

2020

(No. 21)



**PARLIAMENTARY STANDING COMMITTEE OF  
PUBLIC ACCOUNTS**

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**REVIEW OF AUDITOR-GENERAL'S REPORTS**

*NO. 8 OF 2015-16: PROVISION OF SOCIAL HOUSING*

*NO. 11 OF 2015-16: COMPLIANCE WITH LEGISLATION*

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## **MEMBERS OF THE COMMITTEE**

### **LEGISLATIVE COUNCIL**

Hon Ivan Dean MLC (Chair)

Hon Ruth Forrest MLC  
(Deputy Chair)

Hon Josh Willie MLC  
(from 28 May 2019)

Hon Michael Gaffney MLC  
(to 23 May 2019)

### **HOUSE OF ASSEMBLY**

Mr David O'Byrne  
(from 24 September 2019)

Mrs Joan Rylah MP  
(from 19 March 2019)

Mr John Tucker MP  
(from 19 March 2019)

Mr Adam Brooks MP  
(to 11 February 2019)

Mr Rene Hidding MP  
(to 25 February 2019)

Mr Scott Bacon MP  
(to 22 August 2019)

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## **CHARTER OF THE COMMITTEE**

The Public Accounts Committee (the Committee) is a Joint Standing Committee of the Tasmanian Parliament constituted under the *Public Accounts Committee Act 1970*.

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

Under section 6 of the *Public Accounts Committee Act 1970* 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.

## **FINDINGS – REPORT NO. 8: PROVISION OF SOCIAL HOUSING**

1. The Housing Assessment Prioritisation System (HAPS) was implemented in 2015 by the (then) Department of Health and Human Services at the time the Auditor-General was developing his report.
2. HAPS determines client need (priority or general) against circumstances relating to: affordability, safety, homelessness, mobility and health.
3. Priority need refers to an urgent need for housing assistance.
4. General need refers to a serious need for housing assistance.
5. Priority – Exiting need refers to applicants exiting crisis and transitional accommodation.
6. Priority –Exiting applicants will be offered housing before the Priority applicants to reduce blockages in the Specialist Homelessness Service system.
7. Priority – Exiting has been extended to applicants transitioning from hospital or mental health facilities to address blockages in the hospital and Mental Health Services system.
8. Priority - Exiting is currently being considered to include youth leaving out-of-home care.
9. Housing Tasmania has adopted a design policy for social housing that requires all new homes to deliver universal design features.
10. The universal design features are to ensure that homes are suitable for people with a range of different needs and that they can also be more easily adapted as tenant needs change.
11. Housing Tasmania is undertaking a Public Housing Reinvestment initiative under Tasmania’s Affordable Housing Action Plan 2015-19.
12. Under Stage 1 and 2 of the Public Housing Redevelopment initiative, 24 existing dwellings averaging 55 years of age were demolished, with 60 new homes built.
13. Stage 3 of this initiative is currently being implemented and will deliver 57 additional homes.
14. Housing Tasmania has also commenced action on a stock mismatch initiative. The Housing Assessment Prioritisation System (HAPS) was implemented in 2015 by the (then) Department of Health and Human Services at the time the Auditor-General was developing his report.

15. Housing Tasmania was not able to determine a clear explanation for the sharp increase in applications for housing in the North and North West.
16. The Committee notes that Housing Tasmania has implemented processes to apply s.42 of the *Residential Tenancy Act (1997)*.
17. Housing Tasmania will apply the regulations where it is appropriate to terminate leases of tenants.
18. Housing Tasmania signs new tenants to leases of fixed term.
19. Tenants on legacy leases of no-fixed term are signed to leases of fixed term where they initiate a transfer.
20. Where Housing Tasmania initiates the transfer of a tenant on a lease of no-fixed term, the new lease will also be of no-fixed term.
21. Housing Tasmania has introduced an Outcome Performance Framework for all funded services and programs.
22. Housing Tasmania has completed comprehensive reviews of key programs including Housing Connect, Private Rent Assistance and Non-registered Community Housing Providers.
23. Housing Tasmania's implementation of recommendations from the above reviews remain ongoing.
24. An Outcomes Performance Framework was implemented for the full Housing Connect service system in accordance with Action 16 of the Action Plan.
25. Better performance measures and reporting tools are incorporated into funding agreements with all Housing Connect services under the framework.
26. Data collection against the new performance indicators commenced on 1 July 2017.
27. Monitoring and reporting on the outcomes was to commence in 2018-19.

## **FINDINGS – REPORT NO. 11: COMPLIANCE WITH LEGISLATION**

1. The Committee notes that Break O'Day Council has taken action to become fully compliant with the *Local Government (Management Indicators) Order 2014 section 5(a)-(c)*.
2. The Committee notes that Central Highlands Council has taken action to introduce systems to support compliance with the *Dog Control Act 2000 section 7(1)*.

3. The Committee notes that Circular Head Council has taken action to become fully compliant with the *Local Government (Management Indicators) Order 2014 section 5(a)-(c)*.
4. The Committee notes that George Town Council has taken action to introduce systems to support compliance with the *Dog Control Act 2000 section 7(1)*.
5. The Committee notes from the Glenorchy City Council response that its by-laws under the *Local Government Act 1993 section 155* are valid and within the ten-year expiry period that they took effect.
6. King Island Council remains partially compliant with *Local Government (Management Indicators Order 2014 section 5(a)-(c)* as the work toward completion of its Long-Term Financial Plan and Asset Management is ongoing.
7. King Island Council has demonstrated action taken to review its Dog Management Plan.
8. The Committee notes that Sorell Council has taken action to become fully compliant with *Local Government (Management Indicators) Order 2014 section 5(a)-(c)*.
9. The Committee notes that Sorell Council has taken action to introduce systems to support compliance with the *Dog Control Act 2000 section 7(1)* and *Local Government Act 1993 section 155*.
10. The Committee notes that Southern Midlands Council has taken action to introduce systems to support compliance with the *Dog Control Act 2000 section 7(1)*.
11. The Committee notes that Waratah-Wynyard Council has taken action to introduce systems to support compliance with the *Dog Control Act 2000 section 7(1)*.
12. The Committee notes that West Coast council has taken action to become fully compliant with the *Local Government Management Indicators) Order 2014 section 5(a)-(c)*.
13. West Coast Council has taken action to introduce systems to support compliance with the *Dog Control Act 2000 section 7(1)*
14. The Department of Education has taken action to become fully compliant with the *Financial Management and Audit Act 1990 section 23(4) TI 1001(6)*;

