



PARLIAMENT OF TASMANIA

PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS

ACPAC Jurisdictional Report 2022-24

Members of the Committee

(as at 14 February 2024)

Legislative Council

Hon Ruth Forrest MLC

Independent Member for Murchison
(Chair)

Hon Meg Webb MLC

Independent Member for Nelson

Hon Josh Willie MLC

ALP Member for Elwick

House of Assembly

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Webpage: www.parliament.tas.gov.au/committees/joint-committees/standing-committees/public-accounts-committee



Abbreviations and Acronyms

AAG	Assistant Auditor-General
Academy	CPA Parliamentary Academy
ACPAC	Australasian Council of Public Accounts Committees
AFL	Australian Football League
CAPAC	Commonwealth Association of Public Accounts Committees
Committee	Parliamentary Standing Committee of Public Accounts
CPA	Commonwealth Parliamentary Association
MLC	Member of the Legislative Council
MP	Member of Parliament
PWC	Parliamentary Standing Committee on Public Works
SoU	Statement of Understanding
The Act	<i>Public Accounts Committee Act 1970</i> (Tasmania)
UTAS	University of Tasmania

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Public Accounts Committee

Background

The Public Accounts Committee (the Committee) is a Joint Standing Committee of the Tasmanian Parliament constituted under the *Public Accounts Committee Act 1970* (the Act). Prior to the Act, the Committee has been in various forms since a House of Assembly Select Committee was appointed to enquire into the system of keeping and auditing Public Accounts on 28 August 1862. It first became a Standing Committee of the House of Assembly pursuant to a new Standing Order No. 408A being recommended by the House of Assembly Standing Orders Committee on 7 December 1960. On 11 November 1965, a similar amendment to the Legislative Council's Standing Orders saw for the first time the establishment of a Select Committee of Public Accounts and Finance in that Chamber under authority of Standing Order No. 248A.

The Committee comprises six Members of Parliament, three Members drawn from the Legislative Council and three Members from the House of Assembly.

Functions of the Committee

Under section 6 of the *Public Accounts Committee Act 1970* the Committee functions are as follows, the Committee:

- **must** inquire into, consider and report to the Parliament on any matter referred to the Committee by either House relating to the management, administration or use of public sector finances; or the accounts of any public authority or other organisation controlled by the State or in which the State has an interest; and
- **may** inquire into, consider and report to the Parliament on any matter arising in connection with public sector finances that the Committee considers appropriate; and any matter referred to the Committee by the Auditor-General.

Role and Statutory Responsibilities of the Committee

Under the *Audit Act 2008*, the Committee has the following statutory responsibilities:

- in relation to the appointment of the Auditor-General, the Treasurer must consult with the Public Accounts Committee and the President of the Legislative Council and the Speaker of the House of Assembly (section 9(2));
- consider and may comment on the draft Auditor-General's annual plan of work (section 11); and
- receive the findings of the periodic review of the efficiency, effectiveness and economy of Tasmanian Audit Office's operations (section 44) – the last review undertaken was conducted by Moore Stephens Audit (Vic) in March 2024 and covers the period 2019-2023 (available on the Tasmanian Audit Office's website).¹

¹ See <https://www.audit.tas.gov.au/wp-content/uploads/TAO-Report-Moore-Stephens-Section-44-Review-Mar-2024.pdf>

The Committee and the Auditor-General have a Statement of Understanding (SoU), available on the Public Accounts Committee website.² This SoU informs the relationship between the Committee and the Office of the Auditor-General including matters related to the statutory obligations of the Committee and Auditor General.

The SoU also reinforces the Committee's support of the true independence of the Auditor-General and work of the Committee and Auditor-General to ensure that this independence is not compromised and the Auditor-General is unfettered in reporting to Parliament objectively, thus enabling Parliament to make informed judgements

In support of the Auditor-General's independence, the Committee will support the Office during the budget and forward estimates setting process, as described in the SoU. This support is provided as follows:

- the Auditor-General shall consult with the Committee during the preparation of the Office's budget submission to Cabinet Budget Committee;
- the Auditor-General will provide the Office's submission to Cabinet Budget Committee to the Treasurer and Committee at the same time;
- the Treasurer or the Treasurer's delegate may brief the Committee on the Office's budget submission at the Committee's discretion; and
- the Auditor-General and Chair of the Committee may brief Cabinet Budget Committee on the Office's submission at the Cabinet Budget Committee's discretion.

