require individuals to nominate something as a PID, it may be treated as such by the recipient. He went on to note that:

The thing with public interest disclosures is that they are very serious in substantial cases of offences, maladministration, and so on. But we receive other complaints which are not quite as serious but still may need attention and need consideration—that is, it may not reach the threshold of being serious enough to be a public interest disclosure but still be a matter worthy of potential correction.[[90]](#footnote-90)

* 1. Mr McPhee explained that while there are published guidelines on determining whether a matter meets the PID threshold, he noted that ‘I think there is an issue about getting greater clarity for everyone, both the general public but also those within the service, of what the threshold is and what to do in other circumstances where that threshold may not be reached’. Mr McPhee informed the Committee that he was currently reviewing the existing guidelines to improve their clarity.[[91]](#footnote-91)
  2. In response to a question on why 11 of the 12 complaints submitted as PIDs were not considered PIDs, Mr McPhee replied:

The legislation is quite clear about the thresholds. It is serious cases of malfeasance, maladministration, offences against the law—quite serious cases—that under review and investigation have not been proven.[[92]](#footnote-92)

* 1. After establishing that PDIs are dealt with by the relevant directorate, usually not directly by the Public Sector Standards Commissioner—except in certain circumstances, the Committee asked about the Commissioner’s oversight role concerning PIDs. Mr McPhee responded that his office maintains contact with the relevant directorates, and vice-versa. He also noted that ‘we are trying to work more closely together to see what we can do to streamline the processes, because timeliness is a critical issue’.[[93]](#footnote-93)
  2. The Committee asked if there is training for the public servants and members of the public on PIDs.
  3. Mr McPhee replied that:

Each directorate generally has a key contact person who members of the public can contact to discuss matters. But also my senior people are available to attend training courses, to convey our experience and to respond to any particular issue that we notice.[[94]](#footnote-94)

## Independent Competition and Regulatory Commission

### Introduction

* 1. The Independent Competition and Regulatory Commission’s (ICRC) website states:

The Independent Competition and Regulatory Commission is a statutory body set up to regulate prices, access to infrastructure services and other matter in relation to regulated industries and investigate competitive neutrality complaints and government-regulated activities.[[95]](#footnote-95)

* 1. The Chief Minister and his officers appeared before the Committee and answered questions regarding the ICRC.
  2. The Committee asked questions concerning:
* retail power prices;
* the container deposit scheme;
* water price projections.
  1. Of these, matters which the Committee addressed in more detail are discussed below.

### Retail Power Prices

* 1. The Committee asked the Commission where they see retail power prices going over the next four years.
  2. Mr Joe Dimasi, Senior Commissioner, noted that over the last couple of years there were spikes in the wholesale energy price amounting to increases of around 112 per cent. Mr Dimasi explained that while ‘we cannot wish those price increases away…we smooth them with a 23-month rolling average. In other words we do not allow them to increase by quite so much, but it just takes a longer time for them to flow out of the system. That is why we had an almost 19 per cent increase one year and the 14.29 per cent increase in the next year’.[[96]](#footnote-96)
  3. In terms of price projections, Mr Dimasi explained the Commission considers a range of factors, including the wholesale price, the futures market, green costs, and other fees and margins, when they address this issue. He suggested, in light of these considerations, that ‘I would expect that we are not going to see the sort of price increases that we have seen in the past two years…In fact, unless we have a dramatic price spike in wholesale prices this summer, I would expect any price increases next year to be relatively moderate’.[[97]](#footnote-97)

### Container Deposit Scheme

* 1. The Committee noted that the ICRC is currently seeking submissions from stakeholders for the drafting of a report on the container deposit scheme. The Committee asked if the Commission could provide information on what has happened in terms of the feedback received.
  2. Mr Dimasi stated that the role of the Commission is only to consider the price impact of the scheme, not questions of policy. Dr Annette Weier, Chief Executive Officer, informed the Committee that the Commission had released an issues paper and received seven submissions in response to that. They had also set up a feedback form on their website for more informal responses from which they had received a lot of submissions. The Commission had also been going out and speaking with retailers, beverage suppliers and other interested people. The Commission intends to release a progress report in February 2019, following which they will hold a public forum and call for formal submissions in response to the progress report. The final report is scheduled to be submitted to the minister in July 2019.[[98]](#footnote-98)
  3. The Committee asked how the Commission has publicised the inquiry.
  4. Dr Weier replied that they had released the issues paper and had included a link to information about the inquiry on the Commission’s home page. She also noted that ‘most of the publicity about the scheme has been done through Transport Canberra and City Services and they have a link to our website there’.[[99]](#footnote-99)
  5. In response to a question about which retailers and manufacturers the Commission is speaking to as part of its inquiry, Dr Weier replied –that they were ‘casting the net fairly broadly’.[[100]](#footnote-100)

## Lifetime Care and Support Fund

### Introduction

* 1. The Lifetime Care and Support Scheme is:

…a no-fault insurance scheme that ensures that Canberrans who are catastrophically injured in a motor vehicle accident or a workplace accident, can manage their ongoing care needs into the future.

…

The Lifetime Care and Support Scheme is a companion scheme to the National Disability and Insurance Scheme (NDIS) and its introduction is part of the implementation of the NDIS in the ACT.[[101]](#footnote-101)

* 1. The Chief Minister and his officers appeared before the Committee and answered questions regarding the Lifetime Care and Support Fund.
  2. The Committee asked questions concerning:
* the outcome of an independent actuarial review of the Scheme;
* the number of applicants to the Scheme;
* types of injuries covered by the Scheme;
* how the Scheme works with the NDIS;
* the Fund’s investment strategy;
* interaction of Scheme with the aged-care system.
  1. Of these, matters which the Committee addressed in more detail are discussed below.

### Number of Applicants to the Scheme and Types of Injuries Covered

* 1. The Committee noted that the Annual Report stated that there were two motor vehicle accident injury applicants and one work injury applicant accepted as interim participants into the Scheme. The Committee asked how many applicants had joined the Scheme in the last financial year.
  2. Ms Lisa Holmes, Director, Financial Framework Management and Insurance, replied that there was one new application to the Scheme. She explained that the other two cases were received prior to 1 July.[[102]](#footnote-102)
  3. The Committee asked how this compared to previous years. In response, Ms Holmes noted that:

The numbers vary, which is what you would expect. These are catastrophic injuries. You would not expect a large number of catastrophic injuries for a city our size. So they vary substantially. In the very first year, I think, there were five applications; some years we have had zero.[[103]](#footnote-103)

* 1. The Committee asked for more information on the types of people in the Scheme and the types of injuries covered by the Scheme.
  2. Ms Holmes noted that of the ten participants in the Scheme, six were male and four were female. Six were for traumatic brain injuries and two were for spinal injuries. Two were injures in motorcycle accidents, three were pedestrians, one was a passenger in a vehicle, one was a driver, and one was a cyclist. In terms of age, two were less than 10 years of age, two in the 11 to 20 age group, one in the 21 to 30 age group, two in the 41 to 50 age group and one in the 51 to 60 age group. She noted that ‘we have a lower age range than what you would see with most other catastrophic injuries around Australia’.[[104]](#footnote-104)
  3. The Committee asked if the younger age profile of Scheme participants places pressures on the budget.
  4. In response, Ms Holmes provided the following information:

When we look at the levy we need to set to fully fund the Scheme, there are three key factors. One is the number of new participants we are anticipating. Another is to do with the severity of the injury. They are all catastrophic but you can still get a substantial range of care needs for catastrophic… The third thing that impacts the cost is to do with the age of the participants. From a funding perspective, if you have a child, over the lifetime of provision of care it will add up to more than if you have someone who was 50 when they entered the Scheme.[[105]](#footnote-105)

* 1. In response to a question concerning the measures the Fund takes to ensure that applicants know what material they are required to supply to be accepted for coverage, Ms Holmes replied that the Fund partners with New South Wales Lifetime Care and Support Authority to provide front-line services. She explained further:

As soon as we get an application through…New South Wales will immediately put a coordinator on. That coordinator will then go the hospital and speak to—often it is the family in these situations. They will help with filling in the application form, talking about what the Scheme delivers and making sure that all the medical information required by the legislation is there when it comes through in the application. The coordinator then continues being the coordinator for that individual once they are accepted in the Scheme.[[106]](#footnote-106)

### Investment Strategy

* 1. The Committee sought information on the Fund’s investment strategy and whether it was in line with the Government’s investment strategy or whether it was determined independently.
  2. Ms Holmes explained the Fund’s levy and investment policies for the Committee. She noted that the amount of levy that the Fund seeks to collect reflects the lifetime cost of people entering into the Scheme that year. Only a small portion of this amount is actually paid out to cover individual’s care costs. She told the Committee that ‘part of the levy calculation is the anticipation of what interest and returns you then get on the amount that you can invest. That is all factored into the actuarial work. The investment strategy is aiming for a 2.5 to 3.5 return…plus CPI’. She explained that ‘that particular arrangement is in the process of being changed next month to bring it in line with the whole-of-government investment strategy’.[[107]](#footnote-107)
  3. The Under Treasurer, Mr Nicol, provided the Committee with information on the whole-of-government investment strategy. The strategy includes the responsible investment policy and ‘essentially covers the superannuation provision account’. On top of this, ‘in the past four or five years a number of other funds have been created for various reasons, such as the lifetime care and support fund. We have an insurance fund as well’. Treasury is currently working on a ‘single overarching strategy over the top and each fund will essentially plug into that strategy, picking the various types of investments needed to reach their particular goals’.[[108]](#footnote-108)
  4. Later in the hearing, the Committee asked, on notice, which funds will be incorporated into that strategy. The Treasurer provided the Committee an answer on 22 November:

Investment funds currently managed through the Treasury investment administration structure include the Superannuation Provision Account, Lifetime Care and Support Fund, ACT Insurance Authority and the Territory Banking Account.

If new funds are established that have investment requirements, for example the proposed Public Sector Workers Compensation Fund, these will also be managed through the Treasury investment administration structure.[[109]](#footnote-109)

* 1. The Committee asked why the Lifetime Care and Support Fund has a comparatively conservative investment strategy.
  2. Mr Nicol said that there were two reasons for this. For one, the Fund is in its start-up phase and the amounts of money involved are small. The Government has therefore taken a ‘low risk strategy to ensure the Fund is not put at risk’. Secondly, ‘the Lifetime Care and Support Fund needs access to liquidity to pay out the costs of caring for people over time… The more liquidity you want in a fund, generally the lower returns you are going to get because…you are going to move to products like cash and term deposits et cetera’.[[110]](#footnote-110)
  3. The Committee asked who provides investment advice to the Fund.
  4. Mr Nicol explained that the Fund has an Investment Advisory Board which provides advice on portfolio strategies. The Fund also has an investment adviser that advises on various products. This advice is ‘then considered by the board, considered by me, and the Treasurer agrees to a strategy for the investment approach at a high level in terms of investments in various portfolios such as equities, international equities et cetera’. Mr Nicol explained further that ‘all of that advice comes to me…and I make decisions about aggregate investments at a portfolio level’.[[111]](#footnote-111)
  5. The Committee asked who was on the Fund’s Investment Advisory Board.
  6. The Committee was advised that there were two members of the Board: Ms Carol Austin (Chiair) and Ms Sandi Orleow.[[112]](#footnote-112)
  7. Further, the Committee was informed that the Fund’s investment adviser is Willis Towers Watson, who were contracted on 10 May 2016 for a five-year term.[[113]](#footnote-113)
  8. In response to a question on whether Willis Towers Watson were paid out of the Fund’s returns on investments, Mr Nicol explained that these costs were covered by the Superannuation Provision Account. He explained that ‘the costs are relatively modest in terms of comparison to the overall funds employed’. He suggested that the Government may consider ‘splitting up that and coming to a costing attribution and the benefits of that versus the attribution of costs’.[[114]](#footnote-114)
  9. In response to a question taken on notice concerning the investment returns for 2017-18, the Treasurer provided the following information:

The Lifetime Care and Support investment return for 2017-18 was 6.33% (nominal). The long-term investment objective for the Fund is to achieve an annualised return of CPI+2.5% (5% nominal) to CPI+3.5% (6% nominal).[[115]](#footnote-115)

#### Committee Comment

* 1. The Committee notes the multi-layered structure framing the provision of investment advice to the Lifetime Care and Support Fund and questions the necessity of having both an Investment Advisory Board and investment adviser. The Committee believes that savings and efficiencies could be achieved if the Fund streamlined this framework.