15. The Department of Education has taken action to introduce systems to support compliance with the *Financial Management and Audit Act 1990* section 23(4) TI 1001(6);
16. The Office of the Tasmanian Assessment Standards and Certification is independent of the Department of Education; and
17. The systems which the Office of the Tasmanian Assessment Standards and Certification has in place support compliance with the *Office of Tasmanian Assessment, Standards and Certification Act 2003* section 24(1).
18. The Department of Justice has a number of considerations under review which impact on the Department's full compliance with *Regulation 30 of the Corrections Regulations 2018*; and
19. An amendment may be required to Regulation 30 to address the concerns of the Department of Justice.
20. The Department of Premier and Cabinet has taken action to become fully compliant with the *Financial Management and Audit Act 1990* section 23(4) TI 1001(6) and TI 1402(2); and
21. The Department of Premier and Cabinet has taken action to introduce systems to support compliance with the *Financial Management and Audit Act 1990* section 23(4) TI 1001(6) and TI 1402(2).
22. Amendments have been made to the *Biological Control Act 1986* to remove doubt about what constitutes an agent under the Act in December 2016;
23. The comments of the Department of Primary Industries, Parks, Water and Environment regarding compliance with the *Royal Tasmanian Botanical Gardens Act 2002 section 15 (1-3)* and notes that achievement of organisational stability within the Royal Botanical Gardens will support future compliance; and
24. The Department of Primary Industries, Parks, Water and Environment does not have a management role under the *Tasmanian Beef Industry (Research and Development) Trust Act 1990*.
25. The Department of State Growth has taken action to become fully compliant with the *Financial Management and Audit Act 1990* section 23(4) TI 1001(6);
26. Action is underway to achieve compliance with *Private Forests Act 1994* section 19D (1)-(2) by the Department of State Growth and the Board of Private Forests Tasmania; and

27. The Department of State Growth has taken action to introduce systems to support compliance with the *Financial Management and Audit Act 1990* section 23(4) TI 1001(6).

# 1 INTRODUCTION AND CONDUCT OF REVIEW

1.1 The Committee resolved of its own motion to examine the following Auditor-General Reports No':

	<u>Tabled</u>
8 of 2015-16: <i>Provision of Social Housing</i>	February 2016
11 of 2015-16: <i>Compliance with Legislation</i>	June 2016

## TERM OF REFERENCE

1.2 The Committee's term of reference is to follow-up on the implementation of the recommendations of the Reports and report to both Houses of Parliament.

## CONDUCT OF THE REVIEW

1.3 On 3 July 2018 the Committee received a briefing from the Auditor-General.

1.4 The Committee resolved to undertake a follow-up examination of the Reports on 22 August 2018.

1.5 The Committee developed and distributed questionnaires to the relevant entities on 30 August 2018 and the last questionnaire response was received on 21 September 2018.

1.6 The purpose of the questionnaire was to determine the action taken by the relevant entities to implement the Auditor-General's recommendations contained within the Reports.

1.7 Parliament was prorogued on 28 January 2018 before the Committee had reported on its review of the above Auditor-General's Reports.

1.8 The Public Accounts Committee of the 49<sup>th</sup> Parliament resolved 20 June 2018 to recommence and finalise this review.

- 1.9 The Committee re-distributed questionnaires 30 August 2018 to entities to gather current information.
- 1.10 Parliament was prorogued 27 February 2019.
- 1.11 The second session of the Parliament commenced 19 March 2019 and Committee Members of the House of Assembly and Legislative Council were appointed.

## **2 REPORT NO. 8 OF 2015-16: *PROVISION OF SOCIAL HOUSING***

### **AUDITOR-GENERAL'S RECOMMENDATIONS**

2.1 The Auditor-General's report made the following recommendations:

That Housing Tasmania:

1. reviews its approach to ensure those with the greatest need are prioritised;
2. works to better align its stock with demand, taking into consideration disability requirements and the changing demographic profile of its tenants;
3. investigates the reasons and implications for the sharp increase in applicants in the North and North West;
4. implements the regulations as soon as possible after declaration in order to allow it to terminate social housing leases where there is no longer an ongoing need;
5. continues to encourage eligible tenants to move away from non-fixed term leases;
6. conducts a review of non-performing housing assistance initiatives with any found to be ineffective or inefficient to be revamped or discontinued and the resources to be redirected to more successful existing schemes or to fund new initiatives; and
7. implements effective replacement performance measures with the Housing Connect NGOs. Housing Tasmania must also follow-up on any instances of non-compliance.

2.2 The questionnaire received from the Department provided the following commentary regarding implementation of the recommendations.

# DEPARTMENTAL RESPONSE TO PUBLIC ACCOUNTS COMMITTEE QUESTIONNAIRE

RECOMMENDATION 1 – THAT HOUSING TASMANIA REVIEWS ITS APPROACH TO ENSURE THOSE WITH THE GREATEST NEED ARE PRIORITISED.

2.3 The Department confirmed in its response to the draft report of the Auditor-General (included in pages 8-10 of his report) that it supported all of the recommendations contained in the report.

2.4 The Department provided the following comment:

*In 2015 the then Department for Health and Human services implemented the Housing Assessment Prioritisation System (HAPS) administered by Housing Connect, to identify applicants for social housing with the greatest need for housing.*

*HAPS determines client need against circumstances relating to: affordability, safety, homelessness, mobility and health. Applicants are assessed as either priority or general. Priority need refers to an urgent need and general refers to a serious need for housing assistance.*

*Applicants exiting crisis and transitional accommodation are flagged Priority – Exiting. Priority – Exiting will be offered housing before the Priority applicants to reduce blockages in the Specialist Homelessness Service system and improve housing outcomes.*

*Priority – Exiting has been extended to applicants transitioning from hospital or mental health facilities to address blockages in the hospital and Mental Health Services system (acute and community based) and improve housing outcomes.*

*Extending the Priority – Exiting flag to youth leaving out-of-home care to improve housing outcomes and reduce homelessness for this cohort is currently being considered.*

*The HAPS assessment process enables a person's specific housing needs to be identified. This ensures housing offers are appropriate to applicant need. Housing allocations are driven by vacancies. The time to house Priority applicants with specific*

*housing needs, such as accessibility or locational needs, may be longer as the property must match (as much as possible) applicant's assessed needs. As more new supply is built to universal design standards in well located areas becomes available, more Priority applicants will be appropriately housed.*

*Housing Tasmania performs well in terms of housing people in greatest need. In 2017-18, between 86 to 98.3 per cent of people housed each month in public housing were Priority applicants. For all social housing (including community and Aboriginal housing), 91.5 per cent of allocations in 2017-18 were to Priority applicants.*

## FINDINGS

The Committee notes:

1. The Housing Assessment Prioritisation System (HAPS) was implemented in 2015 by the (then) Department of Health and Human Services at the time the Auditor-General was developing his report.
2. HAPS determines client need (priority or general) against circumstances relating to: affordability, safety, homelessness, mobility and health.
3. Priority need refers to an urgent need for housing assistance.
4. General need refers to a serious need for housing assistance.
5. Priority – Exiting need refers to applicants exiting crisis and transitional accommodation.
6. Priority – Exiting applicants will be offered housing before the Priority applicants to reduce blockages in the Specialist Homelessness Service system.
7. Priority – Exiting has been extended to applicants transitioning from hospital or mental health facilities to address blockages in the hospital and Mental Health Services system.
8. Priority – Exiting is currently being considered to include youth leaving out-of-home care.