Under the SoU the Auditor-General refers all tabled reports prepared by that Office to the Committee for consideration.

As described under the SoU, the Committee and the Auditor-General share a common mission to enhance Tasmanian public sector accountability and performance. Through cooperation, the Committee and the Auditor-General will promote probity, efficiency and effectiveness in the management of, and reporting on, public resources.

The Auditor-General may refer matters to the Committee that the Auditor-General determines warrant consideration by the Committee in addition to, or in place of, an investigation by the Auditor-General. Conversely, under section 25 of the *Audit Act 2008*, the Committee may refer matters to the Auditor-General that it determines warrant consideration by the Auditor-General in addition to or in place of investigation by the Committee. The Auditor-General will give serious consideration to investigating the matter referred and inform the Committee on the Auditor-General's response to the referral.

The Committee and the Auditor General consider and comment on the Annual Plan of Work for the Audit Office as required under the *Audit Act 2008* and the SoU.

An ongoing and important area of focus for the Committee relates to the follow up reviews undertaken of the Tasmanian Auditor-General's reports to Parliament with this work continuing through 2022-2024.

² See

https://www.parliament.tas.gov.au/_data/assets/pdf_file/0022/57442/2021090220pac20statement20of20understanding20signed.pdf

The Committee under its 'own motion' powers has initiated inquiries into major capital works projects considered and approved by the Parliamentary Joint Standing Committee on Public Works. These reviews have included following-up of completed works or the reviewing of progress of selected major public works. Through these reviews, the Committee can bring to the public record any issues identified relating to budget variations, scheduled completion, management of delays to completion, delivery of stated outcomes and benefits etc. and make recommendations for affected Departments to consider as appropriate.

Finally, the Committee may also inquire into, consider and report to the Parliament on any matter arising in connection with public sector finances that the Committee considers appropriate: areas of interest may come from within the Committee or brought to the Committee' by external third parties from time to time.

Committee Activities

The Committee activities for 2022-24 include a combination of self-initiated inquiries and referred inquiries. The Committee receives submissions and briefings, and conducts public hearings on such matters as required.

Results of inquiries are presented in reports that are tabled in both the House of Assembly and the Legislative Council. Those reports are available to the public on the Committee website.³

The website provides background information on the Committee's roles and functions, provides details of Members, administration, current inquiries, meeting dates, recent reports and past inquiries.

The Committee also has an email address: pac@parliament.tas.gov.au, which is used for external correspondence.

The Committee receives administrative and other support from its Secretariat (Committee Secretary and Assistant Committee Secretary) and from the Parliamentary Research Service.

³ See <https://www.parliament.tas.gov.au/committees/joint-committees/standing-committees/public-accounts-committee>

Years in Review 2022-24

During the reporting period, the Committee’s planned work was deferred due to Parliament being suspended thrice:

- following the resignation of Hon Jacquie Petrusma MP on 25 July 2022, Parliament was prorogued between 1 and 16 August 2022;
- from 13 to 27 September 2022 (following the passing of a condolence motion of both Houses in commemoration of the passing of Her Majesty Queen Elizabeth II); and
- following the dissolution of the House of Assembly and the Parliament of Tasmania on 14 February 2024 pending the outcome of the early election called for 23 March 2024.

