



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

(Reference: [Appropriation Bill 2013-2014 \(No 2\) and Appropriation \(Office of the Legislative Assembly\) Bill 2013-2014 \(No 2\)](#))

Members:

MR B SMYTH (Chair)
MS M PORTER (Deputy Chair)
DR C BOURKE
MS N LAWDER

TRANSCRIPT OF EVIDENCE

CANBERRA

MONDAY, 28 APRIL 2014

Secretary to the committee:
Dr A Cullen (Ph: 620 50142)

By authority of the Legislative Assembly for the Australian Capital Territory

Submissions, answers to questions on notice and other documents, including requests for clarification of the transcript of evidence, relevant to this inquiry that have been authorised for publication by the committee may be obtained from the Legislative Assembly website.

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Amended 20 May 2013

The committee met at 12.01 pm.

CORBELL, MR SIMON, Attorney-General, Minister for Police and Emergency Services, Minister for Workplace Safety and Industrial Relations and Minister for the Environment and Sustainable Development

THOMAS, MS EMMA, Project Director and Director-General, Capital Metro Agency

BAIN, MR GLENN, Deputy Project Director and Deputy Director-General, Capital Metro Agency

PLAYFORD, MS ALISON, Acting Director-General, Justice and Community Safety Directorate

GEORGES, MS SANDRA, Parliamentary Counsel, ACT Parliamentary Counsel's Office, Justice and Community Safety Directorate

HAMMOND, MR GREG, Executive Director, Capital Works and Infrastructure, Justice and Community Safety Directorate

THE CHAIR: We will commence. We would like to welcome you all today to this public hearing of the inquiry into the Appropriation Bill 2013-2014 (No 2) and the Appropriation (Office of the Legislative Assembly) Bill 2013-2014 (No 2). We look forward to having some discussion with you. Minister, would you like to make an opening statement?

Mr Corbell: Thank you, Mr Chairman. I thank the committee for the opportunity to appear before you today. I will make a couple of brief opening comments, if I may. The first is that this bill provides for a range of appropriations across three agencies—the Justice and Community Safety Directorate, the Environment and Sustainable Development Directorate and the Capital Metro Agency. I will deal briefly with each of those.

In relation to the Environment and Sustainable Development Directorate, the appropriation bill provides \$3 million to return additional water to the Murray-Darling Basin, which complements the significant savings that have been achieved through water efficiency measures throughout the ACT. The government remains committed to achieving sustainable water consumption into the future. This will also be outlined in the government's water strategy, which is close to finalisation.

In relation to the Capital Metro Agency, the bill provides for two changes to appropriation. Neither of these amounts, however, is new or additional funding. The first element is a transfer or reclassification to net cost of outputs of an existing capital injection amount appropriated to the Capital Metro Agency in the 2013-14 budget to the value of \$5 million. There is no change to the studies or design work to be undertaken, but this reclassification reflects the appropriate accounting treatment for expenditure by CMA against that appropriation.

The second element is a transfer of \$433,000 that was committed but unspent funds from a sum originally appropriated to the Environment and Sustainable Development Directorate for expenditure against a number of studies associated with the light rail project. It represents primarily the outstanding amounts to be paid for the Hibberson Street study, which is now complete, and the network integration study. Whilst these

costs were initially appropriated to ESDD as a capital injection, it is also now felt appropriate to reclassify them as net cost of outputs, for the same reasons that I mentioned earlier.

Finally, there is funding to the Justice and Community Safety Directorate. This appropriation provides a further \$3.6 million recurrent and \$3.2 million capital, of which \$3.1 million recurrent and close to \$2 million capital relates to funding to the Attorney-General and Police and Emergency Services portfolios. That funding focuses on four key areas: \$1.105 million for judges' remuneration; \$1.297 million to progress works in relation to the new ACT courts facilities; \$0.328 million for the ACT legislation register project; and \$2.387 million for revised wage parameters for the justice, courts and tribunals and emergency services output classes.

With that, Mr Chairman, I and my officials are happy to try and answer your questions.

THE CHAIR: Perhaps we will start with Capital Metro then. What has changed that has caused it to go from capital injection to recurrent?