**RECOMMENDATION 2 – THAT HOUSING TASMANIA WORKS TO BETTER ALIGN ITS STOCK WITH DEMAND, TAKING INTO CONSIDERATION DISABILITY REQUIREMENTS AND THE CHANGING DEMOGRAPHIC PROFILE OF ITS TENANTS.**

2.5 The Department provided the following comment:

*Housing Tasmania has worked over a number of years to ensure that new affordable housing supply is aligned to better suit the needs of tenants now and into the future.*

*Housing Tasmania achieves this through the adoption of a design policy for social housing that requires all new homes to deliver universal design features which ensure that homes are suitable for people with a range of different needs and that they can also be more easily adapted as tenant needs change over time. In addition to these minimum requirements, the vast majority of new housing delivered by Housing Tasmania exceeds this standard and achieves full compliance with national standards and guidelines for adaptability, accessibility and liveability.*

*A recent example of this being implemented is demonstrated through Action 3 under the Tasmania's Affordable Housing Action Plan 2015-2019 (the Action Plan), Public Housing Reinvestment. This initiative has identified properties within the portfolio that while the existing dwelling has reached the end of its lifecycle. The property's location, size, slope and connection to services, public transport and education and employment opportunities are considered when making a decision to redevelop or sell the property.*

*Under Stage 1 and 2 of the Public Housing Redevelopment initiative, 24 existing dwellings averaging 55 years of age were demolished, with 60 new homes built to meet the Liveable Housing Design Guidelines. Of these, 55 units have achieved the Platinum standard which is the highest level of liveability under Guidelines. These units are already providing homes for older Tasmanians and people living with disability many of whom were in accommodation that was unsuitable for their specific needs.*

*Stage 3 of this initiative is currently being implemented and will deliver 57 additional homes.*

*Housing Tasmania has also commenced action on a stock mismatch initiative to reduce the under-occupancy of Director owned and managed properties with four or more bedrooms. From March 2018, Housing Tasmania has commenced working with households in a voluntary capacity to relocate to a more suitably sized property. This includes an incentive up to the value of \$5 000 to assist households to relocate to a*

*smaller property. By August 2018, 35 out of 84 households expressed an interest in considering an alternative property and three transfers had been achieved.*

## FINDINGS

The Committee notes:

1. Housing Tasmania has adopted a design policy for social housing that requires all new homes to deliver universal design features.
2. The universal design features are to ensure that homes are suitable for people with a range of different needs and that they can also be more easily adapted as tenant needs change.
3. Housing Tasmania is undertaking a Public Housing Reinvestment initiative under the Tasmania's Affordable Housing Action Plan 2015-19.
4. Under Stage 1 and 2 of the Public Housing Redevelopment initiative, 24 existing dwellings averaging 55 years of age were demolished, with 60 new homes built.
5. Stage 3 of this initiative is currently being implemented and will deliver 57 additional homes.
6. Housing Tasmania has also commenced action on a stock mismatch initiative.

### RECOMMENDATION 3 – THAT HOUSING TASMANIA INVESTIGATES THE REASONS AND IMPLICATIONS FOR THE SHARP INCREASE IN APPLICANTS IN THE NORTH AND NORTH WEST.

2.6 The Department provided the following comment:

*The increase in applicants in the North and North West was considered at the time of the Report and there was no clear explanation for the sharp increase in the North and North West. In particular there were no significant housing market changes or service issues that would explain the change.*

*Housing Tasmania regularly undertakes analysis of the Housing Register to inform planning, reviews and service design.*

*In June 2015, the new Housing Assessment Prioritisation System (HAPS) commenced. This progressed from the previous four category system to a new system of assessment based on homelessness, affordability, safety and health and mobility. Data is now*

*reported on Priority and General categories rather than the four previous Categories 1, 2, 3 and 4.*

*Data for the Housing Register at 13 June 2018 shows that there are a consistent number of priority applicants across regions:*

	<i>North</i>	<i>North West</i>	<i>South</i>
<i>All Applicants – Number</i>	<i>940</i>	<i>768</i>	<i>1806</i>
<i>Priority Applicants – Number</i>	<i>672</i>	<i>540</i>	<i>1338</i>
<i>Priority Applicants</i>			
<i>(% of Applicants in the Region)</i>	<i>71.5</i>	<i>70.3</i>	<i>74.1</i>

*This is considered from 3 320 applicants as at 13 June 2018 (Note: this may not match with other data sources due to various reports, and totals will not add up to the total Housing Register as applicants may have multiple regional preferences).*

## FINDING

The Committee notes:

1. Housing Tasmania was not able to determine a clear explanation for the sharp increase in applications for housing in the North and North West.

RECOMMENDATION 4 – THAT HOUSING TASMANIA IMPLEMENT THE REGULATIONS AS SOON AS POSSIBLE AFTER DECLARATION IN ORDER TO ALLOW IT TO TERMINATE SOCIAL HOUSING LEASES WHERE THERE IS NO LONGER AN ONGOING NEED.

2.7 The Department provided the following comment:

*Housing Tasmania has implemented processes to apply s.42 of the Residential Tenancy Act (1997) (RTA) in instances where it is appropriate to terminate leases of tenants whereby they no longer require public housing assistance, or they do not require the level of amenity of their current property. This action is current and will be ongoing as part of normal business processes.*

## FINDINGS

The Committee notes:

1. Housing Tasmania has implemented processes to apply s.42 of the *Residential Tenancy Act (1997)*.
2. Housing Tasmania will apply the regulations where it is appropriate to terminate leases of tenants.

RECOMMENDATION 5 – THAT HOUSING TASMANIA CONTINUES TO ENCOURAGE ELIGIBLE TENANTS TO MOVE AWAY FROM NON-FIXED TERM LEASES.

