

**LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY**

SELECT COMMITTEE ON ESTIMATES

(Reference: Appropriation Bill 2002-03)

Members:

**MR G HUMPHRIES (The Chair)
MR J HARGREAVES
MS R DUNDAS
MRS V DUNNE
MS K GALLAGHER**

TRANSCRIPT OF EVIDENCE

CANBERRA

MONDAY, 29 JULY 2002

**Secretary to the committee:
Mr P McCormack (Ph: 620 50142)
Mr R Power (62050435)**

By authority of the Legislative Assembly for the Australian Capital Territory

The committee met at 9.03 pm.

Appearances:

Mr J Stanhope, Chief Minister, Attorney-General, Minister for Health, Minister for Community Services and Minister for Women

Chief Minister's Department—

Mr R Tonkin, Chief Executive

Mr W Foster, Manager, Employment Policy and Workplace Relations

Mr G Tomlins, Senior Director Policy Group

Mr P Ottesen, Director, Office of Sustainability

Mr N Manikis, Executive Director, Multicultural and Community Affairs

Ms S Hall, Director, ACT Office of Women

Ms J Therkelsen, Director, ACT Office of Multicultural Affairs

Mr G Welby, Director, Aboriginal and Torres Strait Islander Affairs Unit

Mr P Brady, Director, ACT Office of the Aged

Mr A Rice, Acting Director, Policy

Mr M Vanderheide, Director, ACT Information Management

Ms M Whitten, Director, Corporate Services

Mr P Hextell, Director, Accounting

Mr K Phillips, Financial Controller

THE CHAIR: Welcome, Chief Minister, and welcome to officers of your department. We will do some housekeeping before we plunge into the business of the day. I remind you that we have a practice for questions taken on notice to be answered within three full working days. We would appreciate that deadline being met.

We will email the transcript of each day's proceedings to your office and to the departmental contact officer for distribution to witnesses. Where a question is taken on notice, we appreciate it if people can make a note of it and refer to it in the transcript so an answer can be provided promptly. We also ask that, when members ask a question which they believe is being taken on notice, they indicate that at the time—so the transcript clearly demonstrates that there is a question on notice. Proceedings are being broadcast to specified government offices—and the media may record proceedings and take visual footage.

I will read the advice to witnesses. You should understand that these hearings are legal proceedings of the Legislative Assembly and protected by parliamentary privilege. That gives you certain protections but also certain responsibilities. It means you are protected from certain legal actions, such as being sued for defamation for what you say at this public hearing. It also means you have a responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter.

We ask that the witnesses coming to the table state their names and the capacity in which they are appearing so that the transcript shows who they are. It is our practice each morning to go through the day's business to make sure that each area on the agenda to be called to give evidence is in fact required by the committee so areas not required can be dispensed with at the beginning of the day. As far as this morning's proceedings are concerned, I suspect there is no great value in crossing off particular output classes. The

same people will be required for each of the output classes, so I do not think we will go through that exercise.

I assume that there are questions for the Auditor-General. There certainly are, as far as I am concerned, so we will assume that all the people here this morning will still be required. That is the housekeeping.

Minister, do you wish to make an opening statement before we ask the questions?

Mr Stanhope : I did not propose to, thank you, Mr Chairman—other than to say thank you for the invitation to appear. All officers of the department stand ready and are very willing to assist the committee in any way possible.

THE CHAIR : Thank you very much. I will start with a question about the use of consultancies across government. One of the commitments you made at the last election was to reduce the use of external consultancies. I understand there is a large number of reviews, audits, inquiries and commissions under way at the moment and that many of those are relying on the use of consultancies. Can you indicate how the government is progressing with meeting that commitment?

Mr Stanhope : When it comes to numbers, I cannot, Mr Chair, other than to say that, as a government, we have a commitment to limit, to the extent that we are able, the use of external consultants and external consultancies. We are committed to the ACT public service. We have enormous faith in its capacity and resilience. The ACT public service will always be our first port of call when we require work to be undertaken.

Having said that, it is true that in this first phase of government—we have now been in government for nine months—the government has initiated a raft of reviews and inquiries in a whole range of areas. I think it should be accepted that a new government, coming into office after seven years—a government with an active and well articulated agenda—would be looking to utilise the full resources of its public service.

Certainly, having regard for our determination, as a new government, to implement our agenda, one can understand that we would be looking to engage external resources and external expertise. So it may be that, over the first nine months of this government, a significant number of wide-ranging reviews and inquiries have been initiated. Certainly, in relation to some of those, we have looked to outside expertise to assist the government.

THE CHAIR : How will you measure progress against that commitment? Is that a three-year commitment, or is it something that you will be able to indicate progress on over the course of this coming financial year?

Mr Stanhope : I would think that, over the course of the term of the parliament, which is three years, there will be evidence—probably through our annual reports and the reporting in those annual reports of external consultancies, and the engagement of external consultants and experts—about our progress in relation to our determination to look, in the first instance, to our public service for advice and expertise. After that, we will look externally for the range of expert advice and assistance that governments

require. It is something that will be measurable over the course of the term of the parliament.

I repeat that that would be generally accepted and understood for a new government with a new agenda. We had a raft of policies to implement following a period of seven years. We came to government with a range of things that we were determined to see undertaken and we are doing that. There would be a broad understanding of that in this initial period.

We have pressed the public service, and I acknowledge the enormous work that the public service has done in this initial period and the enormous strain that departments and individual officers have been under. That is something I have not had much opportunity to acknowledge publicly, but I acknowledge the enormous strain which the change of government has imposed on the public service.

I am sure you would be aware of the enormous commitment of our public service to government. I think that, in this transitional period, with a new government, the strain has been significant. I acknowledge that—and there are many officers who have worked above and beyond the call of duty over this first nine months.

THE CHAIR: In the InTACT section of Budget Paper No 4, there is reference to the additional cost of \$2.4 million in employee expenses. That is attributed in the document to “the continuation of the policy to replace contractors with permanent staff”. Is that a policy which applies just in InTACT, or does it apply across the board? That is, is there a conscious decision on the part of the government to move into the area of using more permanent staff than temporary contractors or consultancies?

Mr Tonkin: My name is Robert Tonkin. I am the Chief Executive of the Chief Minister’s Department. Firstly, Mr Humphries, InTACT is part of the Treasury—it is not under the Chief Minister. The reference there was more a specific issue in relation to InTACT, where they had a considerable reliance on contractors a year to 18 months ago. It was a reflection that they wanted to shift back to a more normal spread—noting that, in an area like InTACT, you will always have a reasonable level of contract employment, due to the technical and sometimes episodic nature of what they do. It is more a specific InTACT circumstance than necessarily reflective of a general proposition.

THE CHAIR: Is there any position on the government’s part, across the board, about there being a need to shift the balance of public servants versus contractors or consultants? Is the balance about right, or is there an agenda on the part of the government to move more towards permanent staff, contractors, or what?

Mr Tonkin: As a general tendency, we would prefer to employ people on a permanent basis. In a small jurisdiction, it is always a factor that, from time to time, you will need to address surge requirements. That requires you to employ contractors, if there is a large-scale event or peak of activity. Other than that, our desire is to build the capacity of the public service to be able to respond, and then it is a balance between the assets, the people you have, and the ability to respond in the time that government requires.

Sometimes you will say to ministers, “Thank you, but we have a whole queue of things to do. What’s the priority?” Or else we have to go and find extra resources. It depends on circumstances.

THE CHAIR: In earlier proceedings, we were provided, by the Treasurer, with a list of the areas where savings were being made across government, pursuant to the original decision to find a 2 per cent productivity saving across government. The Treasurer indicated that there is now more likely to be an outcome of a saving of about 1 per cent across the board.

There are a few areas where savings are made in the Chief Minister’s Department. The Ansett call centre stages 2 and 3 has been discontinued and counted as a saving. There is a cut of \$1 million in social capital funding. I think some information has already been provided to the committee about the sorts of things that have been cut under that heading. There is also a general heading of savings—nearly \$1 million this financial year, rising to \$1.3 million next year, \$1.18 million, and \$1.2 million the year after. Can you detail what kinds of savings are being made under that heading, please?

Mr Tonkin: Is this page 35 of BP 4?

THE CHAIR: This was a freestanding document tabled by the Treasurer.

Mr Tonkin: I do not think I have seen that.

MS DUNDAS: It is a summary of productivity savings.

THE CHAIR: It is headed Broad Productivity Savings. Actually, it says “as identified in Budget Paper No 4”, but we could not see where it fell.

Mr Tonkin: All right.

MS DUNDAS: It is taken from each of the different departments.

Mr Tonkin: There are a few areas where there are reductions in programs, some of which are in the business area which I think were canvassed when Mr Quinlan was here. For example, the small business growth program was discontinued and has been replaced by another program.

The community planning adviser, which was an initiative of the previous government, was discontinued. That was worth \$250,000—indexed across the years. Business export capacity, which was \$116,000 in 2001-02, was again offset by another program in business. New future in small business was again offset by another program.

We saved \$360,000 in this budget year, reducing to \$114,000 by the fourth year, through the abolition of the position of the executive director of ACT Information Services. We took that function and split it, moving Canberra Connect to Urban Services and ACT Information Management back into the policy group of the department. They are the principal measures by which we have made reductions to meet the target in Chief Minister’s.

THE CHAIR: Can we have a breakdown of that, indicating exactly what dollars go to each of those activities?

Mr Tonkin: Yes, we can provide that.

THE CHAIR: Thank you.

MS DUNDAS: Can you tell us what the community fund is? On the broad productivity savings, it talks about the community fund, which in 2004-05 and 2005-06 will lose \$500,000 in Chief Minister's. What is that community fund, and what does it do?

Mr Tonkin: The Canberra community foundation was a government grants program providing financial support to projects and activities that contribute towards community development, through partnership contributions by the community and business sectors. What essentially has happened is that the scale of that activity has been reduced in the forward estimates years.

Now, \$760,000 is provided for the Canberra community foundation in the budget year. That is made up of \$260,000 rolled over from the past financial year and \$500,000 in this year's budget. A further \$500,000 has been identified for 2003-04. The program continues for another two years. There is then an opportunity to consider needs and requirements going forward.

The fund is managed by a board comprising business and community sector representatives. It is presently co-chaired by Bishop Browning and Mr Arthur Kenyon. It is a community group which provides advice to government on where grants can be provided most effectively.

There are a number of board members. In summary, the role of the board is to assess and make decisions on applications according to established eligibility criteria. They work out how the funds are to be spent; they provide advice to the Chief Minister on the management of the foundation; they give advice on the future directions of the foundation, and they seek to attract business community partners for the foundation. One of the initial objectives of the Canberra community foundation was to try to encourage a degree of benefaction in the community—in other words, to get people in the community to donate to a fund supported jointly by the government and by business. I am not sure that that has been hugely successful, but we believe it remains a worthwhile objective—if we could do that.

MS DUNDAS: I know 2005 is a long way off.

Mr Tonkin: Presently, there is no funding in 2004-05 and onwards.

MS DUNDAS: Do you have any idea what you hope to be doing then to encourage community building and providing funding?

Mr Tonkin: Not as yet, in this program. The program needs to be subject to examination before we get to that point.

MS DUNDAS: So it will be reviewed over the next three years?

Mr Tonkin: We will consider the benefits of it, having seen it run for a while, and then the government will make its decisions.

MS DUNDAS: Again, I know it is a long way off but, considering that you are already budgeting to take the money away from it to meet productivity savings, will there—

Mr Stanhope : The government's thinking on this, Ms Dundas, is that we will continue with the program for the next two years. We will have a look at whether or not this is the most efficacious way of addressing disadvantage within the community. The government has asked to see whether or not the Canberra community foundation, in its operations, might focus more on a social justice approach to address disadvantage.

This is a major commitment of the government. Something which we are determined to focus on over this three year term was the extent to which we can address disadvantage. We believe that the expenditure of these community-based funds, through a program such as this, needs to be directed at addressing disadvantage to the extent that we can. If this is not the best way of doing it, then we need to find other ways.

I take the point you are making. This is not just a question that, in two years time, this foundation, with very laudable aims, should cease—it is a question of whether or not we, as a community, are receiving the outcomes in relation to our capacity to address disadvantage through this structure and format.

I am not entirely convinced that this is the best way to go, when it comes to an all-of-government or all-of-community approach to addressing disadvantage. I have often said, in relation to disadvantage in the ACT—and all governments grapple with this, it is not unique to us—that there are significant levels of disadvantage in this community.

Many of the issues we face in relation to poverty and disadvantage are at the really difficult end. There are some almost intractable issues around poverty, disadvantage and the capacity of governments to address those issues. We are really at the hard end of it, here in the ACT. We need to be always mindful whether the expenditure of very scarce resources has been undertaken in the best possible way.

That is our thinking in relation to this foundation. It has been running for a couple of years and will run for another couple years. We will have a serious look at it then and determine whether this really is a good model and whether it really is having an impact, whether it is not just addressing disadvantage but building social cohesion and social capital.

MS DUNDAS: One of the savings also identified is the social capital funding of \$100,000.

Mr Stanhope : I will ask Mr Tonkin to address that issue first. You need to put that in the context of the description of social capital. In the previous budget, there was a range of initiatives described as social capital initiatives. So when we use the term 'social capital', it needs to be understood in the context of the last budget and the way in which it was used to describe certain projects in that budget.

Mr Tonkin: That million dollars taken out each year was a technical adjustment. It had already been allocated to departments for particular programs—it was simply a double count in the numbers. It is a straight accounting adjustment.

MS DUNDAS: It is not a saving, as such—it is money being expended by other departments?

Mr Tonkin: No, it was not a saving as such. It was expended elsewhere. It was still lingering in the books. It was taken out for that purpose.

MS DUNDAS: Can you provide us with information as to how it is being spent by the other departments?

Mr Tonkin: That might prove somewhat difficult. It was allocated in the 2001-02 budget, across a range of other agencies, to undertake projects. As the Chief Minister said, if you go back to last year's budget papers, you will see that the initiatives of the previous government were categorised under a number of headings, as I recall, one of which was social capital. So there was a range of initiatives which I think were well in excess of a million.

MS DUNDAS: The million dollars will still be spent by the other departments, over the outyears?

Mr Tonkin: It was reflected in programs in the 2001-02 budget in other departments, under the heading of social capital. If you look at last year's budget papers, you will find a list of initiatives summarised there, which talks about social capital.

MS DUNDAS: I am just trying to understand how the Chief Minister's Department will be taking the savings of social capital in 2004.

Mr Tonkin: No. As I said, in these figures, it is simply a technical adjustment. The \$1 million should not have remained in the presented numbers. It is simply an accounting adjustment. It has no effect on any outcome or on our ability—it is not a cut off Chief Minister's. It has no effect on the allocated budget that we had last year or this year—it is simply there for accounting completeness.

THE CHAIR: Going back to the Canberra community foundation, isn't there a danger that, by indicating that government funding ceases in 2004-05, you send a signal to the community contributors to this fund that the government's involvement and interest in this peters out at that time? I refer particularly to long-standing exercises, long-standing commitments, that I expect you are hoping to obtain. Isn't there a danger that you will lose that, given the apparent lack of commitment to the program in the out years?

Mr Stanhope: I certainly understand the concern there may be in that, Mr Chair. The government's thinking in relation to the community foundation and this sort of grant scheme laudable, and I do not believe any of us would disagree with any of the grants that have been made by the foundation. I have attended the ceremonies that have been arranged for the announcing of community foundation grants, and they are all most excellent projects. We would not dispute or disagree with any of them. However, we can

say that about almost anything we do—almost all of our expenditures for groups within the community are wonderful—they are embraced, welcomed, and well utilised. They certainly enhance the lives of all of us, I guess—to the extent that they add to the sum of social capital within the community. They add to the social cohesion of Canberra as a great place to live.

