



ACT
Government

Chief Minister, Treasury and
Economic Development

Freedom of Information Publication Coversheet

The following information is provided pursuant to section 28 of the *Freedom of Information Act 2016*.

FOI Reference: CMTEDDFOI 2018-0347

Information to be published	Status
1. Access application	Published
2. Decision notice	Published
3. Documents and schedule	Published
4. Additional information identified	No
5. Fees	N/A
6. Processing time (in working days)	23
7. Decision made by Ombudsman	N/A
8. Additional information identified by Ombudsman	N/A
9. Decision made by ACAT	N/A
10. Additional information identified by ACAT	N/A

From: [REDACTED]
To: [CMTEDD.FOJ](#)
Cc: [REDACTED]
Subject: FOI Request - Final briefing packs Annual Reports - Stephen-Smith
Date: Wednesday, 5 December 2018 12:51:08 PM

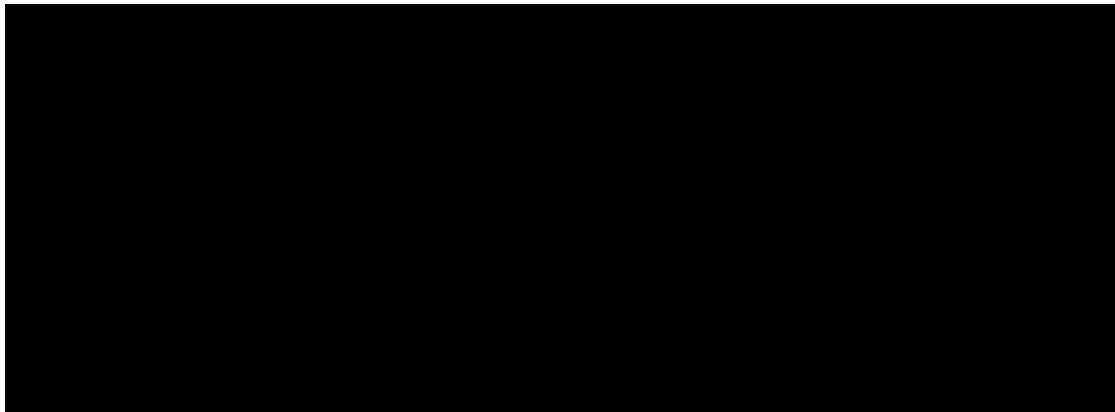
Good afternoon

I write to request under the *Freedom of Information Act 2016* final briefing packs prepared for Ms Rachel Stephen-Smith MLA for the 2017-18 Annual Reports hearings in her capacity as:

- Minister for Employment and Workplace Safety; and
- Minister for Government Services and Procurement.

Should you require any further information or clarification about my request, please contact [REDACTED]

Kind regards,





ACT
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Chief Minister, Treasury and
Economic Development

Our ref: 2018-0347

[REDACTED]

via email: [REDACTED]

Dear [REDACTED]

FREEDOM OF INFORMATION REQUEST

I refer to your application under section 30 of the *Freedom of Information Act 2016* (the Act), received by the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) on 20 November 2018, in which you sought access to:

- Final briefing packs prepared for Ms Rachel Stephen-Smith MLA for the 2017-18 Annual Reports hearings in her capacity as:
 - Minister for Employment and Workplace Safety; and
 - Minister for Government Services and Procurement.

I am an Information Officer appointed by the Director-General under section 18 of the Act to deal with access applications made under Part 5 of the Act.

Timeframes

In accordance of section 40 of the Act, CMTEDD was required to provide a decision on your access application by 21 January 2019.

Decision on access

A search of documents was conducted and resulted in 1 document being identified that falls with the scope of your request. I have decided to grant full access to the document identified.

Charges

Pursuant to *Freedom of Information (Fees) Determination 2017 (No 2)* processing charges are not applicable for this request because the total number of pages to be released to you is below the charging threshold of 50 pages.

Online publishing – Disclosure Log

Under section 28 of the Act, CMTEDD maintains an online record of access applications called a disclosure log. Your original access application, my decision and documents released to you in response to your access application will be published in the CMTEDD disclosure log after 15 January 2019. Your personal contact details will not be published.

You may view CMTEDD disclosure log at
<https://www.cmtedd.act.gov.au/functions/foi/disclosure-log>.

Ombudsman Review

My decision on your access request is a reviewable decision as identified in Schedule 3 of the Act. You have the right to seek Ombudsman review of this outcome under section 73 of the Act within 20 working days from the day that my decision is published in CMTEDD disclosure log, or a longer period allowed by the Ombudsman.

If you wish to request a review of my decision you may write to the Ombudsman at:

The ACT Ombudsman
GPO Box 442
CANBERRA ACT 2601

Via email: actfoi@ombudsman.gov.au

ACT Civil and Administrative Tribunal (ACAT) Review

Under section 84 of the Act, if a decision is made under section 82(1) on an Ombudsman review, you may apply to the ACAT for review of the Ombudsman decision. Further information may be obtained from the ACAT at:

ACT Civil and Administrative Tribunal
Level 4, 1 Moore St
GPO Box 370
Canberra City ACT 2601
Telephone: (02) 6207 1740
<http://www.acat.act.gov.au/>

Should you have any queries in relation to your request please contact me by telephone on 6207 7754 or email CMTEDDFOI@act.gov.au.

Yours sincerely,



Sarah McBurney
Information Officer
Information Access
Chief Minister, Treasury and Economic Development Directorate

10 January 2019



ACT
Government

Chief Minister, Treasury and
Economic Development

FREEDOM OF INFORMATION REQUEST SCHEDULE

NAME	WHAT ARE THE PARAMETERS OF THE REQUEST	Reference NO.
	Final briefing packs prepared for Ms Rachel Stephen-Smith MLA for the 2017-18 Annual Reports hearings in her capacity as: Minister for Employment and Workplace Safety; and Minister for Government Services and Procurement	2018-0347

Ref No	Page number	Description	Date	Status	Reason for Exemption	Online Release Status
1	1-49	Briefing pack for 2017-2018 Annual report hearings.	01-Nov-2018	Full release	N/A	Yes

Total No of Docs						
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1						
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MINISTER FOR EMPLOYMENT AND WORKPLACE SAFETY PORTFOLIO
COMMERCIAL SERVICES AND INFRASTRUCTURE
ANNUAL REPORT HEARING – 2017-18

Brief Number	Brief Title	Responsible Officer
WORKPLACE SAFETY AND INDUSTRIAL RELATIONS		
1.	Performance against Output Class 5.1	M. Young
2.	Secure Local Jobs Code	M. Young
3.	ACT private sector workers' compensation scheme experience	M. Young
4.	Construction industry injury management performance	M. Young
5.	ACTPS workers' compensation arrangements	M. Young
6.	Workers' compensation (Comcare) premium	M. Young
7.	ACT Public Sector work safety, health and wellbeing	M. Young
8.	Public sector psychological injury, occupational violence and bullying/harassment injury experience	M. Young
9.	National workplace relations issues	M. Young
10.	Representation at Safe Work Australia	M. Young
11.	Insecure work and labour hire	M. Young
12.	UnionsACT - WHS liaison officer grant	M. Young
13.	ACT Work Safety Council	M. Young
14.	Portable Long Service Leave Schemes	M. Young
15.	Default Insurance Fund – Performance of the Fund	M. Young

Portfolio: Government Services and Procurement

ISSUE: GOVERNMENT PROCUREMENT BOARD

Talking points:

- The Government Procurement Board (the Board) has 9 members, including 5 government employees and 4 non government employees. The Board's membership includes 5 female members.
- The Board considered 68 proposals in the 2017-2018 financial year, which had a combined estimated value of \$1,848 million.
- The Board was the subject of one Freedom of Information (FOI) Request in 2017-2018. 71 documents were released or partially released on 8 August 2018.