2.8 The Department provided the following comment:

*New tenants are signed to leases of fixed term. Tenants on legacy leases of no-fixed term are signed to leases of fixed term where they initiate a transfer. Where Housing Tasmania initiates the transfer of a tenant on a lease of no-fixed term, the new lease will also be of no-fixed term. This is consistent with maintaining a tenant's existing rights and conditions.*

## FINDINGS

The Committee notes:

1. Housing Tasmania signs new tenants to leases of fixed term.
2. Tenants on legacy leases of no-fixed term are signed to leases of fixed term where they initiate a transfer.
3. Where Housing Tasmania initiates the transfer of a tenant on a lease of no-fixed term, the new lease will also be of no-fixed term.

RECOMMENDATION 6 – THAT HOUSING TASMANIA CONDUCTS A REVIEW OF NON-PERFORMING HOUSING ASSISTANCE INITIATIVES WITH ANY FOUND TO BE INEFFECTIVE OR INEFFICIENT TO BE REVAMPED OR DISCONTINUED AND THE RESOURCES TO BE REDIRECTED TO MORE SUCCESSFUL EXISTING SCHEMES OR TO FUND NEW INITIATIVES.

2.9 The Department provided the following comment:

*Through Action 16 of Tasmania's Affordable Housing Action Plan 2015-19, an Outcome Performance Framework has been introduced for all funded services and programs. These frameworks include better performance indicators, measuring tools and reporting outputs to comprehensively measure and monitor service delivery outcomes. The Outcomes Performance Framework drives greater transparency and accountability for all funded services and programs.*

*In addition, Housing Tasmania is conducting comprehensive reviews of key programs to ensure their efficiency and effectiveness is enhanced, including:*

***Housing Connect Review:*** *A detailed review of the Housing Connect service system was initiated in September 2018. This review will be done in collaboration with all Housing Connect agencies and undertaken by an independent consultant. The review will assess the effectiveness of the existing system and will consider ideas on how to mature the Housing Connect model in response to lessons learnt, growing demand and the introduction of new housing initiatives.*

***Private Rent Assistance Review:*** *An independent review of the Private Rent Assistance program has been undertaken to determine if this is the most effective way to deliver financial and non-financial assistance to people in need of assistance to commence or maintain private rentals. This will commence in December 2018.*

***Review of non-registered Community Housing Providers:*** *A review of non-registered Community Housing Providers will commence in 2019 that investigates the historical arrangements Housing Tasmania has with a range of niche housing providers. This investigation will focus on identifying the programs Housing Tasmania intends to continue and will formalise the legal arrangements in place to engage these providers. This review will enable progress of Action 14 of the Action Plan to expand access to the Housing Register to community housing providers so that priority allocations are being made to suitable applicants in greatest need.*

2.10 The Committee wrote to the Minister asking for an update on the status of the above reviews. The Minister advised that the reviews had been completed. Further details related to these reviews are attached at Appendix 1.

## FINDINGS

The Committee notes:

1. Housing Tasmania has introduced an Outcome Performance Framework for all funded services and programs.
2. Housing Tasmania has completed comprehensive reviews of key programs including Housing Connect, Private Rent Assistance and Non-registered Community Housing Providers.
3. Housing Tasmania's implementation of recommendations from the above reviews remain ongoing.

RECOMMENDATION 7 – THAT HOUSING TASMANIA IMPLEMENTS EFFECTIVE REPLACEMENT PERFORMANCE MEASURES WITH THE HOUSING CONNECT NGOS. HOUSING TASMANIA MUST ALSO FOLLOW-UP ON ANY INSTANCES OF NON-COMPLIANCE.

2.11 The Department provided the following comment:

*An Outcomes Performance Framework was implemented for the full Housing Connect service system in accordance with Action 16 of the Action Plan. The Outcomes Frameworks include better performance measures and reporting tools and are incorporated into funding agreements with all Housing Connect services. Data collection against the new performance indicators commenced on 1 July 2017. This will enable monitoring and reporting on the outcomes to commence in 2018-19.*

## FINDINGS

The Committee notes:

1. An Outcomes Performance Framework was implemented for the full Housing Connect service system in accordance with Action 16 of the Action Plan.
2. Better performance measures and reporting tools are incorporated into funding agreements with all Housing Connect services under the framework.
3. Data collection against the new performance indicators commenced on 1 July 2017.
24. Monitoring and reporting on the outcomes was to commence in 2018-19.

### **3 REPORT NO 11 OF 2015-16: COMPLIANCE WITH LEGISLATION**

#### **OVERALL CONCLUSIONS OF THE AUDITOR-GENERAL**

3.1 The work undertaken on this Inquiry commenced in February 2016 and continued after Parliament was prorogued in January 2018. Work further paused when the Committee undertook urgent inquiries. As a result, the report was drafted over a period of five years and, whilst the findings were contemporary at the time and accurate as of mid-2017, they may now be dated.

3.2 The overall conclusion provided by the Auditor-General in his report was;

*In undertaking this audit, we considered what was an acceptable level of compliance. Some would argue that 100 per cent compliance was appropriate, but we recognise that this may not always be achievable due to the:*

- *level of awareness of legislative requirements*
- *level of resources available to entities to ensure compliance*
- *adequacy of systems in place to ensure compliance.*

*This still leaves the question unanswered. The response may depend on a number of factors such as the consequences of non-compliance and the risk tolerance of entities in dealing with the adverse outcomes of non-compliance.*

*It is not for us to suggest that anything less than 100 per cent compliance is appropriate. Our expectation is that all entities should examine the systems and processes they have in place to ensure compliance. They should also periodically conduct assessments on the adequacy of those systems to ensure they remain fit for purpose and achieve the overall objective of ensuring compliance with all legislation.*

3.3 The questionnaires received from the Local Councils and Departments sought an update from them on progress made where the entity had been non-compliant during the Auditor-General's audit.

3.4 The Councils and Departments made the following responses.

## COUNCIL AND DEPARTMENTAL RESPONSES

### BREAK O'DAY COUNCIL

3.5 The Auditor-General had assessed that the Council was not compliant with *Local Government (Management Indicators) Order 2014 section 5(a)-(c)*.

3.6 The Council's comment to the Committee on its actions taken in response to the review by the Auditor-General was:

*At the time of the Compliance Audit, Break O'Day Council was still working on developing our Asset Management Plan and therefore was unable to calculate all of the finance ratios required by the Local Government (Management Indicators) Order 2014.*

*Within the next financial year, Council completed the Asset Management Plan and was able to calculate the required ratios and became fully compliant and has remained fully compliant since.*

### FINDING

The Committee notes:

1. Break O'Day Council has taken action to become fully compliant with the Local Government (Management Indicators) Order 2014 section 5(a)-(c).

### CENTRAL HIGHLANDS COUNCIL

3.7 The Auditor-General had assessed that systems were not supporting compliance with the *Dog Control Act 2000 section 7(1)*.