We are concerned, however, at the levels of disadvantage in Canberra. We have made the addressing of disadvantage one of the major benchmarks by which we, as a government, are prepared to be measured. It is something we are determined to make a feature of this government, and of us as a government.

To the extent that I have concerns about the community foundation, or at least wish to assess its efficacy, around the question of whether or not this sort of program, this foundation, at the end of the day will prove to be the best and most efficacious way for government to expend its resources in addressing disadvantage. That is why we have looked to refocus the community foundation and its operations.

THE CHAIR: Yes. I am not suggesting it is wrong for the government to review those things, but doesn't taking out funding in the out years send a mixed signal? If you believe there should be a refocus of the thing, why not leave the dollars in there, so that the community, which might be contributing to this process, sees that you are still committed to something that harnesses community involvement in addressing major social problems? Without putting too fine a point on it, isn't the problem, in being half in and half out of the tent, that people do not know whether you are there or not?

Mr Stanhope: Sure. Except that I guess one could just as well say that the government has signalled very clearly its intention to have a very close look at this foundation and its operation. The signal is there—we have already said it.

You make the point that, if we said it but left the money in the out years, perhaps people would take some comfort from that. I have said quite clearly—and the statement is there—that we are having a look at this foundation. The statement is on the table. Perhaps it would give some people additional comfort to say, “They have said they are going to have a look at it but they have left money in the out years—so maybe they are not going to look all that hard, or rigorously.” To that extent, it is six of one and six of the other, Mr Chair.

THE CHAIR: One of the other commitments you made in the election last year was to establish electorate offices in Woden, Gungahlin, Tuggeranong and Belconnen. You costed that at about \$50,000 a year. I understand that that plan has gone by the board and that, instead, there is now a plan to have members of the Assembly go out to public libraries in their electorates—a version of the Meet the Minister program.

What exactly is the proposal here? I understand this has been circulated to all members within the government. If it involves access by members of the Assembly to their electorates, will there be an invitation extended to other members of the Assembly to be involved?

Mr Stanhope: Yes, Mr Chair. What a great little election issue this was. Mr Chair, I do not think you and I quite had a meeting of the minds on this proposal.

THE CHAIR: Thank goodness for that, Chief Minister!

Mr Stanhope: I do think—with great respect, and without wishing to be political and go over old issues—I was grievously misunderstood in relation to this particular proposal of mine. My proposal, and the proposal that we are proceeding with, was that each member of the Assembly should have an opportunity, when communicating or conversing with constituents, or when responding to constituents' desires or wishes to meet with a member, to have a base somewhere outside of the Assembly where they could say, "I will be at this place, at this time, on this day of the week, and I would be more than happy for you to make an appointment with my office to meet me there"—so there is some certainty around it.

I never intended that we would go out and build buildings, furnish offices and provide electorate staff, or anything like that. I have always felt that an appropriate next step for us to take, in the building of this parliament as a genuine representative institution for the people of Canberra, was to address the need to be able to meet with our constituents in our electorates.

I do not want enormous resources expended on this, but I do think—and I might say something in a philosophical sense before I get to the nuts and bolts of the question you ask—that, as a parliament, we need to continue to expand our capacity, incrementally, to provide the range of services and support to constituents that constituents have a right to expect of their parliaments.

I say that on the basis that we are a single parliament. As we all know, this is a debate we have had. I am stating the obvious—that there is only the one level of government here. There is no council, there are only 17 of us, and there are now 320,000 people living in the ACT. We are thinly stretched, and I believe that anything we can do to enhance our capacity to represent our constituents and govern for all Canberrans should be embraced.

I will make this point because this is a subject that I have some quite strong views on—the workings of this parliament. I think we have overcome the first flush of opposition to self-government. It has been a long and, at times, difficult process for those who have been in this place. You know better than me as an original, Mr Humphries, some of the traumas of wedding some bond with this community in relation to the standing of this parliament in the minds of the people.

It has been a difficult process—it has been hard. I have the view that, as a result of that, we have tended to be a little nervous about incrementally enhancing our capacity. We have been nervous about being seen to expend additional resources on the operations of the parliament.

I think the time has come for us to be bolder in our preparedness to use the limited resources we have, to enable us to better do our jobs. One of the things we can do—let us give it a go—is give every member of the Assembly the capacity to meet with constituents in their electorates. I have had discussions with the Clerk of the Assembly and he has agreed that he will manage a process which does precisely that. The Clerk accepts that this is a legitimate role for him, as it is his task to assist members in meeting their electorate responsibilities.

He is to accept responsibility for managing a program and find the resources that will, for instance, allow each member to nominate a time and a day in the week at which they would make a booking at, say, one of the libraries—in Belconnen, Tuggeranong, or wherever. They are details that the Clerk has undertaken to finalise.

He will communicate with each member of the Assembly. He will, within his existing resources, institute an arrangement whereby all 17 of us can go to the Clerk and say, “I would like this.” I do not know the specifics of the details—those are yet to be worked out with the Clerk. But, as I understand it, he is proposing, within the resources he currently has available, to say, “I can provide for you a set two hours a fortnight at a library, or a government-owned building or institution, that you can advertise as a time that you are available to meet constituents.” That is the proposal. I think it is a really good first start in enhancing our capacity to meet with constituents.

THE CHAIR: Is the expectation that every member would take part in that program?

Mr Stanhope: Yes, it is—all 17. I did not have any objections to your Meet the Minister program. I must say I felt envious that it was not available to others. I felt that, to some extent, it was unfair. I know the responsibility of ministers to consult and to represent, but I think there is inequity in making a facility such as this available just to ministers. My proposal is that all 17 members of the Assembly will have equal access—there will be no extra hours for ministers.

The proposal is that all 17 members of the Assembly will have an allocation. I guess the Clerk is working out this detail with the resources he can find. However, I am assured that he is prepared, in the context of what I had always proposed—namely an hour a week or two hours a fortnight or some such—to run and manage a program with proper allocation of space and times.

THE CHAIR: Principally, people want access to ministers—they especially want to be able to talk to ministers. We have had some issues in the Assembly where we have debated access to ministers in your government.

Is not the problem, though, that a system where you have a minister or members going to meet their own constituents in their own electorates ignores the fact that ministers are wanted to be seen by people across the whole of the ACT? Really, ministers should not just be going to their Tuggeranong or Belconnen electorates, they should be all over the territory. Will that be part of this system?

Mr Stanhope: I take the point. Of course ministers are all over the territory. You do, from time to time, raise the accessibility of ministers to constituents, but it is really a feature of the fact that there are only so many hours in the day, and we are spread very thinly. One of the sins for which I, and I am sure my colleagues, have sometimes been criticised is that it is very difficult for people to get to see us. That is because we effectively see everybody and perhaps have not been discriminatory enough in the range of people we see. Hence we are flat out all the time—but that is another issue.

This is the pressure in a small Assembly with 17 of us, and with a few ministers. It is the same for you as Leader of the Opposition, Mr Humphries. You have a range of responsibilities and time pressures which make it harder for you to meet with your constituents. Certainly that is the case with the ministers. It is the price both we and our constituents pay. As a minister and Chief Minister, it is harder for me to spend time with the electorate and with those people who voted directly for me.

THE CHAIR: The ministers in the previous government managed to set aside regular time every month for that exercise.

Mr Stanhope : For the Meet the Minister exercise?

THE CHAIR: Yes.

Mr Stanhope : Sure.

THE CHAIR: There was the same number of hours in the day then as there are now. Let me be specific. Will you be requiring ministers to move into other electorates, to move around the territory? Will it be advertised, so people will know where to find the minister, and on what day? Will it be on a regular basis, so people know that, every so often, they can expect to get that access?

Mr Stanhope: At the outset, I have to say that what we are doing is making all 17 members of the Assembly available to the entire electorate—certainly in their own electorates, in the first instance.

We have a very effective range of consultative mechanisms in place. I do not think it can be truly said at all that any of the ministers are not available, at every possible opportunity, to their electorates and to those organisations within the Canberra community which wish to have access to a minister.

Certainly it is hard and there certainly are delays, as there were with your government, and as there are with every government in Australia—and always will be. It is not possible to see everybody on a day's notice. We have tight programs. We work extremely hard.

You are putting up a model—Meet the Minister—that you initiated and facilitated. I guess you are holding it up as a model that cannot be improved on. You say, “This is my model and I think my model of consultation and accessibility is better than yours.”

THE CHAIR: No. I want to know what your model is. I do not know what your model is. How are you going to make your model work?

Mr Stanhope : My model works. I have an open-door policy. I would not mind betting that I see and have seen as many people and organisations as any Chief Minister ever, at the rate at which I work. I do not know what advantage there is, Mr Humphries, in you and I battling between each other about who works harder and who is more accessible. In a way, it is a nonsense discussion. I have an open-door policy.

To the extent that there are enough hours in the day, I meet with everybody who wishes to meet with me. I am available to my constituents and always have been. To the extent I can, I attend all community functions, and I continually meet people around the community, as do my ministers,

THE CHAIR: Can I interrupt, Minister?

Mr Stanhope: We can have a backwards and forwards discussion. We can bat the ball back to each other saying, "I don't think you consult enough." I can say that I do not think you did. However, these are matters for judgment, and they are unresolvable.

THE CHAIR: I agree with that, but can we come back to the specifics? What is your scheme for allowing access by your ministers, and yourself, to the public? We have had complaints from people who say that they cannot get to see ministers.

Mr Stanhope: That is just nonsense. There is nobody that cannot get to see ministers. There is absolutely nobody who cannot get to see me. It may be that they wait a little bit longer than they think is desirable.

MRS DUNNE: The Ginninderra Tavern owners?

Mr Stanhope: I chose not to see them.

THE CHAIR: The National Federation of Independent Business said that they were told they would not be given an appointment.

Mr Stanhope: I met with each of the tavern owners. They wanted a meeting within a day or two and I said they could not have it. When they rang up and insisted on their right to have a meeting as constituents, I said, "Look, you do not insist to me about whether or not you see me. I will decide that."

That is a specific issue you might raise. I met with Miss Ayson and all of the tavern owners. We had a constructive discussion about why, at this stage, we would not be supporting poker machines in taverns.

THE CHAIR: Come back to the original question. How is your plan going to work? The government has been in office almost nine months now and there has been no published scheme for people to come and see ministers. You say you have an idea in train. When are we going to see it? What are the details going to be?

Mr Stanhope: No, I did not say there is an idea in train. What I said is that I have initiated a process, which will probably come into effect immediately, whereby all 17 members of the Assembly—not just four ministers—will have access to community facilities for the arranging of meetings with all of their constituents.

That is an enormous advance on anything that has been available in the past. For the first time since self-government, members of the Assembly have a capacity to arrange meetings with their constituents in a community facility. It is an enormous advance.

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THE CHAIR: We have always had that capacity—during my time as a member of the government or the opposition.

Mr Stanhope: You have not had this capacity. You have not had the capacity to advertise or to let your constituents know that you will be available at 9 o'clock on every second Friday at the Hughes community centre or wherever. You have never had that capacity.

THE CHAIR: At public expense, no I have not—that is true.

Mr Stanhope: At public expense—that is right. You could have made arrangements to get around and see your constituents.

THE CHAIR: Coming back to the question about the ministers, how will the ministers use that? What is the plan for your ministry to be accessible to the public?

Mr Stanhope: We will use that capacity over and above everything else we do. In other words, each of us has made it patently clear that we are available at all times to meet with our constituents and with all of those constituent organisations for whom we have an administrative responsibility. In addition to that, there is a whole raft of consultative mechanisms that have been put in place. We have established the women's consultative—

THE CHAIR: Rather than go into those, could I ask—

Mr Stanhope: No. You need to go into those because you need to acknowledge them. You need to acknowledge their existence. You need to acknowledge the raft of consultative mechanisms that are in place to allow that level of detail, that detailed connection with all of the constituent organisations—and I can go through them.

THE CHAIR: I acknowledge that, Minister, but will each of your ministers be going regularly to somewhere in their own electorates? Let us start with that.

Mr Stanhope: Absolutely.

THE CHAIR: You have not decided the regularity of those?

Mr Stanhope: That is detail that needs to be finalised with the Clerk.

THE CHAIR: How much longer will it take to finalise that detail, given that you have now been in office for almost nine months?

Mr Stanhope: I am hopeful it will be done straightaway.

THE CHAIR: Will the ministers be going to other electorates, as well as their own, under this program?

Mr Stanhope: In other words, will we be kick-starting or reproducing—essentially, Mr Chair, your question is—

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MRS DUNNE: Yes or no, Chief Minister?

Mr Stanhope: Essentially, Mr Chair, your question is whether we are intending to reinstate the Meet the Minister program in the form that you had. That is what you are asking.

THE CHAIR: No, I am not asking that—I am sorry.

Mr Stanhope: Yes you are.

THE CHAIR: No, I just want to know the details of your proposal for access. How will it work? Will you be requiring ministers to go to electorates other than their own?

Mr Stanhope: At this stage, no—I will not be directing ministers to go to other electorates. At this stage, Mr Chair, I do not intend to reinstate Meet the Minister. It is not a decision we have taken. I have nothing against it, it was a fine proposal, as far as it went. I just do not think it went far enough, because it excluded 13 other members of the Assembly. I am hoping to be more inclusive than you were.

MRS DUNNE: Will you, as the Chief Minister, be visiting electorates other than Ginninderra in this process?

Mr Stanhope: I do it all the time.

MRS DUNNE: As part of this process, will you make yourself available at, say, the Erindale library, from time to time?

Mr Stanhope: In other words, will I reinstitute the Meet the Minister program?

MRS DUNNE: No. I am not asking that.

Mr Stanhope: The answer is no, I do not, at this stage, have any intention to do that.

MRS DUNNE: I am not asking that. I am asking whether, as Chief Minister, you would make yourself available outside your own electorate from time to time?

Mr Stanhope: Yes. I do—most certainly. I already do, and I propose and intend to continue that.

MRS DUNNE: That is a no.

THE CHAIR: Is this advertised?

Mr Stanhope: No, it is not advertised. You know, this is just puerile. I go, all the time, to community meetings and community functions. I do it continually, I do it on a daily basis. I meet with a full range and raft of people.

THE CHAIR: We all do, Minister.

MR HARGREAVES: With the Meet the Minister program, before the last election, did you experience the same thing as I did—that people who attended those meetings with ministers such as the Minister for Urban Services came away thinking they had just been paid lip service to, and that it was a complete and utter waste of their time?

Mr Stanhope: I do not think any assessment was ever done on the Meet the Minister program. I certainly did, informally and anecdotally, have reports that perhaps it was not the most efficient use of resources.

THE CHAIR: It is certainly not the easiest way of avoiding public scrutiny, either.

MS GALLAGHER: Chief Minister, there has been some criticism that this is not a budget for women—that there is no women's grants program or any initiatives relating solely to women. I would be interested in your view on that criticism.

Mr Stanhope: I think the criticism is wrong-headed. We can have a debate around the issue of how best—or, indeed, the responsibility of governments—to manage the community. The government's primary responsibility is certainly to focus on all of the issues which impact on all of us. To that extent, this government unashamedly focuses on education, health and a range of other issues which affect the lives of all of us.