Recommendation 8

The Committee recommends that the Government reconsider how investment advice is provided to and considered by the Lifetime Care and Support Fund with a view to maximise efficiencies and minimise costs.

## ACT Ombudsman

### Introduction

* 1. According to the its webpage, the ACT Ombudsman:

…was established in 1989 as part of the framework for ACT self-government. Under an arrangement between the ACT Government and the Australian Government, the Commonwealth Ombudsman is also the ACT Ombudsman.

The Ombudsman is an independent and impartial officer appointed to investigate complaints from individuals who have been unable to resolve problems with ACT Government agencies.[[116]](#footnote-116)

* 1. Mr Michael Manthrope, ACT Ombudsman, Ms Jaala Hinchcliffe, Deputy Ombudsman, and Mr Paul Pfitzner, Senior Assistant Ombudsman, Program Delivery Branch appeared before the Committee and answered questions regarding the ACT Ombudsman.
  2. The Committee asked questions concerning:
* the rollout of new freedom of information legislation;
* why some complaints are not investigated;
* the Ombudsman’s social media presence;
* the Reportable Conduct Scheme;
  1. Of these, matters which the Committee addressed in more detail are discussed below.

### Freedom of Information Legislation

* 1. The Committee noted that the freedom of information (FOI) legislation is in place and operating. The Committee asked for an account of how the new act was rolled out in the ACT.
  2. Mr Michael Manthorpe, ACT Ombudsman, informed the Committee that the rollout of the legislation was ‘essentially successful’. He explained:

The agencies are, I think, by and large, trying to meet the requirements of the scheme, and we are seeing that quite closely. We are engaged with all the agencies that operate under the scheme regularly, and are continuing to work with them to ensure that they know what they are required to do under the act and that they are familiar with the time frames and the various requirements and tests that they have to meet’.[[117]](#footnote-117)

* 1. Mr Manthrope noted that there have been instances where agencies have ‘struggled to meet the time frames of the scheme’, requiring them to request extra time from the Ombudsman or otherwise report to the Assembly. He also noted that, when reviewing FOI decisions, the Ombudsman’s Office had also struggled with the timeframes.[[118]](#footnote-118)
  2. He concluded by noting that:

Having said all that, one of the intents of the legislation is to have a pro-disclosure culture and the get people dealing with requests for documents for review and so forth expeditiously. I think, by and large, people are doing that.[[119]](#footnote-119)

* 1. In response to a question concerning how the scheme could be improved, Mr Manthrope replied: ‘I think mainly in the area of timing’. He explained that reviews of FOI decisions could be complex, involving copious amounts of documents. He noted that ‘we try to do it is a way that is very collegiate with the individual. We try to get, if you will, a fairly informal resolution’. To do this, he stated, occasionally ‘simple takes a bit longer’ than the mandated time.[[120]](#footnote-120)

Recommendation 9

The Committee recommends that the Government work with the ACT Ombudsman to devise procedures that allow the Ombudsman to expeditiously review FOI requests in order to meet mandated response timelines.

* 1. The Committee asked why the highest number of FOI review requests relate to the Chief Minister, Treasury and Economic Development Directorate.
  2. Mr Paul Pfitzner, Senior Assistant Ombudsman, Program Delivery Branch, replied that this was partly due to ‘the nature of the work for which the directorate is responsible’. He explained that whole-of-government FOI requests are managed by the directorate and many ‘requests for matters relating to cabinet or other broader issues come through that directorate’. He explained that because that directorate receives the highest number of request for FOI it also receives the highest number of requests for review of FOI decisions.[[121]](#footnote-121)

### Complaints Investigation

* 1. The Committee noted that many complaints to the Ombudsman were not investigated. The Committee asked if there was a breakdown of the reasons why these complaints were not investigated.
  2. Mr Manthrope explained that this was ‘often to do with the matter not falling within our jurisdiction’. He expanded: ‘Some parts of the ACT administration fall within our jurisdiction and there are other parts that do not’.
  3. He informed the Committee about the section of the ACT administration the Ombudsman does not have jurisdiction over:

We do not have jurisdiction for matters about a minister. We cannot investigate judges, registrars, magistrates or coroners except to the extent that we perform a role as principle officer to the judicial council. We do not deal with matters relating to the Commissioner for Sustainability and the Environment or matters dealt with by the Human Rights Commission in the exercise of the Commission’s deliberative functions. We do not deal with matters relating to the Auditor-General nor employment matters in relation to public servants. And because there are commissioners in the Human Rights Commission to deal with these matters we do not deal with disability services, health services, services for children or young people or services for older people.[[122]](#footnote-122)

* 1. Ms Jaala Hinchcliffe, Deputy Ombudsman, provided the Committee with more information on how the Office deals with complaints. She explained that the Office prefers people to complain first to the agency with which they have a complaint and that the Office had set up a website to help people locate where they should direct their complaints. She explained the thinking behind this:

As an Ombudsman we have powers to make recommendations and we can investigate, but we do not stand in the shoes of the decision-maker so we cannot remake the decision. So, in the first instance, for early resolution, in a way we like people to try the complaint mechanism at the relevant agency.[[123]](#footnote-123)

* 1. The Committee asked if the informal resolution of complaints contributes to their statistics to inform the Ombudsman’s future work.
  2. Mr Manthrope first informed the Committee of the types of informal resolutions of complaints the Ombudsman often achieves. He explained that sometimes a resolution can be an apology, a change of decision, or simply an explanation of a decision. He noted further: ‘We often find that the agency basically got the decision right, but they might not have communicated it effectively’.[[124]](#footnote-124)
  3. Mr Manthrope explained how information on such informal resolutions of complaints informs their future planning:

All of that sort of data informs where we put our efforts. Increasingly, we are wanting to analyses the data and ensure that, where there are significant number of complaints about a particular thing, we are following that up at a more systematic level with the agency concerned.[[125]](#footnote-125)

* 1. In response to a question on who decides if a complaint is resolved, Mr Manthrope informed the Committee that ‘at the end of the day we have to make a judgement. We decide whether to close the case’. He noted, however, that the Office provides the ‘opportunity to come back to us and say, “If there is some other evidence or some other issue you want us to look at, we can do that”’. [[126]](#footnote-126)

Recommendation 10

The Committee recommends that in its annual report, the ACT Ombudsman differentiate public inquiries/contact from direct complaints.

### Reportable Conduct Scheme

* 1. The Committee asked how the Ombudsman was helping people and organisations understand what they have to do under the Reportable Conduct Scheme.
  2. Mr Manthrope noted that the Scheme first came into effect from 1 July 2017. Through the 2017-18 financial year, the Ombudsman put a lot of ‘work into awareness raising, education, and various other activities to connect with all the relevant employers to make sure they knew their obligations’. Mr Manthrope informed the Committee that since the Scheme was broadened to cover churches from 1 July 2018, the Ombudsman had ‘re-doubled our efforts’ towards ‘education awareness raising, production of guidelines and materials that are on our website’.[[127]](#footnote-127)
  3. Mr Pfitzner added that the Ombudsman offers information sessions for organisation and had engaged a consultant ‘specifically to help us consult and raise awareness within the religious sector’. He explained that there ‘is a significant variance in the capacity of organisations. It ranges from very small—two or three people churches—to very well-established, organised religious groups. We have been trying to look at the different options that we have and how we can inform people of their obligations under the scheme’.[[128]](#footnote-128)
  4. The Committee asked if there had been feedback from which the Ombudsman could learn from moving into the next tranche of education and awareness building.
  5. Mr Manthrope informed the Committee that ‘I think we have learnt a lot’. He highlighted two areas where the Ombudsman had learnt from the first year of the Scheme’s operation:

1. ‘I think that we have learnt that it takes a fair bit of work and a fairly concerted effort to get the awareness raised to the appropriate level out amongst the community of people who are covered by the Scheme’.
2. ‘The second issue is that it has been really clear to us that information sharing is really important. That is not just the initial reporting but the way in which investigations are done and so on. There needs to be appropriate information sharing with entities that might have an interest in a given matter’.[[129]](#footnote-129)
   1. Mr Manthrope also pointed out that agencies covered by the Scheme have been learning, as well. He explained: ‘Agencies have had to put in place different procedures, internal policies and guidance, and all that sort of stuff, training for their staff and so on’.[[130]](#footnote-130)
   2. The Committee asked if the mechanisms put in place through the Reportable Conduct Scheme make it easier for people to report child abuse.
   3. Mr Manthrope provided the following response:

I think it is making it easier… An entity covered by the Scheme is required at law to tell us if they or a member of their staff has perceived a staff member doing something inappropriate to a child. It does provide a pathway, which was not there before, to alert relevant authorities to that fact and ensure that it is appropriately investigated. It is intended to shine a light on behaviour or activity that was probably there all along in different ways…and through appropriate investigation and appropriate monitoring and tracking of all of that, to get to a place where children are safer.[[131]](#footnote-131)

* 1. The Committee asked if there was a mechanism for a child to report abuse directly to the Ombudsman. In response, Mr Manthrope stated that ‘we would certainly ensure that if a child came to us directly with a serious claim, we would take that seriously and look to work out, depending on what the circumstances were, what the right pathway was to get that adequately looked at’.[[132]](#footnote-132)
  2. The Committee asked whether the Ombudsman had undertaken audits to gauge if the entities covered under the Scheme have appropriate procedures in place.
  3. Mr Pfitzner explained that while the Ombudsman had not conducted audits of individual organisations, it had sent out a survey to the 500-plus organisations covered by the Scheme. He noted that they had received a 60 per cent response rate to the survey and that this was ‘an opportunity for us to determine whether we might want to be more proactive in a particular sector’.[[133]](#footnote-133)
  4. The Committee sough further clarity about the Ombudsman’s engagement with organisations covered by the Scheme.
  5. Mr Manthrope provided the following response:

Our principal engagement so far has been to get out, raise awareness, run training, run information, get materials out there and that sort of thing, deal with allegations that have come to use in the appropriate way, and so forth. We will need to do more over time, particularly as the data starts to have more meaning. If there are material entities that simply are not generating any report, we will want to engage with the less engaged, if I can put it that way.[[134]](#footnote-134)

* 1. In response to a question taken on notice concerning whether the Ombudsman held a ‘definitive list’ of all organisations covered by the Scheme, Mr Manthrope replied that there ‘is not a definitive list of entities covered by the Reportable Conduct Scheme’. He explained that the Section 17EA of the *Ombudsman Act 1989* sets out the categories of ‘designated entities’ within the Scheme, including ACT directorates, schools, education and care services, certain health services, approved out of home care organisations and religious bodies. He noted that many religious organisations are informal in nature and not required to register as religious bodies and that ‘given the nature of the definitions and likelihood of change to organisations, my Office does not seek to create a definitive list of entities’.[[135]](#footnote-135)

## ACT Insurance Authority

### Introduction

* 1. The ACT Insurance Authority (ACTIA) ‘is a statutory authority responsible to the ACT Treasurer and operates under the *ACT Insurance Authority Act 2005*. ACTIA provides insurance protection and risk management advice for the ACT Government’.[[136]](#footnote-136)
  2. The Minister for Government Services and Procurement, Ms Rachel Stephen-Smith MLA, and ACT Insurance Authority General Manager, Mr John Fletcher, appeared before the Committee to answer questions regarding the ACT Insurance Authority.
  3. The Committee asked questions concerning:
* the operations of the ACT Insurance Authority;
* premiums;
* processing times for payments;
* number of delegates authorised to settle claims;
* trends in claims;
* the home birthing trial;
* the range of insurance coverage;
* the splitting of the Health Directorate.
  1. Of these, matters which the Committee addressed in more detail are discussed below.

