

**LEGISLATIVE ASSEMBLY FOR THE  
AUSTRALIAN CAPITAL TERRITORY**

**SELECT COMMITTEE ON ESTIMATES**

**(Reference: Appropriation Bill 2001-2002 (No 3))**

**Members:**

**MR G HUMPHRIES (The Chair)  
MR J HARGREAVES  
MS R DUNDAS**

**TRANSCRIPT OF EVIDENCE**

**CANBERRA**

**FRIDAY, 22 MARCH 2002**

**Secretary to the committee:  
Mr P McCormack (Ph: 620 50142)**

**By authority of the Legislative Assembly for the Australian Capital Territory**

**The committee met at 11.35 am.**

**JON STANHOPE,**

**ROBERT TONKIN and**

**SANDRA LAMBERT**

were called.

**THE CHAIR:** Welcome to today's hearing. Thank you for your attendance. The committee is conducting the second day of public hearings into Appropriation Bill 2001-2002 (No. 3). The inquiry was referred to the committee by the Legislative Assembly on 19 February for report by 9 April. The committee will examine the evidence before it and make recommendations to the government. Of course, it doesn't make decisions about budget matters.

Before we commence taking evidence, I state for the record that all witnesses appearing before the committee are protected by parliamentary privilege with respect to the evidence they give. Parliamentary privilege refers to the rights and immunities attached to the Legislative Assembly, its members and others necessary for the discharge of its functions without obstruction and fear of prosecution. Any act by any person which operates to the disadvantage of a witness on account of evidence given by him or her before the Legislative Assembly or any of its committees is treated as a breach of privilege. I also state that unless the committee otherwise determines, which it hasn't, this is a public hearing, and as such all members of the public are welcome to attend.

I ask witnesses, when they first speak, to state their names and the capacities in which they appear here before us. I welcome the Chief Minister and his officers. I apologise again for the fact that the officers were ready to run on the field last Wednesday but didn't get the chance. I'm sure we'll have a vigorous game today instead. Chief Minister, do you want to make an opening statement to the committee?

**Mr Stanhope:** Thank you, Chairman. I don't have a specific opening statement that I wish to make. I would like, though, to apologise for being unavailable on Wednesday. I hope that didn't cause any inconvenience to the committee. As you've indicated, officers from the Chief Minister's Department are here and are available to field any questions you care to ask.

**THE CHAIR:** Given the pressure on our time on Wednesday, it actually helped us that you weren't here. Could I ask some questions about the Office of Sustainability? I see that \$184,000 of funding is provided in the third appropriation bill. That rises to about \$390,000 in the outyears. Can you describe to the committee how the office will be structured, what its reporting arrangements will be, and who, if anyone, has been signed to be the officers of that office at this stage?

**Mr Tonkin:** I am Robert Tonkin, Chief Executive, Chief Minister's Department. The office will be within Chief Minister's. It will work as an adjunct to the policy group, so its operations will be oversighted by the Deputy Chief Executive, Policy, Sandra

Lambert. The office will have a staff of three. The budget consists of about three-fifths for staffing and the rest for overheads and for consultancies and the normal expenses to undertake these sorts of studies. The present head of the office is Peter Ottesen, who was formerly with SOCOG running the environmental aspects of the Sydney Olympics, so he has the development background to understand particularly the environmental and the balanced development aspects that we're interested in.

We had a long discussion with Ms Tucker and others on Wednesday afternoon in another committee. The office is intended to be the stimulus or the actual head of a virtual effort towards sustainability. We expect that the office can develop the policy, then run the process and engage the rest of the public service. We don't expect that you can get an outcome on sustainability from three people. We do expect you will get an outcome on sustainable outcomes for the territory by directing the broader range of territory activities towards those ends. As we try to do a lot in Chief Minister's, we want to coordinate and lead, but most of the real and substantive work is obviously going to be done in other parts of the public service, and then hopefully more broadly in business and in the community.

**THE CHAIR:** Can you give us an example of how, in recent years, an office of sustainability, had it existed, would have involved itself in particular decision-making processes of government?

**Mr Tonkin:** Let's take a policy on the integration of public transport and planning. One of the objectives of sustainability is to make sure we have a balance between economic outcomes, social outcomes and environmental outcomes. You can start to argue that if we were developing a policy on public transport or the development of Gungahlin or the linkages between the two, not mentioning the road but more general linkages, we would have a demand that would enable us to have broadacre development to reduce the cost of housing. We would also have a desire to increase efficiency and utilisation of public transport, which suggests to you that you want a higher density in the existing areas.

The Office of Sustainability can then bring into clearer focus what those trade-offs are, to say that if we have a more dense form of development then we will get a more efficient utilisation of resources. You then balance that against the social objective to reduce the cost to first home buyers, to increase the level of housing affordability, which tends to be by allowing broadacre development.

The Office of Sustainability can articulate those issues in clearer trade-off ways rather than having somebody out there proposing to sell more land because it generates revenue and someone else proposing how to run the buses more efficiently so that you end up with little groups each pushing their own objective. We can, I hope for the sustainability, get that process of policy engagement so that when the government comes to a decision it comes to it clearly understanding what the implications are across that range of metrics which you might want to measure as being sustainability.

That's an example. Another one I raised with Ms Tucker was in the architectural design of medium density. You can produce green buildings nowadays. Medium density allows people to grow vegetables and do all those sorts of things. That's a design and siting issue. The Office of Sustainability can say to the planners, to PALM, "By doing

something we do at any rate, we can meet these goals.” In that sense it’s sensitising one set of policies by bringing in these other considerations. They’re two examples.

**MS DUNDAS:** Can I ask a question about the points you’ve already made? If this initial outlay is to develop a sustainability policy framework, will we see in future budgets funding across the public service so that they can implement the policy outcomes?

**Mr Tonkin:** No, I wouldn’t think so.

**MS DUNDAS:** So it can all be incorporated into the budget—

**Mr Tonkin:** It’s a change in the way you do things and think about issues rather than having an extra add-on to say, “This is the cost and also there’s an additional sustainability component.” In some cases the sustainable outcome may be more expensive, but hopefully, if you get the policy right, you might be able to do it even more cheaply.