Mr Corbell: It is considered that better reflects the nature of the expenditure, but I might ask Ms Thomas if she can elaborate on that for you.

Ms Thomas: I was not here for the original classification of the recurrent and capital for the project so all I can say is that, with the current accounting treatments that are in existence, the expenditure is better allocated to that recurrent spending. I can ask Glenn Bain, who is here at the moment, to give any other indications as to why it was allocated that way in the first place.

Mr Bain: It really turns on the proximity to a capital asset being developed and the nature of the work. At this stage of the work it is conceptual. The accounting treatment would suggest, under best practice, that you would expense that rather than capitalise it at this stage.

THE CHAIR: Why the sudden change? Would that not have been known when the budget was put together last year?

Mr Bain: No, not necessarily. At that stage, while there was some indication as to which way we would be looking at the work, in terms of its actual delivery, there was no firm commitment as to whether or not it was immediately capitalised. The studies and the sort of work that is being done through that appropriation are feeding into decisions around the nature of the project, not just in its design but in its procurement as well. Until that procurement methodology is finalised, it is best practice to expense it rather than capitalise it.

THE CHAIR: If it is best practice now why was it not best practice then?

Mr Bain: It is a question of what was known then versus what is known now. As it has developed it has become a question of not fully understanding yet what the factors of those decisions are and not yet putting material to government to make that decision.

THE CHAIR: So were we therefore appropriating funds for things we did not know about?

Mr Bain: No, not at all.

Mr Corbell: On balance, Mr Smyth, given the outputs associated with those pieces of work, the assessment has been made that it is better to reflect it as a net cost of outputs rather than capitalise it against the project due to the timing associated with the project and the nature of the outputs from that work.

THE CHAIR: Both those reviews—the Hibberson Street and the network integration study—are complete?

Mr Corbell: The Hibberson Street work is complete. In relation to the network integration study—

Ms Thomas: The network integration study is not complete at this stage. We are expecting that to be complete in July.

THE CHAIR: Will both documents be made public when they are finished?

Ms Thomas: I think that is a matter for—

Mr Corbell: Following the government’s consideration of them, the government will make a decision on their release.

THE CHAIR: All right. The Hibberson Street one—has that been considered and is it available?

Mr Corbell: It is still subject to government consideration and a decision has not yet been made on its release.

DR BOURKE: I might turn to the legislation register. Can you tell us about the kind of work that is going to be done there and why it has become necessary?

Mr Corbell: The legislation register project is designed to upgrade the capacity and the functionality of the existing ACT legislation register. The legislation register is a critical component of the operation of self-government, as it is the territory’s authorised electronic statute book and it is how acts of the Assembly are brought into legal force.

The existing system is now 12 years old and there are a range of interrelated systems that sit behind the register that support drafting, notification, republication and repeal of all ACT legislation. This funding will allow the office of parliamentary counsel to redevelop and replace the current technology, which is now nearing end of life, and provide a more modern technology to support the ongoing operation of the register.

DR BOURKE: There is a capital component to the judges’ remuneration. Could you explain that, please?

Ms Playford: The capital component of the judges' remuneration is a one-off payment related to the retirement of the former ACT Chief Justice. Eighty per cent of that amount is paid by the ACT and the remaining 20 per cent is paid by the commonwealth. So it was a one-off capital payment.

DR BOURKE: Why is that a capital payment and not a recurrent payment, since it relates to salaries?

Ms Playford: The retirement payment relates to accrued leave with respect to the former Chief Justice. That is why it is a capital payment.

DR BOURKE: And the expenses on behalf of the territory of \$244,000?

Ms Playford: The recurrent funding?

DR BOURKE: No, the—

Ms Playford: The territorial—

DR BOURKE: That is not the rest of it, is it?

Ms Playford: A small component of that is increases to the ACT judges pension scheme, caused by a Remuneration Tribunal determination.

MS LAWDER: Can I return to the legislation register replacement. Has that work already been underway and this is additional funds required, or is it a new project?

Ms Playford: I might hand over to Sandra Georges in a moment so that she can elaborate. Some initial planning has been underway about what might be undertaken. The first phase of this funding will include the detailed planning and analysis and considering of various platforms et cetera.