Completed Inquiries

The Committee tabled the following seven (7) reports over the period:

Tabled	Title	Terms of Reference
29 September 2022 (No.27 of 2022)	<p><u>Review of Selected Public Works Committee Reports</u> 41 of 2020: Sorell Emergency Services Hub; and 15 of 2020: Major Redevelopment of Sorell School</p>	<ul style="list-style-type: none"> • The Committee determined by its own motion to undertake an inquiry into progress of these two important projects, in light of some identified delays and COVID-19 pandemic related challenges, with particular reference to: <ul style="list-style-type: none"> ○ the progress of the respective development applications and building approvals for the respective public works projects; ○ the potential impact of any delays to the commencement of the projects to the: <ul style="list-style-type: none"> ▪ Tasmanian community ▪ contractors involved in or engaged for the respective public works projects, and ▪ financial impact/outcome of respective public works projects; and ○ the contingencies in place to deal with any potential contract variations noting the apparent difficulty in sourcing building and construction materials in the current Tasmanian market • The Committee made eight findings and two recommendations as a result of this inquiry
21 March 2023 (No.1 of 2023)	<p><u>Tasmanian Government’s Spending</u> Unallocated COVID-19 Funding</p>	<ul style="list-style-type: none"> • The Government's response to the COVID-19 pandemic during the 2021/22 financial year required significant additional expenditure across many areas of government: <ul style="list-style-type: none"> ○ as many of the potential additional costs required by each government department and agency could not be accurately determined in advance, an additional \$100 million, was appropriated to the Treasurer's Reserve to meet unanticipated and unexpected costs related to the COVID-19 pandemic ○ this was in addition to the \$50 million appropriated to the Treasurer's Reserve to

Tabled	Title	Terms of Reference
		<p>meet non-COVID-19 related expenditure which could not reasonably have been foreseen and is necessary for efficient financial administration (section 21 <i>Financial Management Act 2016</i>)</p> <ul style="list-style-type: none"> ○ in light of the significant additional appropriation, the Committee resolved to inquire into the additional \$100 million appropriated to the Treasurer's Reserve and the spending of this unallocated additional funding in the 2021-22 Budget ● The Committee made six findings and no recommendation as a result of this inquiry
21 March 2023 (No.2 of 2023)	<p><u>South East Traffic Solution</u> Midway Point Intersection Project and the Sorell Bypass Highway Project</p>	<ul style="list-style-type: none"> ● On 26 May 2022, the Independent Member for Hobart, Hon Rob Valentine MLC, wrote to the Committee regarding two Tasmanian infrastructure projects (Midway Point Intersection Project and the Sorell Bypass Highway Project) <ul style="list-style-type: none"> ○ Mr Valentine expressed concern that these two projects, despite meeting the monetary threshold for referral to the Public Works Committee (PWC), had apparently not been referred to the PWC as required under the <i>Public Works Committee Act 1914</i> ○ the Committee resolved to seek advice and explanation from the relevant Minister, Hon Michael Ferguson MP (Deputy Premier, Minister for Infrastructure and Transport) ● Historical resolutions (1989 and 1996) effectively excluded public infrastructure works from scrutiny by the PWC ● The Committee made nine findings and one recommendation as a result of this inquiry
30 August 2023 (No.16 of 2023)	<p><u>Tasmanian Government's Proposed Hobart Stadium Feasibility Planning Process Interim Report</u></p>	<ul style="list-style-type: none"> ● Targeted inquiry into the feasibility planning for a new Arts, Entertainment and Sports Precinct in Hobart and Macquarie Point (the stadium) - allegedly a requirement of the Agreement with the Australian Football League (AFL) to secure 19th AFL Team license ● Subsequently the AFL Agreement released (partly redacted) ● Interim Report made 18 findings and 1 recommendation ● Committee amended Terms of Reference and continued scrutiny of decision making and financial implications of the proposed new stadium
12 September 2023 (No.18 of 2023)	<p><u>Inquiry into the Tasmanian Government's Continuing Response to the COVID-19 Pandemic: Preparation for the Return to School in February 2022</u></p>	<ul style="list-style-type: none"> ● First of three Reports related to reopening of Tasmanian border focused on: <ul style="list-style-type: none"> ○ planning and preparedness for the return to school for the 2022 school year ○ impact on early education and care sector ● The Committee made 58 findings and 17 recommendations