Key Information

- The Government Procurement Board (the Board) is established by the *Government Procurement Act 2001* and *Government Procurement Regulations 2007*. The Board is tasked with oversight of procurement practice by the ACT Government. The Board is **not** responsible for procurement decisions, but seeks to ensure that processes for major procurements comply with the Government's procurement framework.
- In the last financial year, the board advertised and filled 3 government employee memberships and 2 non government employee memberships.

Background Information

- There was no significant increase in the number of proposals that the Board considered in the last financial year. However there was a significant increase in the total value of the procurements the Board considered, from \$913 million to \$1,848 million. This increase can be attributed to the increase in proposals from the Health Directorate, from 2 proposals with the combined estimated value of \$21 million in 2016-2017 financial year up to 17 proposals with a combined estimated value of \$597 million in 2017-18.

Cleared as complete and accurate:	18/10/2018	
Cleared by:	Shaun Strachan	Deputy Under Treasurer
Information Officer name:	Glenn Bain	Ext: 76569
Contact Officer name:	Nicole Masters	Ext: 52895
Lead Directorate:	Chief Minister, Treasury and Economic Development	

OUTPUT 5.1 WORKFORCE INJURY MANAGEMENT AND INDUSTRIAL RELATIONS POLICY

Talking points:

- The operations of the Workplace Safety and Industrial Relations Division conducted in support of the Employment and Workplace Safety portfolio are described in Output Class 5.1.
- Six accountability indicators cover the range of operational and policy services provided, including public sector health promotion, injury prevention and management, oversight of the private sector workers' compensation scheme and workplace relations legislative reforms.
- A number of significant performance targets were exceeded during 2017-18, including:
 - the target to reduce the incidence of serious work related injury at the whole of government level was achieved and exceeded by 21 per cent, which means the public sector is on track to achieve the injury reduction target in the SafeWork Australia National WHS Strategy;
 - the target for verifying that our whole of government rehabilitation services are at a high standard requires an independent audit, which found a 100 per cent conformance level. The audit report noted *Over the past 8 years the auditor has conducted RMS audits on behalf of over 30 employers within the jurisdiction including both premium payers and Comcare's self-insured licensees and has found*

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in this audit that the ACT Government's rehabilitation management system represents best-practice in the jurisdiction.

- policy activity was also intensive during the year, with two targets exceeded. This activity is reflected in the significant amount of legislative reforms undertaken, including:
 - the Government Procurement (Secure Local Jobs) Bill 2018;
 - the WHS Legislation Amendment Act 2018 (A2018-8)– (dangerous substances and major hazard facility national alignment)
 - the WHS Legislation Amendment Act 2018 (A2018-26)- construction safety and consultation reforms
 - the Holidays (Reconciliation Day)Amendment Act 2017 (A2017-29)
 - Workers Compensation Amendment Act 2017 (A2017-49) - broaden scope of cover and increase amount of compensation for death.

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SECURE LOCAL JOBS PACKAGE

Talking points:

- The Secure Local Jobs Package will comprise an integrated suite of measures designed to direct government contracts to businesses with exemplary ethical and labour standards.
- The Package has been the subject of extensive consultation including:
 - the release of a discussion paper and eight week public submission period to March 2018;
 - multiple meetings held with employee and employer representative groups/forums;
 - engagement with the Commonwealth; and
 - a consultation draft Secure Local Jobs Code and other supporting instruments were released for comment to September 2018.
- The Standing Committee on Economic Development and Tourism recently completed its report on the Inquiry into the Government Procurement (Secure Local Jobs) Amendment Bill 2018, publishing its report on 3 October 2018.
- The agreed recommendations were supported or supported in-principle in the government response.

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ACT WORKERS COMPENSATION SCHEME

Talking points:

- In 2016-17 the ACT workers' compensation scheme provided work injury insurance coverage for around 16,500 ACT employers and 140,000 private sector workers.
- The scheme is a privately underwritten and as a result it is up to individual insurers to determine the premiums they charge to employers.
- Where an employer is unhappy with the premium offered by an insurer the competitive nature of the industry in the ACT means they have the option of pursuing coverage with another insurer.
- To assist employers in deciding whether the cost of their premium is reasonable, the Government publishes an annual schedule of reasonable workers' compensation premium rates for each industry class.
- The reasonable rates for the 2018-19 financial year are available on the Access Canberra and CMTEDD websites.

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Portfolio/s: Employment and Workplace Safety

CONSTRUCTION INDUSTRY INJURY MANAGEMENT PERFORMANCE

Talking points:

Lost time injury rates

- In 2012-13, which was the year the Getting Home Safely Report was commissioned, there were 540 lost time injury workers' compensation claims reported in the construction industry.
- Since this time the Government has worked closely with the safety regulator, industry and worker representatives to improve the safety culture in the construction industry.
- In 2017-18, there have been 395 construction industry lost time injuries reported to date. This represents an improvement of more than 25 per cent achieved in the five years since the commissioning of Getting Home Safely.
- Despite this improvement, construction is consistently the ACT industry sector with the highest or second highest rate of work related injury.

Recent legislative reform

- The Government remains committed to improving safety in the ACT construction industry.
- New requirements will commence on 1 January 2019 under the *Work Health and Safety Amendment Act 2018* which was passed in the Legislative Assembly on 31 July 2018.

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- The changes will facilitate improved communication and collaboration with workers by requiring principal contractors on major construction projects to:
 - consult with relevant unions before establishing work groups; and
 - conduct elections for and provide training to Health and Safety Representatives and Health and Safety Committees.
- The government also commissioned an independent review of the Territory's work health and safety compliance infrastructure, policies and procedures. That review was completed on 28 August 2018.
 - I tabled the report of the independent review in the Legislative Assembly on 30 October 2018 and gave a statement responding to the report.
- The Construction Safety Advisory Committee, a sub-committee established under the ACT Work Safety Council, has developed a strategy on driving further safety improvements.

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ACTPS WORKERS' COMPENSATION ARRANGEMENTS

Talking points:

- In July 2018, the ACT Government submitted an application to become a licensed self-insurer for the provision of ACTPS workers' compensation claims management.
- The licence application will be considered by the Safety, Rehabilitation and Compensation Commission in November 2018.
- Becoming a licensed self-insurer will provide the Territory with more control and accountability in managing ACT Public Sector workers' compensation claims through the end-to end claims process.
- As a self insurer within the Comcare there will be no change to the type or amount of compensation available to ACT public sector workers who are injured or become ill because of their work.
- Extensive staff and trade union consultation has been conducted as part of the process for preparing the self-insurance operating model which informed the Territory's self insurance licence application.
- To support the self-insurance operating model, the Territory recently entered into an agreement with Employers Mutual Limited (EML) to provide claim administration services. EML will work with the Territory to build in-house capability, including providing access to training and development programs.