### Operations of the ACT Insurance Authority

* 1. The Committee asked for an overview of the operations of the Insurance Authority.
  2. Mr John Fletcher, General Manager, ACT Insurance Authority, informed the Committee that the Authority operates under the Insurance Authority Act, ‘and it is basically the Territory’s risk manager and insurer’. He highlighted that due to the substantial size of the Territory’s budget ‘we can self-insure a considerable component of risk that is faced by the Territory’. Beyond the risk that the Territory can self-insure against, ‘we can go and put in place reinsurance policies to basically hire capital from the private market to meet catastrophic losses in particular’.[[137]](#footnote-137)
  3. Mr Fletcher explained how the Authority covered its costs: ‘we collect premiums from all government agencies and entities to meet our running costs. We are not an appropriated organisation; we are a fee-earning organisation’.[[138]](#footnote-138)
  4. Mr Fletcher also explained the type of coverage the Authority provides, describing it as ‘very broad’. He explained:

It is almost unlimited, because we are backed by the Territory’s budget. We put in place indemnity agreements with each of the government agencies to basically manage their insurable risk. The key policy cover that we provide is just general liability or public liability, medical negligence and property material damage cover. Directors and officers cover is probably the other leg of insurance cover that we provide.[[139]](#footnote-139)

* 1. Mr Fletcher explained in more detail the coverage offered by the Authority. The Authority’s liability policy has a $100 million limit and the Territory self-insures for the first $5 million on each and every claim, with costs beyond that being passed to the Authority’s reinsurer. Property cover has a $7.5 million aggregate with a $1 billion limit. Mr Fletcher explained property cover: ‘We self-insure for the first $7.5 million in the aggregate; once we get beyond that cost, we go to a body in the property space, a panel of reinsurers, who meet those costs. It is called catastrophe cover’.[[140]](#footnote-140)

### Premiums

* 1. The Committee asked how the Insurance Authority sets premiums and if this was subject to actuarial oversight.
  2. Mr Fletcher informed the Committee that is was an actuarial process, with the Authority’s actuary being PricewaterhouseCooper. The actuary is engaged to do two things for the Authority: 1) ‘look at our 30 June liability profile’, and 2) ‘help us determine premiums for the financial year’.[[141]](#footnote-141)
  3. Mr Fletcher explained the factors considered by the actuary in setting premiums:

Basically it is claims based and risk based, but mostly claims history based. What they do each year is basically take a profile of our entire claims history and model that to determine an appropriate allocation of cost to each agency. They do that on a central basis to start with against each of those classes of insurance. Then they look at the number and cost of claims in each category made by each agency and allocate the premium accordingly.[[142]](#footnote-142)

### Home Birthing Trial

* 1. The Committee noted that the home birthing trial has been in operation for some time. The Committee asked for information on how the trial has been reinsured.
  2. Mr Fletcher noted that the Insurance Authority receives notification from the women’s and children’s hospital every time there is a home birth. He observed that the ‘trial is going well’.[[143]](#footnote-143)
  3. Speaking to the insurance side of the trial, Mr Fletcher noted that the Authority has two lead reinsurers for the trial and that ‘they were comfortable to take the risk on’. He explained that the insurers had experience in the UK and US markets and that ‘particularly in the UK they see a lot of data about home birth out of the national health system’. [[144]](#footnote-144)
  4. Mr Fletcher provided more information on the reinsurers’ risk assessment of the trial:

The two lead insurers in the UK are reasonably comfortable with the program. When we present to them our program on an annual basis, they ask about it but they are not overly concerned about it—and neither am I—in terms of those 20 births being included in the overall program. We understand the risk profile. It is reasonably easy, from a whole fund point of view, to meet those costs.[[145]](#footnote-145)

### Splitting of the Health Directorate

* 1. The Committee asked in the Authority was involved in the splitting of the Health Directorate.
  2. Mr Fletcher informed the Committee that while the Authority was ‘not specifically consulted’, ‘we have has contact with people who work in the governance, insurance and risk space in both organisations already to try to assist them to implement the split structure’. [[146]](#footnote-146)
  3. The Committee asked whether the Authority expects the split to result in lower premiums or payouts.
  4. Mr Fletcher responded that ‘the Authority’s job is to try to influence behaviour. Our intention and our position always is to try to help agencies manage risk better’. He noted that the Authority is ‘ready to assist people in ACT Health…whether it is about governance and general corporate risk management or in the clinical risk space’ and that they had access to ‘people in reinsurance organisations overseas who have a lot of experience in the health space’.[[147]](#footnote-147)

## Shared Services

### Introduction

* 1. According to the Annual Report, Shared Services

…provides a range of ICT and corporate services including; infrastructure, applications support and development, ICT project services, transactional human resources and finance services to directorates and agencies.[[148]](#footnote-148)

* 1. The Minister for Government Services and Procurement, Ms Rachel Stephen-Smith MLA, and Mr Graham Tanton, Executive Director, Shared Services and Mr Gary Davis, Executive Director, Shared Services ICT, appeared before the Committee to answer questions regarding Shared Services.
  2. The Committee asked questions concerning:
* the Windows 10 rollout;
* the payable invoice automation system rollout;
* the number of Adobe Pro licences held by Shared Services;
* cyber security and ICT safety;
* relocation from Macarthur House;
* the redesign of the ACT jobs website.
  1. Of these, matters which the Committee addressed in more detail are discussed below.

### Windows 10 Rollout

* 1. The Committee sought an update about the rollout of Windows 10, noting that it is scheduled to be completed June 2019.
  2. Mr Gary Davis, Executive Director, Shared Services ICT, informed the Committee that the rollout will ‘probably go to a bit longer than June 2019’. He added, however, that ‘we have already upgraded to Office 2013 as part of the package’. He observed that this was ‘the top layer of the cake’ while Windows 10 was ‘the middle layer of the cake’.[[149]](#footnote-149)
  3. Mr Davis informed the Committee of some of the challenges Shared Services has faced in rolling out Windows 10:

We have done about 800 devices across government, with about 500 applications. It is going through each directorate at the moment. Obviously we are not here to disrupt business. When you are changing the middle layer of the cake, trying to not damage the top layer and to keep people running is not that straightforward.[[150]](#footnote-150)

* 1. He explained that the nature of the challenges: ‘to be really honest, when you put it on a device, sometimes it does not work how you want it to work, even though you thought it might’. This has meant that more staff have been required to physically attend sites to trouble-shoot.[[151]](#footnote-151)
  2. Mr Graham Tanton, Executive Director, Shared Services, provided additional details on issues Shared Services face in upgrading the Government’s systems:

There are packages in each of the different organisations that we need to go and test to make sure that the applications they are using actually support the new Microsoft software. We have to make sure that…we do not put the new platform in place and all of a sudden a bit of software that is on the system stops working for the operational side of things… One would think that this would happen very easily and quickly, but we have a broad range of services and applications running on computers that the developers, when they were first purchased, have not upgraded to work in the new environment.[[152]](#footnote-152)

### Cyber Security and Information and Communication Technology Safety

* 1. The Committee noted recent cases of ACT public servants being fired for viewing inappropriate websites and comments by cyber security experts questioning the Government’s cyber security system. The Committee asked what Shared Services was doing to reduce the risks associated with directorate and government-wide ICT security.
  2. Mr Davis explained that ‘we have the appropriate proxy servers and filtering software as it can stand today. We all appreciate this is a moment in time and who knows what a hacker or some sort of interesting criminal organisation is going to develop tonight’. Concerning the accessing of inappropriate internet sites by ACT public servants, Mr Davis suggested that ‘it is hard to block intent’ and that ‘IT is not there as a draconian control’. He observed that Shared Services does maintain data on staff internet usage, but indicated that ‘given it is 2018 we use management controls around that’. He also noted that ‘if something comes through to us that is illegal access, there is a fair chance I might not be notified immediately because it could be an AFP matter and that would be between the directorate and the AFP’.[[153]](#footnote-153)
  3. In response to a Committee questions as to whether the ACT Government’s cyber security system is completely secure, Mr Davis stated the following:

…we are very diligent in this space. We could always find ways to improve, and we do that. I was recently meeting with the ACT Electoral Commissioner who is working closely with Home Affairs around electoral compromises for our democratic processes to make sure our cyber security is in line across the Commonwealth. We do these things; we take action and we get audited very regularly in this space. We take every action and we report very regularly on what we do in the cyber security space.[[154]](#footnote-154)

#### Committee Comment

* 1. The Committee notes a recent report of a security breach on the ACT Government’s cloud-based Government Directory by hackers.[[155]](#footnote-155) It also notes that the Federal Parliament has also been victim of hacking recently.[[156]](#footnote-156) In light of the seriousness of such incidents, the Committee urges the Government to redouble its efforts to ensure the security of the ACT Government’s ICT systems.

### Relocation from Macarthur House

* 1. The Committee noted that Macarthur House had recently been demolished. The Committee asked for information on Shared Services’ relocation from the building.
  2. Mr Davis informed the Committee that Shared Services had developed a Macarthur House decommissioning program in order to relocate from the building. He stated that in line with the Government’s sales schedule for the block, Shared Services had had a deadline of January 2018 to vacate the building.[[157]](#footnote-157)
  3. Mr Davis explained that Macarthur House was the ACT Government’s secondary data centre, with the primary one housed with Canberra-based commercial provider, Canberra Data Centres. Following the move, the secondary data centre was also moved into Canberra Data Centres. Mr Davis explained that ‘because we had a contract already we were able to leverage off that and we used their two facilities’, one in Fyshwick and the other in Hume.[[158]](#footnote-158)
  4. Mr Davis provided details about the Macarthur House decommissioning project:

The project funded through the resale of the building was to move our equipment and all our systems out of Macarthur House. It took eight to 10 months to do that. We did that on time. In no way did we impact the building being sold.[[159]](#footnote-159)

* 1. Mr Davis further highlighted that ‘people worked through nights, weekends et cetera to make sure that we won the no-one noticed award, and I say that in the most positive way to our IT folk’ and that ‘it is a rare event for IT projects to come in on time and within budget, and I do not think anyone really noticed that we did it’.[[160]](#footnote-160)

## ACT Audit Office

### Introduction

* 1. According to the ACT Audit Office webpage:

The Auditor-General heads the ACT Audit Office and operates independently of government and reports directly to the Legislative Assembly. The Main functions and powers of the Auditor-General are set out in the *Auditor-General Act 1996*.

…

The Auditor-General conducts independent financial and performance audits on ACT Government agencies and those entities in receipt of ACT Government funding or resources.[[161]](#footnote-161)

* 1. The Acting Auditor-General, Mr Ajay Sharma, and members of the Office’s management team, appeared before the Committee to answer questions regarding the ACT Audit Office.
  2. The Committee asked questions concerning:
* the process for conducting performance audits;
* poor responses to audits and the response of the Audit Office to these;
* the Dickson land swap audit;
* the Audit Office’s budgetary surplus;
* modification to investigatory processes;
* setting of auditing standards;
* taking on unscheduled audits;
  1. Of these, matters which the Committee addressed in more detail are discussed below.

### Poor Responses to Audits

* 1. The Committed noted that the Audit Office had reported one case where an auditee indicated a “Poor response to audit”, responding negatively to the statement that “The audit will help out organisation to improve administration and audited activity”. The Committee asked how common negative responses to audit were.
  2. Mr Ajay Sharma, Acting Auditor-General, replied that ‘from time to time we will have some complex audits where there was extended consultation with the agencies. Sometimes there will be frank and hard discussions with the agencies on some matters where we would have differences of opinion’.[[162]](#footnote-162) Following on from this statement, Mr Brett Stanton, Director, Performance Audits, added that he had recalled poor or even very poor responses to audits ‘from time to time over the past few years’. He noted, however, that these ‘are in the definite minority’.[[163]](#footnote-163)
  3. The Committee asked whether, in response to such outcomes, the Audit Office goes back to the audit to see if there is something the Office could have done.
  4. Mr Stanton indicated that the Office goes ‘through all of those feedback forms… We look more particularly at the comments to see whether there is anything that we can learn from those comments. That will feed into our annual or regular consideration about processes and methodology’.[[164]](#footnote-164)
  5. The Committee asked if all entities which are audited get sent feedback forms and to where these are sent. Mr Sharma explained that all auditees are sent feedback forms and these forms are sent to the director-general of head of the organisation.[[165]](#footnote-165)
  6. In response to a question concern why an agency may respond negatively to an audit, Mr Sharma provided an explanation which related to the one negative response the Office had received:

…sometimes the agencies may not have a clear understanding in terms of our criteria, objectives and how we are going to conclude against those. In this case, in terms of the recommendations and the conclusion that we made, I think the agency was looking for more in the recommendations towards a changing of the processes and things like that, whereas our conclusion would have been just on the criteria itself.