Ms Georges: The initial funding has been to look at alternative technology options that might be available before we go out to tender. We have had an independent consultant looking at various options—whether we move from Word to Extensible Markup Language and whether or not we need to do an immediate replacement of the platform, pending perhaps moving to a cloud option. So there is a lot of planning and investigative work going on before we go out to tender for phase 2, which is the replacement of the register.

MS LAWDER: So the money in this appropriation is for that initial scoping work?

Ms Georges: It is for the continuation of the initial scoping work. There was an initial appropriation of \$515,000 in 2013-14 and now we have a second amount for the rest of that year, which will continue those investigations and also commence the urgent work that is required for the replacement of the platform.

MS LAWDER: It is three-quarters as much again as the initial amount, in very rough terms?

Ms Georges: \$225,000 of the \$328,000 is for Shared Services ICT for the upgrading of the platform.

MS LAWDER: It could not have waited until next financial year to undertake the next phase?

Ms Georges: The advice that we have in relation to the platform is that that work is urgent for security reasons for the register.

THE CHAIR: When did it become known that it was urgent?

Ms Georges: As the minister mentioned, it is 12 years old and there have been a number of supporting elements that have come to end of life. But they have had continuing support under various arrangements.

Mr Corbell: Different elements of the software that support the operation of the legislation register are approaching end of life. As Ms Georges indicated, a number of them have reached end of life in terms of their routine support but extended support from the software manufacturer continues to be available. That is time limited. Therefore the government has taken the decision that we do need to proceed as soon as possible with the upgrade of the system. The government has asked parliamentary counsel, in developing its final proposal, which has been endorsed and reflected in this appropriation, that the project be comprehensively scoped and that alternatives be put forward as part of that process, to give the government confidence that the ICT project that is now being appropriated is effectively scoped and does represent the most effective way of upgrading and maintaining the capability and functionality of the legislation register.

THE CHAIR: Did the government not know that these elements were coming to the end of their serviceable life when they started the project?

Mr Corbell: Yes, the government was aware that these elements were coming to the end of their serviceable life. That is why the government has provided this funding.

THE CHAIR: Except we are now extending care beyond—

Mr Corbell: Extended care is a normal arrangement that exists for these types of software.

DR BOURKE: Minister, the living Murray water entitlements: what benefit will the territory's residents be appreciating from the \$2.9 million being spent here?

Mr Corbell: The purpose of this funding is for the ACT to make its contribution under the living Murray agreement. The living Murray agreement in total is delivering 500 gigalitres of water for environmental watering into the Murray-Darling Basin across all of the Murray-Darling Basin jurisdictions, including the commonwealth. The ACT is making a 0.04 per cent contribution to the overall provision of that 500 gigalitres. So the ACT's funding will be to purchase two gigalitres of water for environmental watering purposes. This allows the commonwealth water holder to use

these water allocations to improve the overall health of the Murray-Darling Basin by ensuring there is sufficient water in the basin for environmental management purposes. This includes things such as allowing for simulated releases of floodwaters to water, for example, valuable riverine red gum forests along the course of the Murray-Darling Basin.

The funding is proposed to be provided to ACTEW Water. ACTEW have already purchased water on behalf of the ACT government. These funds will be used to reimburse ACTEW. ACTEW have sourced the water entitlements that will be surrendered from outside the ACT, in the lower Murrumbidgee River catchment. This means there is no effect—there is nil effect—on the ACT's water catchments for its supply. But it does ensure that we meet our obligations under the living Murray agreement.

DR BOURKE: Who has the water been purchased from by ACTEW—irrigators?

Mr Corbell: The water will have been purchased from existing entitlements in the basin. Exactly who the owners were I would have to take on notice. But it is most likely that it has been obtained from general purpose irrigation-type allocations and then surrendered to the commonwealth so it can be used for environmental watering purposes.

DR BOURKE: You mentioned that in this agreement 0.74 per cent is the ACT's contribution.

Mr Corbell: 0.04 per cent.

DR BOURKE: 0.04?

Mr Corbell: Yes.

DR BOURKE: 0.04 per cent is the ACT's contribution?