For instance, our determination to return the ACT's educational standing to the best in the nation is the kind of policy that has implications for all Canberrans, irrespective of their gender. I think any discussion such as, "What does the budget do for this group of people, or that group of people?" must have, as a setting, the government's commitment to the issues which are of primary importance to us all. Those issues are to have the best education system in Australia and a health system that meets the needs of all Canberrans.

Those are features of our policies and features of this budget. We have increased educational and health funding significantly. We have addressed a range of issues through education and health, which impact tremendously on the lives—to be specific about it—of women.

If one looks at the extent to which the additional \$2½ million in disability services, the additional \$1 million for respite care and the additional \$1 million for mental health, will impact on the lives of women, one can say, quite freely, that we know who bears a greater burden in the community, in society and in daily life, in relation to, say, the provision of care and respite. We know who the primary carers are, more often than not. With an additional million dollars to provide further respite opportunities, it is the sort of program that has a greater impact on the lives of women than it does on men. You can say the same in relation to additional support for disability services. We know where the greater burden of care falls in relation to those who require care.

In relation to the issue of this government's attitude and approach to targeted or specific initiatives for women, I have to say, Ms Gallagher, that perhaps the most important and most significant step we have taken in relation to that was the establishment of the Select Committee on the Status of Women in the ACT.

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That was a singularly important step taken by this Assembly. It was a government initiative, but I am glad it received Assembly support. That is potentially the single most important task being undertaken in relation to women and the need for us to identify and target specific services for women in the ACT.

In the first instance, it is vital that we identify where the major needs lie. There are limited resources—we all know that. It is a difficult issue. The first thing we are doing is having a detailed look, through the Assembly, at how we are travelling—where the resources which might be available would be best directed.

There are a range of specific initiatives I would be more than happy to go to. I would also be more than happy to invite, for the sake of a more detailed discussion on this important subject, the head of the Office for Women to be available to the committee. The head of the Office for Women may be able to provide more detailed and specific advice on the range of work undertaken by that office. It was an initiative of the government to establish an Office for Women.

The office has been established in such a way that its head has open and direct access to the Chief Minister, as I believe it should. It is doing a range of work specifically targeted at the needs of women in the Australian Capital Territory.

I would invite Ms Hall to answer specific questions about budget initiatives. Perhaps you could give a rundown, Ms Hall.

Ms Hall: Sue Hall, Director of Office for Women. Regarding across-government budget initiatives, individual agencies may have provided more details. In respect of health initiatives, one of the initiatives which will address issues for women is the extension of the midwifery program. The amount of \$412,000 has been allocated for that over four years.

Regarding women as carers, our ageing population has a greater percentage of women. There has been \$2.49 million allocated over four years for convalescent care services. Respite care has been alluded to already. Money has been provided for four years for the ParentLink program, which will be of particular assistance to women with young children.

There has also been money put towards emergency childcare places. That will be of great benefit for women in family emergencies or times of crisis. Another initiative is directed at indigenous family violence. The amount of \$429,000 has been allocated over four years for Aboriginal and Torres Strait Islander family violence prevention. That will be of huge benefit to women in the indigenous community, but it should also provide some transferable models for all women experiencing family violence.

There are other initiatives around sport. With women's elite teams, there has been an increase in funding to the Capitals, the Canberra Strikers and the Eclipse soccer team. Turning to the pay rise for nurses, nursing has traditionally been a female-dominated profession which has not been adequately recognised and rewarded. A lot of money has been put aside over the next few years to fund the pay rise for nurses.

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That is just a bit of a spread of across-government programs. Should you have particular questions about programs the Office for Women may be doing over the next year, I will be happy to answer them.

MRS CROSS: Chief Minister, you have established the Office of the Status of Women. Could you let the committee know how the office is structured?

Mr Stanhope : I will ask Ms Hall to answer that, Mrs Cross.

Ms Hall: The office has four full-time staff—myself, a senior policy officer, an ASO 5 and an ASO 6 position. We also sit within the Multicultural and Community Affairs group, which includes the Office of Multicultural Affairs, office for ageing and the Aboriginal and Torres Strait Islander office.

We have access to those offices. That is important, as women are not a homogenous group—we have diverse needs. When we are looking at the needs of, for instance, older women, we are able to tap into the resources of that office. We also have access to a female indigenous policy officer in policy group who is working with us on a couple of our projects.

MRS CROSS: What was the cost to set up that office?

Ms Hall: I suppose the cost to set up is the salaries and the budget. Last financial year, the Office for Women had a nominal budget—it was part of the overall group budget. This financial year, there will be a discrete budget. That is to be finalised, but with salaries and the spending component, we are looking at around \$380,000.

MRS CROSS: Was this done with additional resources, or have you reallocated existing resources from within the department?

Ms Hall: Yes—from reallocation of resources.

MRS CROSS: If there has been a reallocation, what did you cut back to achieve this?

Mr Tonkin: Mr Chairman, this is a hypothetical question. The resources available to the department, as a whole, are allocated on a needs basis. So we have not cut anything back. It is just a matter of saying we want to now see what is the discrete nature of that function.

As Ms Hall has just described, the amount of resources we allocate to women's issues in a given year will be quite a lot in excess of her direct budget because of the ability to use the other areas of the multicultural and community area, plus the policy group.

It is a matter of whatever the need—whatever the current issues are, we allocate the available resources. We do not track it or charge it out on an hourly basis in order to give a number.

MRS CROSS: It is not a hypothetical question, it is a very clear question. The question is that, if you have set up an Office of the Status of Women, or the Office for Women, and you have full-time staff working in it, if you have reallocated resources from somewhere else, obviously you are going to deprive another department.

Mr Tonkin: No, we have not. We have defined the amount of resources we are specifically expending on the Office for Women. As I have just said, the Office for Women can make use of other resources inside the department to meet the requirements of the task of the Office for Women.

MRS CROSS: You are saying that the staff that you have reallocated into the Office for Women were not used to their full capacity where they were?

Mr Tonkin: No. I am saying that we have this year precisely defined the amount of money being allocated in that particular area.

MS DUNDAS: I followed a similar line of questioning to Mrs Cross during the estimates for Appropriation Bill 3. I believe you explained that the funding for the Office for Women had come from the reallocation for the women's policy unit and that it was only a title.

Mr Tonkin: Yes.

MS DUNDAS: There was a question I asked as part of Appropriation Bill (No 3) estimates to which I did not get an answer. I would like to ask that question again. Can you tell me the difference in funding for the Office of Sustainability, the Office for Women, the Office of Multicultural Affairs and the Aboriginal and Torres Strait Islander unit?

Mr Stanhope: I might ask Mr Manikis to assist the committee in relation to that question, Mr Chair.

Mr Manikis: My name is Nic Manikis. I am the Executive Director of the Multicultural and Community Affairs Group. On the issue of funding of these offices, there has always been a global budget for the Multicultural and Community Affairs Group.

With the change of government, within that group, within that budget allocation, there have been changes in focus and changes in priorities. We have always had an Office for Multicultural Affairs. We have had a women's policy unit, a community policy unit and an Aboriginal and Torres Strait Islander Affairs unit, which were fully resourced.

We have now placed a greater focus on women's issues with an Office for Women. The base resourcing for that office is the women's policy unit resources that were there, prior. We also now have an office for ageing, and we have the community policy unit resources that have transferred into that office for ageing. That means that there is a focus and an escalation or highlighting of those functions, and that the resources have merely been transferred. There is no growth in the quantum, it is a reallocation of the quantum.

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MRS CROSS: I understood that. Thank you for explaining it. I guess my concern is that if there has been a reallocation and focus on a couple of areas—

MS DUNDAS: Sorry, Helen, I do not have an answer to my question yet—the figures for funding for the different offices and units now.

Mr Manikis: We have yet to allocate the budget for 2002-03.

Mr Tonkin: One of the ones you asked about was the Office of Sustainability—\$375,000.

MS DUNDAS: That is separate in the budget. That is why I asked that in Appropriation Bill (No 3)—because we were specifically appropriating money for the Office of Sustainability.

Mr Tonkin: Yes. It was a new function—which is why they got extra money.

MS DUNDAS: My interest still remains about how the money is divvied up between the other offices.

Mr Manikis: When we divvy it up I will get a—

MS DUNDAS: Will that happen before the end of the estimates process?

Mr Tonkin: I do not think it will be done before the end of the estimates process. We can give you the figure on Mr Manikis's overall office, of which those things are a sub-set.

MS DUNDAS: On the Multicultural and Community Affairs Group?

Mr Tonkin: It is a matter for them to determine their internal budget for the year, as to how they are going to go forward to do their task.

As a general rule, whilst we will seek to identify what we are expending on these functions, we do not tend to take small groups and give them little, discrete, budgets. You end up multiplying your management complexity of tracking each dollar. It is an unproductive way to utilise your resources.

A far better measure is to say, “What are we trying to achieve out of the assets that we have? Have we managed to achieve those outcomes in the given year?”—rather than saying that we then have to transfer \$10,000 from here to here. If you have small groups of people, it is not a useful way to do it.

It is better to ask, “Has the group, drawing all the other assets it can take from the department, achieved the outcomes which the government has set out to do? Have the programs worked? Have the grants programs been rolled out?” et cetera.

MS DUNDAS: Perhaps you would be able to give us a staffing profile for the breakdown in the group.

Mr Stanhope : Yes.

Mr Tonkin: We can do that, yes.

MS DUNDAS: As you said, the overall—

Mr Manikis: It is the overall budget is in the papers there. It is the allocation for the group.

MS DUNDAS: Is that \$4 million?

Mr Manikis: Yes, \$4.476 million is the total cost.

MRS CROSS: Page 40.

Mr Manikis: Page 40 of BP 4.

MRS CROSS: Yes.

MS DUNDAS: I have some questions on the outputs related to community affairs. Do you want to take them now?

THE CHAIR: Perhaps we can just finish off the questions for the Office for Women.

MRS CROSS: As you have given a special focus now on the Office for Women and reallocated resources from elsewhere, I am assuming that the resources you have allocated have come from other areas. I would like to know how you determine how much focus you are going to put on women, versus the lesser focus you have given to other areas. Who determines that—given that all community groups are considered important?

Mr Stanhope: I do not think it is fair, Mrs Cross, to preface your question with the assumption that there will be a lesser focus on other responsibilities.

MRS CROSS: When you reallocate, it is a lesser focus.

Mr Stanhope: That is not necessarily the case at all—and that is not the admission that has been made. I think Mr Tonkin made it quite clear, in the answer he gave before, that this was not a process that required lesser focus, or removed a focus from some other group, or some other work of the office.

It might be useful if I ask Ms Hall to give you some indication of the work they are doing, if the committee is interested in the extent to which the office is focusing on programs for women.

Perhaps, Ms Hall, you could give a rundown on what work is being done.

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Ms Hall: I will outline some of the major activities for the next year. In our policy development and coordination role, we will be working in collaboration with the new Ministerial Advisory Council on Women to develop a broad strategic plan, to better assist in meeting the needs of women in the ACT.

What we are hoping to do is provide a framework for effective data collection, performance measurement, identification of gaps and focusing of priorities. As mentioned before, the Select Committee on the Status of Women, which is currently working for the Legislative Assembly, is going to be most valuable in informing this process. We look forward to their report.

We are well under way in the development of a violence and safety framework for women in the ACT. We are working with a reference group to develop an across-government approach to address issues of violence, and safety for women. We are about to start an extensive consultation phase in this development. From that, we will be producing a discussion paper, or draft framework, over the next few months.

The office also provides secretariat support for the 16-member Ministerial Advisory Council on Women. That is one of the major components of work at the office. The Ministerial Advisory Council is really a link between the government and the community.

The council meets every six weeks. They have formed a number of working groups, for which we also provide a secretariat. One of their working groups is in the process of finalising a work plan based on six priority areas that they have identified, and also a communications strategy. We are very much involved in all of that.

There is representation of women on boards and committees. The government has a strong commitment to increase the representation of women on government boards and committees to 50 per cent, and Office for Women has a major role in that.

There is a mandatory requirement that, prior to appointments, all agencies consult with our office. We maintain a register of women, which is a database containing information provided by women interested in being appointed to government boards and committees.

We have been investigating the expansion of this register. We have sought legal advice on being able to expand it for use in private industry and government agencies. We are also working on a plan with the YWCA to support a series of workshops for women which will provide information and skills development, relevant to women on boards and committees.

As part of that, we would also look at setting up some networking opportunities for women who are on boards to get support and mentoring. One other thing I would like to mention is that we have also been working with women from the indigenous community in the ACT to develop an ACT indigenous women's action plan.

Coming from that, there is a flexible working group, made up of women from the indigenous community. They have identified a number of issues. They are at the stage where they are working with our office to explore strategies for progressing those issues and how best to go about that. That is another major project.

THE CHAIR: Is it not true that really the Office for Women is just a retitling of what was already happening within the Chief Minister's Department? There are really no extra resources in this area at all, are there?

Mr Stanhope: There is certainly an extra focus, and I think it is important—it is quite interesting. It was Trevor Kaine who established the—

THE CHAIR: Who?

Mr Stanhope: Yes, your esteemed leader at the time, Mr Humphries. He established an independent Office for Women at the time he was Chief Minister. I believe it was an independent status that was later removed by the Liberal Party when in government. We have restored that. We have done what Mr Kaine did and created an independent Office for Women.

THE CHAIR: How is it independent?

Mr Stanhope: It is independent to the extent that it has an identity of its own. Its head is independent because of her capacity to relate directly with the Chief Minister. It is independent to that extent. That is not a status held by other officers and other heads of programs within the public service. It is a very special relationship, and a very special status. It acknowledges the importance of women within the ACT having an office and an officer with specific and independent responsibility for pursuing issues of direct importance to women. That is a significant difference and, if I might say so, it is a difference that was recognised by Mr Kaine.

MS GALLAGHER: It is true that cabinet submissions go through your office prior—to be checked against the—

Mr Stanhope: Absolutely. I should have made that point. That is a very significant initiative. All cabinet submissions are provided to the Office for Women before their submission to cabinet, not just in relation to matters of policy but in relation to all appointments. Cabinet is advised in relation to all appointments about our determination to meet a 50 per cent target. Similarly, cabinet submissions go to the Office for Women to ensure that the submission appropriately addresses any issues of direct relevance to women.

MS DUNDAS: On that point, what role did the Office for Women have in the development of the budget?

Mr Stanhope: I will ask Mr Tonkin to answer that. I do not know whether you could pick out a single public servant and say what role that public servant has. There is an exhaustive process in relation to the development of all budgets. I will ask Mr Tonkin to extrapolate.

Mr Tonkin: If you take the budget of the Chief Minister's Department as an example, when we are developing the budget, I ask all areas of my department to come forward with budget proposals. It is really a process whereby the Office for Women can come forward and say that they think these projects or proposals are valuable as to what they

want to put forward. We then argue them through the departmental level and up to government.

It is on a needs basis. When issues are coming up, we will look at it from the point of view of the Chief Minister's Department, to see whether we recommend to the Chief Minister that proposals in other departments be supported or not in the budget process.

I cannot say that every proposal goes to the Office for Women—that would not be correct. In the central areas of Chief Minister's, if we need specialist advice of the Office for Women on a budget proposal, then we will seek it.

The Office for Women can pursue its own agenda and comment on other agendas. One of the features, as Ms Hall has already explained, is that although many initiatives are not headline women's initiatives, they have an impact. If we are dealing with respite care, disability, or whatever it is, there are some areas where there is a greater presence. Women are more representative in a carer population, or in a work population, so they can make their contributions there. It is not as if—I would not want to misrepresent it—every budget proposal across government goes through the Office for Women, because it does not.