…

Our job was not to prepare a guide as such as part of this audit but to say there were improvements to be made…[[166]](#footnote-166)

* 1. In response to a question on whether entities outside of the Government are surveyed, Mr Sharma indicated that they are not.[[167]](#footnote-167)

### Modifications to Investigation Processes

* 1. The Committee asked whether the Audit Office had made any changes to its investigation processes over the past 12 months or in the reporting financial year and whether the Office used an audit methodology.
  2. Mr Stanton indicated that, for performance audits, the Office used the Performance Audit Methods and Practices (PAMPR) as ‘a tried and true methodology that we have applied for a number of years’. He explained that the PAMPR had been reviewed in 2014, ‘but ever since then we have revised it and updated it in response to changes to standards requirements, feedback from agencies, auditees, our own initiatives on what we think we can do differently and better and also what we may glean or obtain from other audit offices or practices’.[[168]](#footnote-168)
  3. Asked to provide some examples of changes to auditing practices, Mr Stanton noted that they had revised the ASAE3500, which is ‘the standard for assurance engagements’. He explained that this meant a ‘revised focus on materiality considerations’. He elaborated that while it would not result in noticeable differences in how audits are conducted and presented in reports, it ‘will impact on the way that we manage, consider our approach to engagement with the agencies’.[[169]](#footnote-169)

### Unscheduled Audits

* 1. The Committee asked for information on the process for the Audit Office to determine whether to take on new audits, especially unscheduled ones.
  2. Mr Stanton informed the Committee that the Office has ‘audit program planning principles’. He first explained the yearly planning process for the audit program:

Every year we go through a process of planning for the performance audit program and in doing so we have set criteria… That relates to, for example, materiality considerations, risk, the governance and whether there have been any previous reviews, evaluations et cetera… There are six criteria there. And we develop a performance audit program.[[170]](#footnote-170)

* 1. When the Office receives requests for new audits, Mr Stanton stated that ‘we will give that consideration against those principles and run that potential performance audit topic through against those criteria’. Otherwise, the Office will give considerations to suggested audits ‘in planning for the next performance audit program’.[[171]](#footnote-171)
  2. Mr Sharma added that when considering a request or suggestion for a new audit, the Office will ‘assess whether, in the current performance audit, the topic that has come up can be incorporated into the performance audit so that we do not actually have to forgo one performance audit in order to do another’. He noted that the Office will also consider competing priorities and public interest when requested to undertake new audits.[[172]](#footnote-172)
  3. When asked whether taking on an unscheduled audit means that the Office has to displace a scheduled audit from the audit program, Mr Sharma confirmed that, based on past experience, taking on unscheduled audits means a scheduled audit will be displaced.[[173]](#footnote-173)
  4. The Committee asked whether there was merit in planning for unscheduled audits without having to displace others.
  5. Mr Sharma provided the following response:

…last year we had more than 70 representations on top of the performance audits and financial audits that we were currently doing. It does create a pressure on the system. We do have additional capacity, and sometimes that capacity is absorbed, depending on the nature of representations and how many we receive in that year. We certainly have more performance audits in our program than we are required to do for a particular year, and if we find that we have capacity we generally have to start the audits earlier to be able to have that even spread of audit.[[174]](#footnote-174)

* 1. The Committee asked how the Audit Office factors contingency into their audit planning.
  2. Mr Stanton replied that ‘contingency is primarily in relation to the flexibility of the program’. He explained that the Office has a list of nine scheduled audits, but that it was also ‘flexible in the way that we actually go about that program, such that if an important issue comes through, and we run it through our considerations and our criteria and we determine that it warrants that consideration right now, it will get attention and the audit will commence’.[[175]](#footnote-175)
  3. The Committee asked whether the Audit Office would revisit a past audit in light of new information.
  4. Mr Stanton replied that while audit reports stand at the time they are released in relation to the evidence that the Office has at that time, ‘if there were new information that came through we may give that consideration as to what impact that might have on the audit conclusion’. He added, however, that ‘it is hypothetical because this is fairly unchartered waters’.[[176]](#footnote-176)

## Office of the Legislative Assembly

### Introduction

* 1. The Office of the Legislative Assembly (OLA) ‘supports the Assembly as the democratic body responsible for considering and passing laws, holding the Executive to account and representing the people of the ACT’.
  2. Ms Joy Burch MLA, the Speaker of the Legislative Assembly, and Mr Tom Duncan, Clerk of the Legislative Assembly, and his management team appeared before the Committee to answer questions regarding the Office of the Legislative Assembly.
  3. The Committee asked questions concerning:
* OLA policy on bullying and harassment of staff;
* security of the Legislative Assembly building;
* public tours of the Legislative Assembly building;
* double glazing of the Legislative Assembly building;
* committees;
  1. Of these, matters which the Committee addressed in more detail are discussed below.

### Office of the Legislative Assembly Policy on Bullying and Harassment of Staff

* 1. The Committee noted that the bullying and harassment of staff, both parliamentary staff and political staff, has been a significant issue within the United Kingdom Parliament. The Committee sought information about how the Office of the Legislative Assembly has addressed this issue, including the provision of appropriate training for members.
  2. Ms Joy Burch, the Speaker of the Legislative Assembly, informed the Committee that the Office had written to Legislative Assembly members to inquire ‘about to what extent we have to remind people of their obligations and responsibilities, and what other sorts of training and awareness members need’.[[177]](#footnote-177)
  3. Mr Ian Duckworth, Executive Manager, Business Support Branch, informed the Committee that there had been instances of complaints concerning bullying and harassment and that ‘those matters have been managed in accordance with our policy, which has been in place for 10 or 15 years and has not been fundamentally altered in that time’. He explained that the procedure in place ‘is to engage with the allegations, give the opportunity for people to respond to allegations that have been made, and so on’.[[178]](#footnote-178)
  4. Addressing the question of training for MLAs in managing allegation of bullying and harassment as this concerns their staff, Mr Duckworth stated that OLA would:

…continue to provide members with training or information that we feel they need as they become members, and we have done that pretty much at the beginning of every Assembly. When we have new members elected through a casual vacancy, for example, we offer the same, usually on more of a one-on-one basis.[[179]](#footnote-179)

* 1. Mr Tom Duncan, Clerk of the Legislative Assembly, noted that at the beginning of each Assembly, OLA issue a document which is signed by the Chief Minister, the Leader of the Opposition, the leader of the Greens, the Speaker and the Clerk ‘which sets out the responsibilities we all take as employers in relation to harassment and bullying… That is a pretty strong sort of document to indicate that the leadership of this whole building… are committed to having a building that is free of harassment and bullying’.[[180]](#footnote-180)
  2. In response to a question taken on notice, the Speaker supplied a copy of this document to the Committee.[[181]](#footnote-181)
  3. Mr Duncan also added that there is an occupational health and safety committee that meets regularly ‘to discuss matters such as this. And we do have a code of conduct with the Commissioner for Standards. Part of that code of conduct is about respect for people in the ACT but also about staff’.[[182]](#footnote-182)

### Security of the Legislative Assembly Building

* 1. The Committee asked about the security of the Legislative Assembly building and whether the reconfiguration of the entry way is being considered.
  2. Mr Duckworth informed the Committee that OLA engages with the original architect that designed the building, Mr Hal Guida, ‘on major redesign work in the building, and we have engaged a security consultant’. He also noted that ‘there has been some work done on some ideas about how the public and members entrances could be reconfigured’.[[183]](#footnote-183)
  3. Mr Duckworth provided the Committee with additional information:

One of the challenges that Hal Guida…has showcased is a change to where the public would enter the front entrance. We have emphasised that these committee and estimates committees have observed identity as a problem. People do not identify with the Assembly… He has indicated in the rough design sketches that he has done that that would be something that would be part of any change.[[184]](#footnote-184)

Recommendation 11

The Committee recommends that the after-hours door at the Legislative Assembly’s public entrance be used as an automatic door during business hours, ahead of any future reconfiguration of the entrance.

Recommendation 12

The Committee recommends that any future reconfiguration of the Legislative Assembly’s public entrance ensure the entrance is more streamlined for people entering and exiting the building and more clearly promotes the purpose of the building.

### Double Glazing of Legislative Assembly Building

* 1. The Committee asked about the cost of the double glazing project.
  2. Mr Malcolm Prentice, Chief Financial Officer, Business Support Branch, told the Committee:

There have been two phases of the double glazing project. The first one was $380 000.That was largely to do the southern facing part of the building to help minimise the noise. For the second part of it the total budget is 850 000. Altogether it is a bit over $1 million for the double glazing of the entire complex.[[185]](#footnote-185)

* 1. The Committee noted quality issues with some of the double glazing installation work. Responding to this, Mr Duckworth informed the Committee that: ‘the contractor is aware that with some of the earlier units they have got to return before they are finished and rectify those’.[[186]](#footnote-186) He later specified that there would be no extra cost involved in the rectification work.[[187]](#footnote-187) This was also later confirmed by the Speaker in a response to a question taken on notice supplied to the Committee on 22 November 2018.[[188]](#footnote-188)
  2. In a response to a question on notice, the Speaker provided more details as to the nature of the faulty installation of some double glazed units:

It should be noted these instances arise because of the building’s window frames are bowed—but it is not due to any defect in the double glazed unit.[[189]](#footnote-189)

* 1. The Committee asked if there were are performance measures in place.
  2. Mr Duckworth replied that ‘the specification we were after was a double glazed unit. I do not have the specifications to hand but the unit itself was seen as the standard that we were after. With the exception of those units that have to be rectified, I do not believe there is a performance issue’.[[190]](#footnote-190)
  3. In response to a question taken on notice, the Speaker provided additional details on the performance measures relating to the installation of the double glazing. This response indicated that the contractor had conducted thermal testing on two north-facing windows on level one of the building. The results of this testing indicated that on a window without double glazing fitted, ‘glass surface’ temperature was 22 and ‘still surface’ temperature was 23 degree; on a window with double glazing fitted, ‘glass surface’ temperature was 17 degrees and ‘still surface’ temperature was 16 degrees.[[191]](#footnote-191)
  4. This response also indicated that there had been less temperature-related complaints received by facilities management from building occupants following the installation of the double glazing and that the gas usage of the building, used solely for heating, had decreased.[[192]](#footnote-192)
  5. Additionally, this response also noted that the sound performance of the double glazing had been tested. On average, this testing indicated a reduction of 10 dB following the installation of the double glazing. Anecdotally, facilities management have also indicated that building occupants are reporting reduced noise following the installation.[[193]](#footnote-193)

## Conclusion

* 1. The Committee makes 12 recommendations. The Committee thanks all witnesses who appeared at the public hearing and those who provided answers to QTONs and QONs.

Vicki Dunne MLA

Chair

March 2019

## Appendix A - Witnesses

### 12 November 2018

Mr Andrew Barr, Chief Minister, Treasurer, Minister for Social Inclusion and Equality, Minister for Tourism and Special Events and Minister for Trade, Industry and Investment

Chief Minister, Treasury and Economic Development Directorate

Ms Kathy Leigh, Head of Service and Director-General

Mr David Nicol, Under Treasurer

Mr Stephen Miners, Deputy Under Treasurer, Economic, Budget and Industrial Relations

Mr Kim Salisbury, Executive Director, Revenue Management, Economic, Budget and Industrial Relations

Mr Mark Whybrow, Executive Director, Finance and Budget, Economic, Budget and Industrial Relations

Ms Sue Vroombout, Executive Director, Economic and Financial Group, Economic, Budget and Industrial Relations

Mr Patrick McAuliffe, Director, Asset Liability Management, Economic and Financial Group, Economic, Budget and Industrial Relations

Ms Lisa Holmes, Director, Financial Framework Management and Insurance, Economic and Financial Group, Economic, Budget and Industrial Relations

Ms Meredith Whitten, Deputy Director-General, Workforce Capability and Governance

Mr Ian McPhee, Public Sector Standards Commissioner

Icon Water Ltd

Mr Ray Hezkial, Chief Executive Officer

Mr Sam Sachse, Chief Financial Officer

Ms Jane Breaden

Independent Competition and Regulatory Commission

Mr Joe Dimasi, Senior Commissioner

Dr Annette Weier, Chief Executive Officer

Office of the Commonwealth Ombudsman

Mr Michael Manthorpe, ACT Ombudsman

Ms Jaala Hinchcliffe, Deputy Ombudsman

Mr Paul Pfitzner, Senior Assistant Ombudsman, Program Delivery Branch

Ms Rachel Stephen-Smith, Minister for Aboriginal and Torres Strait Islander Affairs, Minister for Disability, Minister for Children, Youth and Families, Minister for Employment and Workplace Safety, Minister for Government Services and Procurements, Minister for Urban Renewal