Mr Corbell: Yes.

DR BOURKE: What are the other states and, presumably, the commonwealth contributing? Obviously the rest, but do you know the proportions?

Mr Corbell: No, I do not have that information. I can provide it. Overall the allocation is 500 gigalitres. Obviously a large amount of that will be delivered by Queensland, New South Wales and Victoria.

DR BOURKE: And South Australia?

Mr Corbell: And a lesser degree by South Australia.

DR BOURKE: Have these releases already commenced of floodwaters to those red gum forests?

Mr Corbell: Yes, all the other basin states have made their contributions already

under the LMI. The ACT is the final basin state or territory to implement its agreement.

DR BOURKE: What will be the long-term impact of this policy?

Mr Corbell: The long-term impact is improved environmental watering in the basin. As we know, the key challenge with the Murray-Darling Basin is over-allocation of water entitlements, with too many entitlements being issued for irrigation in the large basin states to the detriment of environmental flows. The living Murray initiative returns water to the environment by removing it from allocations that were previously in place, for example for agricultural use, and allows the Commonwealth Environmental Water Holder to release those waters as they deem necessary for environmental purposes in the basin.

DR BOURKE: Is 500 gigalitres going to be enough?

Mr Corbell: That was the figure that was determined by all the basin states through the intergovernmental arrangements. Is there enough? That depends on your views about the science behind those allocations. The living Murray initiative was put in place in 2004, so it is quite some time ago. Most basin states have finalised their arrangements in the last one to two years and the territory is the last basin state to finalise this arrangement.

MS LAWDER: Minister, given the intergovernmental agreement was in 2004, why is that we are just now asking for this additional appropriation? Why was it not in the original budget?

Mr Corbell: All basin states held off on finalising their obligations under the agreement until the Murray-Darling Basin plan was finalised. Basin states were reluctant to implement this agreement until they understood fully the implications of the Murray-Darling Basin plan and what the sustainable diversion limits would be for each jurisdiction under that plan. That plan was only finalised in the last 12 to 18 months. The territory is now in a position to honour its obligations because we understand fully what the implications of the Murray-Darling Basin plan are for our overall water supply.

There was also, I should add, some argument about how best to meet the territory's obligation. The reason for that is the territory is in quite a unique position. Most, indeed all, other basin states have large amounts of water allocated for irrigation or agricultural use. That is not the case in the ACT and, therefore, it was not feasible for the ACT to simply withdraw allocated agricultural amounts of water, because we did not have any.

That is how the other jurisdictions did it. So we had to seek and get agreement from the Murray-Darling Basin Authority for an agreed alternative that would meet our obligations under the LMI. Ultimately it was determined that it would be acceptable for the territory to purchase an entitlement outside of our river valley, in a lower part of the basin, and then return that as environmental water.

THE CHAIR: Minister, in your opening remarks you quoted a number against the

revised wage parameters for JACS. Could you repeat that number for me, please?

Mr Corbell: \$2.387 million in 2013-14 for revised wage parameters for the justice, courts and tribunals and emergency services output classes.

THE CHAIR: In the actual appropriation bill at page 6 it lists it as \$2.898 million. What is the difference?

Mr Corbell: Ms Playford can explain that for you, Mr Smyth.

Ms Playford: The difference is that that also includes output class 2, which is corrections. The minister is not here. I think Minister Rattenbury is appearing before you on Thursday and can address the ones related to that.

THE CHAIR: So the difference is just the money for corrections.

Ms Playford: Yes, so 5.1.1 relates to corrective services wage parameters. The rest relates to justice, courts and tribunals and emergency services output classes.

THE CHAIR: So is corrections now a stand-alone organisation, or does it not still come inside your directorate?

Mr Corbell: It is in the total appropriation for Justice and Community Safety.

THE CHAIR: Yes, but it is different ministers.

Mr Corbell: The figures I am commenting on are the figures I have responsibility for.

THE CHAIR: All right. The new court facilities, the \$1.3 million: what is that for specifically and will it all be expended this financial year?