**MS DUNDAS:** Will there be any need for further costing in terms of staff training and staff awareness-raising sessions? We’ve got only three people developing this policy framework. I’m looking for the extra costs as we implement the framework.

**Mr Tonkin:** I would expect that most of these things can be absorbed within the normal way we do things. If you undertake training now, you add a module and you change the approach. We have a cabinet handbook and a cabinet process. You add it into that handbook at no cost. You say, “These are extra things that have to be considered.” So the extra activity is absorbed within the normal yin and yang of our public service. What you want to avoid is layering on the top of what we do now a special extra step for sustainability, because there’s always the risk that it ceases to be the priority in a few years time. You lose the benefit of it.

I gave example the other day of equal employment opportunity. It used to be an add-on. It was one of those things about which you said, “I will have to be worried about equal employment opportunity.” It’s now built in. It’s now second nature in the way you compose selection panels and the way you conduct processes. It’s what we do. It’s the way we do things. The same should apply for this.

There’s an initial effort to go up the curve, and this is the extra investment to help us to do that, but then we just task people and say, “This is the way it’s going to be done. You’re going to think about it in this way.” We expect people to absorb it. It’s a matter of setting the policy priorities and saying, “This is what we require.” Then we’ll see how people go and we’ll assess their performance against that.

I expect we’ll spend a lot more money ultimately on sustainability, but I don’t want to go through the process of chasing down and trying to identify which dollar is spent on what, because then we’ll spend lots of dollars trying to find out how many dollars we’ve spent, which is unproductive.

**MS TUCKER:** My question is about the process for developing the indicators which will be critical to ensuring that principles of sustainability are integrated and understood and can be measured and monitored. We had this discussion the other day. I think this is

a question for Mr Stanhope more than for Mr Tonkin. I'm interested to know whether you are open to the idea of having an expert committee to assist in the development of the indicators for this office and how we are going to ensure that principles of sustainability are integrated across government. I'm aware of the number of people you are funding to do this. From the briefing we had yesterday, I understand that Sandra Lambert's policy group is going to be assisting as well, but I'm also well aware of the pressure that unit is already under. As there is a lot of expertise in the community, are you open to that suggestion of bringing in an expert committee to work with the bureaucrats?

**MRS DUNNE:** Some sort of steering reference committee? Is that what you mean?

**MS TUCKER:** An expert committee to work with the bureaucrats. The question of indicators, for example, is really critical in having an effective Office of Sustainability. We have about 100 indicators well established around the world now, and clearly we need to focus on how best to use indicators in this office.

**Mr Stanhope:** At this stage the government is open and committed to consulting and learning from the broader community. These are early days. At this stage, as Mr Tonkin has just indicated, there is an acting head in the Office of Sustainability. The other positions haven't yet been filled, and the office is yet to be funded. It will be funded through this appropriation bill. Mr Ottesen has been heavily engaged in significant literature research in initial research on issues and initial consultations. Those consultations have been internal; they have been intergovernmental. A range of consultations with outside organisations to provide the details you mentioned will most certainly be done.

I think it would be useful if I were to ask Mr Ottesen to give some indication for the information of the committee of the consultative processes that have been pursued to date, accepting that these are early days of the Office of Sustainability. We're taking this incredibly seriously. We're determined to do it right. We're determined to develop an Office of Sustainability that is at the cutting edge, that has best practice, knowledge and understanding in relation to sustainability issues.

This is a new issue for governments. It's something that hasn't been done here in the ACT before. Other governments around Australia are pursuing options around the development of offices of sustainability, to ensure that, within their jurisdictions, there's an integrated approach to sustainability issues. At that level, we certainly are still breaking some new ground, but we're aware of the significant work that has been done elsewhere around the world and the significant expertise there is for us to call on.

I think it would be useful if I were to ask Mr Ottesen to give some indication of the work that's currently being done, accepting that the office is still very much in its infancy and at an interim stage of development. We want to get it right, and of course will consult and take advice on the issues you've raised, Ms Tucker.

**THE CHAIR:** Before you do speak to this matter, Mr Ottesen, I understand, Chief Minister, that you're only available here until noon. Is that the case?

**Mr Stanhope:** I have another appointment at 12.15. I'm in the hands of the committee. I don't want to rush off.

**THE CHAIR:** If there are other questions for you specifically, perhaps we should ask those now and leave other members who can stay longer to answer those questions. Are there other questions specifically for the Chief Minister?

**MRS CROSS:** Chief Minister, I want to ask you about the status of the Griffin Centre redevelopment? The ACT Multicultural Council has indicated to me that, according to the latest documents, little consideration appears to be given to adequate frontage off Bunda Street and making the building user friendly. Have they indicated their concerns to you about this? If so, what was your response?

**Mr Stanhope:** I'm not aware that they have indicated their concerns to me in relation to frontage. I assume this is a question to do with the status of development applications made by Queensland Investment Corporation in relation to the redevelopment of section 56. I'm not aware that there has been any progress, development or changes to the Queensland Investment Corporation's plans for the redevelopment of section 56 since the change of government, Mrs Cross, but I'm more than happy to seek advice from my colleague Simon Corbell in relation to that.

Whilst I'm not aware of details in relation to plans or the current status of development applications that might be lodged as a result of the Queensland Investment Corporations' purchase of that site, I'm aware of concerns within the broader community, not just the migrant or the multicultural community, about the adequacy of proposals for the replacement of the Griffin Centre and its incorporation in the broad section 56 redevelopment. I'm very aware of those concerns.

I believe, however, that the plans provided by Queensland Investment Corporation to the previous government—Mr Smyth would know more about this than I—included plans for a replacement community facilities for the Migrant Resource Centre and others. The advice I had received at all steps through that stage was that the replacement community facility building, if I might call it that, in fact offered greater floor space for community organisations currently housed in the Griffin Centre than there is in the Griffin Centre.