3.8 The Council's comment to the Committee on its actions taken in response to the review by the Auditor-General was:

*In accordance with section 7 of the Dog Control Act, Council have implemented a system to ensure review of its dog management policy. The dog management policy is scheduled for review by the Council in the three months leading up to the 17 November 2020 review date, which will allow Council to provide public*

*submissions relating to the reviewed dog management policy; consult with any appropriate body or organisation; and consider any submissions and results of any consultation before finalising the policy in November 2020.*

#### FINDING

The Committee notes:

1. Central Highlands Council has taken action to introduce systems to support compliance with the *Dog Control Act 2000* section 7(1).

#### CIRCULAR HEAD COUNCIL

3.9 The Auditor-General had assessed that the Council was not compliant with *Local Government (Management Indicators) Order 2014* section 5(a)-(c).

3.10 The Council's comment to the Committee on its actions taken in response to the review by the Auditor-General was:

*All ratios are now included in Council's financial statements. The previous non-compliance was a timing issue to do with the LTFP [Long term financial plan] and SAMP [Strategic asset management plan] documents.*

#### FINDING

The Committee notes:

1. Circular Head Council has taken action to become fully compliant with the *Local Government (Management Indicators) Order 2014* section 5(a)-(c).

#### GEORGE TOWN COUNCIL

3.1 The Auditor-General had assessed that systems were not supporting compliance with the *Dog Control Act 2000* section 7(1).

3.2 The Council's comment to the Committee on its actions taken in response to the review by the Auditor-General was:

*The responsible officer has developed a review process for all Council Policies and is circulating a review schedule for all responsible Team Leaders for action where required.*

*As part of this process the Draft Dog Management Policy has been submitted to Council at its meeting held on 19th September 2018, whereby Council resolved to invite public comments on the draft policy with the public submission period closing on the 26th October 2018.*

*It is anticipated that the policy will be formally adopted and implemented following the November Council meeting, the policy will then be reviewed in five years in accordance with the requirements of the Dog Control Act 2000.*

## FINDING

The Committee notes:

1. George Town Council has taken action to introduce systems to support compliance with the Dog Control Act 2000 section 7(1).

## GLENORCHY CITY COUNCIL

- 3.3 The Auditor-General had assessed that systems were not supporting compliance with the *Local Government Act 1993 section 155*.
- 3.4 In relation to By-Laws, the Report noted '*By-laws typically include expiry dates, which should be reviewed prior to lapsing, even though not required by the Local Government Act. However, neither Glenorchy City or Sorell councils, maintained a formal system for reviewing their bylaws. We noted that Glenorchy had subsequently implemented a system for reviewing by-laws*'.
- 3.5 The Council's comment to the Committee on its actions taken in response to the review by the Auditor-General was:

*Council has only two by-laws in force at present and both are valid and within the ten (10) year expiry period of the date that each took effect:*

*Animal Management By-Law No. 1 of 2014 (nominal expiry date 28 May 2024), and Environmental Amenity By-Law No. 1 of 2017 (nominal expiry date 23 August 2027).*

## FINDING

The Committee notes:

1. From the Glenorchy City Council response that its by-laws under the Local Government Act 1993 section 155 are valid and within the ten-year expiry period that they took effect.

## KING ISLAND COUNCIL

- 3.6 The Auditor-General had assessed that the Council was only partially compliant with *Local Government (Management Indicators) Order 2014 section 5(a)-(c)*.
- 3.7 The Council provided an update on progress toward completion of its Long-Term Financial Plan (5% complete) and Asset Management Plan (90% complete).
- 3.8 The Auditor-General had assessed that systems were not supporting compliance with the *Dog Control Act 2000 section 7(1)*.
- 3.9 The Council response regarding action taken subsequently to the review was to provide a copy of the draft plan as endorsed by the Council. This was to be taken to the stage of formal community consultation prior to the final stage of approval.

## FINDINGS

The Committee notes:

1. King Island Council remains partially compliant with Local Government (Management Indicators) Order 2014 section 5(a)-(c) as the work toward completion of its Long-Term Financial Plan and Asset Management is ongoing.
2. King Island Council has demonstrated action taken to review its Dog Management Plan.

## SORELL COUNCIL

3.10 The Auditor-General had assessed that the Council was not compliant with *Local Government (Management Indicators) Order 2014 section 5(a)–(c)*.

3.11 The Council's comment to the Committee on its actions taken in response to the review by the Auditor-General was:

*Local Government (Management Indicators) Order 2014 – financial statements fully comply with requirements of the Order from 16/17 and have passed external audit without qualification each year since.*

3.12 The Auditor-General had assessed that systems were not supporting compliance with the *Dog Control Act 2000 section 7(1)* and *Local Government Act 1993 section 155*.

3.13 The Council's comment to the Committee on its actions taken in response to the review by the Auditor-General was:

*Dog Control Act 2000 – current Dog Management Plan now includes expiry and review date within the document that is automatically generated through our records management system (Infoexpert/TARDIS).*

*Local Government Act 1993 – all by-laws are contained within an overall policy control system specifying expiry dates and lead in review times six months prior that are automatically generated through our records management system.*

## FINDINGS

The Committee notes:

1. Sorell Council has taken action to become fully compliant with *Local Government (Management Indicators) Order 2014 section 5(a)–(c)*.
2. Sorell Council has taken action to introduce systems to support compliance with the *Dog Control Act 2000 section 7(1)* and *Local Government Act 1993 section 155*.

## SOUTHERN MIDLANDS COUNCIL

3.14 The Auditor-General had assessed that systems were not supporting compliance with the *Dog Control Act 2000 section 7(1)*.

3.15 The Council's comment to the Committee on its actions taken in response to the review by the Auditor-General was:

*Since the Auditor-General's Report the Southern Midlands Council has developed a more formal process to ensure policies are regularly reviewed as required under legislation.*

*The Southern Midlands Council Policy Register is now maintained by one Business Unit to ensure that regular review and compliance occurs, whilst also maintaining consistency. The register also incorporates the expiration dates of all policies but in particular policies that are required under legislation to be reviewed/released for public comment within certain timeframes.*

*Another system that has also been implemented as an additional mechanism to ensure compliance, is for a task to be generated 3 months prior to the policy review date within the Council's record system (Magiq InfoXpert) to the relevant officer(s).*

## FINDING

The Committee notes:

1. Southern Midlands Council has taken action to introduce systems to support compliance with the *Dog Control Act 2000 section 7(1)*.

## WARATAH-WYNYARD COUNCIL

3.16 The Auditor-General had assessed that systems were not supporting compliance with the *Dog Control Act 2000 section 7(1)*.