Tabled	Title	Terms of Reference
17 October 2023 (No.25 of 2023)	<u>Inquiry into the Tasmanian Government's Continuing Response to the COVID-19 Pandemic: Preparation for the State Border Re-opening on 15 December 2021</u>	<ul style="list-style-type: none"> • Second of three Reports focused on: <ul style="list-style-type: none"> ○ planning and preparedness for the re-opening of the Tasmanian border to other mainland States and international arrivals ○ management of the border re-opening ○ response to financial and social impacts of re-opening • The Committee made 55 findings, 5 overarching and 5 specific recommendations
19 October 2023 (No.26 of 2023)	<u>Inquiry into the Tasmanian Government's Continuing Response to the COVID-19 Pandemic: Business Support and COVID-19 Check-in App</u>	<ul style="list-style-type: none"> • Third of three Reports focused on: <ul style="list-style-type: none"> ○ financial support provided to businesses negatively impacted when border re-opened ○ effectiveness and cost of the COVID-19 Check-in App. • Government provided targeted support to businesses of over \$160 million in grants and support packages since March 2020 related to: <ul style="list-style-type: none"> ○ businesses negatively impacted by restrictions and/or workforce challenges related to the isolation and quarantine requirements; and ○ businesses impacted by a three-day lockdown direction on 15 October 2022 • The Committee made 17 findings and 2 recommendations.

Inquiries in Progress

The Committee had five (5) inquiries that were still in progress at the end of the reporting period:

Inquiry	Terms of Reference
Hydro Tasmania and the Termination of the Basslink Services Agreement	<p>To inquire into and report upon Hydro Tasmania's recent decision to terminate the Basslink Services Agreement with particular regard to the:</p> <ul style="list-style-type: none"> • timing of the decision; • rationale behind the decision; • impact on Hydro Tasmania's financial position; and • potential future impact on Tasmania's energy security and fibre optic telecommunications.
Tasmanian Government's Proposed Hobart Stadium Feasibility Planning Process/Proposed Arts, Entertainment and Sports Precinct in Hobart	<p>The Committee resolved to amend the current Terms of Reference to capture the changing environment and information available with regard to the Club Funding and Development Agreement and other matters associated with the proposed Arts, Entertainment and Sports Precinct at Macquarie Point. The revised Inquiry Terms of Reference are:</p> <p>To inquire into and report upon the Tasmanian Government's process into the proposed Arts, Entertainment and Sports Precinct in Hobart with a particular emphasis on:</p>

Inquiry	Terms of Reference
	<ul style="list-style-type: none"> • matters related to the Club Funding and Development Agreement (Agreement) signed between the Crown in the Right of Tasmania and Australian Football League; • the suitability of Macquarie Point as the site for a proposed the Arts, Entertainment and Sports Precinct; • the financial risks associated with the Agreement; • matters related to the financing and delivery of the entire proposed Arts, Entertainment and Sports Precinct; • the future of Blundstone Arena and UTAS Stadium; and • any other matter incidental thereto
Tasmanian Government's use of provisions of the <i>Financial Management Act 2016</i> to fund election commitments in 2021	An inquiry into the Tasmanian Government's use of provisions of the <i>Financial Management Act 2016</i> to fund election commitments in 2021
Follow-up on past Auditor-General Reports	<p>The Committee resolved to follow-up on the past Auditor-General reports with respect to progress on identified recommendations :</p> <ul style="list-style-type: none"> • Follow-up of Auditor-General Report No.4 of 2019-20 – Rostering of Specialists in Tasmania's Major Hospitals • Follow-up of Auditor-General Report No.2 of 2015-16 – Capital Works Programming and Management

Challenges Identified for 2024

With the opening of the 51st Tasmanian Parliament expected for 14 May 2024, the following summarises some of the challenges that may face the Committee into the near future:

- four new Committee members: three from the House of Assembly and one from Legislative Council;
- inducting new members who may also be new to Parliament and committee work;
- lost sitting time due to early election will impact on Committee work in the short to mid-term;
- increase in Members for the House of Assembly (10);
- competing committees across both places impacting available secretarial support and Committee deliberation times; and
- ongoing tensions related to parliamentary privilege, cabinet-in-confidence and the production of documents/information

Liaison with External Bodies

Australasian Council of Public Accounts Committees

The Australasian Council of Public Accounts Committees (ACPAC) was established in 1989 and provides a unique forum for the exchange of information and opinions relating to Public Accounts Committees, providing committees with the opportunity to share experiences, best practice and matters of mutual interest. Its aim is to improve the quality and performance of Public Accounts Committees, particularly in Australasia.

