

Request for Costing an Election Commitment

Name of policy proposal:	ACT Integrity Commissioner
Person requesting costing:	Shane Rattenbury MLA
Date of request:	5 October 2016
Summary of proposal:	The establishment of a new Integrity Commissioner in the ACT. The ACT Integrity Commission would be Independent, with its primary purpose to improve the standard of conduct, propriety and ethics in public authorities in the ACT.
Issue the proposal will address:	Proposal will improve trust and integrity in government by ensuring allegations of possible corruption are dealt with appropriately.

What are the key assumptions that have been made in the proposal?

Note: The costing will developed on the basis of information and assumptions provided in the costing request. The professional judgment of the Under Treasurer will determine whether these assumptions are adopted in the costing of the proposal.

The proposal covers:

Staffing

- 1 x Commissioner (@ \$210k per year plus on costs – the same pay as the President of the Human Rights Commission using the Rem Trib findings in 2016). Plus, an equivalent of the following positions:
- 1 x SOG A (1 x CEO),
- 1.5 x SOG B (1 x Deputy CEO/Director of Operations + 0.5 x General Counsel)
- 1 x SOG C (1 x Principal Investigation Officer)
- 5 x ASO 6, (2 x Senior Investigators, + 1 Business Services Coordinator, + 1 x Senior Misconduct Prevention Officer, + 1 x Communications Officer)
- 1 x ASO 5 (1 x Research Officer)
- 3 x ASO 4, (1 x Records Officer, 2 x Misconduct Prevention Officers)
- 1 x ASO (1 x Executive Assistant)

The proposal covers a total of 13.5 FTE staff per year, over the forward estimates. This is a smaller staffing allowance to the 13.8 FTE working in the Tasmanian Integrity Commission. The position descriptions are largely consistent with the Tasmanian Commission's organisational chart during its establishment year (2010-11 annual report, p.50)

Operating expenses

Using Tasmania's Integrity Commission's Annual Report as a guide, the operating expenses assumes approximately \$633,000 in consumables during the first year (2017-18), indexed at 2.5% p.a. This is based on the Tasmanian Commission having \$602,000 in Consumables during in 2015 (actual). The consumables cover audit fees, operating lease costs, consultancy costs, property services, communications, information technology, travel and transport, advertising, printing, plant and equipment, office requisites, and other supplies and consumables.

Using Tasmania’s Integrity Commission’s Annual Report as a guide, an additional \$108,000 per annum has been allocated to Depreciation and Amortisation during the first year (2017-18), indexed at 2.5%. This is based on the Tasmanian Commission having \$100,000 in Consumables during in 2015 (actual). Depreciation and amortisation would cover leasehold improvements, equipment (depreciation), intangibles (amortisation), and lease make-good (amortisation).

Using Tasmania’s Integrity Commission’s Annual Report as a guide, an additional \$8,000 per annum has been allocated to ‘other expenses’. This is based on the Tasmanian Commission having incurred \$8,000 in other expenses during 2015 (actual).

Legal assistance budget

A capped allocation of up to \$200,000 per year would be provided to cover some legal assistance costs. This cost would need to be reviewed over time, but should be primarily used to cover those who are most in need of legal assistance when being called before the Commission.

Board Costs

An additional allowance has been provided to cover Board Costs. Using the Tasmanian Commission as a guide, the Board will likely be made up of one Chair and Six Members (2010-11 annual report, p.33). We anticipate that the Chair’s salary would be approximately \$33,692 in the opening year, indexed at 3.5% based on Treasury guidance. We anticipate each Board Member to have a salary of \$21,126 in the opening year, indexed at 3.5% based on Treasury guidance. The salaries have been determined using the ACT Remuneration Tribunal Determination number 11 of 2014, and 6 of 2016.

Establishment Costs - Branding, introductory marketing, staff training and interstate meeting costs

We anticipate that during the introductory year, there may be additional expenses associated with establishing the Integrity Commission – such as brand development, promotion of the Commission across the community, and possibly staff training interstate (e.g. visiting established Commissions in other states, etc). A total of \$1 million has been allocated in the first year to cover these costs. This is consistent with the amount required to establish the Tasmanian Commission in 2010-11 once indexation is applied (\$819,479, 2010-11 annual report, p.23)

What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this proposal and estimated costs each year (if available)?

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue ^(a)	0	0	0	0	0
Expenses ^(a)	-0	-3,722.2	-2,803.3	-2,886.5	-9,412
Capital	-0	-0	-0	-0	-0
Depreciation					

(a) A negative number indicates a decrease in revenue or an increase in expenses. The expenses row does not include depreciation costs.

Has any specific information or data been utilised in generating the proposal?

ACT Remuneration Tribunal was considered in determining relevant staff allowances. Costs associated with both 1) operating the Tasmanian Integrity Commission (latest annual report), and 2) establishing the Tasmanian Integrity Commission (first annual report) was also used as a guide

Where relevant, is funding for the proposal to be demand driven or a capped amount?
Ongoing funding.
Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the proposal? Does the proposal provide additional funding to, or redirect, any existing Commonwealth/State or Territory funding arrangements (for example, does an education proposal add to or redirect NERA funding)?
No. However, the ACT Government would likely need to consult with other jurisdictions (NSW, Tasmania etc) during the establishment phase.
Will funding/the cost require indexation?
Yes – this has been factored in to the proposal. 2.5% for general costs, and 3.5% for wage inflation costs, as per Treasury Guidance
Who will administer the proposal?
ACT Justice and Community Services Directorate, with support from the Chief Minister’s Directorate.
How will the proposal be administered?
The Attorney-General, together with the Chief Minister, will be responsible for establishing the Commission.
Is the proposal part of a broader package?
No.
Has an allowance been made for expenses necessary to support the implementation of this proposal? <ul style="list-style-type: none"> – If no, will the government agency be expected to absorb expenses associated with this proposal? – If yes, please specify the key assumptions.
Yes. Establishment costs and staffing costs are factored into this proposal. Planning costs prior to funding will need to be absorbed the relevant Directorates.
Will the proposal generate savings or offsets?
The proposal may generate savings relating to any fines or costs recovered from those who are held to account, however it is difficult to determine what these offsets could be until after the Integrity Commission has been established. For this reason, savings have not been incorporated into the proposal.
Has the proposal been previously costed by an external (third) party? Will a copy of this material, including any assumptions, be made available to Treasury?
No. However, costs are likely to be similar to that of the Tasmanian Integrity Commission. Information associated with the Tasmanian Integrity Commission will be provided to Treasury.
What are the community impacts associated with the proposal? Who and how many people will be affected?
Improve community confidence by ensuring that misconduct by public officers will be appropriately investigated and dealt with.

Are there any transitional considerations associated with implementation of the proposal? If so, how will they be managed?

No.

What is the intended implementation date of the proposal?

2017-18

When is the proposal expected to be fully operational? Please provide details such as the start and end dates, the level of commitment during each period etc?

2017-18

Will the proposal cease, and if so, when?

No - ongoing

Is there any additional information relevant to this proposal?

N/A