That of course doesn't resolve the issue absolutely, and it's never perhaps an appropriate measure to say, "We are replacing the Griffin Centre with a new community centre. We're providing more floor space, but it may be that it's not as accessible and the utility is not as great." I know there is some concern within the broad community sector that are currently housed in the Griffin Centre about the adequacy of the replacement facilities.

But in relation to the specific question you asked, I'll take it up with Mr Corbell and be more than happy to respond.

**MR HARGREAVES:** I have a procedural question. I do not want to restrict members' opportunity to quiz the Chief Minister. However, I'm aware of the time that he is available to us. Could I ask that members of the committee and others address questions to the terms of reference, the budget paper we're talking about, the appropriation bill. If members have unrelated questions they still want answers to, putting them on notice

might speed the process up. I don't want to restrict members, but I can see us running out of time on issues which relate specifically to Appropriation Bill 2001-2002 (No. 3).

**THE CHAIR:** There's a well-established principle that an estimates committee is entitled to view any matter that affects the operation of the budget, and has done so regularly in previous years. I'll take questions as they come.

**MS DUNDAS:** When you were answering Ms Tucker's question, you mentioned that the office is in its infancy. I take that to mean that development work has already started on the office. Where is the money coming from for that initial work that has already been undertaken?

**Mr Stanhope:** It's in its infancy to the extent that there is an acting head of the Office of Sustainability. That is Mr Ottesen, someone with significant experience in areas around sustainability and indeed the environment. But in terms of where the money is coming from, which particular program is paying Mr Ottesen's salary, I'll ask Mr Tonkin.

**Mr Tonkin:** I think he's doing it for nothing. He's a very generous man. We're absorbing the costs at the moment pending the passage of the legislation. There's always a bit of flexibility in departments' budgets. If the appropriation bill is passed, we can catch up and reallocate the money back. But we're accommodating it within existing resources in my department.

**MS DUNDAS:** Of the Chief Minister's Department, not necessarily the policy group?

**Mr Tonkin:** Just generally in the department. Because we don't appropriate money in very defined bits, there's a great degree of flexibility in how you can move the money around. It's just a matter of picking up the cost.

**MS DUNDAS:** Is this having an impact on the government's request for 2 per cent efficiencies?

**Mr Tonkin:** I'm aware of the media speculation about 2 per cent efficiency grants. I think the Treasurer talked about it the other day.

**MS DUNDAS:** He did.

**Mr Tonkin:** But that's into the future, not this year. We're talking about the appropriation bill for this fiscal year. Any efficiency measures are prospective. In other words, it's going to happen next year.

**THE CHAIR:** It wasn't what he said to us.

**Mr Tonkin:** Wasn't it?

**THE CHAIR:** I'm glad that you said that. That clarifies it.

**MR SMYTH:** I have a further question on that point. Chief Minister, you're aware that the Treasurer is asking departments to surrender 2 per cent. Is that not a breach of one of your promises that there would be no cuts to the public service?

**Mr Stanhope :** The Treasurer hasn't asked departments to cut 2 per cent. Those are not the facts. The Treasurer has asked departments and agencies to examine the possible impact of identifying efficiencies of, say, 2 per cent. I haven't seen the letter which the Treasurer wrote to agencies but, as I understand it, he certainly has asked departments to look at areas in which efficiencies of, say, up to 2 per cent in relation to productivity savings might be identified for the government's consideration.

The government has given no direction and made no demands of any agency or department to cut their activities by 2 per cent. It's something that I would imagine all governments have done. It's interesting to me to get this insight into how Liberal governments perhaps operated, if they didn't periodically investigate departmental or agency capacity to be more efficient or to identify productivity savings.

**MR SMYTH:** It is the blunt tool approach, which I don't think we used while we were in government, of asking for cuts of that nature across the board. The Treasurer did say that they were looking at a 2 per cent cut. It does fly in the face of your statement of 15 October that there would be no cuts to the public service. Why are you even bothering to look for cuts or efficiencies when you made the promise in your election documents that there would be no cuts to the public service?

**Mr Stanhope:** Mr Smyth, I think you will remember a particular ad that the Liberal Party ran in the last election campaign in which you repeated ad nauseam a statement I made at the Press Club that we would look at cutting and shaving all areas.

**MR SMYTH:** But not jobs. You didn't say jobs.

**Mr Stanhope :** We're still not saying jobs.

**MR SMYTH:** The Treasurer did the other day.

**Mr Stanhope :** To suggest that I at no stage said that there would not be some cutting and shaving flies in the face of the glee with which the Liberal Party, in the last election campaign, ran ad nauseam an advertisement of me saying precisely that. I saw it referred to in Mr Humphries' press release of this week. For you to sit there and suggest I never said any such thing, Mr Smyth, is just gilding the lily a touch.

**MR SMYTH:** Your election initiative's costing media release put out on 15 October said:

In presenting Labor's costings of its election commitments I want to point out the particular features. The costings include:

- a reasonable buffer within the bottom line—

Mr Quinlan has now revealed that a reasonable buffer to the Labor Party is \$1—

- no cuts to the public service.

Why are you seeking such cuts? Why are you breaking an election commitment?



**Mr Stanhope:** We're not but we're certainly examining the possibility for efficiencies. One of the reasons we're examining the possibilities of efficiencies is not just that we're a good government determined to govern well, but we now have had an opportunity to look in some detail at the mess that you left us. Of course the bottom line is pretty grim, Mr Smyth, as you know.

**MR SMYTH:** Chief Minister, you said you didn't hear what the Treasurer and the Under Treasurer had to say on Wednesday. The Under Treasurer revealed that his expectation is that we'd be \$15 million in the black coming into the financial year, so there is no mess.

**Mr Stanhope:** Yes, but you know what the downstream is. You don't know that you're incompetent. You don't know that you're quite negligent. You know—and this will be revealed in a detailed paper to be released by the Treasurer in the very near future—

**MR SMYTH:** A detailed paper! More detailed than the Commission of Audit? You didn't get it with the Commission of Audit, so you're trying again.