Chief Minister, Treasury and Economic Development Directorate

Mr Graham Tanton, Executive Director, Shared Services, Commercial Services and Infrastructure

Mr Gary Davis, Executive Director, Shared Services ICT, Commercial Services and Infrastructure

Mr John Fletcher, General Manager, ACT Insurance Authority, Commercial Services and Infrastructure

ACT Audit Office

Mr Ajay Sharma, Acting Auditor-General

Mr Brett Stanton, Director, Performance Audits

Ms Rosario San Miguel, Acting Principal, Professional Services

Mr Tim Larnach, Acting Director, Financial Audits

Ms Joy Burch, Speaker of the Legislative Assembly for the Australian Capital Territory

Office of the Legislative Assembly

Mr Tom Duncan, Clerk of the Legislative Assembly for the ACT

Mr Ian Duckworth, Executive Manager, Business Support Branch

Mr David Skinner, Director, Office of the Clerk

Mr Malcom Prentice, Chief Financial Officer

## 

## Appendix B – Questions taken on Notice/ Questions on Notice

Questions taken on notice 12 November 2018

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Hearing date | Asked by | Directorate/ Portfolio | Subject | Answer date |
| 1 | 12/11/2018 | Vicki Dunne MLA | Treasury | Re. commercial rates – Chair: ‘you looked at all the properties … but adjusted 75’; Cheyne: ‘What share is that? 75 of ?’ | 22 November 2018 |
| 2 | 12/11/2018 | Vicki Dunne MLA | Treasury | Re. commercial rates – ‘So could you on notice, please, Mr Salisbury, tell the committee how many properties there are in Braddon who had retrospective rates assessments and what period the retrospective rates assessment was, so presumably from when did you discover that they had a change of lease charge and how far did you retrospectively go back [and] come back to the committee with whether any of those 75 had a change of lease charge and if so, when?’ | 22 November 2018 |
| 3 | 12/11/2018 | Vicki Dunne MLA | Treasury | Re. commercial rates – Chair: ‘Has there been an impact of commercial rate rises on the operation of business in the ACT?’ – Mr Barr: ‘I can give you a comprehensive list of every available indicator that is there for us, collected by us and by the Australian Bureau of Statistics, which can give the detail of every single charge that is imposed by the territory government. That is outlined clearly. I can give you a series of case studies for businesses with certain payrolls, certain property values and certain insurance products and give you a comparator of where particular businesses would stand.’ | 22 November 2018 |
| 4 | 12/11/2018 | Tara Cheyne MLA | Treasury | Re. commercial rates – ‘for the precincts that we have been focusing on how many commercial properties there are in each precinct. And then I think the chair mentioned we get the share—or I did, I think. Could we get the share in Braddon but could we get it, in all of those precincts that we have been talking about, about how many have had a valuation adjustment? And then for broader context, could I at least get a sense of how many commercial properties there are in the ACT total? Then how many across all of the ACT have had valuation adjustments?’ | 22 November 2018 |
| 5 | 12/11/2018 | Vicki Dunne MLA | Treasury | ‘one particular leaseholder, or two or three particular leaseholders, had been singled out for five or six years back taxes when by everyone’s admission the values have changed in Braddon quite significantly. So why did one or two or three people get singled out for back taxes, but then everybody else is treated from, “Well, here is the starting date of 1 January 2017 and we will assess you going forward”. … THE CHAIR: ‘And none of the evidence of sales relates—it is all related to, you know, Braddon is now a much more interesting place and the values have increased, and none of those 75 properties that were increased had changed their lease purpose clause?’ | 22 November 2018 |
| 6 | 12/11/2018 | Vicki Dunne MLA | Treasury | Re. commercial rates and mixed use developments – ‘how many properties of that sort, mixed used developments, would have a separate unit plan for the residences, and how many residential occupants would be paying commercial rates for their residential occupancy?’ | 22 November 2018 |
| 7 | 12/11/2018 | Nicole Lawder MLA | Treasury | Re. assessments of land value and revenue targets – ‘At this point, in this financial year, how are your revenue targets going? … Would you not be at least $178 million over your target at present?’ | 22 November 2018 |
| 8 | 12/11/2018 | Alistair Coe MLA | Treasury | Re. assessments of land value – ‘With regard to apartments in particular, on the light rail corridor have there been revaluations on Flemington Road?’ | 22 November 2018 |
| 9 | 12/11/2018 | Alistair Coe MLA | Treasury | Re. assessments of land value – ‘Has there been a—is there a program of revaluing the light rail corridor?’ | 22 November 2018 |
| 10 | 12/11/2018 | Tara Cheyne MLA | Treasury | Re. cost of Inspire Co program; ‘What is the cost of hosting Inspire Co?’ | 22 November 2018 |
| 11 | 12/11/2018 | Vicki Dunne MLA | Treasury | Re. Murrumbidgee-Googong Pipeline – ‘so it operated for— how much water did it transfer?’ | 22 November 2018 |
| 12 | 12/11/2018 | Alistair Coe MLA | Treasury | Re. Murrumbidgee-Googong Pipeline – ‘What is the operating cost associated with standby mode? … also what the operating cost is associated with suspended mode …’ | 22 November 2018 |
| 13 | 12/11/2018 | Alistair Coe MLA | Treasury | Re. Murrumbidgee-Googong Pipeline – ‘what is the accounting treatment for the asset and the associated liability shifting from— associated expense, I should say, or liability, shifting from standby to suspension mode?’ | 22 November 2018 |
| 14 | 12/11/2018 | Vicki Dunne MLA | Treasury | Re. Murrumbidgee-Googong Pipeline – ‘We have talked operational, suspension and standby. Can we actually have a definition of what they are?’ | 22 November 2018 |
| 15 | 12/11/2018 | Vicki Dunne MLA | Treasury | Re. recruitment of Chief Executive – ‘do we have any idea why the board and the board chair have decided not to start the process until some five months after the position has been vacated?’ | 22 November 2018 |
| 16 | 12/11/2018 | Vicki Dunne MLA | Chief Minister’s | Re. satisfaction survey on activitybased work – ‘Could we just clarify or whether people are unsatisfied and they actually want more or they did not like it?’ | 26 November 2018 |
| 17 | 12/11/2018 | Vicki Dunne MLA | Treasury | Re. Lifetime Care and Support investment – names of the two members of the Investment Advisory Board | 22 November 2018 |
| 18 | 12/11/2018 | Vicki Dunne MLA | Treasury | Re. ACT government investment strategy – ‘could you provide to the committee on notice the funds that will be incorporated into that strategy?’ | 22 November 2018 |
| 19 | 12/11/2018 | Nicole Lawder MLA | Treasury | Re. Lifetime Care and Support investment - what was return on investments for Lifetime Care and Support fund ‘So what did you get last year? Was it within that range?’ | 22 November 2018 |
| 20 | 12/11/2018 | Alistair Coe MLA | n/a | Re. reportable conduct scheme – ‘is there a definitive list’ of entities covered by the scheme? - Mr Manthorpe | 19 November 2018 |
| 21 | 12/11/2018 | Tara Cheyne MLA | Government Services and Procurement | Re. software licences – ‘Adobe Pro, how many licences do we have versus users?’ | 22 November 2018 |
| 22 | 12/11/2018 | Vicki Dunne MLA | n/a | Re. surveys of persons within scope of performance audit on Dickson land-swap – ‘who did you send the performance questionnaire to, considering that that was an organisation that ceased to exist?’ | [Question answered in hearings – and confirmed 20 November 2018 - no outstanding QToN] |
| 23 | 12/11/2018 | Vicki Dunne MLA | n/a | Re. management of bullying in parliamentary workplaces - a copy of that letter that went back to the CWP (Speaker) | 22 November 2018 |
| 24 | 12/11/2018 | Vicki Dunne MLA | n/a | Re. management of bullying in parliamentary workplaces - ‘the current version of the letter that you talked about, Mr Duncan’ | 22 November 2018 |

Questions on notice 12 November 2018

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Hearing date | Asked by | Directorate/ Portfolio | Subject | Answer date |
| 1 | 12/11/2018 | Bec Cody MLA | Treasury | Casual, contractor or other non-permanent staff; how many in publically funded jobs for longer than six months; for Board, executive and general staff in the last 2 years, what proportion were: women; attended ANU or another Group of Eight university; were educated at a private secondary school; have a trade qualification; come from a culturally or linguistically diverse (CALD) household? | 22/11/2018 |
| 2 | 12/11/2018 | Candice Burch MLA | Government Services and Procurement | CMTEDD Annual Report 2017-18, Volume 1-Output 7.1 Shared Services In relation to: Physical records storage 1. What progress has been made towards implementing whole of Government storage of physical records? 2. What is the projected cost of implementing this initiative? 3. How many external records storage providers will be used? 4. How have or will external record storage providers be selected? 5. How will the engagement of external record storage providers improve the integrity of document retention and storage, and prevent loss of documents? | 26/11/2018 |
| 3 | 12/11/2018 | Candice Burch MLA | Government Services and Procurement | CMTEDD Annual Report 2017-18, Volume 1- Output 7.1 Shared Services In relation to: Payments and reimbursements 1. What are the on-time payment standards for reimbursements to individuals who provide services to the ACT Government? a.) What percentage of reimbursements to individuals met those on-time payment standards? 2. What was the average time for reimbursements to individuals? 3. What was the median time for reimbursements to individuals? 4. What steps are being taken to improve the timeliness of reimbursements to individuals? | 26/11/2018 |
| 4 | 12/11/2018 | Candice Burch MLA | Government Services and Procurement | CMTEDD Annual Report 2017-18, Volume 1- Output 1.4 Digital Strategy In relation to: IT security 1. In the State of the Service Report, the most common high-risk category identified by directorate was IT systems. What steps are Shared Services taking to reduce risks to ACT Government IT systems? 2. How will cloud assessment promote cybersecurity awareness and improve IT security? 3. What constitutes self-assessment for the purposes of IT security? 4. How will self-assessment promote cybersecurity awareness and improve IT security? | 26/11/2018 |
| 5 | 12/11/2018 | Candice Burch MLA | Government Services and Procurement | CMTEDD Annual Report 2017-18, Volume 1-Output 7.1 Shared Services In relation to: Service desk operation indicators 1. Why were sufficient Service Desk resources not allocated in anticipation of a significant increase in call volumes as a result of the planned Microsoft Office upgrade to ensure compliance with the “average time for telephone service requests to be answered by a Service Desk Officer” accountability indicator? 2. What specific changes have been made in the management of Service Desk resourcing to improve call waiting times? 3. Why were sufficient Service Desk resources not allocated in anticipation of the increase on volume and complexity of requests due to the introduction of Invoice Automation? 4. What processes have been introduced to improve the timeliness of resolving finance service requests? | 26/11/2018 |
| 6 | 12/11/2018 | Candice Burch MLA | Chief Minister’s | State of the Service Report, B.2 Performance Analysis - Workforce Strategies In relation to: Respect, Equity and Diversity (RED) Framework 1. When the review of the Respect, Equity and Diversity Framework is complete, will a report on the review be published? 2. What oversight or accountability mechanisms are in place to ensure the success of the Respect, Equity and Diversity Framework? 3. Given that fewer staff completed RED training in 2017- 18 than the previous year, what, if any, steps are being taken to increase participation? | 29/11/2018 |
| 7 | 12/11/2018 | Candice Burch MLA | Chief Minister’s | State of the Service Report, B.2 Performance Analysis - Workforce Strategies In relation to: A Commitment to Better Communications and Engagement 1. How many community consultation and engagement initiatives were run in 2017-18 as part of the "A Commitment to Better Communications and Engagement" measure? 2. Of those initiatives identified in {1), for how many were high level "What We Heard" reports published within a month of an engagement closing for public comments? 3. Of those initiatives identified in (1), for how many were final Consultation Reports published within three months of the consultation closing? 4. For each of those initiatives identified in (1), what was the length of time between the close of consultation and the publication of a high level Outcomes Statement? | 28/11/2018 |
| 8 | 12/11/2018 | Candice Burch MLA | Chief Minister’s | State of the Service Report, 3.1 Appropriate Workplace Behaviour In relation to: Table 8- Reports of Bullying or Harassment (2016-17 to 2017-18) 1. How many reports of bullying or harassment where a preliminary assessment under Section H of ACTPS Enterprise Agreements was commenced during the 2017-18 financial year, were there for each directorate? | 29/11/2018 |
| 9 | 12/11/2018 | Candice Burch MLA | Chief Minister’s | State of the Service Report, B.2 Performance Analysis - Workforce Strategies In relation to: Ethical Behaviour, Professional Standards and Complaint Management 1. How many misconduct investigations, by directorate, were initiated by the Public Sector Standards Commissioner during 2017-18? 2. Why were fewer than half of the misconduct investigations received during 2017-18 completed during the financial year? 3. How many misconduct investigations is the Public Sector Standards Commissioner expected to complete within a year? | 27/11/2018 |
| 10 | 12/11/2018 | Candice Burch MLA | Chief Minister’s | State of the Service Report, B.2 Performance Analysis - Workforce Strategies In relation to: Workforce Capability- Culture Ready Working Group 1. What is the total cost of the Culture Ready Working Group across all directorates? 2. What, if any, indicators is the performance of the Culture Ready Working Group measured against? 3. To what extent has the Culture Ready Working Group developed and implemented resources and policies across all seven directorates? 4. What oversight is there of the Culture Ready Working Group to ensure cost efficiency and delivery of outcomes? | 29/11/2018 |

