



PARLIAMENT OF TASMANIA

PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS

Annual Report 2022-23

Members of the Committee

(as at 30 June 2023)

Legislative Council

Hon Ruth Forrest MLC
(Chair)

Hon Meg Webb MLC

Hon Josh Willie MLC

House of Assembly

Dr Shane Broad MP
(Deputy Chair)

Ms Lara Alexander MP

Mr Dean Young MP

Abbreviations and Acronyms

AAG	Assistant Auditor-General
Academy	CPA Parliamentary Academy
ACPAC	Australasian Council of Public Accounts Committees
A-G	Auditor-General
CAPAC	Commonwealth Association of Public Accounts Committees
CEO	Chief Executive Officer
Committee	Parliamentary Standing Committee of Public Accounts
COVID-19	Coronavirus Disease 2019
CPA	Commonwealth Parliamentary Association
Hon	Honourable
MLC	Member of the Legislative Council
MP	Member of Parliament
PWC	Parliamentary Standing Committee of Public Works Committee
SoU	Statement of Understanding
TAO	Tasmanian Audit Office
the Act	<i>Public Accounts Committee Act 1970</i>
Vic	Victoria

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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 February 2019 and covers the period 2014-2018 (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-28-Feb-2019.pdf>
[Accessed 16 May 2023]

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.

² See

https://www.parliament.tas.gov.au/data/assets/pdf_file/0022/57442/2021090220pac20statement20of20understanding20signed.pdf
[Accessed 6 July 2023]

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 2022-23.

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 2022-23 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>

Year in Review 2022-23

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

- following the resignation of Hon Jacquie Petrusma MP on 25 July 2022, Parliament was prorogued between 1 and 16 August 2022; and
- 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).

Completed Inquiries

The Committee tabled the following three (3) reports over the period:

Tabled	Title	Terms of Reference
29 September 2022 (No.27 of 2022)	<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	<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)	<u>Tasmanian Government’s Spending</u> Unallocated COVID-19 Funding	<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 meet non-COVID-19 related expenditure which could not reasonably have been

Tabled	Title	Terms of Reference
		<p>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). • The Committee made nine findings and one recommendation as a result of this inquiry.

Inquiries in Progress

The Committee had four (4) 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 continuing response to the COVID-19 pandemic	<p>To inquire into and report upon the Tasmanian Government's continuing response to the COVID-19 pandemic (and any other matter incidental thereto) with particular emphasis on:</p> <ul style="list-style-type: none"> • Reopening of the Tasmanian Border <ul style="list-style-type: none"> ○ the financial and public health measures taken by Government to prepare for the re-opening of the Tasmanian border to other mainland States on 15 December 2021;

Inquiry	Terms of Reference
	<ul style="list-style-type: none"> ○ the Public Health advice that supported the re-opening plan; and the financial and social impacts associated with measures implemented to support the border re-opening including (but not limited to) impact on: <ul style="list-style-type: none"> ▪ access to health services; ▪ patient outcomes; ▪ health professionals; and ▪ the broader Tasmanian community and economy. ● Return to School Plan <ul style="list-style-type: none"> ○ the financial and public health measures taken by Government to prepare for return to school for students and staff for the 2022 educational year; ○ the Public Health advice that supported the return to school plan; ○ the financial, social and educational impacts associated with measures implemented to support the return to school plan including (but not limited to) impact on: <ul style="list-style-type: none"> ▪ students and educational outcomes; ▪ parents and carers; ▪ staff; and ▪ the broader Tasmanian community and economy. ● COVID-19 Vaccination Uptake and Rollout <ul style="list-style-type: none"> ○ the financial and public health measures taken by Government to support and encourage COVID-19 vaccination uptake; ○ the Public Health advice that supported these measures including accessibility to vaccinations across all age cohorts; ○ the financial implications of the vaccine rollout to the State; and ○ the impact on employment in sectors where vaccination was mandated to continue employment. ● Targeted Financial Support Programs and Payments <ul style="list-style-type: none"> ○ the financial and public health measures taken by Government to support businesses impacted by COVID-19 since August 2021; ○ the financial impacts associated with these measures; and ○ the uptake, timeliness and adequacy of the financial support measures. ● COVID-19 Check-in App <ul style="list-style-type: none"> ○ the Government's role related to the Tasmanian COVID-19 Check-in App with regard to the application's: <ul style="list-style-type: none"> ▪ development; ▪ effectiveness; ▪ use; and ▪ associated costs ○ the Public Health advice that supported the use and development of the COVID-19 Check-in App; ○ the advice around the effectiveness and privacy considerations of the COVID-19 manual check in process; and ○ the future planning around tracking and tracing.