**Mr Stanhope:** You just wait and see.

**THE CHAIR:** Order! Can we ask some further questions?

**Mr Stanhope:** You know what you did to this town's bottom line. You know what you've done to the budget in this town. We'll make sure that the people of Canberra know as well.

**MR SMYTH:** Chief Minister, open, accountable and good processes is a mantra that you've made much use of. Are you aware of the basis web site on the ACT government web site?

**Mr Stanhope:** Yes, I'm aware of it.

**MR SMYTH:** The basis web site outlines the way in which government procures goods and services in an open and accountable way. It sets limits and the procedures required to purchase items. It says, on page 7 of the 15 pages of this section, that for less than \$2,000 you get one quote. Between \$2,000 and \$50,000 you seek at least three written quotations, preferably from local firms. Over \$50,000 you have to advertise in the local press. Over \$1 million you have to seek an Australian capital region industry plan from tenderers. Would you say that the appointment of Anne Cross and Mick Reid—and we heard Mr Corbell say the other day that there was no tender process for the education review—is in compliance with the government's own web page, which says there are guidelines to be followed?

**Mr Stanhope:** It's not an issue of that at all. I have rigorous requirement in relation to the need for departments to ensure that all engagements of outside specialists or consultants are carried out in accordance with the accepted practice and procedures. I've received assurances from the head of my department in relation to Ms Cross that that was indeed done.

**MRS DUNNE:** There was a tender?

**Mr Stanhope:** No. The processes for the selection of Ms Cross were 100 per cent and absolutely in accordance with selection processes. They're the assurances I've received. There are circumstances that operate now, which operated before the last election relation to the BASIS system, which have been in place since before the last election—I'm not aware that the web page has changed at all—in which single selection processes are deemed to be appropriate.

We have adopted, in relation to that, exactly the same attitude, Mr Smyth, which you adopted. I'm not aware that the basis web page has been amended since the election. It's the same web page under which you operated, and it's the same web page under which your government and you utilised single select processes, as have we. It's the same process used by you and used by us.

**MR SMYTH:** Chief Minister, would you make those documents available to the committee?

**Mr Stanhope:** I don't know what documents there are available, but most certainly I'm more than happy to provide to the committee the assurances made to me by the head of the department of health that there are absolutely no issues in relation to the appointment of Ms Cross which could in any way be regarded as not consistent with accepted practice. I'm more than happy to—

**THE CHAIR:** Is it possible, Chief Minister, to produce the document that provides that capacity, that indicates what that capacity is?

**Mr Stanhope:** Certainly, Mr Chairman. The head of the department of health has given me an assurance in relation to Anne Cross. After your colleagues raised the issue in the Assembly, I did have a short discussion with Dr Gregory, and that was the advice she provided me. I'm more than happy to make available to the committee whatever I can in that regard.

**MS TUCKER:** Mr Corbell said that we'd be seeing triple bottom line reporting in the budget. I'm interested to know if that's going to occur with the coming budget.

**Mr Stanhope:** I'd have to talk to Mr Corbell about what exactly it was that he said, the question that he was replying to and the context, Ms Tucker, but I'd be more than happy to take that up with you. That's not a conversation I was aware of. I don't quite know the context and I'm disinclined to say yes or no.

**MS TUCKER:** Take it on notice.

**MRS DUNNE:** Chief Minister, I want to go back to something you alluded to when answering Mr Smyth's question about the forthcoming budget outline document. I'd like to point out that, as a chairman of a committee reporting on budget consultation, I'm finding it particularly difficult and community groups are finding it particularly difficult to talk about the budget in isolation as was originally promised to us at the end of February. My recollection is that the other day Mr Quinlan said that it would probably be ready late next week. I'd like to draw your attention to what you said on 14 March last year, in your "Good Government" speech. You said:

That is not to say that Labor will draft its budget behind closed doors or in isolation from the community, but that process will not be the carefully controlled process of the Liberals. We will be open and debate with the community rather than contain it only for the members of the Assembly. Openness is one of our core values.

With that in mind, I'd like you to answer, Chief Minister, how you can be open with the community and how the community and the committees that are also doing this process at the moment can openly engage with the government on budget issues when committees have to report on 9 April and as yet we haven't received the budget document and the community organisations who are talking to us haven't received that budget document?

**Mr Stanhope:** I haven't spoken to Mr Quinlan recently about the timing of the release, and I'm not quite sure what the issues in relation to that are.

**MRS DUNNE:** Do you see that there's a problem with timing?

**Mr Stanhope:** Certainly, there are always time pressures but, in terms of being open about these issues, I have for the last number of months met constantly with representatives of community organisations and have been in a very open dialogue with them around a whole range of issues. That hasn't inhibited them in their submissions to me and in my meetings with them, which have been constant and numerous. But certainly, I understand that there are always time constraints, always difficulties and always frustrations for all of us in trying to fit everything in. But this is no different than it has been in previous years. I think the timeframes and time lines that have always been imposed as a feature of this process are not much different this year than they've ever been.

**MRS DUNNE:** The most optimistic time we might expect to see this is perhaps Wednesday or Thursday of next week, and we are expected to report on 9 April. So we have effectively about four working days for community groups to see this and absorb it and get back to us, if they can. This is not an open process, Chief Minister, and it isn't similar to what existed in the past.

**Mr Stanhope:** Be fair. Certainly, there's plenty of opportunity for discussion and debate around these issues. The budget is not being brought down till the end of June. It's not being debated till August. There's enormous capacity for consultation around the budget and the community's priorities and the pressures the community are facing.

**MRS DUNNE:** The point that I'm trying to make is that—

**Mr Stanhope:** This is not a draft budget process we're engaged in here. There's no reason to believe that anything is ruled in or anything is ruled out. We haven't followed the same approach that the Liberal Party adopted to this issue, in putting up a bogus so-called draft budget—

**MRS DUNNE:** You haven't put up anything. That is the point. People are still in isolation.

**Mr Stanhope:** Which was then abandoned as soon as it was tabled, or it never meant anything in the first place. We're not playing that game. There is absolutely no reason for any individual, any community group, any association or anybody not to make representations to committees or to any member of this place in relation to what they see to be the priorities, the gaps, the areas of need, with an understanding of what this government stands for, what our core values are, what we regard as important. You are drawing a long bow to suggest that the people of Canberra don't know what's important to this government, what our priorities are and where our focus will be. We're more than open to hearing from them about what they perceive to be the priorities for this community, where they believe the gaps are, where the unmet need is and where we should be concentrating our energies.