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COMCARE WORKERS' COMPENSATION PREMIUM

Talking points:

- The ACT Government has experienced yearly decreases in workers' compensation premium rates for its Public Sector workforce for the past four years.
- The reduction has been driven by:
 - better injury prevention, return to work and claims management; and
 - improvement in the Comcare scheme's financial position which has allowed for a significant reduction in premium loadings.
- It is pleasing to see that the Government's investment in work safety and injury management services is paying dividends.

Key Information

- The amount payable by the Territory for workers' compensation insurance for 2017-18 was \$67.5 million, which amounted to approximately \$3,000 per full time employee.
- That cost represented 3.08 per cent of wages and salaries, which was a reduction from the rate of 4.11 per cent in the previous year.
- Since the 2017-18 annual reports were finalised the Territory has also paid its 2018-19 premium which, at \$70.5 million, represented a decrease in premium rate of 3 per cent compared with the 2017-18 year.
- The decreases experienced in the 2018-19 premium rate have been the result of sustained improved performance, as well as the improved financial position of the Comcare scheme.

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ACT PUBLIC SECTOR HEALTH AND WELLBEING**Talking points:**

- The health, safety and wellbeing of our public sector workforce is fundamental to the ACT Government's pursuit of excellence in our service delivery to the ACT Community.
- ACT Government is developing a work health, safety and wellbeing strategy that brings together existing work and recognises the role that good work plays in keeping people safe, promoting health and wellbeing and supporting recovery or return to work when illness or injury occurs.
- In 2017-2018 work has continued to support health and wellbeing through programs such as the Healthy Food and Drink Choices Policy and approved catering providers list and the Healthier Me program which provides physical activity and lifestyle modification sessions.
- We continue to focus on supporting employees with an illness or injury to remain in or return to work. The Early Intervention Physiotherapy Program has provided funded support for employees who become injured in the course of their work to access timely physiotherapy services.
- Work has also been occurring with directorates to develop approaches to better support managers to manage reasonable adjustments to enable employees to stay at work following injury.
- We have undertaken a review of the Whole of Government work-based rehabilitation policy. This has led to the development of a suite of policies

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to support employees to return to or remain in work. These will be implemented in 2018-19.

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PUBLIC SECTOR PSYCHOLOGICAL INJURY, OCCUPATIONAL VIOLENCE AND BULLYING/HARRASSMENT INJURY EXPERIENCE

Talking points:

- Occupational violence, bullying and harassment and psychological injury can all result in significant individual, organisational and community costs.
- The ACT Government is committed to providing a workplace that prevents harm, promotes the health and wellbeing of its workers and support those that are injured to return to or remain in work.
- The Government has undertaken a number of initiatives in recent years to address the incidence and impact of psychological injury, occupational violence and bullying and harassment, and is planning on expanding these in 2018-2019. Initiatives to date include:
 - programs to increase mental health literacy and decrease stigma within the workplace;
 - providing training and resources for managers so they can create supportive workplaces which protect against psychological illness and which support those experiencing mental ill health; and
 - assisting workplaces to identify reasonable adjustments for workers experiencing mental ill health.
- Work is underway to develop an ACT Public Sector work health, safety and wellbeing strategy which brings together existing approaches and focuses efforts to prevent harm, promote health and support participation in work

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through an integrated approach. Addressing occupational violence in work places and promoting workplaces that promote positive mental health are a key focus of this strategy.

- Approaches to reduce the incidence and impact of occupational violence and promote mentally healthy workplaces will be structured around:
 - Demonstrating leadership commitment;
 - Building the capability of the ACT workforce;
 - Designing work to prevent harm and promote health;
 - Embedding systems to ensure a structured and consistent approach;
and
 - Ensuring continuous improvement.

Key Information

- Occupational violence:
 - In 2017-18, 35% of reported work health and safety incidents were caused by occupational violence.
 - This equated to 2577 of the 7270 reported incidents.
 - 75 percent of all occupational violence incidents reported occurred in the Education Directorate.
 - This is an increase from 2016-17 and 2015-16 where occupational violence incidents represented 29 and 20 percent of all incidents respectively.
 - Occupational violence was the cause of 9% of all accepted workers compensation claims in 2017-18 and 2016-17. This was an increase from 6% in 2015-16.
- Bullying and harassment:
 - The percentage of reported incidents caused by bullying and harassment have increased, from 1% in 2015-16 and 2% in 2016-17, to 3% in 2017-18.
 - Bullying and harassment was the cause of 5% of all accepted workers compensation claims in 2017-18. This is an increase from 3% in 2016-17 and 4% in 2015-16.

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- Mental stress (excluding occupational violence and bullying):
 - The percentage of total incidents caused by Mental Stress (excluding occupational violence and bullying) is tracking steadily at 2% for the past two years.
 - Mental stress (excluding occupational violence and bullying) was the cause of 3% of all accepted workers compensation claims in 2017-18. This is a decrease from 6% in 2016-17 and 2015-16.
- The total number of worker compensation claims with a psychological injury in 2017-18 and 2016-17 was 11%. It is a reduction from 12% in 2015-16.
- Incident and claims statistics could vary for the 2017-18 financial year as data matures in coming months.

Background Information

- Psychological claims make up around 10% of workers' compensation claims, however are significantly more costly both in terms of claim costs and also to the level of functional and social disability experienced by the injured person.
- For ACT Government workers' compensation claims, a psychological injury claim, on average, costs more than three times as much a claim arising from a non-psychological injury

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NATIONAL WORKPLACE RELATIONS

Talking points:

- In September 2018 I attended a meeting of Commonwealth, state and territory workplace relations and work health and safety.
- A number of industrial relations and work safety matters were discussed including:
 - progress of the national review of model work health and safety laws;
 - family and domestic violence leave;
 - the vulnerable workers and migrant workers taskforce;
 - labour hire licensing.

Key Information

- The WHS law review released a summary of public consultation on Friday 17 August 2018 which is available on the Safe Work Australia website.
- The Commonwealth's Migrant Workers' Taskforce was extended for a further six months to end of September 2018.
- Queensland has a labour hire licensing scheme in place and Victoria has introduced legislation in Parliament for a labour hire licensing scheme. South Australia recently announced that it will be repealing their labour hire licensing scheme legislation.

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REPRESENTATION ON SAFE WORK AUSTRALIA

Talking points:

- The Territory is an active participant in the work of Safe Work Australia.
- The ACT Government is represented on the Safe Work Australia committee as well as:
 - Strategic Issues Group on work health and safety;
 - Strategic Issues Group on explosives;
 - Strategic Issues Group on workers' compensation; and
 - multiple temporary advisory groups.
- Significant national projects for Safe Work Australia in 2017-18 included the national review of the model work health and safety laws, the development of a national return to work strategy and the review of multiple subordinate work safety regulatory instruments.

Key Information

Background Information

- In 2017-18 the ACT contributed \$165,215 to Safe Work Australia operational costs. This is in accordance with the Intergovernmental agreement for regulatory and operational reform in occupational health and safety.
- In 2018-19 the ACT will contribute \$171,523.97 to Safe Work Australia.