1. Legislative Assembly for the ACT, *Minutes of Proceedings No. 2*, 13 December 2016, p.13, available at: <https://www.parliament.act.gov.au/__data/assets/pdf_file/0008/1017980/MoP002F1.pdf> [↑](#footnote-ref-1)
2. Legislative Assembly for the ACT, *Minutes of Proceedings* *No. 37*, 26 October 2017, p.489, available at: <https://www.parliament.act.gov.au/__data/assets/pdf_file/0003/1122285/MOP037F.pdf> [↑](#footnote-ref-2)
3. Legislative Assembly for the ACT, *Debates*, 13 December 2016, p.40, available at: <http://www.hansard.act.gov.au/hansard/2017/pdfs/20161213a.pdf> [↑](#footnote-ref-3)
4. Legislative Assembly for the ACT, *Minutes of Proceedings*, 25 October 2018, pp.1065-1066, viewed 4 December 2018, available at: <https://www.parliament.act.gov.au/__data/assets/pdf_file/0011/1269128/MoP076F.pdf> [↑](#footnote-ref-4)
5. Taken from Legislative Assembly for the ACT, *Minutes of Proceedings*, 25 October 2018, pp.1066-1077. [↑](#footnote-ref-5)
6. The transcript to this public hearing is available on the inquiry home page: <https://www.parliament.act.gov.au/in-committees/standing-committees-current-assembly/standing-committee-on-public-accounts/inquiry-into-annual-and-financial-reports-2017-2018>, viewed 25 January 2019. [↑](#footnote-ref-6)
7. Answers to QTONs and QONs are available on the inquiry home page: <https://www.parliament.act.gov.au/in-committees/standing-committees-current-assembly/standing-committee-on-public-accounts/inquiry-into-annual-and-financial-reports-2017-2018>, viewed 25 January 2019. [↑](#footnote-ref-7)
8. ACT Government, Functions and Service Directory, ‘Revenue Management’, <https://www.directory.act.gov.au/ccexternal_5.1/webdir/cgi-bin/webdua.cgi?ea2_.&organizationalUnit&ou%3DREVENUE%20MANAGEMENT%2Cou%3DECONOMIC%5C%2C%20BUDGET%20AND%20INDUSTRIAL%20RELATIONS%2Cou%3DTREASURY%2Cou%3DCHIEF%20MINISTER%5C%2C%20TREASURY%20AND%20ECONOMIC%20DEVELOPMENT%20DIRECTORATE%20-%20CMTEDD%2Cou%3DACT%20GOVERNMENT%20DIRECTORATES%2Co%3DAustralian%20Capital%20Territory%2Cc%3DAU>, viewed 22 January 2019. [↑](#footnote-ref-8)
9. See Legislative Assembly for the ACT, *Minutes of Proceedings*, 31 October 2018, p.1106, available at: <https://www.parliament.act.gov.au/__data/assets/pdf_file/0004/1272442/MoP078F1.pdf> [↑](#footnote-ref-9)
10. *Proof Transcript of Evidence*, 12 November 2018, p.9. [↑](#footnote-ref-10)
11. Letter and advice from the Chief Minister regarding rates and valuations, 12 November 2018, available at: <https://www.parliament.act.gov.au/__data/assets/pdf_file/0007/1322989/Letter-and-advice-from-Chief-Minister-re-rates-and-valuations-12-November-2018.pdf>. [↑](#footnote-ref-11)
12. *Proof Transcript of Evidence*, 12 November 2018, pp. 2-20, 28-31. [↑](#footnote-ref-12)
13. Legislative Assembly for the ACT, *Minutes of Proceedings*, 29 November 2018, p.1172, available at: <https://www.parliament.act.gov.au/__data/assets/pdf_file/0006/1287357/MoP082F.pdf>. [↑](#footnote-ref-13)
14. Standing Committee on Public Accounts, Inquiry into commercial rates, <https://www.parliament.act.gov.au/in-committees/standing-committees-current-assembly/standing-committee-on-public-accounts/inquiry-into-commercial-rate-in-canberra>, viewed 6 February 2019. [↑](#footnote-ref-14)
15. Mr David Nicol, Under Treasurer, *Proof Transcript of Evidence*, 12 November 2018, p. 23. [↑](#footnote-ref-15)
16. Mr David Nicol, Under Treasurer, *Proof Transcript of Evidence*, 12 November 2018, p. 23. [↑](#footnote-ref-16)
17. Mr Andrew Barr MLA, Treasurer, Answer to Question Taken on Notice, 21 November 2018, QTON No. 7. [↑](#footnote-ref-17)
18. Mr Andrew Barr MLA, Treasurer, *Proof Transcript of Evidence*, 12 November 2018, p. 23. [↑](#footnote-ref-18)
19. Mr Kim Salisbury, Director, Revenue Management, *Proof Transcript of Evidence*, 12 November 2018, p. 27. [↑](#footnote-ref-19)
20. Mr Kim Salisbury, Director, Revenue Management, *Proof Transcript of Evidence*, 12 November 2018, p. 27. [↑](#footnote-ref-20)
21. Mr David Nicol, Under Treasurer, *Proof Transcript of Evidence*, 12 November 2018, p. 28. [↑](#footnote-ref-21)
22. Mr David Nicol, Under Treasurer, *Proof Transcript of Evidence*, 12 November 2018, p. 28. [↑](#footnote-ref-22)
23. Mr Kim Salisbury, Director, Revenue Management, *Proof Transcript of Evidence*, 12 November 2018, pp. 28-29. [↑](#footnote-ref-23)
24. Mr Andrew Barr MLA, Treasurer, *Proof Transcript of Evidence*, 12 November 2018, p. 30. [↑](#footnote-ref-24)
25. Mr Andrew Barr MLA, Treasurer, *Proof Transcript of Evidence*, 12 November 2018, pp. 30-31. [↑](#footnote-ref-25)
26. Mr David Nicol, Under Treasurer, *Proof Transcript of Evidence*, 12 November 2018, p. 29. [↑](#footnote-ref-26)
27. CMTEDD Annual Report 2017-18, Volume 1, viewed 25 October 2018, p. 91, available at: <https://www.cmtedd.act.gov.au/__data/assets/pdf_file/0003/1262478/CMTEDD-Annual-Report-2017-18-Volume-1.pdf>. [↑](#footnote-ref-27)
28. Mr Mark Whybrow, Executive Director, Finance and Budget, *Proof Transcript of Evidence*, 12 November 2018, p. 20. [↑](#footnote-ref-28)
29. Mr Mark Whybrow, Executive Director, Finance and Budget and Mr Andrew Barr MLA, Treasurer, *Proof Transcript of Evidence*, 12 November 2018, pp. 20-21. [↑](#footnote-ref-29)
30. Mr Mark Whybrow, Executive Director, Finance and Budget, *Transcript of Evidence*, 12 November 2018, p. 20. [↑](#footnote-ref-30)
31. Mr Andrew Barr MLA, Treasurer, *Proof Transcript of Evidence*, 12 November 2018, p. 21. [↑](#footnote-ref-31)
32. Mr Andrew Barr MLA, Treasurer, *Proof Transcript of Evidence*, 12 November 2018, p. 21. [↑](#footnote-ref-32)
33. Mr David Nicol, Under Treasurer, *Proof Transcript of Evidence*, 12 November 2018, p. 22. [↑](#footnote-ref-33)
34. Mr Andrew Barr MLA, Treasurer, *Proof Transcript of Evidence*, 12 November 2018, p. 24. [↑](#footnote-ref-34)
35. Mr Andrew Barr MLA, Treasurer, *Proof Transcript of Evidence*, 12 November 2018, p. 24. [↑](#footnote-ref-35)
36. Mr Andrew Barr MLA, Treasurer, *Proof Transcript of Evidence*, 12 November 2018, p. 25. [↑](#footnote-ref-36)
37. CMTEDD Annual Report 2017-18, Volume 1, viewed 25 October 2018, p. 121, available at: <https://www.cmtedd.act.gov.au/__data/assets/pdf_file/0003/1262478/CMTEDD-Annual-Report-2017-18-Volume-1.pdf>. [↑](#footnote-ref-37)
38. Mr Patrick McAuliffe, Director, Asset Liability Management and Insurance, *Proof Transcript of Evidence*, 12 November 2018, p. 33. [↑](#footnote-ref-38)
39. Mr Stephen Miner, Deputy Under Treasurer, *Proof Transcript of Evidence*, 12 November 2018, p. 35. See ACT Government, Budget 2018-19, Budget Paper 3, p. 300, <https://apps.treasury.act.gov.au/__data/assets/pdf_file/0007/1206817/Budget-Paper-3-Budget-Outlook-2018-19.pdf>, viewed 23 January 2019. [↑](#footnote-ref-39)
40. ACT Government, Treasury, ‘The Nominal Defendant’, <https://apps.treasury.act.gov.au/compulsorytpi/nominal-defendant>, viewed 22 January 2019. [↑](#footnote-ref-40)
41. Mr John Fletcher, General Manager, ACT Insurance Authority, *Proof Transcript of Evidence*, 12 November 2018, pp. 35-36. [↑](#footnote-ref-41)
42. Mr John Fletcher, General Manager, ACT Insurance Authority, *Proof Transcript of Evidence*, 12 November 2018, p. 36. [↑](#footnote-ref-42)
43. Mr John Fletcher, General Manager, ACT Insurance Authority, *Proof Transcript of Evidence*, 12 November 2018, p. 36. [↑](#footnote-ref-43)
44. CMTEDD Annual Report 2017-18, Volume 1, p. 266, viewed 25 October 2018, available at: <https://www.cmtedd.act.gov.au/__data/assets/pdf_file/0003/1262478/CMTEDD-Annual-Report-2017-18-Volume-1.pdf>. [↑](#footnote-ref-44)
45. Ms Lisa Holmes, Director, Financial Framework Management and Insurance, *Proof Transcript of Evidence*, 12 November 2018, p. 37. [↑](#footnote-ref-45)
46. Ms Lisa Holmes, Director, Financial Framework Management and Insurance, *Proof Transcript of Evidence*, 12 November 2018, p. 37. [↑](#footnote-ref-46)
47. Ms Lisa Holmes, Director, Financial Framework Management and Insurance, *Proof Transcript of Evidence*, 12 November 2018, pp. 37-38. [↑](#footnote-ref-47)
48. Ms Lisa Holmes, Director, Financial Framework Management and Insurance, *Proof Transcript of Evidence*, 12 November 2018, p. 38. [↑](#footnote-ref-48)
49. Icon Water Ltd., *Annual Report 2017-2018*, p. 6. [↑](#footnote-ref-49)
50. Mr Ray Hezkial, Chief Executive Officer, *Proof Transcript of Evidence*, 12 November 2018, p. 42. [↑](#footnote-ref-50)
51. Mr Ray Hezkial, Chief Executive Officer, *Proof Transcript of Evidence*, 12 November 2018, p. 42. [↑](#footnote-ref-51)
52. Mr Ray Hezkial, Chief Executive Officer, *Proof Transcript of Evidence*, 12 November 2018, p. 42. [↑](#footnote-ref-52)
53. Mr Ray Hezkial, Chief Executive Officer and Ms Jane Breaden, General Manager, Business Services, *Proof Transcript of Evidence*, 12 November 2018, p. 43. [↑](#footnote-ref-53)
54. Mr Ray Hezkial, Chief Executive Officer, *Proof Transcript of Evidence*, 12 November 2018, p. 45. [↑](#footnote-ref-54)
55. Mr Ray Hezkial, Chief Executive Officer, *Proof Transcript of Evidence*, 12 November 2018, p. 45. [↑](#footnote-ref-55)
56. Mr Ray Hezkial, Chief Executive Officer, *Proof Transcript of Evidence*, 12 November 2018, p. 43. [↑](#footnote-ref-56)
57. Mr Ray Hezkial, Chief Executive Officer, *Proof Transcript of Evidence*, 12 November 2018, p. 43. [↑](#footnote-ref-57)
58. Ms Jane Breaden, General Manager, Business Services, *Proof Transcript of Evidence*, 12 November 2018, p. 43. [↑](#footnote-ref-58)