Inquiry	Terms of Reference
<p>Tasmanian Government's Proposed Hobart Stadium Feasibility Planning Process/Proposed Arts, Entertainment and Sports Precinct in Hobart</p>	<p>To inquire into and report upon the Tasmanian Government's process into the feasibility planning for a new sporting and event stadium in Hobart with a particular emphasis on:</p> <ul style="list-style-type: none"> • the process used to select Macquarie Point as the site for a proposed new stadium; • how a new roofed stadium became a condition of a Tasmanian licence to enter the Australian Football League (AFL); • the figures and assumptions contained within any State Government commissioned reports and economic impact assessments of the proposed Macquarie Point stadium, including any subsidies required and assessments of ongoing operating costs; • the Tasmanian Government's expectation regarding financial contributions from the Australian Government, AFL and third parties; • the level of borrowing and costs on the assumed \$375 million Tasmanian Government contribution to the construction of the proposed new stadium; • the future of Blundstone Arena and UTAS Stadium, including State Government ownership and future capital and operational expenditure; • the role of the Major Stadiums business unit within State Growth and the newly established statutory authority Stadiums Tasmania in relation to the proposed new stadium; and • any other matter incidental thereto. <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> <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.
<p>Tasmanian Government's use of provisions of the <i>Financial Management Act 2016</i> to fund election commitments in 2021</p>	<p>An inquiry into the Tasmanian Government's use of provisions of the <i>Financial Management Act 2016</i> to fund election commitments in 2021.</p>

Briefings with Stakeholders

The Committee received briefings throughout the year from the following stakeholders:

Date	Parties	Commentary
09 Nov 2022	Michael Easton (CEO, Integrity Commission)	Briefed the Committee on a number of matters: <ul style="list-style-type: none"> Reforming oversight of lobbying in Tasmania Grant Commitments in Election Campaigns
23 Nov 2022	Rod Whitehead (A-G) Janine McGuiness (AAG)	Briefed the Committee: <ul style="list-style-type: none"> Report of the Auditor-General No 2 of 2022-23: Audit of State entities and audited subsidiaries of State entities 31 December 2021 and 30 June 2022 (Volume 1)
22 Mar 2023	Rod Whitehead (A-G) Janine McGuiness (AAG)	Briefed the Committee: <ul style="list-style-type: none"> Auditor-General's draft Annual Plan of Work 2023-24

On 1 December 2022, the Chair of the Committee also made a presentation to the Australasian Council of Auditors-General Conference held at the Tasmanian Audit Office. Topics included the remit, functions and power of the Committee, its relationship with the Office of the Auditor-General and the tension between Government and effective Committee oversight.

Meetings Held

Committee meetings and public hearings were scheduled and conducted throughout the reporting year, with the exception of the period during Her Majesty Queen Elizabeth's condolence period.