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INSECURE WORK AND LABOUR HIRE

Talking points:

- In May 2018 the Standing Committee on Education, Employment and Youth Affairs delivered its report on the Inquiry into the extent, nature and consequence of insecure work in the ACT.
- In response, I made a statement in the Legislative Assembly on 20 September 2018 that indicated what this government is doing to ensure all workers are treated fairly and their workplace rights upheld.
- Labour hire continues to be discussed at the national level.
- The Chief Minister recently announced that the ACT would be developing a labour hire licensing scheme.
- The Government has committed \$470,000 over four years in the 2018-19 Budget for a Young Workers' Advice Service in order to empower young workers with knowledge of their employment rights.
- The Government has previously, and will continue to, advocate for greater resources for the Fair Work Ombudsman to investigate and prosecute businesses in the ACT that are breaking the law.
- The Secure Local Jobs package demonstrates the Government commitment to leveraging its procurement process to influence employers and workplaces behaviour.
- The Government Procurement (Secure Local Jobs) Amendment Bill 2018, was introduced in the Legislative Assembly on 2 August 2018. This Bill and

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the supporting instruments under the Secure Local Jobs Package will ensure that the Government only does business with employers that exemplify the highest ethical and labour standards.

- The Government has committed to establishing a taskforce to consider the use of different types of employment arrangements within the ACT Public Service with a view to strengthening policies to promote job security and permanent employment for ACTPS employees. The Taskforce will also consider the Government's use of outsourcing.

Key Information

- Information sourced from the ACT's private sector workers' compensation data system indicates there are currently eight employers identifying themselves as labour hire businesses. These eight businesses have approximately 4,320 workers.

Background Information

- On 22 February 2017, the Standing Committee on Education, Employment and Youth Affairs (the Committee) resolved to inquire into the extent, nature and consequence of insecure work in the ACT. This followed similar inquiries in Victoria, South Australia and Queensland, which subsequently led to the introduction of labour hire licensing schemes in these jurisdictions.
- South Australia recently announced that it would be repealing its labour hire licensing legislation. Stakeholder feedback has been cited as the reason for this. The details of the feedback received has not been elaborated on.

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Portfolio/s: Employment and Workplace Safety

UNIONSACT WHS LIAISON OFFICER

Talking points:

- Trade unions play a major role in promoting work safety. It is on this basis that the Government makes an annual financial contribution to UnionsACT to assist with this important work.
- The grant enables UnionsACT to engage one or more people to raise awareness of safety issues, facilitate access to safety training and to provide advice and support to employers and employees.
- Information regarding the Grant has been released under Freedom of Information and has been published on the Chief Minister, Treasury and Economic Development Directorate's website.

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ACT WORK SAFETY COUNCIL

Talking points:

- The Government is committed to ensuring the safety of all workers in the ACT and the Work Safety Council plays a vital role in providing me with advice.
- During this reporting period, the Council discussed a wide range of legislative and policy matters covering work health safety, workers' compensation and workplace privacy.
- There have been four sub-committees established under the Council to provide advice on construction, occupational violence, vulnerable workers and apprentices and young workers.
- Of the four sub-committees, two have recently completed a report on the issues within their terms of reference.
 - the Apprentice and Young Workers Advisory Committee produced a final report on the issues discussed and proposed recommended actions to address those issues. I have since requested the Work Safety Council include a number of the report's recommendations on their Strategic Plan for 2018-19.
 - the Work Safety Council recently endorsed the Construction Industry Safety Strategy for 2018-20 produced by the Construction Safety Advisory Committee.

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Key Information

- The Work Safety Council's Strategic Plan continues support the ACT's achievement of National WHS Strategy 2012-22 targets of:
 - a reduction of at least 20 percent in the number of worker fatalities due to injury;
 - a reduction of at least 30 percent in the incidence rate of claims resulting in one or more weeks off work; and
 - a reduction of at least 30 percent in the incidence rate of claims for musculoskeletal disorders resulting in one or more weeks off work.

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Long Service Leave Authority 2017-18 Annual Report

Portfolio/s: Employment and Workplace Safety

PORTABLE LONG SERVICE LEAVE SCHEMES IN THE ACT

Talking points:

- The Long Service Leave Authority was established under the Long Service Leave (Portable Schemes) Act 2009 (the Act) to administer portable long service leave schemes in the act for workers in the building and construction, contract cleaning, community and security industries.
- Employer levies on ordinary wages to cover the costs of the schemes were reduced effective from 1 April 2018. The employer levy rates are now:
 - 2.10% for building and construction (reduced from 2.50%)
 - 1.20% for community (reduced from 1.60%)
 - 1.20% for cleaning (reduced from 1.60%); and
 - 1.07% for security (reduced from 1.47%).
- As at 30 June 2018 the Authority achieved an average investment return of 7.82% for all four administered schemes, with a five year average return on investment of 8.43%.
- The Authority relocated it's operations in October 2017 from ageing accommodation on Constitution Avenue in Campbell to Bruce.

Key Information

- The levy rates were reduced on the recommendation of the Authority's Governing Board, after receipt of the triennial actuarial review in late 2017 and taking into consideration solid investment returns, strong revenue collection and efficiencies in administration achieved over the last five years.
- The next actuarial triennial review is scheduled to be completed by October 2020 for all administered schemes.

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- The Authority's target for investment is set at 3.5% above CPI averaged over five years. As at 30 June 2018 the investment target was 5.4%.
- The Authority is currently holding the Constitution Ave, Campbell strata units as assets held for sale. The sale of these units is expected to be completed by early 2019.
- Current and previous year worker numbers are included in the table below.

Active Worker Numbers		
	2016-2017	2017-2018
Building & Construction	22,279	22,891
Contract Cleaning	5,573	5,351
Community Sector	24,594	24,656
Security Industry	2,949	2,814

Cleared as complete and accurate: 01/11/2018
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Lead Directorate: Chief Minister, Treasury and
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TRIM Ref:

Portfolio/s: Employment and Workplace Safety

DEFAULT INSURANCE FUND – PERFORMANCE OF THE FUND

Talking points:

- There are two components of the Default Insurance Fund – the Uninsured Employer Fund (UEF) and the Collapsed Insurer Fund (CIF).
- The following table provides an overview of the fund as at 30 June 2018:

Default Insurance Fund	Current open claims	Outstanding claims liability	Equity Position
Uninsured Employer Fund	31	\$40.055 million	-
Collapsed Insurer Fund	2	\$0.891 million	\$6.397 million

Key Information

Uninsured Employer Fund

- A total of \$28.252 million of levy revenue has been recorded on the operating statement. This revenue includes:
 - \$5.849 million in levy revenue invoiced to licensed insurers and self-insurers in 2017-18; and
 - \$22.403 million that establishes a receivable on the balance sheet to meet the cost of future claims payable as a result of the introduction of the *Workers' Compensation Amendment Act 2016 (No 2)* introduced on 1 July 2017, that provides benefits to workers in relation to claims for imminently fatal asbestos-related disease (IFARD) through the UEF.
- The UEF paid \$1.11 million in settlements and other claims costs in 2017/18 and increased the provision for claims payable by \$30.987 million to \$32.097 million. The increase in the provision is largely the result of an allowance for future reported IFARD claims.
- A total of 11 new claims were lodged and 13 claims finalised during this period.
- The potential for the recovery of the costs associated with uninsured employers is very limited as the employers are often small business with limited assets, are unable to be located, have dissolved or are no longer trading.