To suggest that there's not an open process and that nothing is open is just a nonsense. To suggest that the community needs a return to the old forward draft budget process in order to be able to be engaged in this process is just a nonsense.

**THE CHAIR:** You're saying, Minister, that the document that the Treasurer suggests will be supplied to the committees is relatively unimportant in the process of consultation about the budget which the Assembly committees have decided to undertake?

**Mr Stanhope:** I'm saying it's not a constraint on consultation. It might enhance the consultation and enhance understanding in some areas, but to suggest that there hasn't been significant opportunity for consultation with members of this place by community organisations around what they regard as important is just silly. To suggest that you need something like a draft budget, your process, in order to engage the community doesn't fit with reality.

**THE CHAIR:** I don't think Mrs Dunne is saying that.

**Mr Stanhope:** The draft budget parameters which were of a feature of your so-called attempts to engage you abandoned as soon as you had produced them. The final budget had absolutely no relationship to the draft budget that was meant to be a focus of discussion. To suggest that there's any inhibition on anybody consulting with any member of this place around what they as individuals or as community organisations regard as important is just silly. Organisations come to me constantly. I meet them everyday. It doesn't inhibit them in telling me what they think is important and what they think we as a government should be funding. They're not inhibited one little bit. They've made their submissions. They come and make their statements. They make statements to me about what they regard as priorities, what they regard as areas of unmet need, without any inhibition and without any hesitation. If they're not talking to you about it, I think perhaps you need to look at why it is that they're not prepared to engage with you.

**MRS DUNNE:** I submit, Mr Chairman, that when the reports come out the Chief Minister might like to see the number of community groups that have said to committees that they feel constrained because they have no idea what parameters the government is operating under.

**MS DUNDAS:** I have a brief comment. We would also be interested in knowing what the bottom line for the budget will be.

**Mr Stanhope** : Mr Quinlan has already answered that question.

**MS DUNDAS**: No, he hasn't.

**THE CHAIR** : He hasn't answered it.

**MR HARGREAVES** : What makes you think you're going to get one now?

**MS DUNDAS**: Exactly. It might have changed in the last three days.

**Mr Stanhope**: With respect, we've indicated that we're committed to a balanced budget over the term of the Assembly. That's a significant indication of what our attitude to this thing is. Certainly, one area of significant interest to members of this place and the community will be to see what the implications of the last five years of management have been to the territory's fiscal position. That will be of interest to everybody.

**THE CHAIR** : Quite good, according to the Under Treasurer the other day.

**MS DUNDAS**: I have a question about the Office of Sustainability. If we are truly committed to sustainability and looking for a budget that does have triple bottom line reporting, do we have a timeframe for the policy framework that the office is establishing?

**Mr Stanhope**: Sure. I'm still keen to hear from Mr Ottesen. Perhaps Mr Ottesen, Mr Tonkin or Miss Lambert would like to—

**Mr Tonkin**: In the discussion we had with the other committee the other day, I indicated to Ms Tucker and others that our objective was to produce a policy document in about three months time which sets out: the office gets established, the money gets appropriated, the office gets established. We will go through the process of developing the policy in about three months time. As part of that policy development process, we will, as the Chief Minister has said, engage with the community and relevant areas and groups in the community which have a clear interest and could make a contribution to it. In about three months time we hope to roll the policy out. We'll then move on from there as to how we can go about implementing it.

**MS DUNDAS**: So there would be enough time for the policy to be applied to the budget for the next financial year, considering we won't be seeing that budget till the end of June and it won't be debated in the chamber until August?

**Mr Tonkin**: This third appropriation will give us the funding for this office for the future years, so we're getting that in place. We'll have the money for the office. If your question goes to how that policy is then articulated in terms of triple bottom line reporting, I think we need to think a bit more about whether there's triple bottom line reporting. Certainly, for the current financial year that's not possible.

**MS DUNDAS**: Mr Stanhope, what do you see as the need for setting up the Office of Sustainability today, if we cannot use any of the outcomes as we consider the budget for the 2002-03 financial year?

**Mr Stanhope :** We need to start somewhere, I guess, Ms Dundas. This was a significant commitment which the Labor Party made in the last election. We're carrying through on an election promise. This is one of the range of commitments or promises which the Labor Party made in the lead-up to the last election and which we are appropriately seeking to implement. I was inclined to implement this particular policy initiative sooner rather than later. That is what we're doing. There have been significant pressures on us as a new government and on the bureaucracy as a result of a change of government. At these periods, when there is a changing of the guard, there is enormous pressure on departments. I think we need to be aware of that. Departments and departmental officers have been working extremely long and extremely hard.

This is a significant issue for me. I'm personally committed to it. I believe it's important. I believe the creation of the Office of Sustainability in the ACT does a number of things. It's symbolically very important, as much as anything else, in terms of a commitment by this government to sustainability, a commitment by a government to put in lights, to some extent, its commitment to sustainability. We're acting on an election commitment. We're keeping the faith. We're doing it in a measured way.

**MS DUNDAS:** Does that commitment extend to the development of the budget for the next financial year?

**Mr Stanhope :** It's classic chicken and egg. When do you start? We're starting. We're getting it up. We're all learning.

**MS DUNDAS:** And we'll have a policy framework within three months before the budget is put forward?

**Mr Stanhope :** It would be nice for one to be able to snap one's fingers and do these things, but the resources weren't available. We applied in this process, the third appropriation bill, for some funding to allow the establishment of the office. I think first things first. Prior to doing that, we have from within existing departmental resources been able to identify some funds to appoint an acting head of the office, namely, Mr Ottesen.