MS DUNDAS: I was just wondering how that fits in with the claim that every submission to cabinet goes through the Office for Women. I may not understand cabinet, but I thought the budget would be a submission to cabinet.

Mr Tonkin: The budget is a submission to cabinet. The way the budget works is that they come up from a whole range of sources rather rapidly. So not every budget submission does, because there is a whole iteration.

The budget is a document developed very much iteratively. Every week, or twice a week, when you go through a budget cabinet process, more material is coming forward from Treasury—different nuances et cetera. There is a series of standard cabinet submissions that come up and they follow in the normal way, but some budget cabinet stuff comes up more rapidly, and does not get coordinated. People in this room have been Treasurers and know the way in which these things emerge.

MS DUNDAS: So not every cabinet submission went through the Office for Women?

Mr Tonkin: Not every submission in the budget process, but, as the Chief Minister said, every standard submission to cabinet, in accordance with the cabinet handbook, goes to the Office for Women, as it does to other areas.

Every appointment cabinet considers has a standard cabinet agenda, a series of submissions, and usually a series of appointments to committees. We have a clear requirement that every appointment going forward goes through that process, so we can ensure that there is an appropriate range of nominations. The government has a commitment to achieve, on average, a 50-50 balance between men and women on all boards and authorities. It is not possible in every case, due to the nature of the activity, but on average we seek that. That is one of the things we do.

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Questions will be asked by the cabinet office, by me or by the Chief Minister, as to why there are no women nominees. We go to Sue's area for that sort of assistance.

THE CHAIR: What is the proportion of women on committees and boards at the present time?

Ms Hall: On government boards and committees, I think it is around 44 per cent.

THE CHAIR: I am sure it was higher than that this time last year—it was more like 46 or 47 per cent.

Mr Tonkin: Yes, Mr Humphries—it depends how you count the representations. I think the figure Ms Hall is talking to is the total figure. You can take the numbers and say there are some where the government has no control over the nomination, because, on a number of advisory boards and professional bodies, they are nominated by the representative or the group, and the government has no ability.

I know there are a number that both you and I would be familiar with, where there was a desired outcome, but the area nominating them—That was either because they do not share that objective or because the nature of their population is such they do not have that balance. So with the figures, there are two different numbers.

Ms Hall: That is true.

THE CHAIR: Comparing apples with apples, what is the figure today, compared with this time last year?

Ms Hall: With boards and committees with full discretion of the ministers, it is around 46 or 47 per cent, which is similar to what it was a year ago. However, talking about comparing apples with apples, and apples with oranges, that is not quite the case. The total number and types of boards and committees has changed, so that distorts it as well.

THE CHAIR: Presumably, in the course of new committees being created, the government is attempting to achieve gender equity from the outset.

Mr Tonkin: Yes.

Ms Hall: Yes.

THE CHAIR: Are there any further questions relating to women? Talking about government boards and committees, what is the status of the Science and Technology Council?

MS DUNDAS: Sorry, I do have some more questions for the Office for Women.

THE CHAIR: Fire away.

MS DUNDAS: Could you please tell us about the Office for Women's role in ensuring proper reporting agenda ratios across government departments—what role you have in ensuring that that is being reported?

Ms Hall: Do you mean in employment figures—male versus females?

MS DUNDAS: Yes, the gender of staff.

Ms Hall: Staff in government would fall more within the responsibilities of the Public Sector Management group, but I will answer to some degree. There is an equity and diversity framework in place which promotes equal employment opportunity initiatives. There are a number of measures and strategies within that to encourage equitable employment for women, as well as other diverse groups in the community.

MS DUNDAS: Does the office have a role?

Ms Hall: In the Office for Women there is a group—I am not sure if it is a network group or a working group—an equity and diversity committee, of which the Office for Women is a member, yes.

MS DUNDAS: I guess that, in a way you have the role of ensuring that there is gender parity on the boards and it is the responsibility of your office to promote women on to boards. You do not necessarily have the same role when it comes to staffing in the ACT public service?

Ms Hall: Yes, I suppose it is a different thing. It is not a mandatory role, that all staffing appointments to the public service will come to the Office for Women, that is not workable.

MS DUNDAS: I am talking about an overview.

Ms Hall: As we are a member of the equity and diversity committee, we do have input there. We also work closely with the public sector management group and provide advice to them when they are considering initiatives, particularly in relation to women, so I suppose that is where our role comes in—in providing advice and also being part of the committee that is looking at initiatives.

MS DUNDAS: Does the office have a role in monitoring who benefits from government services, who uses government services and the gender disaggregation there?

Ms Hall: The office has a role at whole-of-government policy coordination level. As I referred to before, one thing we are looking at is developing some form of strategic plan across government for women. Within that framework, yes, we do have an overall view—well, we are hoping to have an overall view—of policies across government and how they are meeting the needs of women. The gender breakdown of women in different decision-making areas would be part of that.

THE CHAIR: Are there any other questions in this area? The Science and Technology Council—what is their status at the moment?

Mr Stanhope : The council still exists but it has not met, I am advised, for a couple of years. Its status to that extent is, I guess, equivocal. I have to say at the outset that—the council had terms of reference, or a focus, that I support—there is a place for a council such as the Science and Technology Council.

It seems quite clear from the advice I have received that it never, after its establishment, established a role or place for itself within the governmental advisory framework. There is a suggestion that it never clearly established a role separate from that of the CanTrade board, the Information Industries Development Board, the Biotechnology Industry Group or the R&D grant scheme panel, which existed previously.

As you know, we have moved to establish a knowledge-based economy board and, once again, there is some overlap in function. I have asked the Chief Minister's Department to pursue new terms of reference and a new focus for a council such as the Science and Technology Council.

I believe there is a legitimate role for a body which can focus on the development, enhancement and recognition of opportunities for us in the science, engineering and technology sector, broadly speaking. That is something I support quite strongly. I support the initiative your government took in establishing the Science and Technology Council but I think we all accept that it never quite got off the ground.

I have had discussions with and issued instructions to the Chief Minister's Department on how to reinvigorate or revitalise such a council. That was to ensure that engineering, as a calling or pursuit, was included in the ambit of the terms of reference and functions of a council that would deal with science, technology and engineering—that sector.

In response to your question, the council still exists. My advice, just now, without being definitive about it, is that it probably has not met for more than two years. I believe there is a role in highlighting the importance of engineering to Canberra and that we should look for a way to revitalise the council, but perhaps with different terms of reference and a different and sharper focus.

Short adjournment

THE CHAIR : Minister, I want to ask you about an issue that was discussed in the committee last week, to do with the Gungahlin Drive extension proposal. You sent a letter to residents of Gungahlin, in which you made some comments about the road. You invited constituents to send back a response which you prepared for them to sign, in which you say, "I support your efforts"—this is being addressed by the constituent to the government—"to deliver your election promise on the Gungahlin Drive extension and ask you to keep trying to get this important road built on time and on budget."

You might be aware, Minister, that your planning minister has already indicated that the election promise to build the road on time and on budget cannot now be met. The cost is going to be very much greater and the timeframe at least a year further out than that originally promised. That admission was made some time ago.

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Is it not misleading to suggest, in such a letter, that the government can deliver on its election promise, when your planning minister has already indicated very clearly that it cannot be done?

Mr Stanhope : Mr Chair, it certainly is true that you and your federal colleagues have managed to scupper the process. I must say that the attitude you have taken to this project is interesting—you know, one of obstruction and opposition and one that flies in the face of the very significant electoral defeat you suffered.

As the letter says, the Labor Party went to the election with an unequivocal position on Gungahlin Drive. We went to the election with the position that a vote for the Labor Party was a vote for construction of Gungahlin Drive along the western route. Everybody knows that.

THE CHAIR : On time and on budget.

Mr Stanhope : Yes. We did expect, at that stage, that we would be able to maintain the timetable that had been proposed. It is most certainly the case that, because there has not been a scintilla or suggestion of cooperation from the Commonwealth—in fact the reverse—it has been made impossible. Had we not received that obstruction—had we received cooperation—it is certainly likely that the timetable would have been made maintained. We are in a situation now—where we are a day off August 2002—that the Commonwealth is still playing ducks and drakes with this.

You have the AIS and the Sports Commission, which knew what our position was prior to the election, which did not take issue with it at the time. You have the fact that we went to the election with a very public campaign of support for the western route, and with a specific election commitment to build Gungahlin Drive along the western route if we were elected. We were elected, as you know, and you know the extent of the vote the Labor Party achieved. And yet you have just dug in on it. You are still insisting on your right to determine the route for the road.

THE CHAIR : To scrutinise the government.

Mr Stanhope : No, you are not scrutinising the government, you are obstructing at every step. You have entered into some unholy partnership with your colleagues on the hill, you are running a campaign with your federal colleagues, assisted by their officials, to obstruct at every step, and it is unacceptable.

In the first place, it is unacceptable that you will not accept that you lost the election, and it is unacceptable from the point of view that the federal government will not accept that the ACT government has a right to govern the ACT for the people of the ACT and in the interests of the people of the ACT.

I have to say—and I say this fully and advisedly and after thought—that I think the attitude of the NCA, the AIS, the Australian Sports Commission and respective federal ministers is simply not acceptable.

THE CHAIR: To come back to my question, isn't it misleading to say, just seven days ago—a week ago today—to Gungahlin residents that you will keep your election promise to keep the Gungahlin Drive extension on time and on budget when you have already admitted that you cannot do so?

Mr Stanhope: We will keep our election promise to build Gungahlin Drive on the western route.

MRS DUNNE: On time and on budget?

Mr Stanhope: My colleague Simon Corbell has already indicated that we cannot keep to the initial timetable—because of your behaviour. He announced that before this letter was sent. Mr Corbell has announced what our intentions are. Through the budget process, we have indicated what we anticipate the road will cost. All that was done through the budget process and it was done before this letter was sent.

THE CHAIR: We asked your planning minister about what he said in the Assembly about the timetable for the construction of the road under the program for it. He admitted that, when he advised Mrs Cross on 4 June, “The intention is to complete construction of the road in accordance with the previous government’s capital works timetable”, he may have misled members of the Assembly in doing so because cabinet had previously considered a proposal to not build it on that timetable, or indeed on that original budget.

When did you know that the statement that the government intended to complete construction of the road in accordance with the previous government’s capital works timetable was inaccurate?

Mr Stanhope: I am not sure that we have conceded that it was inaccurate. Hasn't Mr Corbell said that he may inadvertently, in relation to this—

THE CHAIR: He has conceded it is not true—that the government cannot complete the construction of the road in accordance with the previous government’s capital works timetable.

Mr Stanhope: We have certainly conceded that we will not be. But I am not sitting here and accepting that Mr Corbell has said that he said something that was not right. I do not know—I do not know the details of that. I know Mr Corbell has sought to clarify certain remarks he made. I do not know the specifics of those—I have not paid a great deal of attention to it.

THE CHAIR: No. The question was, when did you know? He told the Assembly, a number of times during that first sitting week in June, that the government intended to complete the road on time and on budget. He now says that that may have been misleading. When did you know that the government could not build the road on time and on budget?

Mr Stanhope: It is not a question of whether we could or could not. In the budget process and in putting the budget to bed, we made certain decisions about the funding and timing of the road.

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THE CHAIR: When did you make those decisions?

Mr Stanhope: I have no idea. I would have to go back and go through all my files and stuff like that. I have better things to do than to worry about this nit-picking nonsense, Mr Chair.

MRS CROSS: So the road is a nonsense, Chief Minister?

Mr Stanhope: No, this is nonsense. The Liberal Party's attitude to the road is nonsense, Mrs Cross. I do not know. If you want an answer as to when I knew what, I would have to go away and look at it.

THE CHAIR: Other ministers have taken that question on notice and I am happy to ask you to do the same.

Mr Stanhope: I will have a look at it. I would be interested if you would refer me to a page in the budget papers that we are discussing at the moment that is relevant to the Chief Minister's Department.

THE CHAIR: The cost of the Gungahlin Drive extension is a very considerable hit to the budget in this and future financial years, of course.

Mr Stanhope: It is in the Chief Minister's portfolio responsibility? You might point me to the page.

THE CHAIR: The question here is about the way in which the government conducts itself vis-a-vis the Assembly and the way in which it provides for ministers to be completely open to the Assembly in the answers they give. For example, on 13 December last year, you said in your ministerial statement that you expected to have substantially completed the ministerial code of conduct by March of this year. Has that work been completed?

Mr Stanhope: Work is progressing on that, but has not been completed.

THE CHAIR: So the commitment to have it completed by March of this year has not been met?

Mr Stanhope: We have completed the cabinet handbook and we are working on the other aspect of our undertakings. It will be done.

THE CHAIR: Is that the same thing as a ministerial code of conduct?

Mr Stanhope: You are talking about ministerial conduct, rather than cabinet process—the cabinet handbook, in other words?

THE CHAIR: Yes, there are two separate things.

Mr Stanhope: Yes. We are working on those other issues.

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THE CHAIR: So that has not been met. What will you provide for in that code, on the question of misleading the Assembly—being able to put information before the Assembly?

MS GALLAGHER: He did not say he misled the Assembly.

THE CHAIR: No, he said he may have misled the Assembly.

Mr Stanhope: Yes, that is right.

MS GALLAGHER: He said he apologises to members if they believe they have been misled.

THE CHAIR: Indeed, that is true.

MS GALLAGHER: That is very different from misleading.

Mr Stanhope: In some of the questions you have put already, Mr Chair, I believe you may have been misleading the Assembly in the assumptions you put about what Mr Corbell did or did not say. So I think you have just misled the Assembly, yourself.

THE CHAIR: I have not spoken to the Assembly on the subject.

Mr Stanhope: This is the Assembly, Mr Chair—and you know it is.

THE CHAIR: Is it? Can I come back to the question?

Mr Stanhope: This is an emanation—an extension of the Assembly—and you have just misled it.

THE CHAIR: I do not believe I have.

Mr Stanhope: Yes, you have. You probably should apologise.

THE CHAIR: Are there provisions being built into the code about members having to be completely accurate with the Assembly at all times?

Mr Stanhope: It certainly will have. As I say, that is hypothetical to the extent that that is the range of issues we will be dealing with regarding the standards we expect of all members of the Assembly, including ministers. That is the range of issues we will deal with—and deal with fully.

THE CHAIR: Will you take on notice, as other ministers have, the question of when you were aware that the promise to build the road in accordance with the previous government's capital works timetable was not achievable?

Mr Stanhope: I understand what you are saying, but I am not sure we ever conceded that it was not achievable. We took a decision, in relation to the delaying tactics and the obstruction we are receiving from you and your federal colleagues, that it was certainly going to be difficult to do.

There are things we could have done. For instance, we could have started construction from the Federal Highway, through to at least, perhaps, Ginninderra Drive or even Ellenborough Street. There were things we considered doing, but we took the decision that they were probably neither cost-effective nor efficacious.

It is not a case of suggesting it could not have been done. It is just that, as a result of your behaviour, the behaviour of your federal colleagues, the obstructions and lack of cooperation we continue to meet, enormous roadblocks were put in our way—and those roadblocks persist.

THE CHAIR: The question is, Minister: will you advise the committee as to when you knew that that commitment was not achievable?

Mr Stanhope: I am not admitting it was not achievable.

THE CHAIR: Your planning minister has admitted that it was not achievable.

Mr Stanhope: No. He said that there is a different timetable. That is different from saying it was not achievable. As I say, we could have started construction. We could have built from the Federal Highway to Ellenborough Street. We could have started the work, but it would not have been a sound way of proceeding. It would probably have cost us more. We were being responsible.