An ACPAC conference is nominally held every two years, and in the intervening year a mid-term meeting is held to develop an agenda for the next ACPAC conference. The Tasmanian Parliamentary Standing Committee of Public Accounts is a full member of ACPAC and is committed to supporting its role and function.

The Chair and Committee Secretary attended the 16th Biennial Conference held in Wellington, New Zealand on 21 – 22 July 2022. The Conference covered the following broad areas of interest:

- Trust in the time of COVID-19: How strong financial management systems can help maintain trust in times of crisis;
- Intergenerational wellbeing - Why is long term scrutiny important and how can PACs undertake it;
- Government accountability for Environmental Stewardship – how can fiscal policy and the annual budget cycle be scrutinised to encourage environmental wellbeing;
- The financial scrutiny cycle and the pandemic – Scrutinising budgets and appropriations and how departments, agencies, and entities have used appropriations as part of responses to the COVID-19 epidemic;
- Scrutinising for underrepresented groups – how can PACs support accountability; and
- Intra-generational wellbeing – how do PACs undertake effective scrutiny when policy initiatives are increasingly complicated and cover multiple subject areas and government agencies/departments.

Conference delegates also heard from the Pacific Association of Supreme Audit Institutions and had a round table with New Zealand Youth MPs.

The 17th and 18th Biennial Conferences are scheduled to be held in Perth, Western Australia in April 2024 and Hobart, Tasmania in 2026 respectively.

Commonwealth Association of Public Accounts Committees

The Commonwealth Association of Public Accounts Committees (CAPAC) was founded in June 2015 with the aim of ensuring that ‘all Commonwealth Parliaments and the citizens they serve benefit from strong and independent Public Accounts or equivalent committees to sustain and promote the highest principles of public finance.’

Tasmania was ratified as a member of CAPAC at the CAPAC Conference held in Malé, Maldives (30 – 31 August 2022). This was the first opportunity for Public Accounts Committee chairs and clerks from across the Commonwealth to meet in person since the COVID-19 pandemic.

The Conference also for the first time allowed for virtual participation to which the Chair and Committee Secretary attended with 49 delegates worldwide. Other local jurisdiction members include: Australian Commonwealth, New South Wales, Western Australia and New Zealand.

Commonwealth Parliamentary Association

The Commonwealth Parliamentary Association (CPA) is one of the oldest established organisations in the Commonwealth. Founded in 1911, it is a membership association which brings together Members, irrespective of gender, race, religion or culture, who are united by community of interest, respect for the rule of law and individual rights and freedoms, and by the pursuit of the positive ideals of parliamentary democracy. The Association is made up of over 180 legislatures (or Branches) divided up between nine geographic regions of the Commonwealth.

Connected to the CPA is the CPA Parliamentary Academy (Academy): the Academy was initially intended as a central learning hub for Commonwealth parliamentarians, clerks and parliamentary officials. Today, that purpose has been extended to anyone who wishes to learn about parliaments and key thematic topics.

In May 2021, the Academy launched its first set of nine online courses. One of those courses, the Public Accounts Committee Course (which underpins the CPA Public Financial Management Certificate) was assisted by the Committee Chair sharing her views by video presentation on how the Government responds to Committee reports.⁴

In March 2024, ‘Examining the History of One of the Longest Established Public Accounts Committees in the Commonwealth’ was published in *The Parliamentarian, the Journal of Commonwealth Parliaments*.⁵ The article is a potted history celebrating 162 years of existence of the Committee.

⁴ See <https://www.youtube.com/embed/whitk3le8CM> ‘CPA Parliamentary Academy: PAC Effective Follow Up Example’

⁵ See <https://issuu.com/theparliamentarian/docs/parl2024iss1finalonlinesingle/65>