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Collapsed Insurer Fund

- The CIF received a total of \$0.412 million in interest and distributions from investment during the reporting period.
- The CIF paid \$0.070 million in settlements and other claims costs and decreased the provision for claims payable by \$0.057 million, resulting in \$0.013 million in claims expense.

Background Information

- The ACT Default Insurance Fund was established under section 166 of the *Workers Compensation Act 1951* and commenced operation on 1 July 2006.
- The Fund provides a safety net mechanism and meets the cost of workers' compensation claims made against uninsured employers or against insurers who cannot meet their liabilities.
- The ACT Insurance Authority administers the Fund on behalf of the Chief Minister, Treasury and Economic Development Directorate.

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TRIM Ref:

Portfolio: Government Services and Procurement

ISSUE: LOCAL INDUSTRY PARTICIPATION POLICY

Talking points:

- The Canberra Region Local Industry Participation Policy (LIPP) commenced on 1 January 2017.
- The Policy requires Territory entities to include contribution to the local economy in the evaluation criteria for procurements, with a default weighting of 10 per cent for tenders with a value of \$200,000 and above. Tenderers for procurements valued at \$5 million or more will need to submit a more detailed response.
 - Procurements with an estimated value between the single quotation threshold of \$25,000 and \$200,000, when three quotations must be sought, the Territory entity must seek at least one quote from a local business and one quote from an SME where possible.
 - For tenders above \$200,000 but less than \$5 million, the tenderer submits an Economic Contribution Test detailing their local investment.
 - For tenders above \$5 million a Local Industry Participation Plan is required and is included as part of the contract.
- In 2017-18 Procurement ACT assisted the Local Industry Advocate in a review of the operation of the Local Industry Participation Policy.

Key Information

- The LIPP requires Territory entities to include measures to ensure competitive local businesses are given every opportunity to compete for ACT Government contracts. There is a default 10 per cent weighting for economic contribution or local industry participation, with the level of detail tenderers are required to submit depending on the value of the procurement.
- In the first 15 months of operation 93 per cent of construction contracts were awarded to local businesses.

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Portfolio: Government Services and Procurement

ISSUE: ABORIGINAL AND TORRES STRAIT ISLANDER PROCUREMENT POLICY

Talking points:

- The Government is committed to Reconciliation and promoting the relationship between Aboriginal and Torres Strait Islander and non-Aboriginal and Torres Strait Islander Australians.
- In the 2017-18 financial year, the Territory spent approximately \$3.2 million directly with Aboriginal and Torres Strait Islander businesses.

Key Information

- The Territory is developing an Aboriginal and Torres Strait Islander Procurement Policy to improve access to government business opportunities for Aboriginal and Torres Strait Islander enterprises.
- The policy will support Aboriginal and Torres Strait Islander owned enterprises in the Canberra region to compete for government work and will bring the ACT in line with other jurisdictions, while responding to the particular characteristics of those entities operating in the ACT and region.
- 87% of the currently identified Canberra Region Aboriginal and Torres Strait Islander businesses have under 10 employees. The policy therefore focuses on increasing opportunities for small to medium Aboriginal and Torres Strait Islander enterprises to obtain work directly or as a sub-contractor to a large project.
- Consultation with the Aboriginal and Torres Strait Islander enterprises and associated bodies is expected to commence in November 2018.

Background Information

- Consultation on the draft policy will be open until the end of the year and the government encourages interested parties to engage in the consultation.
- The draft policy's mechanisms include:
 - permitting an exemption to the quotation threshold for Territory officers to directly approach an Aboriginal and Torres Strait Islander enterprise for a quote for work under \$200,000;

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- providing an additional element to the Local Industry Participation Policy and, where appropriate the provisions of the Secure Local Jobs Code, to specifically consider Aboriginal and Torres Strait Islander employment and sub-contracting opportunities for projects over \$5 million;
- establishing three performance measures for Territory entities to report against, which capture the breadth and volume of work undertaken with Aboriginal and Torres Strait Islander businesses. This includes a target of one per cent of the Territory's procurement expenditure to be spent with Aboriginal and Torres Strait Islander businesses as well as a measure of new businesses being offered opportunity to quote and compete for work; and
- providing encouragement for Territory entities to undertake a cultural change to identify and address barriers to Aboriginal and Torres Strait Islander businesses in their procurement processes.
- Procurements valued above \$25,000 but under \$200,000 require a minimum of three quotations. Territory directorates and agencies are encouraged to seek one or more quotations from businesses registered on the Territory's Canberra Region's Aboriginal and Torres Strait Islander suppliers list.
- Procurements valued at \$200,000 or more are required to be advertised in the open market and are open to any Aboriginal and Torres Strait Islander business to apply. On a case by case basis, opportunities for Aboriginal and Torres Strait Islander engagement, through sub-contracting opportunities for businesses and employment opportunities for individuals, is included in the assessment criteria for a tender. It will also form part of the weighted criteria included in the Local Industry Participation Policy plan to be submitted for large tenders.
- The delivery of three recent ACT Government construction projects; being the Ngunnawal Bush Healing Farm, the Secure Mental Health Unit (Dhulwa) and the University of Canberra Hospital, illustrate some of the initiatives implemented to strengthen Aboriginal and Torres Strait Islander outcomes of procurement. These initiatives have included:
 - approaching the Territory's Aboriginal and Torres Strait Islander community to undertake smoking ceremonies and/or water ceremonies and Welcome to Country at demolition, construction commencement and project handover;
 - a commitment to the process for managing Aboriginal and Torres Strait Islander artefacts discovered on site;
 - a best endeavours commitment to the employment of Aboriginal and Torres Strait Islander trainees and apprentices on some Territory construction sites including Contractor monthly reporting and monitoring of achievement against these best endeavours targets; and

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- inclusion of Ngunnawal Elders in tender evaluation processes where the project is of particular significance to the Territory's Aboriginal and Torres Strait Islander community.
- Supply Nation provides certification that a business is at least 51 per cent Aboriginal and Torres Strait Islander owned. Businesses that are 50 per cent Aboriginal and Torres Strait Islander owned can also be registered with Supply Nation. Business certification or registration does not provide any assurance as to capability or financial viability of Aboriginal and Torres Strait Islander businesses. The Supply Nation Database of registered and certified Aboriginal and Torres Strait Islander suppliers became publicly available on 1 July 2015 and is available at: www.supplynation.org.au
- The Procurement website also lists some Aboriginal and Torres Strait Islander owned companies that are not registered with Supply Nation where those companies have asked to be added to the list of suppliers. Directorates need to undertake their own due diligence for these companies to ensure they are actually majority Aboriginal and Torres Strait Islander-owned and controlled.

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Portfolio: Government Services and Procurement

ISSUE: PROJECT MANAGEMENT AND REPORTING SYSTEM (PMARS)

Talking points:

- The Project Management and Reporting System (PMARS) is an end-to-end project and contract management system designed to provide a common platform to assist in capital works project delivery and reporting.
- Phase 1 of the PMARS project is being implemented initially in Infrastructure Finance and Capital Works and then across the Chief Minister, Treasury and Economic Development, Health and Transport Canberra and City Services Directorates.
- Phase 1 is expected to be fully implemented and operational by the end of 2018-19. Subject to a decision to proceed, Phase 2 which would see a roll out across remaining Directorates, should be operational within 3 months of the completion of Phase 1.