59. Mr Ray Hezkial, Chief Executive Officer, *Proof Transcript of Evidence*, 12 November 2018, p. 46. [↑](#footnote-ref-59)
60. Mr Ray Hezkial, Chief Executive Officer, *Proof Transcript of Evidence*, 12 November 2018, p. 46. [↑](#footnote-ref-60)
61. Mr Ray Hezkial, Chief Executive Officer, *Proof Transcript of Evidence*, 12 November 2018, p. 46. [↑](#footnote-ref-61)
62. Ms Jane Breaden, General Manager, Business Services, *Proof Transcript of Evidence*, 12 November 2018, pp. 47-48. [↑](#footnote-ref-62)
63. Mr Ray Hezkial, Chief Executive Officer, *Proof Transcript of Evidence*, 12 November 2018, p. 47. [↑](#footnote-ref-63)
64. Mr Ray Hezkial, Chief Executive Officer, *Proof Transcript of Evidence*, 12 November 2018, p. 47. [↑](#footnote-ref-64)
65. Mr Ray Hezkial, Chief Executive Officer, *Proof Transcript of Evidence*, 12 November 2018, p. 43. [↑](#footnote-ref-65)
66. Ms Jane Breaden, General Manager, Business Services, *Proof Transcript of Evidence*, 12 November 2018, p. 48. [↑](#footnote-ref-66)
67. Ms Jane Breaden, General Manager, Business Services, *Proof Transcript of Evidence*, 12 November 2018, p. 48. [↑](#footnote-ref-67)
68. Mr Ray Hezkial, Chief Executive Officer, *Proof Transcript of Evidence*, 12 November 2018, p. 48. [↑](#footnote-ref-68)
69. Ms Jane Breaden, General Manager, Business Services, *Proof Transcript of Evidence*, 12 November 2018, p. 50. [↑](#footnote-ref-69)
70. Mr Andrew Barr MLA, Treasurer, Answer to Question Taken on Notice, 22 November 2018, QTON No. 11. [↑](#footnote-ref-70)
71. Ms Jane Breaden, General Manager, Business Services, *Proof Transcript of Evidence*, 12 November 2018, p. 50. [↑](#footnote-ref-71)
72. Mr Sam Sachse, Chief Financial Officer, *Proof Transcript of Evidence*, 12 November 2018, pp. 55, 56. [↑](#footnote-ref-72)
73. Mr Andrew Barr, Treasurer, Answer to Question Taken on Notice, 21 November 2018, QTON No. 14. [↑](#footnote-ref-73)
74. Mr Andrew Barr, Treasurer, Answer to Question Taken on Notice, 21 November 2018, QTON No. 12. [↑](#footnote-ref-74)
75. Mr Ray Hezkial, Chief Executive Officer, *Proof Transcript of Evidence*, 12 November 2018, p. 52. [↑](#footnote-ref-75)
76. Mr Ray Hezkial, Chief Executive Officer, *Proof Transcript of Evidence*, 12 November 2018, p. 53. [↑](#footnote-ref-76)
77. Mr Andrew Barr, Treasurer, Answer to Question Taken on Notice, 21 November 2018, QTON No. 13. [↑](#footnote-ref-77)
78. Mr Alistair Coe MLA, *Proof Transcript of Evidence*, 12 November 2018, p. 53 [↑](#footnote-ref-78)
79. Mr Sam Sachse, Chief Financial Officer, *Proof Transcript of Evidence*, 12 November 2018, pp. 53, 54. [↑](#footnote-ref-79)
80. ACT Government, Chief Minister, Treasury and Economic Development Directorate, ‘Workforce Capability and Governance’, <https://www.cmtedd.act.gov.au/industrial-relations-and-public-sector-management>, viewed 22 January 2019. [↑](#footnote-ref-80)
81. Ms Kathy Leigh, Head of Service and Director-General, *Proof Transcript of Evidence*, 12 November 2018, p. 57. [↑](#footnote-ref-81)
82. Ms Meredith Whitten, Deputy Director-General, Workforce Capability and Governance, *Proof Transcript of Evidence*, 12 November 2018, p. 58. Also see: Andrew Barr MLA, Chief Minister, Answer to Question on Notice, 28 November 2018, QON No. 10. [↑](#footnote-ref-82)
83. Andrew Barr MLA, Chief Minister, Answer to Question on Notice, 28 November 2018, QON No. 10. [↑](#footnote-ref-83)
84. Andrew Barr MLA, Chief Minister, Answer to Question on Notice, 28 November 2018, QON No. 10. [↑](#footnote-ref-84)
85. Ms Meredith Whitten, Deputy Director-General, Workforce Capability and Governance, *Proof Transcript of Evidence*, 12 November 2018, p. 59. [↑](#footnote-ref-85)
86. Mr Andrew Barr MLA, Chief Minister, *Proof Transcript of Evidence*, 12 November 2018, p. 61. [↑](#footnote-ref-86)
87. Ms Kathy Leigh, Head of Service and Director-General, *Proof Transcript of Evidence*, 12 November 2018, p. 62. [↑](#footnote-ref-87)
88. Ms Kathy Leigh, Head of Service and Director-General, *Proof Transcript of Evidence*, 12 November 2018, p. 62. [↑](#footnote-ref-88)
89. Mr Andrew Barr MLA, Chief Minister, *Proof Transcript of Evidence*, 12 November 2018, p. 62. [↑](#footnote-ref-89)
90. Mr Ian McPhee, Public Sector Standards Commissioner, *Proof Transcript of Evidence*, 12 November 2018, p. 64. [↑](#footnote-ref-90)
91. Mr Ian McPhee, Public Sector Standards Commissioner, *Proof Transcript of Evidence*, 12 November 2018, p. 64. [↑](#footnote-ref-91)
92. Mr Ian McPhee, Public Sector Standards Commissioner, *Proof Transcript of Evidence*, 12 November 2018, p. 65. [↑](#footnote-ref-92)
93. Mr Ian McPhee, Public Sector Standards Commissioner, *Proof Transcript of Evidence*, 12 November 2018, p. 66. [↑](#footnote-ref-93)
94. Mr Ian McPhee, Public Sector Standards Commissioner, *Proof Transcript of Evidence*, 12 November 2018, p. 67. [↑](#footnote-ref-94)
95. Independent Competition and Regulatory Commission, ‘About Us’, <https://www.icrc.act.gov.au/about-us/>, viewed 22 January 2019. [↑](#footnote-ref-95)
96. Mr Joe Dimasi, Senior Commissioner, *Proof Transcript of Evidence*, 12 November 2018, p. 67. [↑](#footnote-ref-96)
97. Mr Joe Dimasi, Senior Commissioner, *Proof Transcript of Evidence*, 12 November 2018, p. 68. [↑](#footnote-ref-97)
98. Mr Joe Dimasi, Senior Commissioner and Dr Annette Weier, Chief Executive Officer, *Proof Transcript of Evidence*, 12 November 2018, p. 69. [↑](#footnote-ref-98)
99. Dr Annette Weier, Chief Executive Officer, *Proof Transcript of Evidence*, 12 November 2018, pp. 69-70. [↑](#footnote-ref-99)
100. Dr Annette Weier, Chief Executive Officer, *Proof Transcript of Evidence*, 12 November 2018, p. 70. [↑](#footnote-ref-100)
101. ACT Government, Treasury, ‘Lifetime Care and Support Scheme’, <https://apps.treasury.act.gov.au/ltcss/home>, viewed 22 January 2019. [↑](#footnote-ref-101)
102. Ms Lisa Holmes, Director, Financial Framework Management and Insurance, *Proof Transcript of Evidence*, 12 November 2018, p. 72. [↑](#footnote-ref-102)
103. Ms Lisa Holmes, Director, Financial Framework Management and Insurance, *Proof Transcript of Evidence*, 12 November 2018, p. 72. [↑](#footnote-ref-103)
104. Ms Lisa Holmes, Director, Financial Framework Management and Insurance, *Proof Transcript of Evidence*, 12 November 2018, p. 73. [↑](#footnote-ref-104)
105. Ms Lisa Holmes, Director, Financial Framework Management and Insurance, *Proof Transcript of Evidence*, 12 November 2018, p. 73. [↑](#footnote-ref-105)
106. Ms Lisa Holmes, Director, Financial Framework Management and Insurance, *Proof Transcript of Evidence*, 12 November 2018, p. 74. [↑](#footnote-ref-106)
107. Ms Lisa Holmes, Director, Financial Framework Management and Insurance, *Proof Transcript of Evidence*, 12 November 2018, p. 76. [↑](#footnote-ref-107)
108. Mr David Nicol, Under Treasurer, *Proof Transcript of Evidence*, 12 November 2018, p. 76. [↑](#footnote-ref-108)
109. Mr Andrew Barr MLA, Treasurer, Answer to Question Taken on Notice, 20 November 2018, QTON No. 18. [↑](#footnote-ref-109)
110. Mr David Nicol, Under Treasurer, *Proof Transcript of Evidence*, 12 November 2018, p. 76. [↑](#footnote-ref-110)
111. Mr David Nicol, Under Treasurer, *Proof Transcript of Evidence*, 12 November 2018, p. 77. [↑](#footnote-ref-111)
112. Ms Sue Vroombout, Executive Director, Economic and Financial Group, *Proof Transcript of Evidence*, 12 November 2018, p. 77; Mr Andrew Barr MLA, Treasurer, Answer to Question Taken on Notice, 20 November 2018, QTON No. 17. [↑](#footnote-ref-112)
113. Mr Andrew Barr MLA, Treasurer, Answer to Question Taken on Notice, 20 November 2018, QTON No. 17. [↑](#footnote-ref-113)
114. Mr David Nicol, Under Treasurer, *Proof Transcript of Evidence*, 12 November 2018, p. 78. [↑](#footnote-ref-114)
115. Mr Andrew Barr MLA, Treasurer, Answer to Question Taken on Notice, 20 November 2018, QTON No. 19. [↑](#footnote-ref-115)
116. ACT Ombudsman, ‘Who we are’, <http://www.ombudsman.act.gov.au/about-us/who-we-are>, viewed 22 January 2019. [↑](#footnote-ref-116)
117. Mr Michael Manthrope, ACT Ombudsman, *Proof Transcript of Evidence*, 12 November 2018, p. 80. [↑](#footnote-ref-117)
118. Mr Michael Manthrope, ACT Ombudsman, *Proof Transcript of Evidence*, 12 November 2018, p. 80. [↑](#footnote-ref-118)
119. Mr Michael Manthrope, ACT Ombudsman, *Proof Transcript of Evidence*, 12 November 2018, p. 80. [↑](#footnote-ref-119)
120. Mr Michael Manthrope, ACT Ombudsman, *Proof Transcript of Evidence*, 12 November 2018, pp. 80-81. [↑](#footnote-ref-120)
121. Mr Paul Pfitzner, Senior Assistant Ombudsman, Program Delivery Branch, *Proof Transcript of Evidence*, 12 November 2018, p. 81. [↑](#footnote-ref-121)
122. Mr Michael Manthrope, ACT Ombudsman, *Proof Transcript of Evidence*, 12 November 2018, p. 82. [↑](#footnote-ref-122)
123. Ms Jaala Hinchcliffe, Deputy Ombudsman, *Proof Transcript of Evidence*, 12 November 2018, p. 83. [↑](#footnote-ref-123)
124. Mr Michael Manthrope, ACT Ombudsman, *Proof Transcript of Evidence*, 12 November 2018, p. 85. [↑](#footnote-ref-124)
125. Mr Michael Manthrope, ACT Ombudsman, *Proof Transcript of Evidence*, 12 November 2018, p. 85. [↑](#footnote-ref-125)
126. Mr Michael Manthrope, ACT Ombudsman, *Proof Transcript of Evidence*, 12 November 2018, p. 85. [↑](#footnote-ref-126)
127. Mr Michael Manthrope, ACT Ombudsman, *Proof Transcript of Evidence*, 12 November 2018, p. 86. [↑](#footnote-ref-127)
128. Mr Paul Pfitzner, Senior Assistant Ombudsman, Program Delivery Branch, *Proof Transcript of Evidence*, 12 November 2018, p. 86. [↑](#footnote-ref-128)