Mr Corbell: To give you some context, Mr Smyth, in the budget review for 2013-14, which was released in the middle of February this year, there was \$5.646 million announced over a five-year period to develop the public-private partnership arrangements to redevelop the existing Supreme Court building and integrate it with the Magistrates Court building. Of that \$5.646 million, \$1.297 million is to be appropriated in 2013-14. The exact break-up of that expenditure is not something I have immediately in front of me, but perhaps Mr Hammond can assist.

Mr Hammond: The breakdown for that: effectively, \$3.6 million is for external costs associated with legal advice, external project management, architectural expertise and other technical expertise. The \$2 million is for internal project management fees of the Justice and Community Safety Directorate.

THE CHAIR: So the \$1.3 million is for what? Is it a proportion out of both of those?

Mr Hammond: Yes. The \$1.3 million is the 2013-14 appropriation. Then the breakdown is over the subsequent four years.

THE CHAIR: And the \$1.297 million will all be expended this year?

Mr Hammond: That is our best endeavours. We were a little bit slow in getting some of our external providers engaged, but we are well underway now with a launch for industry on 30 April.

THE CHAIR: Just to close on this, as others have got more pressing questions, will all of the funds that are to be appropriated be expended in this year?

Mr Corbell: Yes, that is the government's expectation.

THE CHAIR: What efforts were made to find these funds internally as savings rather than coming back to the Treasury for an additional appropriation?

Mr Corbell: The government limited the number of projects that were approved for this appropriation to those that could not be met within existing budget appropriations.

THE CHAIR: Inside the revised wage parameters, how much does the Justice and Community Safety Directorate expend on fighting bullying inside the directorate?

Mr Corbell: The Justice and Community Safety Directorate takes any complaints about bullying seriously and has established mechanisms in place under its EBA to respond to such complaints.

THE CHAIR: There would appear to be a breakdown then in that WorkSafe ACT has now found that you did not take a complaint about bullying seriously with the issuing of an improvement notice. How did that one fall through the cracks if you take bullying seriously?

Mr Corbell: I am advised this relates to a difference in understanding between the obligations the directorate has under its EBA and obligations WorkSafe consider the directorate has in relation to a regulation made by the Work Safety Commissioner. The two set different standards in relation to how to respond to a complaint and in what manner.

The EBA sets out that complaints about misconduct, including, potentially, bullying, should be made in writing. The directive given by the Work Safety Commissioner does not set that level of requirement. My directorate sought to respond to the complaint on the basis of the agreed terms in the EBA but was subsequently informed by WorkSafe ACT that a different process should be followed, and that process is now being followed.

THE CHAIR: So was an investigation launched against the allegations of bullying made by the paramedic?

Mr Corbell: Yes, once this matter was brought to the attention of the directorate by WorkSafe.

THE CHAIR: So why was it not launched when it was brought to the attention of the directorate by the officer?

Mr Corbell: Because the directorate sought to respond to it consistent with the EBA, which was to advise the complainant that they should put their complaint in writing. The complainant did not do that.

THE CHAIR: Interesting. Any further questions for the minister?

DR BOURKE: No, I think we are done.

THE CHAIR: Given the time, we will finish there. If witnesses have undertaken to provide further information or have taken questions on notice during the course of the hearing—the committee has to report on Wednesday—we have not set a deadline for receipt of responses, but we would appreciate those answers as quickly as possible. I suspect there may be a standard recommendation that they go to the Speaker if they are not delivered in time. Mr Corbell, we will get you a copy of the transcript and if witnesses could review what they have said. If they have any corrections, we would like them as quickly as we could as well. Thank you for your attendance today.

BURCH, Ms JOY, Minister for Education and Training, Minister for Disability, Children and Young People, Minister for the Arts, Minister for Women, Minister for Multicultural Affairs and Minister for Racing and Gaming

WHYBROW, Mr MARK, Director and Chief Finance Officer, Strategic Finance, Education and Training Directorate

BRAY, Mr RODNEY, Director, Infrastructure and Capital Works, Education and Training Directorate

THE CHAIR: We will reconvene the public accounts committee inquiry into the second appropriation bill 2013-2014 and welcome Minister Burch in her capacity as minister for education. Minister, would you like to make an opening statement?

Ms Burch: No. We can go straight to questions.