THE CHAIR: Your planning minister has conceded that the road cannot be built on the government's—

Mr Stanhope: It won't be built.

THE CHAIR: Not just won't be built—it cannot be built on the previous government's original timetable and its capital works budget.

I am asking you a simple question. Other ministers have agreed to take this question on notice and I am asking you to do the same thing. Can you tell us when you knew that that that promise was unachievable?

Mr Stanhope: I am prepared to respond to the question as to when the decision was taken to change the timetable. I am happy to do that.

THE CHAIR: All right. For the record, the Liberal Party has never opposed, and never will oppose, the building of the road on the earliest possible timetable.

Mr Stanhope: Garbage!

THE CHAIR: I come back to the statement you made on 13 December. There was also an issue last week dealing with the planning minister's view about the way in which the government would deal with the application to redevelop the Labor Club site in West Civic. There was a question, at that stage, about whether or not there would be some concessions being sought by the redevelopers of the site. The minister's office has

indicated that there have been some tentative approaches about the provision of concessions, such as the granting of—

MR HARGREAVES: That is not what he said. That is not in the *Hansard* at all.

THE CHAIR: It was indicated that there had been discussion about that at a meeting involving Mr Hawkins—about the possibility of concessions being granted. The minister was then asked what the situation would be, with a decision being made about that, and whether a minister would make a decision about the granting of concessions—hypothetically speaking—if it came forward. He indicated he understood that the relevant minister, probably the Treasurer, would make the decision on the granting of concessions, and nobody else.

Can you tell me whether the ministerial code of conduct will provide for provisions dealing with a perceived conflict of interest in such a situation? Would you expect, in a situation like that, the code to allow the Treasurer to make a decision about an application of that kind?

MR HARGREAVES: There is no conflict of interest here at all.

Mr Stanhope: The code of conduct will certainly contain details in relation to conflict of interest, as it rightly should, but it is impossible for me to respond to the hypothetical position being put. The code will certainly deal with conflicts of interest in a broad, sweeping and complete way.

THE CHAIR: Will it deal with perceived conflict of interest, as well as actual conflict of interest?

Mr Stanhope: Most certainly.

THE CHAIR: Are you prepared to tell the committee whether you believe there would be a perceived or actual conflict of interest in a situation where a minister in your government would be asked to grant a concession to redevelopment of a site presently occupied by an entity associated with the Labor Party?

Mr Stanhope: I would need more information. I have no information about the detail of the issue you have raised in relation to the Labor Party.

MS GALLAGHER: There is no detail—it is all hypothetical.

Mr Stanhope: I have no detail. As Ms Gallagher says, there is no detail—plus, I have had no discussions with Mr Corbell or the Treasurer, Mr Quinlan, on this subject. You are putting to me a scenario about which I have no information. I am not prepared to go on the record as saying that there is quite obviously a conflict of interest here. That would not be appropriate. I just do not know. I do not have the detail.

The code of conduct will certainly cover and be concerned with conflicts of interest. But, even without a code of conduct, my government is fully aware of issues around conflict of interest and perceptions of conflict of interest. They are situations we deal with—and we will continue to do so—in an open and appropriate way. We do not need a code of

conduct to do that, but we will develop one if we think it appropriate that there be a document against which we are more than happy to be measured. But I am not going to enter into some game of saying, "Imagining this and that in this hypothetical circumstance, is there a conflict of interest?" I am not playing that game with you, Mr Humphries.

THE CHAIR: Can you tell us when the code of conduct is going to be ready?

Mr Stanhope: At this stage, I cannot, but it is an active program of the government's.

MS DUNDAS: I have a number of questions. To begin with, should we be asking questions about the Office of Sustainability?

Mr Stanhope: It would be good to get back to the budget papers.

MS DUNDAS: The Office of Sustainability is an initiative, but it has not necessarily been coordinated in the outputs.

THE CHAIR: I assumed it would be under strategic policy coordination and development, but if you want to ask an overview question, that is fine.

MS DUNDAS: I was just wanting to know when we were going to do that. I also have a question on the statement of financial performance for the Chief Minister's Department. The overview, which is on page 25 of updated Budget Paper No 4, shows that, whilst \$2.3 million was budgeted for depreciation and amortisation for 2001-02, only \$718,000 was utilised. The budget for this year is also at a low \$757,000 level, but is then projected to leap back to \$2.8 million for 2003-04. Can you explain the variation in these figures?

Mr Tonkin: I will have a go at the generality, but I may need reinforcements!

MS DUNDAS: Does it have anything to do with the government strategy output class?

Mr Tonkin: No. The depreciation provision is to do with particular capital programs which come on stream. Especially if they are IT programs, they get depreciated at a fairly fast rate. The rise you see in the out years will be in relation to the management infrastructure review project. That is the project to replace what is called PERSPECT, which is our government-wide personnel system.

When that comes on track—hopefully very soon in the beginning of the next financial year—you will start to see higher depreciation provisions for that. It is what drives the figures up in the out years.

The reason for the reduction between the budget of 2001 and 2001-02 outcomes is that we transferred the function of Arts and Cultural Services as well as Canberra Connect to Urban Services. So depreciation relating to their projects and activities shifted. The functions moved out and, as we roll these new projects forward, for which Chief Minister's has whole-of-government responsibility, such as the personnel system, so you will see it increase.

MS DUNDAS: There are similar changes in depreciation and amortisation in the government strategy statement of financial performance on page 38.

Mr Tonkin: That, you will find, is just a subset of what I have explained.

MS DUNDAS: Is that specifically the management review program?

Mr Tonkin: Yes.

MS DUNDAS: The ownership agreement between the Chief Executive and Chief Minister's Department, in the bank accounts listing on page 53, attachment 6, talks about the ACT Chief Minister's Department hospitality account. Can you explain to me what is in that hospitality account and what it is used for?

Mr Tonkin: Unless someone can help us instantly, I will take that on notice. We will see if we can get an answer before we finish.

THE CHAIR: Do you mean the dollar amount, or what it is used for?

MS DUNDAS: Both.

Mr Tonkin: Sorry, I can assist you. That is the ACT executive hospitality account. It is the hospitality account used by the government, as the government, to provide hospitality—for receptions and such-like.

MS DUNDAS: Can you see expenditure in that account, utilisation of it, et cetera? I cannot find it listed anywhere else in the budget papers.

Mr Tonkin: We will see what we can do about giving you the information. I presume it will come out in the annual reporting process, but we will see if we can find something for you.

MR HARGREAVES: Given the generality of Ms Dundas' questions, there is quite a lot of information. Is it possible that you can put some specifics down?

MS DUNDAS: There is a very general question. The only information we have is one line, in attachment 6.

Mr Tonkin: The overall amount spent will be in the annual financial statements, as part of the annual reporting process, which come out as part of annual reports. We will see what we can do about finding out the detail of how these things are expended.

MS DUNDAS: In the budget context, I am also interested as to where the money for this account comes from, how much is in there, how much is budgeted for a year, and how much was spent in the last financial year. Was that more specific, Mr Hargreaves?

MR HARGREAVES: Yes.

Mr Tonkin: It is part of the total appropriation for the ACT executive. In other words, in the Chief Minister's Department budget, there is a separate budget for the executive. It is budgeted for centrally there but not broken down in the budget papers as to how much it is—

MS DUNDAS: The separate budget for the ACT executive is not separated out in the budget papers either, is it?

Mr Tonkin: Yes, it is.

MS GALLAGHER: It is here, on page 11.

Mr Tonkin: Pages 12, 13 and so on.

MS DUNDAS: You will be able to get me the breakdown for the hospitality one?

Mr Tonkin: We will seek to see what material we have.

THE CHAIR: I have a question about page 14 of those papers. In payments relating to employees of the executive, the outcome for 2001-02 is higher than in the budget. You explain that in the notes, saying it reflects funding for employee costs associated with the change in government. I assume that is payouts to people who did not continue in their positions. But the budget does not then fall back to equivalent levels in the out years. You would expect that the budget would be somewhat lower in subsequent years, whereas the increase seems to be retained and built upon.

Mr Tonkin: That is primarily due to the provision for the review of Legislative Assembly member staffing arrangements—\$350,000.

THE CHAIR: That relates to just the executive component of that, doesn't it?

Mr Tonkin: No, that relates to employees employed by all members.

THE CHAIR: All members under the ACT executive?

Mr Tonkin: It is my understanding that that is where the money is for the land act review.

THE CHAIR: I would have thought that the Assembly members and their staff would have been covered by the appropriation for the Legislative Assembly.

Mr Tonkin: It is provided for in the budget for this year. It may have to transfer later on, but that is where it was appropriated.

THE CHAIR: The note on page 15 says that the increase of \$237,000 is due to additional funding required for implementation of the Remuneration Tribunal's decision to award a pay rise to ministers. Some non-ministers have also had pay rises—and that is not covered by this.

Mr Tonkin: It may help you, Mr Chairman, if you go to page 16. If you extend your arms as far as they will go, you can read the footnote. It says there that, as recommendations are implemented, an instrument under the Financial Management Act may be required to transfer relevant amounts to the Legislative Assembly Secretariat budget. So it has been provided for centrally. As it is rolled through, it will be shifted across.

MS DUNDAS: We put some questions to the Treasurer about the development of the economic white paper. I understand that is being done in the Chief Minister's Department.

Mr Tonkin: Yes, under the element that reports to that minister.

MS DUNDAS: To the Treasurer?

Mr Tonkin: Or to the Minister for Economic Development, Business and Tourism.

MS DUNDAS: Chief Minister, would what be your role in the development of the economic white paper?

Mr Stanhope: In a management sense, none, Ms Dundas. As Mr Tonkin said, the economic white paper is being developed by the Treasurer and officers of the Chief Minister's Department who report to the Treasurer in the course of their day-to-day responsibilities. It is not a project for which I have day-to-day or administrative responsibility. To the extent that cabinet may at some stage be involved in its consideration, I would be involved. It is not a project in relation to which I have direct responsibility—the Treasurer does.

MS DUNDAS: The budget speaks of the economic white paper, the social plan and the spatial plan. There seems to be a bit of confusion between economic sustainability and environmental sustainability. How will the Office of Sustainability work to resolve these different concepts? Will they be working with the Treasurer's part of Chief Minister's with regard to the economic white paper?

Mr Stanhope: There is a great deal of work going on—I acknowledge that. We are working assiduously on a range of long-term strategic planning initiatives, through the social plan, the spatial plan and the economic white paper.

Yes, I have had some feedback and some correspondence in relation to the issue of potential overlap, and even potential overlap in relation to the consultation that is being undertaken. We are mindful of the need to ensure there is no overlap—or, to the extent that there is overlap, that it is managed appropriately, particularly in relation to our consultations.

I would be happy to ask the head of the office to assist in any further way. It might be useful if he were to answer that specific question.

MS DUNDAS: Yes.

Mr Ottesen: I am Peter Ottesen, Director of the Office of Sustainability. With regard to the white paper, I am intimately involved in the project. A team has been set up within Chief Minister's, which involves staff from a number of areas. I will be involved in that process to provide input along the way. I am being consulted as the project progresses.

MS DUNDAS: You will be managing the relationship between economic and environmental sustainability?

Mr Ottesen: We are ensuring that the concept of sustainability is being addressed as the project progresses. The aim of the white paper is to identify those sectors within the ACT which have potential for economic development, and how the concept of sustainability can contribute to that.

MS DUNDAS: Your definition, or your concept, of sustainability is still being—it will be the first project of the new committee of experts that you are setting up?

Mr Ottesen: It will. As you are aware, we have released a discussion paper which is out there now. That is an attempt, as a policy framework, to generate some discussion, raise the awareness about sustainability and ultimately get some agreement on what it means for the ACT.

We put forward a definition in it, which incorporates those three dimensions—the economy, society and the environment. One of the first tasks of the expert group that has been created will be to look at this document as well, and take into account some of the views we are receiving through the consultation process.

MS DUNDAS: The definition in that document is the working definition that you are using at the moment?

Mr Ottesen: That is right, but it is purely a working definition. It is out there for discussion.

THE CHAIR: I understand there are some redundancies being offered in the Chief Minister's Department at the moment. Is that the case?

Mr Tonkin: No. You should not believe everything you read in the newspapers!

THE CHAIR: I try not to, but some of them are more compelling than others.

MRS CROSS: We will say the same thing to you!

Mr Tonkin: I always adopt a cautious process in reading newspapers. No, that was some misunderstanding in reporting. I am not aware of any planned redundancies in my department.

THE CHAIR: Have you taken on extra SES officers in your department since the restructuring, following the change of government?

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Mr Tonkin: We have taken on a new Deputy Secretary, Economic. I have also transferred a position—the value of a position—to Treasury. This came up in the Treasury estimates. Hopefully I can give you the precise numbers.

THE CHAIR: We have heard about the transfer to Treasury, from the Treasurer himself. The cohort of SES officers has not varied apart from that?

Mr Tonkin: Only the Deputy Secretary position. Sorry—and the Office of Sustainability, which has an SES person in charge.

THE CHAIR: Minister, in the statement before the election last year, the Labor Party indicated that you believed you could achieve a saving of \$2.3 million in the area of funding levels for ministerial advice. I do not think that is in this budget. Is it still a target that this government will aim to achieve over the life of this Assembly?

Mr Stanhope: It certainly was identified as one of the areas where we would potentially seek savings, in our determination to produce surplus budgets over the term of the parliament, to the extent that, in our budget deliberations for this budget which we are considering today, we took into account a range of other savings initiatives, and a range of revenue initiatives.

At this time, that is not a direct initiative, proposal or determination. It is not something we specifically sought to achieve. We sought to achieve savings in all administrative units, with a couple of exceptions—those being commitments we had made to maintain expenditure in real terms—and we have done that.

There have been savings in all departments. To some extent, some of those savings might be categorised as falling within the broad description of policy advice. To be specific about it, no—we did not, in this budget, specifically target policy advice to the government. We took a number of other decisions in relation to savings and revenue initiatives. By so doing, we were able to resource our promises.

THE CHAIR: Some of your colleagues have lamented that there is not enough money to do as many things as the government would like to have done in its first budget.

Mr Stanhope: That is true.

THE CHAIR: Why then have you not targeted that area for savings? You expected, according to your statement on 15 October last year, to be able to achieve a \$2.3 million saving in the 2001-02 budget—a part-year budget. Are not those savings worth making, to address issues of social capital, community, et cetera?

Mr Stanhope: On balance, we took some hard and rigorous decisions about both savings and revenue. In the context of the broad sweep of savings initiatives and revenue measures, this one did not take its place ahead of others.

THE CHAIR: Has any saving been made in this area?

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Mr Stanhope : I do not know. I would have to look specifically at that. I would have assumed, having regard for the broad description, that yes there have been. However, as to the specifics, that is a question I would have to take on notice.

THE CHAIR : I ask you to take that on notice. I do not know if you can indicate what you expect the savings to be in the out years as well.

Mr Stanhope : No worries. In the event, we took a range of other hard decisions.

THE CHAIR : Okay.

Mr Tonkin : Mr Chairman, to clarify the numbers of SES, there was one other position effectively transferred from Urban Services. That was the workplace policy job. It has come across.

THE CHAIR : Right. With those various transfers, what is the number of permanent officers?

Mr Tonkin : I am just checking because I want to make sure I have some jobs which are vacant. I will come back to you with a precise number in a few minutes.

THE CHAIR : This is an appropriate place to ask about the Assembly inquiry, which was held some time ago, into elder abuse. Is the government going to respond to the Assembly on the recommendations that were put to the Assembly in August of last year?

Mr Stanhope : Yes, we are.