129. Mr Michael Manthrope, ACT Ombudsman, *Proof Transcript of Evidence*, 12 November 2018, p. 87. [↑](#footnote-ref-129)
130. Mr Michael Manthrope, ACT Ombudsman, *Proof Transcript of Evidence*, 12 November 2018, p. 86. [↑](#footnote-ref-130)
131. Mr Michael Manthrope, ACT Ombudsman, *Proof Transcript of Evidence*, 12 November 2018, p. 87. [↑](#footnote-ref-131)
132. Mr Michael Manthrope, ACT Ombudsman, *Proof Transcript of Evidence*, 12 November 2018, p. 88. [↑](#footnote-ref-132)
133. Mr Paul Pfitzner, Senior Assistant Ombudsman, Program Delivery Branch, *Proof Transcript of Evidence*, 12 November 2018, pp. 88-89. [↑](#footnote-ref-133)
134. Mr Michael Manthrope, ACT Ombudsman, *Proof Transcript of Evidence*, 12 November 2018, pp. 89-90. [↑](#footnote-ref-134)
135. Mr Michael Manthrope, ACT Ombudsman, Answer to Question Taken on Notice, 19 November 2018, QTON No. 20. [↑](#footnote-ref-135)
136. ACT Government, Treasury, ‘ACT Insurance Authority’, <https://apps.treasury.act.gov.au/insurance-and-risk-management>, viewed 22 January 2019. [↑](#footnote-ref-136)
137. Mr John Fletcher, General Manager, ACT Insurance Authority, *Proof Transcript of Evidence*, 12 November 2018, p. 93. [↑](#footnote-ref-137)
138. Mr John Fletcher, General Manager, ACT Insurance Authority, *Proof Transcript of Evidence*, 12 November 2018, p. 93. [↑](#footnote-ref-138)
139. Mr John Fletcher, General Manager, ACT Insurance Authority, *Proof Transcript of Evidence*, 12 November 2018, p. 93. [↑](#footnote-ref-139)
140. Mr John Fletcher, General Manager, ACT Insurance Authority, *Proof Transcript of Evidence*, 12 November 2018, p. 93. [↑](#footnote-ref-140)
141. Mr John Fletcher, General Manager, ACT Insurance Authority, *Proof Transcript of Evidence*, 12 November 2018, pp. 94-95. [↑](#footnote-ref-141)
142. Mr John Fletcher, General Manager, ACT Insurance Authority, *Proof Transcript of Evidence*, 12 November 2018, p. 95. [↑](#footnote-ref-142)
143. Mr John Fletcher, General Manager, ACT Insurance Authority, *Proof Transcript of Evidence*, 12 November 2018, p. 96. [↑](#footnote-ref-143)
144. Mr John Fletcher, General Manager, ACT Insurance Authority, *Proof Transcript of Evidence*, 12 November 2018, p. 97. [↑](#footnote-ref-144)
145. Mr John Fletcher, General Manager, ACT Insurance Authority, *Proof Transcript of Evidence*, 12 November 2018, p. 97. [↑](#footnote-ref-145)
146. Mr John Fletcher, General Manager, ACT Insurance Authority, *Proof Transcript of Evidence*, 12 November 2018, pp. 97-98. [↑](#footnote-ref-146)
147. Mr John Fletcher, General Manager, ACT Insurance Authority, *Proof Transcript of Evidence*, 12 November 2018, p. 98. [↑](#footnote-ref-147)
148. CMTEDD Annual Report 2017-18, Volume 1, p. 98, viewed 25 October 2018, p. 121, available at: <https://www.cmtedd.act.gov.au/__data/assets/pdf_file/0003/1262478/CMTEDD-Annual-Report-2017-18-Volume-1.pdf>. [↑](#footnote-ref-148)
149. Mr Gary Davis, Executive Director, Shared Services ICT, *Proof Transcript of Evidence*, 12 November 2018, p. 98. [↑](#footnote-ref-149)
150. Mr Gary Davis, Executive Director, Shared Services ICT, *Proof Transcript of Evidence*, 12 November 2018, pp. 98-99. [↑](#footnote-ref-150)
151. Mr Gary Davis, Executive Director, Shared Services ICT, *Proof Transcript of Evidence*, 12 November 2018, p. 99. [↑](#footnote-ref-151)
152. Mr Graham Tanton, Executive Director, Shared Services, *Proof Transcript of Evidence*, 12 November 2018, p. 99. [↑](#footnote-ref-152)
153. Mr Gary Davis, Executive Director, Shared Services ICT, *Proof Transcript of Evidence*, 12 November 2018, p. 101. [↑](#footnote-ref-153)
154. Mr Gary Davis, Executive Director, Shared Services ICT, *Proof Transcript of Evidence*, 12 November 2018, p. 102. [↑](#footnote-ref-154)
155. Daniel Burdon, ‘ACT government directory hack discovered after data put up for sale’, *Canberra Times*, 19 February 2019. [↑](#footnote-ref-155)
156. David Wroe and Chris Uhlmann, ‘Federal MP’s computer network hacked in possible foreign government attack’, *Canberra Times*, 8 February 2019. [↑](#footnote-ref-156)
157. Mr Gary Davis, Executive Director, Shared Services ICT, *Proof Transcript of Evidence*, 12 November 2018, p. 102. [↑](#footnote-ref-157)
158. Mr Gary Davis, Executive Director, Shared Services ICT, *Proof Transcript of Evidence*, 12 November 2018, pp. 102, 103. [↑](#footnote-ref-158)
159. Mr Gary Davis, Executive Director, Shared Services ICT, *Proof Transcript of Evidence*, 12 November 2018, pp. 102-103. [↑](#footnote-ref-159)
160. Mr Gary Davis, Executive Director, Shared Services ICT, *Proof Transcript of Evidence*, 12 November 2018, p. 103. [↑](#footnote-ref-160)
161. ACT Audit Office, ‘About Us’, <https://www.audit.act.gov.au/about-us>, viewed 22 January 2019. [↑](#footnote-ref-161)
162. Mr Ajay Sharma, Acting Auditor-General, *Proof Transcript of Evidence*, 12 November 2018, p. 105. [↑](#footnote-ref-162)
163. Mr Brett Stanton, Director, Performance Audits, *Proof Transcript of Evidence*, 12 November 2018, p. 105. [↑](#footnote-ref-163)
164. Mr Brett Stanton, Director, Performance Audits, *Proof Transcript of Evidence*, 12 November 2018, p. 105. [↑](#footnote-ref-164)
165. Mr Ajay Sharma, Acting Auditor-General, *Proof Transcript of Evidence*, 12 November 2018, p. 106. [↑](#footnote-ref-165)
166. Mr Ajay Sharma, Acting Auditor-General, *Proof Transcript of Evidence*, 12 November 2018, p. 107. [↑](#footnote-ref-166)
167. Mr Ajay Sharma, Acting Auditor-General, *Proof Transcript of Evidence*, 12 November 2018, p. 106. [↑](#footnote-ref-167)
168. Mr Brett Stanton, Director, Performance Audits, *Proof Transcript of Evidence*, 12 November 2018, p. 109. [↑](#footnote-ref-168)
169. Mr Brett Stanton, Director, Performance Audits, *Proof Transcript of Evidence*, 12 November 2018, p. 109. [↑](#footnote-ref-169)
170. Mr Brett Stanton, Director, Performance Audits, *Proof Transcript of Evidence*, 12 November 2018, p. 111. [↑](#footnote-ref-170)
171. Mr Brett Stanton, Director, Performance Audits, *Proof Transcript of Evidence*, 12 November 2018, p. 111. [↑](#footnote-ref-171)
172. Mr Ajay Sharma, Acting Auditor-General, *Proof Transcript of Evidence*, 12 November 2018, p. 111. [↑](#footnote-ref-172)
173. Mr Ajay Sharma, Acting Auditor-General, *Proof Transcript of Evidence*, 12 November 2018, p. 111. [↑](#footnote-ref-173)
174. Mr Ajay Sharma, Acting Auditor-General, *Proof Transcript of Evidence*, 12 November 2018, p. 112. [↑](#footnote-ref-174)
175. Mr Brett Stanton, Director, Performance Audits, *Proof Transcript of Evidence*, 12 November 2018, pp. 112-113. [↑](#footnote-ref-175)
176. Mr Brett Stanton, Director, Performance Audits, *Proof Transcript of Evidence*, 12 November 2018, p. 113. [↑](#footnote-ref-176)
177. Ms Joy Burch, Speaker of the Legislative Assembly, *Proof Transcript of Evidence*, 12 November 2018, p. 114. [↑](#footnote-ref-177)
178. Mr Ian Duckworth, Executive Manager, Business Support Branch, *Proof Transcript of Evidence*, 12 November 2018, p. 115. [↑](#footnote-ref-178)
179. Mr Ian Duckworth, Executive Manager, Business Support Branch, *Proof Transcript of Evidence*, 12 November 2018, p. 115. [↑](#footnote-ref-179)
180. Mr Tom Duncan, Clerk of the Legislative Assembly, *Proof Transcript of Evidence*, 12 November 2018, p. 116. [↑](#footnote-ref-180)
181. Ms Joy Burch MLA, Speaker of the Legislative Assembly, Answer to Question Taken on Notice, 22 November 2018, QTON No. 24, available at: <https://www.parliament.act.gov.au/__data/assets/pdf_file/0011/1293149/QTON-No-24-Speaker-of-the-Assembly-received-22-November-2018.pdf>, viewed 4 February 2019. [↑](#footnote-ref-181)
182. Mr Tom Duncan, Clerk of the Legislative Assembly, *Proof Transcript of Evidence*, 12 November 2018, p. 116. [↑](#footnote-ref-182)
183. Mr Ian Duckworth, Executive Manager, Business Support Branch, *Proof Transcript of Evidence*, 12 November 2018, p. 117. [↑](#footnote-ref-183)
184. Mr Ian Duckworth, Executive Manager, Business Support Branch, *Proof Transcript of Evidence*, 12 November 2018, p. 117. [↑](#footnote-ref-184)
185. Mr Malcolm Prentice, Chief Financial Officer, Business Support Branch, *Proof Transcript of Evidence*, 12 November 2018, p. 119. [↑](#footnote-ref-185)
186. Mr Ian Duckworth, Executive Manager, Business Support Branch, *Proof Transcript of Evidence*, 12 November 2018, p. 120. [↑](#footnote-ref-186)
187. Mr Ian Duckworth, Executive Manager, Business Support Branch, *Proof Transcript of Evidence*, 12 November 2018, p. 121. [↑](#footnote-ref-187)
188. Ms Joy Burch MLA, Speaker of the Legislative Assembly, Answer to Question Taken on Notice, 21 November 2018, QTONs No. 23 and 24. [↑](#footnote-ref-188)
189. Ms Joy Burch MLA, Speaker of the Legislative Assembly, Answer to Question Taken on Notice, 21 November 2018, QTONs No. 23 and 24. [↑](#footnote-ref-189)
190. Mr Ian Duckworth, Executive Manager, Business Support Branch, *Proof Transcript of Evidence*, 12 November 2018, p. 120. [↑](#footnote-ref-190)
191. Ms Joy Burch MLA, Speaker of the Legislative Assembly, Answer to Question Taken on Notice, 21 November 2018, QTONs No. 23 and 24. [↑](#footnote-ref-191)
192. Ms Joy Burch MLA, Speaker of the Legislative Assembly, Answer to Question Taken on Notice, 21 November 2018, QTONs No. 23 and 24. [↑](#footnote-ref-192)
193. Ms Joy Burch MLA, Speaker of the Legislative Assembly, Answer to Question Taken on Notice, 21 November 2018, QTONs No. 23 and 24. [↑](#footnote-ref-193)