A list of full Committee meetings and attendance over the period 1 July 2021 to 30 June 2022 is provided below:

Date	Legislative Council			House of Assembly				
	Hon Ruth Forrest MLC (Ind. Member for Murchison)	Hon Meg Webb MLC (Ind. Member for Nelson)	Hon Josh Willie MLC (ALP Member for Elwick)	Dr Shane Broad MP (ALP Member for Braddon)	Felix Ellis MP (Lib Member for Braddon)	John Tucker MP (Lib Member for Lyons)	Lara Alexander MP (Ind. Member for Bass)	Dean Young (Lib Member for Franklin)
24 August 2022		Apology						
7 September 2022								
28 September 2022			Apology					
19 October 2022								
21 October 2022				WebEx				
26 October 2022								
2 November 2022							WebEx	

Date	Legislative Council			House of Assembly				
	Hon Ruth Forrest MLC (Ind. Member for Murchison)	Hon Meg Webb MLC (Ind. Member for Nelson)	Hon Josh Willie MLC (ALP Member for Elwick)	Dr Shane Broad MP (ALP Member for Braddon)	Felix Ellis MP (Lib Member for Braddon)	John Tucker MP (Lib Member for Lyons)	Lara Alexander MP (Ind. Member for Bass)	Dean Young (Lib Member for Franklin)
9 November 2022								
23 November 2022								
28 November 2022				WebEx				
6 December 2022	WebEx		WebEx	WebEx				
14 December 2022								
16 February 2023				WebEx			WebEx	WebEx
23 February 2023							WebEx	
24 February 2023							WebEx	
22 March 2023								
24 March 2023								
29 March 2023								
31 March 2023		WebEx					WebEx	
27 April 2023								
28 April 2023							WebEx	
24 May 2023								
31 May 2023								
9 June 2023							WebEx	
16 June 2023				WebEx			WebEx	
23 June 2023				WebEx			WebEx	
Attendance	26/26	25/26	25/26	26/26	Nil	8/8	26/26	18/18
	100%	96%	96%	100%	N/A	100%	100%	100%

Notes:

- Attendance at Committee meetings is either in person or remotely through the Parliament's secure web meeting host (WebEx).
- Following the prorogation of Parliament between 1 and 16 August 2022, there was a requirement to re-establish the Committee. Hon Ruth Forrest MLC and Dr Shane Broad MP were nominated and took their places as Cahir and Deputy Chair of the Committee respectively on 24 August 2022.
- Felix Ellis MP resigned from the Committee on 25 July 2022 after taking up ministerial roles with the Government.
- Lara Alexander MP was appointed to the Committee on 16 August 2022.
- John Tucker MP resigned from the Committee on 21 November 2022.
- Dean Young MP was appointed to the Committee on 23 November 2022.

7. Hon Ruth Forrest MLC tenure on the Committee ceased on 5 May 2023 pending the outcome of the Legislative Council election for the seat of Murchison held on Saturday, 6 May 2023. She was successfully returned on 9 May 2023 and recommenced her position on the Committee on 24 May 2023. She was nominated and took her place as Chair of the Committee on 24 May 2023.

Committee Secretariat

The Committee acknowledges the assistance during the period by the following officers:

Position	Officer
Committee Secretary	Simon Scott ⁴
Assistant Committee Secretary	Alison Scott

The Committee also acknowledges the assistance of the Parliamentary Research Office by Dr Bryan Stait and staff.

⁴ Ms Julie Thompson (Committee Secretary) substituted for Mr Scott who was on leave on 2 November 2022

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 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.

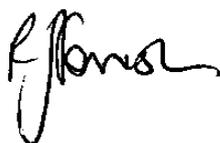
The Conference also for the first time allowed for virtual participation to which the Chair and Committee Secretary attended with 49 delegates worldwide. Other local jurisdiction members include: Australian Commonwealth, New South Wales, Western Australia and New Zealand.

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.⁵



Hon Ruth Forrest MLC
Chair
Independent Member for Murchison

6 September 2023

⁵ See <https://www.youtube.com/embed/whitk3le8CM> 'CPA Parliamentary Academy: PAC Effective Follow Up Example' [Accessed 16 September 2022]