We're working the proposals up. We're doing our homework. We're taking the best advice possible. In relation to this, I would hope that the Assembly supports this appropriation bill. I hope we get the funding we're seeking. I hope that allows us to appoint officers permanently. I hope that we get the support of the Assembly to fund this office to the level which we've decided is appropriate and affordable—namely, three full-time staff. I hope that as a result of that we will achieve optimal outcomes from the establishment in the ACT of the Office of Sustainability, which we're serious about, which we're genuine about and which we hope in the fullness of time will assist all of us and this community to become focused on the importance of us being a sustainable community in the future.

But we've got to start somewhere. I think you've got to be fair to us. You've got to be fair to the Chief Minister's Department. You've got to be fair to the officers involved. You've got to give us a go. Either you support the notion and give us an opportunity to get it up by supporting this appropriation bill and have some faith in us as the government and in the officers of the Chief Minister's Department—

**Mr Tonkin:** It is a progressive process. Already the fact that we have the government's commitment to the Office of Sustainability and a commitment to sustainability alerts all of us in the public service that these are serious policy considerations the government wants to have taken into account. Simply because of that and the work we've done to date on how you would express and articulate what sustainability is about, of course when we now look at budget proposals across government and proposals that run through cabinet, we think about these matters much more than we would have done in the past. So it's already having an effect. You heightened awareness. When I look at budget proposals and advise the Chief Minister, the Treasurer and everybody else, I'm aware of these things, putting them higher up the awareness scale, so it has an effect.

What we'll get as we move into having a fully established office and clearer processes is a more structured way of doing a lot of those things. What we want to get to in the end is really sustainable outcomes—sorry, that is the wrong word—outcomes which matter and make a difference. I really want to avoid building an elaborate process of ritually ticking all the boxes, as we have in one of our present performance measures. More effort goes into ticking the boxes than getting a particular outcome. I want to get past that into something where we can say at the end of 12 months, three years and five years what we have done and how it is really different?

The office gives us the opportunity to stimulate in an aggressive way that sort of discussion. Hopefully, you'll see a progressive improvement in the way in which the whole public service responds to it. That's what we're trying to achieve, and it's a small step out of which bigger things will come.

**MS DUNDAS:** I guess the concern I'm trying to get to is that we've heard Mr Quinlan say that we don't know what the deficit facing the territory is and we're doing a third appropriation to the last budget before we have a clear understanding of the financial position of the territory, when we could be doing a number of these appropriations in terms of the next budget. I take it as a very important initiative, and I'm supportive of the Office of Sustainability, but I'm interested to know why we're doing it now as opposed to in July or in August.

**Mr Stanhope:** Perhaps I misunderstood your question, Ms Dundas. I didn't quite interpret your question in that way. These are matters for judgment, Ms Dundas. I now understand the question more clearly. I'm sorry. To some extent, I guess it's an indication of this government's commitment to the Office of Sustainability. We are facing some very real pressures in a fiscal and budgetary sense. I take the point you're making. You're asking whether this is a significant enough a priority to be funded now in advance of the budget. That is what I take your question to be. In effect, you're suggesting, "Why not drop this and rack it up against other priorities that will be a feature of the budget?"

**MS DUNDAS:** I'm saying we don't know what the deficit facing the territory is, and I'm finding that concerning.

**Mr Stanhope:** And you're suggesting that maybe this is not a priority and in the context—

**MS DUNDAS:** I didn't suggest that at all, Mr Stanhope.

**Mr Stanhope:** You are suggesting that in the context of the strife that we're facing fiscally the government might wish to drop this.

**MS DUNDAS:** I did not say that.

**Mr Stanhope:** And just leave the money there so we can consider whether or not to proceed with the Office of Sustainability at all in the future.

**MS DUNDAS:** That is not what I said, Mr Stanhope.

**Mr Stanhope:** When you reduce it, Ms Dundas, these are the dreadful decisions that governments are faced with. Mr Humphries will concede that these are always difficulties. Something that you would just love to persist with always gets left off. Part of the agony of government is that at the end of the day you always leave something off that you wish you didn't have to leave off.

**MS DUNDAS:** So what are you going to leave off?

**Mr Stanhope:** There are going to be things left off, Ms Dundas, that are quite obvious priorities to each and every one of us. We have limited funds available to us. You know that. You could name anything you want now and you could suggest that we're not going to provide enough money for it. You could probably name anything, any area of endeavour in the ACT, particularly of social policy, of unmet need, of disadvantage where we would like to be able to throw a great big bucketful more of money at the issue than we have the capacity to do. These are the difficult decisions that are always made.

This government is saying that the Office of Sustainability is really important to us. It was a specific election commitment we made that we're going to keep. We're keeping it as early as possible. We're going to keep all of our other election commitments as well, and they will be pursued in the future. You will see many of them dealt with in the budget.

But what we're saying is that we regard this as important. We wanted to kick start it. We had an opportunity through this appropriation bill to do that. We're giving in perhaps a six-month advance on life that it wouldn't otherwise have had, so that it informs our decision-making earlier rather than later. It's as simple as that. It's a judgment call. That's all it is.

**MR SMYTH:** Mr Stanhope, as the Minister for Health, you said that the hospital needed a crisis injection of \$6 million, otherwise it would collapse by Christmas. Why is it then that \$3.5 million of the money that was in the second appropriation for the hospital has not gone to the hospital yet?

**Mr Stanhope:** I haven't seen the detail of this. I understand that Mr Quinlan responded to a question which he took on notice from you in relation to this particular issue, which I thought had explained it quite clearly. But my advice on the point that you've made in relation to this, Mr Smyth, is that all of the moneys have been committed, having regard to the urgency of the circumstances that the hospital found itself in, but that not all the



bills are in. I think some of it related to the purchase of some capital items. As I understand it, the orders are in, but the bills aren't. I'm sure, Mr Smyth, you don't often pay bills that you are yet to receive when you order something. Nor do governments.