MS DUNDAS : In fact, the Assembly directed them to do so.

Mr Stanhope : Pardon?

MS DUNDAS : The Assembly has directed you to do so. I moved a motion on it, Mr Humphries.

THE CHAIR : That is right.

Mr Stanhope : Consistent with our own determination and the wishes of the Assembly, we are certainly doing that. There will be a full government response to the report on elder abuse.

You are probably aware that we are responding, even now, to some of those initiatives—in particular, our determination to establish a place for older women within Canberra, who have been or are subjected to abuse, to find safety and support. That is an initiative we are currently pursuing. We hope to be able to provide that place for older women. It is a significant and major response to elder abuse that we are able to provide a place—I hesitate to call it a refuge—for older women who have been subjected to physical and other abuse to be protected and cared for. It is our intention to table the government's response to the report entitled *Elder abuse in the ACT* in September.

THE CHAIR : Okay.

Mr Tonkin: Mr Humphries, in answer to your question, 15—plus one in CTEC.

THE CHAIR: I would ask you about the finding that was promised for two aged-care liaison officers for the multicultural community. Are they provided for in this budget?

Mr Stanhope : I will ask Mr Manikis to respond to that.

Mr Manikis: I understand that that is a responsibility of the department of health. I understand that that has been funded, and that aged-care liaison officers have been appointed.

THE CHAIR: We might ask you a question about that tomorrow, in your capacity as minister for health.

Mr Stanhope : I will ensure I have the detail of that tomorrow, Mr Chair.

THE CHAIR: I have asked all the questions of a general nature that I wanted to ask. We might move to the output classes, unless anyone has any other questions that they want to ask, of a general nature.

MRS DUNNE: These questions can be asked here because they are new initiatives and they relate to the support for community languages skills and multicultural community radio. Perhaps Mr Manikis could answer as to what progress is being made towards that. How do you envisage that money being delivered?

Mr Manikis: Those two initiatives were funded in this budget. For the radio initiative, \$100,000; and for the ethnic schools initiative \$50,000. It is proposed to move forward in a grants program for each of them. We hope to be in a position to be advertising both those grants programs towards the end of August or the beginning of September.

MRS DUNNE: There is an existing multicultural grants program.

Mr Manikis : That remains.

MRS DUNNE: That will remain, yes. Do you envisage that you would divert some grants applications out of there into these two other things? I do not know about funding for community radio, but I am conscious that, in the past, there has been funding for language schools out of those.

Mr Manikis: Out of the multicultural grants program of \$100,000, one of the criteria was community development. Under that, language schools were able to access small amounts of money to contribute towards the cultural transfer to the next generation that ethnic schools are well placed to deliver.

I cannot tell you exactly how much out of the last grants program was delivered to ethnic schools out of the multicultural grants program, but I can say that yes, it will free-up some funds for other activities.

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MRS DUNNE: Was it possible, under the existing multicultural grants program, for the multicultural radio people to have access to grants?

Mr Manikis: Yes. Again, under the community development area, some communities did access that grants program.

MS DUNDAS: As a follow-up question on the radio multicultural broadcasting money, as part of the grants program, will it be a grant for specific multicultural programming, or will radio stations that already run multicultural programming be able to use it to build capacity?

Mr Manikis: Yes. It will be both. It is proposed to be a grants program, directed at both the multicultural radio stations in town and other radio stations, I guess, that deliver multicultural programs—and also to the ethnic broadcasters in the community.

MS DUNDAS: It will be for both programming and capacity building?

Mr Manikis: Yes, for programming, training, and for materials to support their programs.

THE CHAIR: Moving to output class 1.1, I am curious about the timetable for cabinet meetings. There is a schedule of only 35 cabinet meetings in this present financial year. Given that cabinet meets, on average, once a week, it seems to be quite a low number. Is there a reason for that?

Mr Stanhope: I am not aware of it, Mr Chair. I would have to take some advice from Mr Tonkin about that. You are right. Since the change of government, I believe cabinet has met at least once a week. I have to confess, I do not understand that.

Mr Tonkin: It is just a calculation of the number of times we believe the cabinet is going to meet in this calendar year. There are occasions when cabinet does not meet—if a number of members are absent, as happens every year. They break for Christmas, and that sort of thing.

THE CHAIR: It is usually offset by the number of times, particularly during the budget, you meet two or three times a week, isn't it? The target for this election year was 40, and 32 were achieved.

Mr Tonkin: We will check the number, but that is the calculation the cabinet office made, as to how many meetings they had counted up were going to occur. It is not a limit, of course—it is simply an estimate of what numbers we think are going to occur. We will see what transpires.

MS DUNDAS: Many of the outputs appear to be almost meaningless. Development of an information management policy, one; and development of a framework for evidence based research analysis, one. They are not what we would call meaningful measures of output. I was wondering if you could explain them, but also explain what support for inter-governmental processes is and why you expect to achieve three of them?

Mr Tonkin: Support for inter-governmental processes would be attendance at Ministerial Council meetings, Council of Australian Government, and meetings of senior officials of the Council of Australian Government.

MS DUNDAS: Only three?

MRS DUNNE: Is it three meetings?

Mr Tonkin: That would be simply for Council of Australian Governments and senior officials of COAG. We think that is the frequency.

MS DUNDAS: It is only for the Council of Australian Governments, not for ministerial meetings?

Mr Tonkin: That one is for the Council of Australian Governments, not other ministerial councils. This is our Chief Minister's and the Chief Minister's—you will find that, in other places, you will get those. Where there is a list of one, I suppose it is a position I have taken that, in past years, we had large numbers—almost a broad estimate or a guess—of how many policies or how many pieces of advice we produce during a year.

It becomes a bit of a silly game. You end up trying to count how many times you are going to write a piece of advice. It has to be an estimate. I do not think that is a useful performance measure. All we are doing is counting them. Then you have to record and audit them.

You are building an administrative costing for no great purpose. We are running an information management policy advising process, so we count that as one. Throughout the Chief Minister's Department, where there is a meaningful thing that can be counted, such as Council of Australian Government or cabinet meetings, we will count them. However, where it is simply how many bits of policy advice, we will say we have a policy advising process which exists. You could get to the silly situation, two-thirds of the way through the year, of "We are short on the number of bits of advice, so we will make a series of smaller, shorter, pieces of advice." That wastes everybody's time and is not useful. So we have tried to bring the quantitative process back to something which is more sensible.

MS DUNDAS: I guess it just means that, when we are looking at a comparison next year, yes, you may have developed a sustainability framework, but whether or not it is an effective sustainability framework—

Mr Tonkin: They are measures, I suggest to you, which are taken up in the annual report, or in the qualitative process. What we are trying to get away from is a simple mechanistic approach of counting things for the sake of counting things. That does not seem to be in anybody's interests.

THE CHAIR: Are there any other questions about strategic policy and coordination? The output cost for this year is estimated to be \$9.3 million for the meeting of those targets. That is a 300 per cent increase on the previous year. What is the reason for that?

Mr Tonkin: Primarily, it is a transfer from other output classes of strategic priorities. Management was output class 1.5—that is 4.6. Now 4.2 is ACT Information Management, which was previously under ACTIS in our old structure, has come across and that is 3.2. The biggest variances are putting them into different buckets.

THE CHAIR: What was the first item you mentioned?

Mr Tonkin: Strategic priorities management was previously output class 1.5. We have simplified the output structure this year—again, trying to put things into chunks which are more sensibly manageable rather than having a wider array of things split up.

THE CHAIR: All right, that is all I have on strategic policy coordination and development. Are there any further questions? Let us move to output class 1.2, community affairs.

MRS CROSS: Chief Minister, I wanted to ask you about the multicultural centre. What does the term “financing options”, as stated in your election policy, mean? For example, is it that you are considering building something that is not 100 per cent publicly owned?

Mr Stanhope: Financing options, Mrs Cross, generally mean all the permutations for financing a centre, should a decision be made to develop or build one.

In the first instance, we undertook to consult with the broader multicultural community around their thoughts and feelings about the need for a centre in the ACT and what form it might take. Mr Manikis has been working on that. I might ask Mr Manikis to explain what he has done, where he is up to and what processes we are going through in relation to that issue.

Mr Manikis: We are in the midst of the process of investigating the feasibility of, and canvassing the views of the community for, a multicultural centre. In fact, we are almost at the end of that consultation process. Sixty-odd community groups have responded to a survey. We are in the throes of putting all that together, at the moment.

It has been generally very positive for the establishment of a centre. There are various views about what the end product should look like. As I say, it is generally well supported. There will be a detailed report going to government—again towards mid-September on that.

We are talking with Treasury on the financial options. As the Chief Minister has just mentioned, that will take the full gamut of permutations on that score—from capital works right through to privately funded. The pros and cons for each of those options will be presented to the government for decision.

MRS CROSS: What were the terms of reference for the survey you have sent out? Do you have some that you could present to the committee?

Mr Manikis: I can send you a copy of the survey.

MRS CROSS: Right. That survey is almost complete, you said?

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Mr Manikis: The survey has been finalised—submissions have been received and survey forms have been returned.

MRS CROSS: Did you use consultants for that survey?

Mr Manikis: No.

MRS CROSS: Whom did you use?

Mr Manikis: We used the skills of the staff in the Office of Multicultural Affairs.

MRS CROSS: Right. Was there a special budget put aside for that survey—and what was it?

Mr Manikis: No. We saw that as part of core business for the Office of Multicultural Affairs.

MRS CROSS: You said you approached approximately 60 groups.

Mr Manikis: I think around 60 groups have responded.

MRS CROSS: Were they 60 ethnic groups, or 60 groups of a variety of multicultural groups that fell in? Was that 60 ethnicities, or 60 groups? How did you pick the groups? Who decided which groups to approach?

Mr Manikis: We advertised that there was a survey on. I think around 60 groups responded to the survey.

MRS CROSS: Have any potential sites been identified for a centre?

Mr Manikis: Not at this stage. There is a wide range of views on that issue as well. At this stage, nothing has been put forward as a preferred option.

MRS CROSS: Are you considering building something that is not 100 per cent publicly owned? Is that something you are considering?

Mr Manikis: No, but it certainly will be considered in the context of options going to government for consideration.

MRS CROSS: It is something that would be considered, if it was put to you?

Mr Manikis: Yes, that is true. It forms part of the options.

MS DUNDAS: Can you explain to me what type of cost recovery occurs, to meet the \$113,000 differential between the government payment for outputs and the total cost for the community affairs area?

Mr Manikis: Could you cite the page please?

MS DUNDAS: Page 40, output class 1.2. Government payment for outputs is \$4.3 million, and total cost is \$4.476 million. It is not a huge amount, but I was wondering where the \$113,000 came from.

Mr Manikis: The cost of fit-out inside for office accommodation is depreciated. We spread that cost across the various outputs in the department. It is another one of those little accounting things. This is not cash accounting, it is accrual accounting—so you get these provisions.

MS DUNDAS: We keep finding these, though. You are not charging any of the community organisations?

Mr Manikis: No.

MS DUNDAS: I know that this is a new output. Discontinued output class 2, community affairs, output 2.1 which is on page 53 of Budget Paper No 4, has the last financial year's measures. Even though, as part of the administrative arrangements, there were a number of other bits put into community affairs, can you explain why there was such an underspend between the target and the estimated outcome for 2001-02?

Mr Manikis: Again, I think the differential is corporate costs.

MS DUNDAS: You gave all your staffing costs to somebody else?

Mr Tonkin: The primary difference is that we redistributed the overall departmental overheads at the end of the year, just to balance it. Again, it is an accounting adjustment. There are some costs we keep centrally, and then we try to apportion them, in the Chief Minister's Department.

MS DUNDAS: We are talking about \$1 million here.

Mr Tonkin: Yes. The overheads are a reasonable element, if you are trying to pay for rent, general central costs, provisioning and corporate support costs.

MS DUNDAS: Was there more money into the community affairs section that came with business migration, the Aboriginal and Torres Strait Islander cultural centre and the community—

Mr Tonkin: There is a series of increases this financial year into that output. These reflect the initiatives the government included in the budget—ATSIC, family violence, community language radio and schools.

MS DUNDAS: I was specifically asking about last financial year where, as a result of administrative arrangements, there are a few internal departmental changes. Specifically, business migration, Aboriginal and Torres Strait Islander cultural centre and the Canberra community foundation were transferred into community affairs. Was there extra funding that came to the Community Affairs Department to cover those?

Mr Tonkin: Yes.

Mr Manikis: Yes. Business migration and the Canberra Community Foundation. They were both resource transfers into the Multicultural and Community Affairs group. In relation to the cultural centre, that is a budget initiative on recurrent funds, this time around. That is coming in. Upon transfer, it was knocked up the rung of priorities as to what had to be done by the staff in the Office of Aboriginal and Torres Islander Affairs.

MS DUNDAS: Picking up on a question I asked earlier about the breakdown of the Office for Women, Office of Sustainability, Office of Ageing, et cetera, I know you have not done the community affairs budget for this year but I assume you did the budget for last year. Can you provide us with the breakdown for those areas for the 2001-02 financial year?

Mr Manikis: That was again nominal, because the Multicultural and Community Affairs group ran the budget as a global budget last year and had nominal allocations to the various offices. I can give you a nominal breakdown.

Mr Tonkin: We do not break the budget down to that level. We allocate it to the Office of Multicultural and Community Affairs. The executive director of that office manages the budget to meet the requirements and outcomes. We do not break it up. We do not account for it inside the department at that level of disaggregation.

MS DUNDAS: I guess it comes back to the government claiming that the Office for Women is a new initiative, when all it appears to be is a new name for the Women's Policy Unit. I guess resourcing is one way of seeing the difference between the Women's Policy Unit and the new Office for Women. If that information is not available, then can we take the government at its word on this?

Mr Tonkin: As was said before, it is the way in which that office is now structured, its enhanced role in the policy and cabinet processes, and the degree of direct access to the Chief Minister. So it is a qualitative shift in the way in which it operates and the degree of influence it exhibits over the rest of the policy processes which is the qualitative change, as distinct from a dollar effect. We are putting more money into it, we are giving it a greater profile, we are giving greater access to the Chief Minister and it has a greater impact. Every cabinet submission has a chunk on the front that says, "Impact on women". It is there, and ditto for sustainability.

MS DUNDAS: Is the Office of Ageing going to be in the community affairs department?

Mr Manikis: Yes. In the Multicultural and Community Affairs group, there is the Office for Ageing. The common feature across all the offices is that they all have advisory councils and also work with each other. That is the most important point in all this—that there is cross-office work. That is where it diminishes the argument about separate budgets. The resource that you can use—say the Office for Women—should take into account the work, from time to time, throughout the year—where the workload goes up and down, or where the issues demand that resources from the Office of Ageing or the Office for Aboriginal and Torres Strait Islander Affairs come to work on a project in the Office for Women. That has been happening more and more, as the Office for Women, for example, responds to issues.

MS DUNDAS: Was there previously a unit in Cultural Affairs for the Office for Ageing, and what was it titled?

Mr Manikis: The unit was called the community policy unit. That unit looked after older people's issues—things like the concessions review, the poverty task force recommendation and implementation—and a range of other things. It provided secretariat support for the community government reference group. The Office for Ageing has been established, like the Office for Women, to put a greater focus on the ageing work.

MS DUNDAS: Resource-wise, is it just a rebadging of what was already there?

Mr Manikis: It takes into account what was already there, but there is a greater emphasis on ageing issues.

Mr Stanhope: It is reflected, for the first time, through the establishment of a ministerial council on ageing, though. There is a very significant difference in relation to our commitment to consult and to focus.