3.17 The Council's comment to the Committee on its actions taken in response to the review by the Auditor-General was:

*Council developed and implemented a policy relating to dog management for the Waratah-Wynyard Municipal area which was formally adopted by Council on 19 June 2019.*

## FINDING

The Committee notes:

1. Waratah-Wynyard Council has taken action to introduce systems to support compliance with the Dog Control Act 2000 section 7(1).

## WEST COAST COUNCIL

3.28 The Auditor-General had assessed that the Council was only partially compliant with *Local Government (Management Indicators) Order 2014 section 5(a)-(c)*.

3.29 The Council provided a copy of the Long-Term financial Plan and Asset Management Plan.

3.30 The Auditor-General had assessed that systems were not supporting compliance with the *Dog Control Act 2000 section 7(1)*.

3.31 The Council's comment to the Committee on its actions taken in response to the review by the Auditor-General was:

*Council has a current Dog Management Policy effective from April 2016 to April 2021. A register is kept of all Council Policies by the Executive Assistant.*

## FINDINGS

The Committee notes:

1. West Coast Council has taken action to become fully compliant with the Local Government (Management Indicators) Order 2014 section 5(a)-(c).
2. West Coast Council has taken action to introduce systems to support compliance with the Dog Control Act 2000 section 7(1).

## DEPARTMENT OF EDUCATION

3.32 The Auditor-General had assessed that the Department was partially compliant with the *Financial Management and Audit Act 1990* section 23(4) TI 1001(6).

3.33 The Department's comment to the Committee on its actions taken in response to the review by the Auditor-General was:

*The Department of Education has a draft Taxation Management Plan. The Taxation Management Plan will be submitted for approval of the Executive of the Department in October 2018. A taxation issues log will be approved as part of that process. Records relating to taxation issues are stored in the Department's Records Management System.*

*The Department has continued to meet all its taxation obligations including specifically for Goods and Services Tax, Fringe Benefits Tax and Pay As You Go Withholding Tax.*

3.34 The Auditor-General had assessed that systems were not supporting compliance with the *Financial Management and Audit Act 1990* section 23(4) TI 1001(6) and the *Office of Tasmanian Assessment, Standards and Certification Act 2003* section 24(1).

3.35 The Department's comment to the Committee on its actions taken in response to the review by the Auditor-General was:

*All policies in the Department of Education have a date approved and a review date recorded in the policy.*

*Business units are responsible for ensuring that policies are current and that review and updates prior to the due date.*

*The Office of the Tasmanian Assessment Standards and Certification, which is independent of the Department of Education advised the following in relation to Office of Tasmanian Assessment, Standards and Certification Act 2003, section 24(1):*

*As part of the annual reporting process for the Department of Education the Communications Unit within the Department provides TASC with a schedule of key dates which includes when the final draft of the TASC Annual Report must be provided to the Secretary and the Minister. This is a trigger mechanism for TASC to*

*ensure that it meets its obligations under the Act to prepare a report for the Secretary of the Department.*

*TASC meets fortnightly with Education Performance and Review (EPR) within the Department of Education who manage TASC data, including Tasmanian Certificate of Education (TCE) data which is finalised each year on 31 March. This acts as a trigger mechanism to prepare the data for both the Minister in early April and hence, for the TASC Annual Report once it has been quality assured and approved by the Executive Officer, TASC. EPR have a Memorandum of Understanding with TASC under which both organisations work to ensure this work is undertaken.*

*As part of their annual processes, Finance within the Department of Education prepare TASC finances for submission to the Auditor General each year. TASC review and sign off on this in June each year and when it is approved by the Auditor General it is added to the collated information for the TASC Annual Report. This financial reporting mechanism is another process that ensures and informs the development of the TASC Annual Report.*

*A TASC staff member undertakes the project management and collation of information and images for the Annual Report and manages the liaison between designers, printers as well as proof reading between various stakeholders. Although this is not outlined in the staff member's Statement of Duties it is within their role requirements to undertake this work. A schedule of content and development timeframes is developed each year to ensure that all is undertaken as and when expected. This is approved by the Executive Officer, TASC.*

*TASC has provided an Annual Report for the Secretary of the Department of Education each year since it was established, illustrating the effectiveness of the above system and processes in ensuring that TASC complies with its obligations under section 24(1) of the Office of Tasmanian Assessment, Standards and Certification Act 2003.*

## FINDINGS

The Committee notes:

1. The Department of Education has taken action to become fully compliant with the Financial Management and Audit Act 1990 section 23(4) TI 1001(6);
2. The Department of Education has taken action to introduce systems to support compliance with the Financial Management and Audit Act 1990 section 23(4) TI 1001(6);
3. The Office of the Tasmanian Assessment Standards and Certification is independent of the Department of Education; and
4. The systems the Office of the Tasmanian Assessment Standards and Certification has in place support compliance with the Office of Tasmanian Assessment, Standards and Certification Act 2003 section 24(1).

## DEPARTMENT OF JUSTICE

3.36 The Auditor-General had assessed the Department was partially compliant with the *Corrections Regulations 2008* section 26(a)-(b).

3.37 The Department's comment to the Committee on its actions taken in response to the review by the Auditor-General was:

*The Department of Justice notes that the relevant Regulation is now Regulation 30 of the Corrections Regulations 2018.*

*The Department has this matter under active consideration. However, there are a number of issues of concern if the Department fully complies with this Regulation.*

*The Department highlighted with the Auditor-General in mid-2016 that further careful consideration is required in relation to the impact the removal of these records may have on –*

- *The Department's ability to meet its reporting obligations;*
- *The Department's information sharing obligations and arrangements; and*

- *The safe, secure management of the prison and prisoners' individuals risks and needs, particularly where a prisoner has a history of suicide or self-harm risks or exhibits patterns of dangerous behaviour while in prison.*

*The Department also noted that it would need to consider records that may later be required as evidence.*

*However, the Department has also identified a number of other issues, including –*

- *The Tasmanian Prison Service provides data to a number of other agencies including Tasmania Police, Immigration, Centrelink, the Australian Electoral Commission, Productivity Commission and the Australian Bureau of Statistics. Further consideration is required in relation to the impact on each organisation if records are destroyed or acquitted and unconvicted persons upon release. Statistical information, including prisoner numbers, prior imprisonments, prisoner demographics, trends over time, etc. would also be affected.*
- *If an individual took legal action following a period of imprisonment for an assault, injury in custody or an alleged criminal offence, it may be inappropriate for the Tasmania Prison Service to destroy relevant records.*
- *Records sitting outside of the Custodial Information System also require further consideration. Such records may include the contraband register, Therapeutic Services case notes, intelligence information or intervention program records among others.*