**MR SMYTH:** My recollection is that, as Minister for Health, you said the system would collapse by Christmas if it didn't receive this urgent injection of cash, but the answer Mr Quinlan gave me was:

In relation to the on-passing of funds to the Canberra Hospital, the Department of Health and Community Care has not received the \$3,530,000 for equipment systems from the Treasury. The hospital does not currently need these funds—ie payment for the equipment is not currently due. The funds will be passed to the hospital as the need arises.

**Mr Stanhope:** You've just made the point for me, Mr Smyth. The bills aren't in. Mr Smyth, do you go out and pay your suppliers before the bills come in? Are you one of those people who do that? You've got more ready and available cash and you're obviously a very bad manager if you do. Who pays their bills before they are received, Mr Smyth?

**MR SMYTH:** But that's not the point, Mr Stanhope. You said the system would collapse by Christmas—

**Mr Stanhope:** I don't pay my bills before they're received and neither does the Canberra Hospital.

**MR SMYTH:** You said the system would collapse before Christmas if it didn't receive the \$6 million. We had to remind you that you needed a second appropriation to do that, because you weren't going to do it until February. In your "Rebuilding the ACT Health Service" document, you said that, for example, you'd be after another 1,300 in-patients and that another 2,500 patients in emergency would be handled with this money. The answer from Mr Quinlan, the answer you wouldn't give me, was that it's only 300 additional in-patients and 350 outpatient weighted costs. So the image of a crisis that you sought to create dissolves in these answers. What advice did you receive from the hospital that made you change the 3,800 supposed operations that were due to just 650 and then spend the rest of the money on equipment?

**Mr Stanhope:** I think one of the pieces of advice we received was that the previous government had made such a mess of its negotiations with the nurses and that one of the greatest crises facing the hospital after we took government was the fact that we had a nursing work force that was completely and totally disenchanted with government and governance as a result of the incredibly negligent way in which you handled those negotiations, negotiations that had gone on for over a year and certainly reduced the hospital to crisis. I think you remember well, Mr Smyth, the crisis that you generated as a result of your total mismanagement of that particular dispute.

One of the major pressures on us was to resolve that dispute. I think you'll be aware that significant amounts of the money that was advanced went to the payment of the wage rise which was ultimately agreed—

**MR SMYTH:** That's not what this answer says.

**Mr Stanhope:** And to the funding of additional full-time nursing positions in the Canberra Hospital. I'm going to some small extent from memory here in relation to the additional \$2.7 million over and above the \$6 million which we had promised and which we delivered on. The \$2.7 million, I believe, had been identified in the last statement issued by Mr Humphries before the election and, up till that stage, we were unaware of it. We did commit to equipment. I think it was \$2.7 million which we had anticipated in the election campaign to commit to equipment, which in the context of the negotiations and the discussions which we held with the hospital and with the department of health after the election translate into what you've just said—\$3.5 million in equipment. But I think the position has always been made, as I recall it, that that additional \$2.7 million over and above the \$6 million would certainly be applied to equipment. We've extended that to \$3.5 million.

**MR SMYTH:** You mentioned that there was written advice. May the committee see that written advice from the hospital to you as Minister for Health?

**Mr Stanhope:** I didn't say there was written advice. Mr Smyth, you need to be more careful with your language. At no stage did I suggest to you that there was written advice. You really need to be honest in your conversations with me in estimates.

**MR SMYTH:** Is there any written advice from the hospital to you as Minister for Health about how that \$6 million would be spent or even if it was required?

**Mr Stanhope:** I'd have to check that, Mr Smyth. I'm more than happy to check that.

**MR SMYTH:** Could you check and please provide that to the committee?

**Mr Stanhope:** I'm more than happy to check the nature of the advice—

**MR SMYTH:** Would you provide it to the committee?

**Mr Stanhope:** I'll have a look at the nature of the advice and its particular classification and status, Mr Smyth.

**MR SMYTH:** Mr Chair, it would be very interesting to see that advice.

**MRS CROSS:** Chief Minister, the budget last year contained over \$2.6 million for digital divide initiatives, with \$500,000 to be spent in this financial year. Earlier this month you announced 20 digital divide grants totalling \$300,000. Do you intend to allocate the remaining \$200,000 worth of grants before the end of the financial year?

**Mr Stanhope:** No decision has been made for that. In fact, I've referred the issue of those additional funds, I think \$190,000, to the department. As you're aware, we were pursuing issues around the digital divide consistent with the election promise that we made, which did involve the establishment of a digital divide advisory group, which we've advertised for and which we propose to appoint, to take forward the debate around the need for this community to seriously deal with issues of digital democracy and the

disadvantage which will increasingly become an incident of a lack of access to information technology.

This is a major issue facing the community, and it's an issue that we're taking very seriously. Half of the homes in Canberra aren't connected to the Internet. Thirty per cent of the people in Canberra don't have access to Internet. We know which 30 per cent it is. We know the make-up and the demographic of those most disadvantaged by lack of access to the Internet, and we're determined to develop a range of strategies that ensure that we do not continue to disempower those who are already most disempowered in our community. Through our embracing of information technology we seriously risk widening the divide between those who do have the capacity to commit fully to community life and those who don't. We're pursuing a range of strategies in relation to that. They may not necessarily involve a continuation of the grants scheme.

**MRS CROSS:** So am I to assume then that the approximately \$200,000 that's left may not be allocated to—

**Mr Stanhope:** Yes, you can. You can question whether or not that additional \$190,000 will or will not be applied to grants. As I said, the Labor Party went to the last election with an IT policy and a commitment to address the digital divide. Part of that involved the establishment of a digital divide advisory group, the creation of a digital divide strategy and a commitment to continue to address issues around the digital divide now and into the future. This is not an easy problem. This is one of those intractable issues that communities have to deal with. There is no quick fix. It does require a strategic approach, and we believe that will be best achieved through the work of a digital divide advisory group to develop a strategic plan and that it's not a problem that will necessarily be fixed just through grants.