THE CHAIR: The Coombs P-6 construction: why do you need to have \$7.4 million appropriated next week and will you expend it all before the end of the financial year?

Ms Burch: Certainly, we are on track to do that. I will pass over to Mark Whybrow to answer that.

THE CHAIR: You are on track to spend \$7.4 million between the first week of May and the end of June?

Mr Whybrow: The Coombs primary school is in the Molonglo region. It will accommodate approximately 700 students. We are already in the first stage of a two-stage tender process that is being used to select the preferred contractor. A request for expressions of interest went to two selected respondents. The closing date for tenders was 1 April, so we are very much in the time now of a contract being awarded to the successful tenderer towards the end of May 2014, with the tight program to open the school by the 2016 school year. I might pass over to our director of capital works, Rodney Bray.

Mr Bray: In relation to the expenditure in 2013-14, no, we will not spend the \$7 million referred to. However, because we will be awarding the contract in this current financial year, we need to have the appropriation awarded to allow us to enter into a contract. So the amount that is shown for this current financial year is the portion of the total appropriation that allows us to enter into the contract. On the amount, we would not spend a million dollars between awarding the contract at the end of May and the time when any invoices come in—probably only \$100,000 or \$200,000, potentially, in that period between the end of May and closing of the financial year books.

THE CHAIR: Is this because you have gone to tender earlier or did you not appropriate this much because you did not think you would get to this point in time?

Mr Bray: The tendering is about the same time as was originally planned; it is just that we have gone back to a different tendering process where we have selected tenderers. When we put up the second appropriation back in December, we were not too sure how fast we would be able to get the tendering process through. Basically we

were conservative on our program and erred on the side of saying that if it went quicker than we thought or than we could deliver it, we would need the money in this financial year. But as it is shaping up now, as Mark Whybrow just indicated, we closed tenders on 1 April. We are in the tender assessment phase at the moment. It will take until about the end of May to complete that. The reality is that, by the time the builder mobilises and gets his site set up, there will not be much of June left for a lot of work to be done.

THE CHAIR: But to actually sign the contract, you have to have the money appropriated?

Mr Bray: Yes.

Mr Whybrow: That is correct.

THE CHAIR: What is the total cost of the Coombs P-6 school?

Mr Bray: The total project cost is \$49.75 million. We had appropriations in the 2010-11 budget of \$1.95 million and another amount of \$550,000 appropriated in 2013-14. To date, prior to this second appropriation, we have had \$2.5 million allocated to the project.

THE CHAIR: What will the \$7.4 million deliver out of basically a \$50 million project?

Mr Bray: That was to allow for construction work over and above what we had already appropriated. I suppose what I am saying is that that amount will not be needed as such to pay out, because we will not have time to do a lot of work in 2013-14 to make that payment—of the \$7 million.

Mr Whybrow: It might be worth articulating, as Rodney said before, that to enter into contracts we have to have the funding appropriated. So while we have been making commitments of expenditure, the cash expenditure would not be occurring in this financial year. So we will be signing contracts to commit to expenditure. Physical cash payments will not happen by 30 June to the full extent.

Mr Bray: That is right. Essentially, if we waited for the normal 2014-15 budget process, we would not have the money passed through the Assembly until August. We would not have been able to award the contract because the money would not have been available until mid-August in 2014, which would then put us in a program delivery problem. Essentially, we need every month we can get, to get the contract awarded, as we hope, by end of May or early June. Alternatively, if we waited for the 2014-15 budget, we would not be able to award the contract until August, when the 2014-15 budget went through the Assembly.

MS LAWDER: You said that you cannot award the contract until you get the appropriation, but is it standard procurement practice to go to tender without the appropriation?

Mr Bray: We got approval to do that, yes. The process with the industry is that you

inform the industry that funds are to be appropriated. So there is a statement in the tender documents that says the awarding of the contract is subject to, in this case, the second appropriation being passed through the Assembly. In a normal budget process we would say “until the budget allocation is appropriated in the budget papers”. So it is not ideal, but the industry are not unused to those sorts of things with government. We brief the industry about what is happening from a high-level perspective, so they understand what is going on. They accept that notional risk that goes with it, but they are kept informed right from the start. If they felt that was a financial risk that they did not want to bear, it is their choice as to whether or not to participate in the tendering process. In a sense, they make a decision to be part of the process, knowing that that is a possibility, although a very low likelihood.