Key Information

- PMARS is being implemented by Procurement ACT as part of efforts to strengthen management of the Territory's infrastructure program. Procurement ACT is working closely with all directorates to deliver PMARS.
- When implemented, PMARS will provide significantly enhanced functionality in the management of construction, WHS, procurement, finances and document control, along with comprehensive, real time reporting.
- PMARS will be a single source of truth for capital works program information and will also provide a rigorous framework with capability to monitor decisions in capital works delivery, including appropriation and budgeting as well as the payment of invoices.

Background Information

- PMARS has been in development since September 2016 and demonstrates a strong commitment to responding to recommendations of the Auditor General's 2014 performance audit report on Capital Works Reporting.

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Portfolio: Government Services and Procurement**ISSUE: SUSTAINABLE PROCUREMENT POLICY****Talking points:**

- The Territory has had a Sustainable Procurement Policy (policy) in place since 2015. The policy provides a framework to advance government priorities and achieve value for money through a consideration of environmental, economic and social impacts within procurement processes.
- When planning a procurement, the Territory considers whether there are any associated sustainability issues or opportunities presented. These are then incorporated into the requirements of the particular project. Particular attention is paid when the procurement involves products that have a higher risk of engaging with sustainability issues in the supply chain, such as paper, steel, cotton or energy production.
- The Territory continues to improve the effectiveness of the policy by:
 - Adjusting the policy's focus and wording to better align with Sustainable Procurement – Guidance, ISO 20400; and
 - Providing tools and process that facilitate greater usability for officers to consider and apply sustainability in procurement outcomes.
- The policy is not prescriptive but instead is principles-based, recognising that different procurements will have different sustainability issues that may be addressed and different opportunities to address them.

Key Information

- The Government considers specific issues such as modern slavery and ethical supply chains, where relevant, as part of the tender process.
- Some examples of recent successful projects that included Sustainable Procurement:
 - The procurement for the supply and installation of rooftop solar panels for low-income households considered climate change, energy, social responsibility and ethical practices.
 - The contract for the provision and services of Multi Function Devices and printers consolidated the Territory's supply of printers, scanners and photocopiers into

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one lease arrangement, with a reduction in waste from ink cartridges as well as returning un-needed machines to the supplier to be re-used elsewhere.

- The Stromlo Forest Park contract re-purposed excess shipping containers into facilities to create the commercial opportunity for a café and bike hire.
- Whilst it is not an assessment criteria at this stage, building companies have used social enterprises for cleaning shed sites and for grounds maintenance.

Background Information

- The revised policy will have three parts: the overarching policy and principles of procuring sustainably; and two 'toolkits' to provide guidance for Territory officers – one for those conducting procurement of goods and services and another for procurement of capital works.
- Once the draft revised policy is completed, Procurement ACT will seek the views of the Environment, Planning and Sustainable Development Directorate, which is a key Government stakeholder, before consulting further within Government. Procurement ACT is working to have the revised policy ready by early 2019.
- The Territory relies on independent third party certifications relating to the sourcing and manufacturing of key goods such as steel, cotton for uniforms, and paper. Some example standards that can provide a level of assurance are the Ethical Responsibility Code, UN Global Compact, SA8000, and Ethical Clothing Australia.

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Portfolio: Government Services and Procurement

ISSUE: PROFESSIONAL AND CONSULTING SERVICES PANEL

Talking points:

- Procurement ACT is establishing a whole of government Professional and Consulting Services Panel to reduce the cost of procuring professional and consulting services, and to provide a more transparent and effective way of obtaining these services.
- This panel will consolidate services, centralise contract management, strengthen buying power and achieve better value for money.
- The tender was released to market on 31 October 2018 and has a tender closing date of 17 December 2018.

Key Information

- The panel will include Strategic Business Advice, General Consulting Services, Policy, Risk & Audit, Procurement, Human resources, Finance & Accounting, Economic, and Actuarial Services.
- In early 2018, Procurement ACT consulted with industry and received over 70 responses from a range of providers including a number of local SMEs. Feedback regarding the size of the panel, scope of the panel and categorisation of services was incorporated into the design, with industry showing strong support for its establishment.
- In response to that industry feedback, and in line with independent procurement advice, the panel will have a capped number of suppliers in the respective categories. The intention of this is to achieve volume discounts for consolidated expenditure and ensure panel members have the opportunity to work with ACT Government more often. Each category under the panel will include Local Industry Participation as an assessable criteria for tenderers.
- The panel has the flexibility to add and remove suppliers and services at 'refresh' points to accommodate changes in demand and supply. A refresh of the panel is done at the Governments discretion, with the need for this reviewed at least annually.

Background Information

- This project is part of the Smart Modern Strategic Reform Program to achieve better procurement outcomes across government and deliver budget savings.

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- The estimated expenditure for the Professional Services and Consulting Panel is \$20 million per year, over an initial 5 year term with the option of two, 1 year extensions.

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Portfolio/s: Government Services and Procurement

ISSUE: CONTRACTOR CENTRAL

Talking points:

- Contractor Central is the overarching solution describing the arrangement for sourcing contingent labour from recruitment suppliers.
- The Territory joined the NSW Government's Contingent Workforce Scheme for supply of short term labour and services commenced in April 2017.
- The scheme relies upon a Managed Service Provider (MSP) and a Vendor Management System (VMS).
- Benefits of using Contractor Central:
 - average length of time to appoint a contingent worker is reduced;
 - competitiveness of engagement with recruitment suppliers;
 - understanding contingent worker tenure for workforce planning;
 - compliance to target pay rates for positions;
 - savings to the Territory through lower recruitment agency fees;
 - consolidated financial reporting on all engagements;
 - consistency with on-boarding and off-boarding contingent workers;
 - single point of contact for the Territory;
 - streamlining administrative functions for timesheeting and payroll processing; and
 - consistent operation and processes across the ACTPS.

Key Information

- As at 30 June 2018, \$13.4 million has been spent on labour hire. Through the utilisation of the MSP, the Territory has achieved \$2.56 million in net savings.
- Savings are attributed to:
 - transitioning existing contingent workers to the scheme rates;
 - new contingent workers appointed on scheme rates;

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- new contingent workers hired on a reduced supplier margin through referral;
- reductions in tenure; and
- pay rate audits resulting in corrections.
- There are 45 registered recruitment suppliers able to deliver short term labour to the Territory creating a competitive recruitment market.
- As at 30 June 2018, 437 contingent workers have been engaged with 25% of workers having a tenure greater than 12 and less than 18 months and a further 15% having a tenure greater than 24 months.
- Job titles and pay rates are based on Australian and New Zealand Standard Classification of Occupations (ANZSCO).

Background Information

- The Scheme comprises four sub arrangements being:
 - Vendor Management System (VMS);
 - Managed Service Provider (MSP);
 - Payroll processing; and
 - Prequalification scheme of recruitment suppliers.
- Commensura Pty Limited is the contracted Managed Service Provider.
- SAP Fieldglass Pty Ltd is the Vendor Management System provider as mandated by NSW Government.
- Both Commensura and SAP Fieldglass are vendor neutral and supply value added recruitment services to the Territory.