MS DUNDAS: You have used the number one as an output, again, on page 40, for the development of a multicultural policy strategy program, a women's policy strategy program, et cetera. Is that one policy, one strategy, or one program?

Mr Tonkin: No, it is one area of activity. I refer you, in the interest of speed, to my previous answer as to why.

MS DUNDAS: It is just one area of activity. Can you, when you look at the budget development for next year, perhaps reassess how you title these quantity measures? I do not find at all useful one output of the development of a multicultural policy/strategy/program. Mrs Dunne has been running this argument throughout the budget process, but I have found it specifically in these areas in Chief Minister's. Yes, you have developed possibly a policy, possibly a strategy or possibly a program, but it is just not clear from those headings versus the number one as an output.

Mr Tonkin: It is seeking to reflect that there is a unit there that does multicultural. An organisation such as Mr Manikis's will do policy developments, develop strategies which implement policies, and run programs. It is really so that we have an area of activity which is multicultural in all its outputs. That is what it is—rather than saying we are going to develop six policies this year.

MS DUNDAS: I understand that is also a meaningless figure. It is just that maybe a bit more refining needs to be done.

Mr Tonkin: We will give it some further thought as we go through this year. What I am trying to do is produce material for the government and the Assembly which gives a reasonable measure of what we do. You need to read not only these budget documents, but also the annual report documents, to see what comes out. It is a complete loop—a complete circle.

MS DUNDAS: Regarding quality effectiveness, have you considered surveying the communities affected, such as the women's sector, the multicultural sector, the aged sector or the volunteering sector, for their relationship with the Chief Minister's Department?

Mr Tonkin: That is a matter for the Chief Minister. You do run into the issue that we, the public service, service the ministers of the day. The measure of our performance is the satisfaction of our ministers. It is the government's relationship with the electors in the community—so it is a two-stage process.

We are accountable to the government of the day—that is the line of accountability—whereas the government is accountable through the Assembly to the citizens. You could enter significant areas of difficulty, conceptually. There has been much talk in the past couple of years in the Assembly about who is accountable to whom and for what.

MS DUNDAS: Yes.

Mr Tonkin: So I am a bit reluctant to get into the written-down area. I could find myself satisfying the community and not satisfying the ministers. It is confusing enough, as it is.

Mr Stanhope: There is a major survey every three years, Ms Dundas—the election.

Mr Manikis: We certainly go back on programs and various services—and we do evaluations, and what have you, on specific issues.

MS DUNDAS: So there are ongoing evaluations?

Mr Manikis: We certainly do evaluations, to see how we are going, and whether programs are worth while and progressing.

Mr Stanhope: This is part of the work and business of government, Ms Dundas. I understand the point you are making—and it is a valid point. All the work the government does—all the consultation we are involved in, and each of the consulting mechanisms we create—is about ensuring that we stay in tune with the community's expectations and aspirations. We continually monitor what the community wants, and what it expects of government.

We work as a government and we each work individually as politicians, constantly assessing things. Those are the judgments we make from day to day. I say it flippantly, but of course there is a major survey every three years. At one level it is not flippant. The ultimate measure is our election appeal and success. That is the ultimate survey.

Along the way, we constantly monitor the community's hopes and expectations. As politicians, each of us does it every day of the week. As to whether we should formally survey sectors on individual performance of areas, is it a survey of the performance of areas of government, or is it effectively a survey of how government is responding? How do you distinguish the two? I think the point Mr Manikis makes is that I am largely satisfied with the work this office is doing. I would like the office to have more money—I would like it to be doing more work—but these are the decisions we make.

As to whether or not one should then seek to survey identified groups of women within the community about what they think of the Office for Women, I am not sure that would be appropriate. Any judgment passed about this government's commitment to women will be a judgment on the government.

THE CHAIR: Are there any further questions in output class 1.2? On output class 1.3, are there any questions? To repeat the comment under that output class, some of the measures are a bit hard to make any sense of. However, Mr Tonkin, you have indicated that you are prepared to take that on board in revising these.

Mr Tonkin: Yes. Would you like to indicate just a couple which you think do not make sense?

THE CHAIR: There is award simplification—one. What is that—one award?

Mr Tonkin: It is a process of award simplification—an overall process. I take your point.

THE CHAIR: It does not tell us much, does it, if the government is working towards simplification?

Mr Tonkin: There is an opportunity going forward as to how these are physically described on the page. A couple of lines expended on each one might give a greater degree of clarity. That is something we can look at actively.

MR HARGREAVES: Mr Tonkin, you talk about one public service infrastructure graduate program. I do not think it is a surprise to anyone that we have one graduate program. Could you give us your thoughts on how that is going? It has been going for many years. Is it a successful vehicle in lifting the entry qualifications of people coming into the service? How is it ticking along?

Mr Tonkin: I will give a general overview, then perhaps Ms Davoren can expand on it. I believe it is a successful program. The nature of work in the public service has changed dramatically over the span of my career. I recall that, in my previous department—the Department of Defence—we would have an intake of about 30 or 40 clerical officer grade 1s every couple of weeks. The primary method of entry was at base grade clerk level and people progressed their way through the system. That does not happen anywhere now, because the nature of work has changed. In many areas of government, you have to be a graduate to get in. The graduate program, at an entry level, is a primary means of recruiting people into the government sector and has become an important process. There are more locals now—a bit over half—recruited into our graduate program than people from interstate, although it is nice to have a mix of skill sets. Pam might have some more details about how the program is going.

Ms Davoren: Pam Davoren, Chief Minister's Department. The program has been going for a number of years. Annually, we recruit 36 graduates in service-wide programs. It is generally a successful program. We have a good retention rate of graduates after the year. They get an opportunity to work in three departments—and I think they progress reasonably well after that.

Anecdotally, over the past five years, we can really see that people at the SOG C level have filled the slot—particularly people with those kinds of policy skills—and the support that that learning has provided.

We took the opportunity last year to substantially review the program. We asked all the agencies, current graduates and past graduates. As a result of that review, we are now in the process of improving both the recruitment and learning and development programs.

MR HARGREAVES: It is my understanding that one has to be tertiary qualified to get on to that program.

Ms Davoren: That is correct.

MS GALLAGHER: That is why you are a graduate!

MR HARGREAVES: Thank you very much, Ms Gallagher. I will let all of the people at the CIT know that you consider that they are not graduates!

MS GALLAGHER: Okay, fair enough.

THE CHAIR: Ladies and gentlemen, please take it seriously.

MR HARGREAVES: That is the substance of my question. Have you given any thought to embracing the CIT and other like institutions in such a program?

Ms Davoren: Yes, we have. We decided against doing it this year because it raised a number of complications about how that qualification was articulated, with regard to the different institutions around the various states and territories.

MR HARGREAVES: You did not want to upset the universities. Is that it?

Ms Davoren: No, that is not the case. We are looking at that.

Mr Tonkin: It is a valid point, Mr Hargreaves, that there may well be people from other institutions, and also within the service already, who do not meet the technical barrier but whose work experience means they could make a similar contribution. I certainly, as a matter of policy, have absolutely no difficulty in incorporating existing employees onto the scheme. That is because the aim of the scheme is to grow skills and to further both the individual and the service as a whole. I have no problem at all in letting other people onto the program. In conception, it is not designed to be elite, or for university graduates only.

MR HARGREAVES: You say you are thinking about going down the path—or at least checking out the possibility—of going with other types of graduates. What form is that investigation taking?

Ms Davoren: We have had discussions with the CIT. With regard to the program, we are currently going through that. We realised that that entailed quite a bit of work, together with our review at the moment. Because we are implementing new recruitment and

learning and development programs for next year, we have decided to defer that task until next year.

MR HARGREAVES: You are going to defer the job of checking it out until next year?

Ms Davoren: That is correct. Until we get over the immediate tasks we have, to implement the learning and development program for next year. We will then move through and discuss the issue of how we look at the entry requirements for the program.

MR HARGREAVES: Please forgive me for being a bit picky. When you talk about next year, are you talking about the academic year or the calendar year?

Ms Davoren: The calendar year. The graduate program starts in late January and goes through until December, when there is a graduation ceremony. As far as our administration is concerned, the recruitment program steps up from about May onwards, when we start looking at how we are going to recruit—and the timing.

MR HARGREAVES: If you are going to leave it until 2003 to think about it, we can perhaps look forward to seeing something projected for the 2004 academic year?

Ms Davoren: Yes.

THE CHAIR: Are there any further questions on output 1.3? No.

Output 1.5 has been superseded. So are there any questions on 1.5? No.

Are there any questions on output class 3, corporate services?

MS DUNDAS: That is on page 51 of the new Budget Paper No 4. There was an underspend of \$20,000 in the cost of corporate services last year, from the targets—the estimated outcome.

Mr Tonkin: I am not sure I can give you the answer. If they got that close, they did well, with the level of variance.

MS DUNDAS: Can you explain why there is a \$300,000 increase from the target for 2001-02 to the target for 2002-03? Is part of that increase or rollover the unspent \$20,000?

Mr Phillips: My name is Karl Phillips—Financial Controller. The increase from the estimated outcome to the 2002-03 target was basically because of indexation of charges to the Department of Treasury for corporate services. We took over procurement solutions, as part of Treasury, and charged them corporate costs as well. That is for those extra functions.

MS DUNDAS: What are you charging indexation at?

Mr Phillips: At 2.5 per cent.

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Mr Tonkin: You may or may not be aware, Ms Dundas, but Corporate Services and Chief Minister's support both CMD and Treasury.

THE CHAIR: Are there any further questions of Corporate Services? No. In that case, we will conclude with the Chief Minister's Department.

I have one other question, going back to an earlier question about the letter that you wrote to Gungahlin residents, Minister. When did you return to the country? The letter is dated last Monday. We understood you were not available to speak to the committee last week. I am curious as to whether you were in the country or not when you signed the letter.

Mr Stanhope: I signed the letter, Mr Chair—and I was in the country on Tuesday.

THE CHAIR: The letter is dated Monday.

Mr Stanhope: Yes. I trust that my constituents received it on Tuesday. I hope they did. I am not quite sure

THE CHAIR: They received it the same day you signed it?

Mr Stanhope: Mr Chair, I do not get down to that level detail of management in my office.

THE CHAIR: I am wondering if you signed it at all—that is my question.

Mr Stanhope: Yes, I did.

THE CHAIR: So it was received by your constituents the same day you signed it?

Mr Stanhope: I have no idea, Mr Chair—no idea at all. It is not the sort of inquiry I make. I do not take much interest in the detail of the management my office. If you do, then you do not have enough to do.

MS DUNDAS: As a further overview question, Chief Minister, I was wondering if you could explain your satisfaction with the way the budget process has gone this year, with the community consultations, the committees undergoing their own consultations and the community appearing this afternoon before this estimates committee. How have you, as Chief Minister, seen the budget process go?

Mr Stanhope: That is a good question, Ms Dundas. This is the first budget in which I have been involved. It is the first budget brought down by a Labor government for eight years. It has therefore been a great learning experience and has presented a number of real challenges.

It has been an extremely difficult process, as I am sure anybody who has been involved in the development of a budget would know. There is a fine tension between the extent to which a government consults on the detail of a budget, before its issuance or finalisation, and the role and responsibility of the government in putting it together and setting out its

priorities for resource levels and timing of initiatives. There is a real tension there—and a real difficulty.

Because this is an open and consultative government, we constantly meet with individuals and organisations representing all sectors of the community. We consult actively and exhaustively all the time—and not just for the sake of budgets. It is not just here and there, but all the time.

In the context of this budget, we went to the last election with a detailed set of policies. The commitment we made was that, if elected, we would pursue those policies—that we would seek to meet our promises as soon as resources allowed. To that extent, this first budget was the fruit of all the consultations that went into the development of our policies in the lead-up to the last election.

Over the course of the last assembly, we consulted exhaustively with the community in setting the priorities on which we went to the election—this budget is a reflection of that.

As I said at the outset, we understand that the major issues of concern to this community—the issues around their major hopes and aspirations for themselves, their families and for Canberra—concern education, health, planning and community safety. This budget reflects those major concerns, with significant increases in expenditure in health, reprioritising of education expenditure and significant increases in expenditure in relation to education—coupled with the fact that we are engaged in a complete overhaul of planning structures and processes for the ACT.

MS DUNDAS: This is what I am trying to understand. There was a great deal of differing criticism, both of the way the previous government ran their budget consultation process and as to how this budget process went.

Mr Stanhope : Yes—sure.

MS DUNDAS: What are you going to refine for next year? Can you tell us yet?

Mr Stanhope : Our major criticism was the pea and thimble draft budget process. We never engaged in that. We did not think it was appropriate. We do not think it worked and we thought it was very misleading to present a budget to the community which really was not what was ultimately delivered. To consult on that we thought was, in a way, electorally dishonest. We were not prepared to engage in that. I guess the major change is that we did not consult on a document that was characterised as a draft budget. There is a range of consultative mechanisms in place, and we pursue all of them.

We consult, and we receive submissions. The Assembly has its own processes, which are all part and parcel of the overall range of information a government absorbs in developing a document such as a budget.

MS DUNDAS: Although it is possibly a bit early to be asking this, when will we, as an Assembly, know what processes are going to be followed in the development of the next budget?

Mr Stanhope : I will take that up with Mr Quinlan. I know he is thinking independently about this. I am sure everybody here is aware that Mr Quinlan, firstly as shadow Treasurer and now as Treasurer, has always expressed some of the frustrations I hear you expressing, Ms Dundas. Concerns about the way we structure the budget paper have been expressed since day one. Mr Quinlan has expressed the same kinds of issues as you have raised today, and I know he has some thoughts about what might be done in the future. I would take some advice from him, as to his thoughts on that.

MS DUNDAS : Although we are still in this budget process, I am interested in how it is going to work next year, considering that you will not have your pre-election policy development consultations to rely upon so heavily.

MR HARGREAVES : It is the middle of the honeymoon period, Ms Dundas!

Mr Stanhope : To clarify a previous answer, I make the point that I sent 9,000 letters to residents of Gungahlin. I must make it clear that I did not personally sign the 9,000 letters. I approved the letter but I did not sit down and sign them all. I want to clarify the fact that I authorised the 9,000 letters to be signed by electronic signature.

THE CHAIR : You did not sign one letter, which was then copied?

Mr Stanhope : No. I gave formal approval for the letter to be forwarded to 9,000 Canberrans, utilising an electronic signature which is available for that purpose. To alleviate any doubt about my answer, I have clarified it.

MRS CROSS : Chief Minister, I am looking at page 29 under “Notes to the Budget statements” in BP 4. Halfway through the paragraph two-thirds of the way down the page, it says:

Further offset with savings from ACT Information Services of \$361,000m, Digital Divide of \$0.3m ...

Could you explain what that saving is?

Mr Stanhope : I will ask Mr Vanderheide to assist you with that, Mrs Cross.

Mr Vanderheide : I am Michael Vanderheide, Director of ACT Information Management. ACTIM has responsibility for the digital divide program for government forecasts for this financial year. Last year’s budget was for \$800,000. There was a \$300,000 saving taken from that, and there was a rollover of \$200,000 from last year’s allocation. So the net result on digital divide is about \$700,000 this year.

MRS CROSS : What you are saying is that money was removed from the initial allocation—from what was meant to go out to various community groups. Is that what you are saying?

Mr Vanderheide : Last year’s forecast for this year was \$800,000.

MRS CROSS : Specifically, who was going to get that \$300,000—and is now not going to get it?