*The Royal Commission into Institutional Responses to Child Sexual Abuse has also raised a number of issues in relation to records and record keeping that have relevance to the Department of Justice.*

*The State Archivist has convened an Inter-Departmental Committee to review the retention of records as a result of the Royal Commission. The outcome of that work will be an important consideration in any decision taken concerning the records of prisoners and detainees.*

*The Department needs to ensure its records keeping is consistent with other requirements, including those imposed by the Tasmanian Archive and Heritage Office and the Royal Commission mentioned above. This may result in records relating to individuals, particularly those that could lead to future civil action, having longer*

*retention periods. As this is in contrast to the Corrections Regulations 2018, an amendment to the Regulations may be required.*

*As the Committee may be aware, the Corrections Regulations 2008 expired in 2018 and were replaced by the Corrections Regulations 2018. However, at that time no final decision had been taken in relation to record keeping requirements. An amendment may be required to Regulation 30 in the future to address the above concerns.*

3.38 Regulation 30 prescribes -

**30. Destruction of records on acquittal**

*Any biometric data collected, photographs or images taken and electronic or other records made under [Regulation 29](#) are to be destroyed as soon as practicable after the release or acquittal of the prisoner or detainee if -*

*(a) the detainee is released without conviction by a court; or*

*(b) the prisoner is acquitted of the charge or offence in respect of which he or she was imprisoned; or*

*(c) in the case of a migration detainee, he or she is released under the Migration Act 1958 of the Commonwealth.*

3.39 The Department further commented on the Custodial Information System and its actions taken in response to the review by the Auditor-General:

*From a technical and operational perspective, the Department's Custodial Information System can be set to remove data according to specifications set by the Department. However, as noted above, further consideration is required in relation to a number of issues.*

*The Department has recently appointed a new Manager, Record Services and is reviewing records management across the Department. Discussions are ongoing in relation to the record keeping aspects of the Corrections Regulations 2018 and the Manager, Record Services, is also a member of the Inter-Departmental Committee mentioned above.*

## FINDINGS

The Committee notes:

1. The Department has a number of considerations under review which impact on the Department's full compliance with Regulation 30 of the Corrections Regulations 2018; and
2. An amendment may be required to Regulation 30 to address the concerns of the Department of Justice.

### DEPARTMENT OF PREMIER AND CABINET

3.40 The Auditor-General had assessed that the Department was partially compliant with the *Financial Management and Audit Act 1990* section 23(4) TI 1001(6) and non-compliant with *Financial Management and Audit Act 1990* section 23 (4) TI 1402(2).

3.41 The Department provided the following response as an update to the Auditor-General's findings:

*Treasurer's Instruction (TI) 1001(6)*

*Since 1 July 2017, the Department of Premier and Cabinet (DPAC) has maintained a Taxation Issues Log, as required by Treasurer's Instruction (TI) 1001(6). As no issues have been identified since 1 July 2017, there have been no entries in the Log to date.*

*Treasurer's Instruction (TI) 1402(2)*

*In response to the Auditor-General's findings and with effect from 1 July 2016, DPAC has published details of all procurement contracts valued at over \$2 million on DPAC's website.*

3.42 The Auditor-General had assessed that systems were not supporting compliance with the *Financial Management and Audit Act 1990* section 23(4) TI 1001(6) and TI 1402(2).

3.43 The Department's comment to the Committee on its actions taken in response to the review by the Auditor-General was:

*Treasurer's Instruction (TI) 1001(6)*

*As noted above, DPAC has maintained a Taxation Issuers Log since 2017. If a taxation issue was to arise it would be entered into the Log, with updates on the issues entered as they arise.*

*Treasurer's Instruction (TI) 1402(2)*

*DPAC has established a trigger mechanism in its Finance System that flags payments of \$2 million or above. This process identifies a payment to be assessed by DPAC's Properties and Procurement Branch for determining whether the payment constitutes a non-procurement contract that is required to be disclosed on DPAC's website.*

*The future risk of non-compliance is now reduced as the Department of Treasury and Finance is responsible for the management of all major government property leases.*

*Moving forward the only possible non-procurement agreements of \$2 million or above are most likely to be Grants administered by DPAC. Although Grants of this amount are very unlikely.*

## FINDINGS

The Committee notes:

1. The Department of Premier and Cabinet has taken action to become fully compliant with the Financial Management and Audit Act 1990 section 23(4) TI 1001(6) and TI 1402(2); and
2. The Department of Premier and Cabinet has taken action to introduce systems to support compliance with the Financial Management and Audit Act 1990 section 23(4) TI 1001(6) and TI 1402(2).

## DEPARTMENT OF PRIMARY INDUSTRIES, PARKS, WATER AND ENVIRONMENT

- 3.44 The Auditor-General had assessed that the Department was partially compliant with the *Biological Control Act 1986 (sections 15(1), 24(1) and 38)*; Royal

*Tasmanian Botanical Gardens Act 2002 section 15 (1-3); and Tasmanian Beef Industry (Research and Development) Trust Act 1990 section 12(1).*

3.45 The Department's comment to the Committee on its actions taken in response to the review by the Auditor-General was:

*1. Biological Control Act 1986 (sections 15(1), 24(1) and 38)*

*Auditor's Findings: The Biological Control Act 1986, mirrors equivalent Commonwealth legislation. The legislation formed part of a nationally agreed approach to biological control. Historically, it was created to address issues relating to biological agents for control of pest plant species. Until recently, Tasmania operated on the understanding that any national declarations negated the need for it to enact its own legislation. At the time of this audit, DPIPWE was clarifying what mechanism was required to ensure agents approved for use in Australia also met the requirements of the Biological Control Act 1986.*

*The compliance requirements and outcomes for the Biological Control Act 1986 (the Act) relates to historical activity and does not appear to have generated any required activity for well over a decade.*

*Response:*

***Nationally Agreed Processes for nominating target species and agent organisms***

*Nationally, there is an agreed process for nominating target species for biological control and biological control agent organisms, which Tasmania follows. That approach has been under regular review, reflecting changes in the national committee structure over the past two and a half decades, but process decisions have been agreed to by all jurisdictions.*

*Currently, approval for the nomination of target species for biological control is by the Environment Invasives Committee or the National Plant Health Committee. Nominated target weed species are listed on the following national website:*

<http://weeds.ala.org.au/target.htm>

*Permits to Import organisms for use as biological agents are subject to approval by the relevant Commonwealth agencies (see link below). Once approval of the agent is*

obtained, the live Import List is amended by the Commonwealth Department of the Environment and Energy.