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Portfolio/s: Government Services and Procurement

ISSUE: SIMPLE PROCUREMENT ENHANCEMENT

Talking points:

- The Territory is implementing a new online tool, called “Online Simple Quote and Reporting” (OSQAR), to manage its simple, low risk procurements valued under \$200,000 (GST inc.)
- OSQAR’s primary aim is to make the quotation process easier for both staff and suppliers.
- OSQAR will reduce red-tape, ensure compliance with legislation and policy obligations, improve transparency, and capture key data to enhance planning and reporting.

Key Information

- OSQAR is being developed by Procurement ACT within the Chief Minister, Treasury and Economic Development Directorate.
- OSQAR will be rolled-out as a pilot in the Transport Canberra and City Services Directorate so the tool’s user acceptability and system functions can be tested and any issues fixed.
- After reviewing the pilot, OSQAR will be rolled out across all Territory Directorates and Canberra Institute of Technology.

Background Information

- Development of a new online tool to administer simple, low value procurements valued under \$200,000 is a project being delivered under the *Smart Modern Strategic Procurement Reform Program*.
- The new tool called “Online Simple Quote and Reporting” (OSQAR) is based on the Australian Government’s *Commonwealth Contracting Suite (CSS)*, which is available for all Commonwealth agencies to use. The CCS has been in place since 2014 and so it is familiar to a significant number of suppliers.
- The key benefits offered by OSQAR include:
 - reducing red tape for both government staff and industry, including helping inexperienced purchasers to buy, and saving suppliers considerable time and money when preparing quotes;

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- improving supplier familiarity as the procurement documentation generated by OSQAR will have a similar look and feel (including legal terms and conditions) to the CCS;
- ensuring compliance with Territory legislation and policy obligations and creating consistency across procurements; and
- improving visibility over the Territory's simple procurement activity, including delivering planning and reporting capability by capturing metrics.
- The Territory engaged a local Canberra company, Intelledox Pty Ltd, to provide the "Infiniti" software which is the technical platform.

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Portfolio/s: Government Services and Procurement

ISSUE: SMART MODERN STRATEGIC PROCUREMENT REFORM PROGRAM (SMS PROGRAM)

Talking points:

- The SMS Program commenced in 2015-16. Over the last three years the program has improved procurement outcomes across government by strengthening buying power and simplifying procurement processes.
- The first stage of the program established whole of government arrangements in a number of procurement categories, including advertising, digital mail, fleet management, ICT software, labour hire, printing, stationery and utilities. The ACT Government continues to benefit from the innovative and sustainable procurement arrangements established in these categories.
- The ACT Government has extended the SMS Program for another year to focus on procurement reform in the additional categories of telecommunications, ICT, professional services and health.

Key Information

- The majority of SMS projects have been completed and have transitioned to contract management and business as usual.
- The initiative has achieved significant savings to date, and these are projected to accumulate to \$111 million over the period 2015-22.
- Some contracts will be replaced or renewed across the forward estimates, and the sustainability of savings will be subject to market conditions at that time.

Background Information

- The SMS Program establishes whole of government panels and leverages arrangements from other jurisdictions to achieve better value for money without reducing service quality.
- Procurement ACT consults across government and with industry to establish new arrangements.

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Portfolio/s: Government Services and Procurement

ISSUE: AUTOMATION OF LONG SERVICE LEAVE CALCULATIONS WITH ENHANCED FUNCTIONALITY FOR ACT GOVERNMENT EMPLOYEES

Talking points:

- As announced in the 2016-17 ACT Government Budget, the Government provided \$1.883 million in capital expenditure to automate the process of calculating Long Service Leave (LSL) entitlements.
- The project has experienced delays due to the complexities of the ACT LSL environment and integration with the legacy Chris21 legacy payroll system.
- The go-live date is expected in March 2019.
- Shared Services will implement a communication strategy in consultation with Directorates, to inform employees of their LSL entitlements prior to the transition.

Key Information

- The benefits expected to be achieved from the LSL project include reduced costs incurred by Shared Services due to the reduction in manual processes, and improved timeliness, accuracy and consistency in the calculation of LSL entitlements. Standardisation and resolution of policy issues will enable a smooth transition to the new Human Resource Information Management Solution (HRIMS).

Background Information

- Automated LSL functionality was not implemented in Chris21 when this HR system was implemented in 2005 as it did not meet the Territory's requirements at the time. Currently, the process of calculating LSL is performed manually and there is no employee self-service functionality for staff to view their LSL balances, or an on-line application process to access their leave entitlement.

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Portfolio/s: Government Services and Procurement**ISSUE: HUMAN RESOURCE INFORMATION MANAGEMENT SOLUTION****Talking points:**

- The Human Resource Information Management Solution (HRIMS) Program has been established to provide a Whole of Government (WhoG) solution for payroll and human capital management.
- A budget of \$11 million over three years was approved by Cabinet in June 2017.
- A two phase approach to market commenced in August 2017 to achieve the selection of a preferred software product and implementation partner.
- The approach to market included the conduct of a comprehensive Request for Expression of Interest (REOI) and subsequent Request for Proposal (RFP).
- The approach to market generated significant interest, to which Industry has responded well.
- Following approval by the Under Treasurer in mid-September 2018 the Program has entered into contract negotiations with the preferred implementation partner.
- The negotiation process is progressing and will culminate in the Program returning to Government in late 2018 to present a Stage Gate submission to validate the Program's assumptions, costs and timeline.

Key Information

- The HRIMS Program REOI was submitted to the market in August 2017. The REOI resulted in a total of 18 compliant responses. A shortlist of 8 potential solutions and partners was achieved. The Evaluation was approved by the Under Treasurer in October 2017.
- A RFP was issued to the shortlisted respondents in December 2017.
- Total cost of ownership estimates for the solution are being developed and will be presented to Government as part of a Stage Gate process in late 2018.

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- The business transformation and change management to achieve a successful WhoG outcome will be significant and as such, a comprehensive change management program will be tightly integrated into all program phases.
- The Program has successfully undergone a Gateway 3 – System Under Development Review, conducted as part of the Territory’s annual audit program. The audit has determined that appropriate controls exist for the management of the procurement, there is a robust evaluation methodology which has been consistently applied, and the procurement is on track.

Background Information

- The Budget Statement 2017-18 advised the replacement of Chris21, with a new Payroll and Human Capital Management solution for the WhoG.
- The approach is aligned and consistent with the ACT Government’s long-term strategic interests as articulated in the Digital Canberra Action Plan 2014-2018; and the ACT Government’s Digital Strategy 2016-2019.
- Based on a managed Software-as-a-Service platform, the system sought, is an integrated payroll and human capital management system including; talent planning and strategy, recruitment, learning and development, performance management, career and succession planning and Human Resources analytics and reporting.