DR BOURKE: The revised wage parameters: you only needed \$14,000. Why was that?

Mr Whybrow: That is correct. Unlike most ACT government entities, Education and Training has a commitment under the national education reform agreement which provides three per cent indexation funding. The revised parameters for the clerical EBA, the vast majority of our workforce, were already covered by that funding commitment by government. Therefore, as you will see in this year, there is only a very small amount—something like \$14,000—and only \$100,000 over the full four years. That reflects funding that has already been provided in our budget at the three per cent level.

DR BOURKE: Which staff were not covered by that national education reform agreement?

Mr Whybrow: The national education reform agreement covers the majority of our staff. If I may talk about areas rather than individual staff: the areas that are not covered by the reform agreement are preschool services and vocational education and training services—so administrative staff relating to our vocational education and training. We also have a child policy and regulation unit which is outside the NERA. Trying to keep it simple, with the exclusion of preschool services, it is things outside the school gate.

DR BOURKE: What sort of headcount are we talking about?

Mr Whybrow: It is difficult to allocate that because, while some components of our services quite clearly relate to vocational education and training, a number of our services—for example my area, the strategic finance unit—provide support services to all areas of the government. On a broad component, if you look at our total expenditure—to give you a context—of the department’s operations it is in the order of 85 per cent to 15 per cent near recovered versus non-near recovered.

DR BOURKE: So about 15 per cent of the ACT’s workforce?

Mr Whybrow: I can take the actual breakdown on notice. I was doing total costs rather than workforce. With workforce it is actually more focused around schools because that is the area where we have a higher number of participants. We have in the order of 4,500 to 5,000 FTE and FTE equivalents. The vast majority of those

relate to the NERA activities. As to the activities that are purely in the order of vocational education and training, you are talking in the region of 45 to 50. You have got a small number in our policy unit for regulation of childcare, which is in the order of 15, and then you are getting into a share arrangement of those central services of then providing the majority of their support for the NERA-related activities, but a minority also is related to the activities that are outside NERA.

DR BOURKE: So we are talking about fewer than 100 people?

Mr Whybrow: Pretty much.

DR BOURKE: Thank you.

Mr Whybrow: Those are the broad parameters. Hopefully that answers the context of your question.

DR BOURKE: I was just trying to get an idea of the scope of it.

THE CHAIR: A supplementary?

MS LAWDER: Yes, a supplementary. Minister, \$14,000 for the revised wage parameters: was it not possible to find savings or efficiencies to cover that \$14,000? It is not an enormous amount of money.

Mr Whybrow: I guess what you would see from this was an approach of consistency across directorates. The other part is that you will also see within the operations and the second appropriation that it identifies general savings. There is already a savings target on those non-NERA elements of the organisation. So there are savings in total. If I can refer you to page 153 of the supplementary appropriation. There are general savings in 2014-15, 2015-16 and 2016-17. Those amounts are restricted only to non-NERA components.

THE CHAIR: But still, it is \$14,000. How much is the total budget for education this year?

Mr Whybrow: You are talking, from a GPO sense, in the order of \$600 million capacity. Let me talk about the framework that we work within. The directorate will be managing, as normal, cost pressures throughout the year. We will only draw down funds if they are required. So it gives us the capacity to draw them down. Will we be down to within \$14,000? I would accept that is probably not the case. We will manage within our resource envelope. But this was about consistency of an adjustment across government.

DR BOURKE: So the \$14,000 covers the entire EBA increase?

Mr Whybrow: The EBA increase for those individuals in 2013-14, and I think it is \$101,000 over the four-year period.

THE CHAIR: That would appear to be it, minister. Given nothing has been taken on notice, we have no need to come back. We will get you a transcript as quickly as we

can. If corrections need to be made, could be made swiftly as we have to report next week. With that, we will say thank you to you and your officials for such an enjoyable 20 minutes on a Monday afternoon.

The committee adjourned at 12.47 pm.