[www.agriculture.gov.au/Style%20Library/Images/DAFF/\\_data/assets/pdffile/0008/2395160/guidelines-introduction-exotic-bcas.pdf](http://www.agriculture.gov.au/Style%20Library/Images/DAFF/_data/assets/pdffile/0008/2395160/guidelines-introduction-exotic-bcas.pdf)

The outcomes of these assessments are, normally, publicly available through the relevant Australian Government Department's website.

### ***The Tasmanian Biological Control Act 1986 (the Act)***

*The Department has not been able to find evidence of a notice having been published under the Act. However, the Department along with other jurisdictions worked on reviewing and amending the definition of what an organism is under the Act to remove doubt about what constitutes an agent under the Act. These amendments to the Act were made in December 2016. There has also been an ongoing process at the national level to review and refine the agreed process for nominating target species and agent organisms.*

*The Department also notes the previous comments regarding the Act and historical activities relating to compliance that does not appear to have generated any required activity for well over a decade.*

*With regards s (38) there has been no commission of inquiry with regards the nomination of a target for biological control or the nomination of an agent to be used as a biological control. Consequently, there has been no requirement to issue a notice of an inquiry.*

### ***2. Partial compliance with the Royal Tasmanian Botanical Gardens Act 2002***

#### ***Auditor's Findings:***

*DPIPWE was partially compliant with section 15 of the Royal Tasmanian Botanical Gardens Act 2002. This section requires the submission of a business plan by the Botanical Gardens Board by 31 March annually. Although parts (2) and (3) were met, the plan was not submitted until after 31 March 2015, which was not in accordance with part (1).*

#### ***Response:***

*The Royal Tasmanian Botanical Gardens Act 2002 states:*

*(1) The Board, on or before 31 March in each financial year, is to prepare in respect of the next financial year a business plan for the Botanical Gardens.*

*(2) A business plan is to:*

*(a) Be consistent with strategic master plan, and*

*(b) Include a statement of the manner in which the Board is to meet the objectives of the strategic master plan.*

*(3) The chairperson of the Board, within 30 days after a business plan has been prepared, or within any further period the Minister approves, is to provide the Minister with a copy of the business plan.*

*The Royal Tasmanian Botanical Gardens (RTBG) Business Operational Plan 2015 - 16 was drafted by March 2015. The Business Operational Plan remained as a draft waiting for budgetary input before being finalised in June. The final draft of the document was delivered to the Board at the 27 August 2015 Board meeting.*

*The delayed delivery of the 2015 - 2016 Business Operational Plan occurred during a period of key staff changes with (1) the RTBG operating under two concurrent acting Director/Administrator appointments and (2) the retirement of RTBG's Business Manager.*

*The appointments of the current Director in November 2015 and Business Manager in October 2015 have provided the organisational stability required to ensure that legislative deadlines are now being met.*

*3. Partial compliance with the Tasmanian Beef Industry (Research and Development) Trust Act 1990.*

*Auditor's Findings:*

*The Tasmanian Beef Industry (Research and Development) Trust did not finalise its annual report by the required date. It was noted that this was the first year the reporting requirement applied and the Trust was undertaking action to ensure a system was implemented before the 2015–16 annual reporting process.*

*Response:*

*DPIPWE does not have a management role with the Tasmanian Beef Industry (Research and Development) Trust ('the Beef Trust'). Administrative and secretariat support has been provided to the Beef Trust by the Tasmanian Farmers and Graziers Association (TFGA) since it was originally established.*

*DPIPWE officers maintain regular contact with the TFGA and the Chair of the Beef Trust to remind them of their statutory obligations.*

*The Beef Trust has delivered its annual report within a week of the 30 September deadline.*

## FINDINGS

The Committee notes:

1. Amendments have been made to the Biological Control Act 1986 to remove doubt about what constitutes an agent under the Act in December 2016;
2. The comments of the Department of Primary Industries, Parks, Water and Environment regarding compliance with the Royal Tasmanian Botanical Gardens Act 2002 section 15 (1-3) and notes that achievement of organisational stability within the Royal Botanical Gardens will support future compliance; and
3. The Department of Primary Industries, Parks, Water and Environment does not have a management role under the Tasmanian Beef Industry (Research and Development) Trust Act 1990.

## DEPARTMENT OF STATE GROWTH

3.46 The Auditor-General had assessed that the Department was partially compliant with the Financial Management and Audit Act 1990 section 23(4) TI 1001(6) and non-compliant with Private Forests Act 1994 section 19 D (1)-(2).

3.47 The Department's comment to the Committee on its actions taken in response to the review by the Auditor-General was:

*The finding regarding the preparation of an annual corporate plan by the Board of Private Forests Tasmania in accordance with section 19 D (1)-(2) of the Private Forests Act 1994 was referred to the Board for its response.*

*The Corporate Plan for Private Forests Tasmania has not been updated due to a number of factors, including the retirement of the previous CEO in late 2016 and positions on the Board of Directors, including the Chair that experienced delays in filling. A new CEO was appointed in June of this year and the Chair of the Board was appointed in August. The first priority has been to develop a strategic plan for PFT for 2018-2021, which will inform the development of the new corporate plan. Under the Private Forests Act 1994, s19D (6) states that the “corporate plan takes effect on the first day of the financial year next commencing after its approval by the Minister.” PFT is working on having a draft corporate plan to the relevant Minister before the end of 2018. The new corporate plan will therefore take effect from 1 July 2019.*

*In relation to the finding about partial compliance with Treasurer’s Instruction 1001(6) - maintenance of a taxation issues log - the Department maintains a taxation issues log within its records management system, where papers, analysis, advice received and related correspondence are filed. These files record all the information that the Treasurer’s Instruction mandates. It is the Department’s view that compliance with the Treasurer’s Instruction was achieved.*

3.48 The Auditor-General had assessed that systems were not supporting compliance with the Financial Management and Audit Act 1990 section 23(4) TI 1001(6) and Private Forests Act 1994 section 19D (1)-(2).

3.49 The Department provided the following response as an update to the Audit-General’s findings:

*A register format of recording taxation issues has been implemented in response to the Auditor-General’s opinion that the Department is partially compliant with Treasurer’s Instruction 1001(6).*

## FINDINGS

The Committee notes:

1. The Department of State Growth has taken action to become fully compliant with the Financial Management and Audit Act 1990 section 23(4) TI 1001(6);
2. Action is underway to achieve compliance with Private Forests Act 1994 section 19D (1)-(2) by the Department of State Growth and the Board of Private Forests Tasmania; and
3. The Department of State Growth has taken action to introduce systems to support compliance with the Financial Management and Audit Act 1990 section 23(4) TI 1001(6).



**Hon Ivan Dean MLC**

**Committee Chair**

26 June 2020