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Portfolio/s: Government Services and Procurement

ISSUE: SHARED SERVICES 2017-18 ACCOUNTABILITY INDICATORS - RESULTS

Talking points:

- For the 2017-18 financial year Shared Services met 9 of its 11 performance accountability indicators with a 5% or less variance from the original target.
- Two of Shared Services accountability indicators exceeded performance target (in a negative way) with a greater than 5% variance from the original target.
- *‘Average time taken for telephone ICT service requests to be answered by a Service Desk Officer’* was 47 seconds (target 30 seconds) due to a significant increase in call volumes as a result of a government wide roll out of the Microsoft Office upgrade and an increased focus on first time resolution. Changes have been made to the management of the Service Desk resourcing to ensure significant improvements to call waiting times.
- *‘Finance service requests made via the Service Desk are resolved within Service Standard timeframes’* was 82% (target 90%) due to an increase in the volume and complexity of requests, including supporting users with approving and re-assignment of invoices, since the introduction of invoice automation system in September 2017. New targeted processes and team cross training are improving results.

Key Information

- Nil.

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Background Information

	Original Target 2017-18	Actual Result 2017-18	% Variance from Original Target
Shared Services 2017-18 Accountability Indicators			
a. ICT costs compared to peer organisations' costs, as benchmarked by an independent organisation	within 5%	within 5%	0%
b. Email availability across government during core business hours	100%	100%	0%
c. ICT service requests made via the Service Desk are resolved within Service Level Agreements' timeframes	90%	91%	1%
d. Average time taken for telephone ICT service requests to be answered by a Service Desk Officer	30 seconds	47 seconds	57%
e. Number of successful attacks on internally hosted ACT Government websites	0	0	0%
f. Human resources service requests made via the Service Desk are resolved within Service Standard timeframes	90%	89%	1%
g. Business Activity Statements completed in accordance with the ATO deadline	100%	100%	0%
h. Fringe Benefits Tax Return submitted to the ATO in accordance with the ATO deadline	100%	100%	0%
i. Monthly financial information available for use by agencies by 6th working day of the month	100%	100%	0%
j. Annual financial statements completed and provided to agencies by 10th working day of July	100%	100%	0%
k. Finance service requests made via the Service Desk are resolved within Service Standards timeframes	90%	82%	9%

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Portfolio/s: Government Services and Procurement

ISSUE: SERVICE DESK KEY PERFORMANCE INDICATOR PERFORMANCE

Talking points:

- The ICT Shared Services Service Desk has seen a steady increase in call volumes over the past two years – approximately 12% per year.
- Examination of the call enquiry topics does not evidence an increase in a particular topic. However, the roll out of the Microsoft Office 10 suite and the automated invoice payment system, are believed to have contributed to the increased amount of calls. The launch of the Shared Services website has also increased awareness of Shared Services generally.
- In the 2018 Shared Services Customer Satisfaction Survey only 7% of respondents considered answering calls quickly to be in the top two most important service attributes. In comparison to 38% of customers who were more interested in staff having a good understanding of the services they deliver.
- The ICT Service Desk focuses on resolution at first point of contact which is currently averaging 65% and is in line with industry standards.

Key Information

- ICT Service Desk call volumes have increased from 99,761 in 2016-17, to 113,556 in 2017-18.
- ICT Service Desk Performance has not met Key Performance Indicator 7.1 d) 'Average time taken for telephone ICT service requests to be answered by a Service Desk Officer ≤30 seconds'. Actual performance for 2017-18 is 47 seconds.

Background Information

- Shared Services have a continuing programme of training and reviewing working practices on the ICT Service Desk to improve service delivery.

Cleared as complete and accurate: 18/10/2018
Cleared by: Shaun Strachan Deputy Under Treasurer Ext: 71001
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Lead Directorate: Chief Minister, Treasury and Economic Development

Portfolio/s: Government Services and Procurement**ISSUE: ACT INSURANCE AUTHORITY OPERATING RESULT 2017-18****Talking points:**

- The Authority's actual operating result for 2017-18 is a surplus of \$34.8 million, being \$32.3 million higher than the budgeted surplus of \$2.5 million; and
- The Authority's balance sheet resulted in an equity position of \$130.2 million as at 30 June 2018, this was higher than the budgeted position of \$41.1 million.

Key Information

- The surplus on the operating statement and the increase in the equity position is the result of a reduction in the outstanding claims liabilities. The reduction is the result of changes in actuarial assumptions as the result of recent claims experience. The changes in actuarial assumptions are decreases in the assumed size of large claims in medical malpractice, favourable property claims experience and a decrease in the future inflation assumptions.
- The Authority's equity position of \$130.2 million represents a funding ratio of 153 percent, which is higher than the budgeted funding ratio 131 percent.
- The Authority's 2018-19 budget anticipates a capital return of \$70 million as outlined in the ACT Insurance Authority capital management plan. This return in capital is expected to reduce the funding ratio to 119%

Background Information

- The Authority operates as the captive insurer for the ACT Government and provides a range of insurance, claims and risk management services to ACT Government Directorates and Statutory Authorities.
- The Authority operates on a cost recovery basis by collecting premiums from Directorates and Statutory Authorities to meet the cost of insurable claims and losses. The Authority's operating costs are largely driven by provisioning for future claims and current claims expense.
- The Authority works to protect the assets and services of the Territory by providing a range of insurance services and risk management support to a large and diverse client base.

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Portfolio/s: Employment and Workplace Safety

ISSUE: **DEFAULT INSURANCE FUND – PERFORMANCE OF THE FUND**

Talking points:

- There are two components of the Default Insurance Fund – the Uninsured Employer Fund (UEF) and the Collapsed Insurer Fund (CIF).
- The following table provides an overview of the fund as at 30 June 2018:

Default Insurance Fund	Current open claims	Outstanding claims liability	Equity Position
Uninsured Employer Fund	31	\$40.055 million	-
Collapsed Insurer Fund	2	\$0.891 million	\$6.397 million

Key Information

Uninsured Employer Fund

- A total of \$28.252 million of levy revenue has been recorded on the operating statement. This revenue includes:
 - \$5.849 million in levy revenue invoiced to licensed insurers and self-insurers in 2017-18; and
 - \$22.403 million that establishes a receivable on the balance sheet to meet the cost of future claims payable as a result of the introduction of the *Workers' Compensation Amendment Act 2016 (No 2)* introduced on 1 July 2017, that provides benefits to workers in relation to claims for imminently fatal asbestos-related disease (IFARD) through the UEF.
- The UEF paid \$1.11 million in settlements and other claims costs in 2017/18 and increased the provision for claims payable by \$30.987 million to \$32.097 million. The increase in the provision is largely the result of an allowance for future reported IFARD claims.
- A total of 11 new claims were lodged and 13 claims finalised during this period.
- The potential for the recovery of the costs associated with uninsured employers is very limited as the employers are often small business with limited assets, are unable to be located, have dissolved or are no longer trading.

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Collapsed Insurer Fund

- The CIF received a total of \$0.412 million in interest and distributions from investment during the reporting period.
- The CIF paid \$0.070 million in settlements and other claims costs and decreased the provision for claims payable by \$0.057 million, resulting in \$0.013 million in claims expense.

Background Information

- The ACT Default Insurance Fund was established under section 166 of the *Workers Compensation Act 1951* and commenced operation on 1 July 2006.
- The Fund provides a safety net mechanism and meets the cost of workers' compensation claims made against uninsured employers or against insurers who cannot meet their liabilities.
- The ACT Insurance Authority administers the Fund on behalf of the Chief Minister, Treasury and Economic Development Directorate.

Cleared as complete and accurate:	01/11/2018	
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