**MRS CROSS:** Chief Minister, if you've appointed a community IT advisory panel, then how do you know the answer?

**Mr Stanhope:** We've advertised it.

**MRS CROSS:** I understand that, but your intention is to have an IT advisory panel. If you already know the answer to my question, what's the point of a panel? If they advise you to allocate that \$190,000 or \$200,000, then—

**Mr Stanhope:** Then we'll seek appropriation, Mrs Cross.

**MRS CROSS:** What's the point of a panel if you already know the answer?

**Mr Stanhope:** We don't know the answer. That's the point. This is a difficult and intractable issue, just as intractable as issues around disadvantage and poverty are in a whole range of areas. Perhaps this is even more difficult than some of the other issues we have to grapple with in relation to poverty, disadvantage and disempowerment. There are no easy answers. You cannot suggest that because we have a task force and the work is done—hip, hip hooray—we've resolved the digital divide. We haven't. We haven't even scratched the surface.

This does require a strategic approach. It requires a commitment. It requires some dedication, and we believe that dedication, that commitment and that strategic approach will be served through the appointment of a digital divide advisory group and the development of a digital divide strategy that will take us into the future. That's what we're doing.

**MRS CROSS:** Could I assume then that you're perhaps considering allocating the remaining \$200,000 to fund the study into connectivity issues for disadvantaged people that you announced recently.

**Mr Stanhope :** It may be that they're the sorts of issues that the funding might be applied to. That's a reasonable assumption, but no decisions have been made. There's a raft of possibilities.

**THE CHAIR:** You mentioned a moment ago that there was a further document to be introduced by the Treasurer on the state of the territory's finances. Can you say what that document is?

**Mr Stanhope :** It's a consultation document.

**THE CHAIR:** You mentioned there was a document that revealed information about the territory's finances.

**Mr Stanhope :** Yes, the consultation document will do that, starkly.

**THE CHAIR:** Thank you very much, Chief Minister, for your attendance here.

**Mr Stanhope:** Thank you. I'm sorry that I can't stay, but I'm more than happy to come again at any time mutually convenient, if you wish.

**THE CHAIR:** I think we'd enjoy it, but I don't think there's going to be time.

**Mr Stanhope:** I'd enjoy it. I was a bit disappointed I didn't get any questions on computer security and things like that.

**THE CHAIR:** You may well one day very soon, Chief Minister. We've got some more questions of the officers.

**MS DUNDAS:** Could you tell me how much the current funding for the Office for Women is?

**Ms Lambert:** I'll have to take it on notice. I can't tell you. It would be a guess and it would be inappropriate. I'll take it on notice.

**MS DUNDAS:** Why would it be inappropriate?

**Ms Lambert:** I'd be guessing.

**MS DUNDAS:** If you are taking that on notice, can you also take on notice the funding that's allocated to separate offices such as the Office of Multicultural and Community Affairs? Because the Office of Sustainability is sitting in the policy group and the Office for Women sits in that the office of Multicultural and Community Affairs, I'm interested in the different funding breakdowns for the different offices if they sit in different areas.

**Mr Tonkin:** We'll give you the breakup of the various areas like that in the department as requested.

**MS DUNDAS:** I'm quite happy for you to take that on notice, but thank you.

**MR HARGREAVES:** When you do that, will you be doing the raw allocation of fundings or will you do the apportionment of all of their share of on-costs on the top of it?

**Mr Tonkin:** From memory again, I think we already do that. We apportion our general charges on a per capita basis across the work force at any rate. Some of them we keep separately. I think we keep some provisions for sick leave or stuff separately because it's easier. Many of the units in Chief Minister's are so small that if you chop the budget up into tiny microbits you're playing, not having an effect. But for most of them there are direct costs we do allocate. We'll give you the best read we can.

**MR HARGREAVES:** If Ms Dundas is looking for a comparison of resourcing as opposed to the exact dollar, then perhaps just the direct costs might provide that information. I'm just trying to save the amount of work. I have had to do it myself. It's not fun.

**Mr Tonkin:** We keep month-by-month statistics at any rate, so we should be able to give you a fair read on that, although I'm not quite sure we measure it right down to the Office for Women. We created the Office for Women out of the multicultural group, where there was already a section. We've given it a distinct identity, so a distinct reporting line to the Chief Minister. We should be able to identify the money pretty well.

**MRS CROSS:** My understanding is that the Office for Women is a new initiative, in that it has its own separate identity and in fact it has a separate separate area which is distinct from other areas it used to be mixed in with. Therefore, I would expect that your reporting back to this committee would be clearer than that. It would show where this new government has allocated money for this specific office. The select committee on women's issues was advised that.

**MS DUNDAS:** We've been told repeatedly by the Labor government that the Office for Women is a new thing.

**MRS CROSS:** That's right.

**MS DUNDAS:** But it has not had any money appropriated for it. I'm just interested in how we can—

**Mr Tonkin:** We created it out of our existing resources. We do have a physically separate area. It has a defined task. There's a much clearer reporting line and direct access to the Chief Minister as Minister for Women, as a part of the changes the government put in place, so we can physically define it.

**MRS CROSS:** Does that mean that other areas are going to be disadvantaged because staff are going to come out of those, or are you going to recruit new people to man that separate area?

**Mr Tonkin:** We have taken the activities we already had. We have redirected it. Other areas are not disadvantaged. There was already activity looking at women's issues of the previous government. What we've done is to make it very much clearer what it is doing, giving it a very clear role, giving it a physically distinct presence, giving it a clear line of accountability and information flows as per the government's policy, so we've established it. It's not a matter of disadvantaging other areas at all.

**MS DUNDAS:** While there have been some people within Chief Minister's looking at the status of women for a number of years, and hence that's how we've managed to re-badge the budget to do the Office for Women, there haven't been people in Chief Minister's over a number of years looking at sustainability?

**Mr Tonkin:** That's right. There haven't been.

**THE CHAIR:** Thank you very much. Thank you for your attendance today.

**Resolved:**

That, pursuant to standing order 243, the committee authorises the publication of evidence taken and the papers presented this day.

**The committee adjourned at 12.40 pm.**