Mr Vanderheide : There is not yet a specific target for the digital divide funding money. The process we are following this year is to develop something called a community IT access plan. Basically, that will set a range of initiatives to address the digital divide in the ACT. That is being worked on at the moment with the assistance of the newly appointed community IT advisory panel, which met for the first time last month. We expect to have that plan completed in December.

MRS CROSS: I want to ensure I understand this clearly. Are you saying that, instead of that money going under the label of digital divide, it is going under a different label to address similar things? Is that what you are saying?

Mr Vanderheide : No, I am not saying that at all. It is the \$700,000 available to address the digital divide this financial year.

MRS CROSS: May I ask why that was taken out?

Mr Stanhope : It was taken out at my direction, Mrs Cross.

MRS CROSS: Why was that, Chief Minister?

Mr Stanhope : I took a decision, on priorities and savings, that we would not expend, last year, the full appropriated amount for this digital divide project.

MRS CROSS: How did you come to determine that the community could get by with \$300,000 less under the digital divide allocation?

Mr Stanhope : In the same way that I make all decisions in relation to budgets. Putting together budgets and approving allocations is a business fraught with difficulty. There is never a right answer. I could raise a few more taxes, Mrs Cross. You may like to suggest which ones I might raise.

MRS CROSS: I think you have raised enough. It is all right. You have obtained a lot of mileage out of that one!

Mr Stanhope : Yes, but you still want spend, spend, spend. It is all about available resources, and the need for governments to make decisions—and, from time to time, hard decisions—about how to prioritise and where to spend money. I took a decision not to expend the full amount of digital divide moneys in the last financial year. We are providing over \$700,000 for digital divide this year—and it will be expended.

THE CHAIR: Is there an out-year implication on that? Is that \$300,000 reduction repeated in last—

Mr Tonkin: It goes in the out years, yes. You asked a question earlier, and we have given you a table. All those things are there.

THE CHAIR: Thank you very much, Chief Minister.

Appearances:

Mr J Parkinson, Auditor-General

THE CHAIR: I welcome the Auditor-General. We want to finish this before we break for lunch, so we might press straight into questions, if that is all right with you.

I understand there has been some debate between yourself and the government about the way in which the effect of superannuation accounts should be recorded—or the way the returns or losses should be recorded—in general government sector accounts.

On 26 June, there was a story in the *Canberra Times* entitled, “Bean counters spill their views on overseas investments”. I think you are a bean counter in that respect, Auditor. In that article, you were quoted as saying you felt that accounting standards did require the effect of transactions which have taken place to be reflected in the financial statements. I think that was implying that you felt superannuation transactions—or the effect of those—should be in the general government statements.

Can you outline to the committee what you feel is the best view about the way in which governments should record profits or losses from superannuation investments in government accounts?

Mr Parkinson: That is very easy. The way they should be recorded is exactly the same as other investments are recorded. The territory has investments—various types of fixed term investments, and so on. The movements on those are recorded in the year in which they occur. There is no reason that I can possibly see—and no reason allowed by the accounting standards, because some investments are earmarked for a specific purpose, such as superannuation—why they should be accounted for in a different way.

The problem is that some of the superannuation investments are volatile types of investments. The nature of those investments is that they will go up and down. It is not the fact of the accounting standards that makes the results fluctuate, it is the decision to place funds in those types of investments.

If you do not want your accounting results to move, you invest in things like fixed term investments, where you know exactly what will happen, and what the return in the accounts will be. The accounts have to show what has happened. If you invest in volatile assets, you will get volatile results.

THE CHAIR: The Treasurer was suggesting there had been dialogue with your office about that subject. I think he was telling the committee that there was some movement in view on that matter, on the part of your office.

Mr Parkinson: No, there has been no movement at all. There is a movement on the liability side which has not been raised anywhere. It is still to be settled, so I will not discuss that one here.

THE CHAIR: My question related to that matter, and it has been answered.

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MS DUNDAS: I have a few quick questions about the statements of financial performance. There has been no real increase in funding from the ACT government—it is increasing at 2 per cent through the out years. Do you think this is acceptable? Will you be able to continue your independent work if funding does not match real CPI and real increases in costs?

Mr Parkinson: This is a regular question!

MS DUNDAS: I am glad to be keeping up the standard!

Mr Parkinson: The functions of the office are, basically, financial audits and performance audits. There is no discretion on financial audits. The legislation requires us to do a financial audit of all government agencies every year.

The amount of performance auditing we do is the discretionary part of our work. Deciding the right amount of money to spend on that is a very difficult area. When we benchmark ourselves with other audit offices, we are right up near the top of the amount, proportionally, spent on performance audits by audit offices. We have no case for saying we are not spending as much in the ACT as is being spent in other jurisdictions. At this stage, I cannot see a case for us to be dramatically increasing the number. Once again, that is my judgment. If the Assembly did want me to do more, we could ramp-up our resources and do so.

MS DUNDAS: The statement of financial performance also shows a decrease of \$153,000 in user charges, from the ACT government, from the budget of 2001-02 to the estimated outcome. Can you explain where that \$153,000 went, why it was not spent and what happened to it?

Mr Parkinson: I have here the actual financial results. It is probably better to look at those than at the estimated results.

MS DUNDAS: What figure do you have for the user charges from the ACT government?

Mr Parkinson: The estimated outcome is \$2.1 million—so the reduction did not occur.

MS DUNDAS: In user charges from the ACT government?

Mr Parkinson: Yes—audit fees in our own financial statements.

MS DUNDAS: There was a budget last financial year of \$1.98 million. What are you saying the outcome for 2001-02 was?

Mr Parkinson: It was \$2.1 million.

MS DUNDAS: So it has increased, or been refined, since the budget papers were put out?

Mr Parkinson: Yes. This is the actual result as at 30 June. That was an estimated result. You will find that, throughout those papers, the end results will be different from what is in the estimated statements.

The technical thing with that number—with our financial statements—is that 30 June is right in the middle of the financial audit cycle. To prepare these numbers, we have to estimate how far we will be through each audit. For us, 30 June is a bad time to be trying to do the financial statements because everything is halfway through. If we had December's set of financial statements, it would be much more accurate.

MS DUNDAS: Considering that you had over \$2 million user charges from the ACT government in the last financial year, is the budget of only \$1.86 million a reasonable figure?

Mr Parkinson: Once again, that is the way the office is financed. We are financed by an appropriation for the performance audits. The figure you are now talking about covers our financial audits—and we charge fees to each agency for the audit. So the commensurate increase in our fees charged will be matched by an increase in our costs.

MS DUNDAS: You did not spend all your employee expenses—that was by about \$60,000. Was that through the loss of a staff member?

Mr Parkinson: Yes. Our staff numbers were down slightly on the number estimated.

MS DUNDAS: Was that because of positions not being filled?

Mr Parkinson: When people leave, it takes a period of time to replace them. I will explain again how we do our work. There is a mixture of employees—and contracted jobs. Normally, if we are down on our employee expenses, our contractors are up. If we are always fully staffed to the level we want, then our contractors will be down.

MR HARGREAVES: I now ask the question everybody has been waiting for—it is about the race. I am more interested in the process than the results. We have read your reports on both the race and the Bruce Stadium issue. As to the auditing of the processes, I am interested to know whether there were consistent management processes applied to those two issues which you would like to highlight for governments to avoid.

Mr Parkinson: The obvious consistency in those two was the quality of the cabinet submissions. That is that, in the recent V8 report, the numbers in the cabinet submission were quite exaggerated. There was little attempt to put in there how important it was that the revenue be achieved. As the report says—they had examples of the revenue going up 10 per cent per year, with no justification as to why that would happen.

There were similar things in the Bruce Stadium one, the so-called business case. That was the basis of the numbers which went into the cabinet submission. They had probably exactly the same things—inflated revenue projections and no risks with the costs. As to the motives for doing those cabinet submissions, I cannot make any conjecture here.

MR HARGREAVES: At both ends of that scale, Mr Parkinson, is there any evidence in either of the two cases that, for example, riding instructions may have been created in the development of cabinet submissions which lean that towards that?

Mr Parkinson: We looked specifically for that in the Bruce Stadium report. As the report said, there was no documentation to support anything like that. With the V8 race, although we did not look for it, we did not come across it either.

MR HARGREAVES: One of the things about the Bruce Stadium which you pointed up, if my memory serves me correctly—and it was also pointed up in other people's reports about the hospital implosion—was the paucity of information, the paucity of written paper trails. Did the same thing apply to the V8 car race?

Mr Parkinson: Yes, very much so. We made recommendations in the Bruce reports that record-keeping needs to be improved—especially instructions and communications between ministers and their bureaucrats. We made the same recommendation in the V8 report.

MR HARGREAVES: One of the difficulties I am finding here is that a cabinet of whatever colour is going to have difficulty making decisions based on poor quality advice. Is there any way in which future cabinets, which are, after all, comprised of politicians, will be able to do a quality assurance check on cabinet submissions? Not being in cabinet, presumably you would not know that. Mr Humphries might want to say something about this. I cannot see how a member of cabinet can check whether or not the cabinet submission is of such a quality. Is there any way we can introduce processes or procedures to make that happen?

Mr Parkinson: There are general recommendations in the V8 report about the design and implementation of quality assurance processes. There is one important thing missing at the moment—especially when we did these audits. That is the lack of signatures and certifications. It was impossible to follow back and say who drafted these cabinet submissions. Even the basic element to be able to implement quality assurance procedures was not there. No-one wrote at the bottom, "I certify that what is in here is correct, to the best of my knowledge"—or whatever words you want to use.

Those are the starting points. We need to start having a good records trail. One of the things we have recommended is that a compulsory part of the internal audit program each year should be to look at the processes which have been followed in cabinet submissions, to ensure they have been followed in accordance with the design processes.

MR HARGREAVES: There was a similar thing with the stadium inquiry, was there not? The trail to determine who was making recommendations and decisions along the way was difficult to follow.

Mr Parkinson: That was missing in the cabinet submission—and through the whole development.

MR HARGREAVES: So, a pretty poor job was done by whoever was at the cabinet end, in not checking that all of that information was available to them before making such an important decision in the first place?

Mr Parkinson: Yes, but there was nobody whose responsibility it was to do that.

MR HARGREAVES: Therein may lie one of the issues!

THE CHAIR: In the report on the V8 race, you said:

Typically, a cost-benefit analysis will be undertaken by the agency proposing the project. It is important, however, that such analyses are subject to independent expert review. This practice will ensure that analyses are relevant, accurate, and complete.

At what stage do you think such analyses should be conducted—before cabinet considers them; afterwards but before implementation, or during implementation? Is there a rule of thumb you could suggest for how those should occur?

Mr Parkinson: It depends on the timing situation. If something has to get up for the budget, to get some numbers in there, there might be a fairly rudimentary cost-benefit analysis done, at that stage. However, before the final decision to go ahead with it happens, there should be a proper cost-benefit analysis.

What should also happen is that, when the decision to go ahead is being put up, there should be a timetable for an ongoing type of cost-benefit analysis which compares what is happening with what was planned to happen. It should not be a case of simply doing a cost-benefit analysis and having it reviewed, signing off on something—and then it is all put away and forgotten. That should become part of the mechanism for assessing whether you are achieving what you set out to achieve.

THE CHAIR: I assume that, the larger the amount of public money being committed, the more important that is.

Mr Parkinson: That's right. It is a matter of priorities.

THE CHAIR: There is a proposal presently before government calling for the government to resume control over land development. That is the kind of proposal, which has a very large amount of public money potentially tied up in it, for which you would suggest independent expert review ought to be available when cabinet makes such a decision?

Mr Parkinson: I would expect the cost-benefit analysis to have been drawn up by the department responsible for implementing it. It would also have been independently reviewed by Treasury officials. If Treasury is working properly, it should be the independent reviewing mechanism. One of the problems with the Bruce situation was that it was also a project-delivery organisation. It would have been reviewing itself, had it done that exercise.

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

Mr Parkinson: Thank you.

MR HARGREAVES: I wish to move a motion, Mr Chairman.

THE CHAIR: I have received a letter from Bill Wood correcting the record on matters to do with the Belconnen radio mast, in relation to a question you asked. That will be received separately.

Resolved:

That, pursuant to standing order 243, the committee authorises the publication of evidence and submissions received by the committee during this hearing, together with any supplementary material arising from the public hearing.

Luncheon adjournment

Appearances—

Australian Capital Territory Council of Social Service—

Mr D Stubbs, Director

Ms K Nicholson, Policy Officer

Conservation Council of the South East Region and Canberra—

Ms K Maxwell, President

ACT Shelter Inc—

Mr D Webster, Chair

Ms A Seymour, Executive Officer

Pedal Power ACT—

Mr P McK Strang, Cycling Advocate

Mr AJ Shields, Advocacy Director

NSW/ACT Independent Education Unit—

Mr C Watt, Organiser

Toora Women Inc—

Ms J Pearce, Executive Director

Catholic Education Commission—

Mr J Barker, Head, Finance and Planning

Australian Education Union—

Mr CJ Haggart, Secretary, ACT Branch

Ms R Ballantyne, Assistant Secretary (Professional), ACT Branch

THE CHAIR: We have quite a few people to see this afternoon. We want to churn them through quickly so we can hear everyone's views. I will start with a bit of housekeeping about witnesses giving evidence.

You should understand that these hearings are legal proceedings of the Legislative Assembly, protected by parliamentary privilege. That gives you certain protections, but also certain responsibilities. It means that you are protected from certain legal actions, such as being sued for defamation for what you say at this public hearing. It also means you have a responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter.

Our plan this afternoon is to hear from a number of organisations. The first today is the ACT Council of Social Service. Welcome to Mr Stubbs and Ms Nicholson.

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What we plan to do is invite each submitting organisation to make a short statement, if they wish. That is not compulsory but, if you wish to make a short opening statement, we would suggest no more than three minutes—then we will fire questions at you. We have to limit each organisation to about 20 minutes, to get through as many questions as possible in that time. I remind you to state your name, and the capacity in which you appear when you speak, for the purposes of the Hansard recording.

Would either you, Mr Stubbs or Ms Nicholson, like to make an opening statement at the beginning of this session?

Mr Stubbs : First of all, Mr Humphries, as you know, I have a sight impairment. Could you tell me who is at your end?

THE CHAIR : Sure, I am here, Mr Hargreaves is on my left, the secretary is on my right, and Ms Gallagher is on the side of the table nearest to the door.

Mr Stubbs : I am Daniel Stubbs, Director of the ACT Council of Social Service.

Ms Nicholson : My name is Karen Nicholson. My position is Policy Officer with ACTCOSS.

Mr Stubbs : I will be making a statement, which I will keep as brief as possible. You will have received the ACTCOSS budget analysis. That goes through what is contained in the budget, and some issues that we raise.

That budget analysis has the dual purpose of advising the broader ACT community sector about things that are in the budget. It also creates an opportunity for us to raise some issues about what is either in it or not in it.

In our statement today, we may be saying things resulting from us not having caught up with everything raised in hearings with ministers in the past week or so. I apologise for that. We are happy to be corrected if things have already been cleared up with ministers in the past week.

We also recognise that this is a new government; that this is their first budget for a while, and that therefore there are things that have not been bedded down, and programs that have not been fully detailed as we might like. Despite those facts, we would still like to raise some of those issues. Also, in general, we have some issues around balance of this budget—or lack of balance, from our perspective. Some of those issues include new funding for police services in the ACT but no new funding for drug and alcohol workers—those kinds of balance issues.

There are considerable increases for nurses, with which we have no problem. However, as a corollary to that, there are not many real increases for the community services sector-type health services in the ACT. There is a significant increase in IT in the government sector but not in the community sector. Those are some of the balance issues we want to raise.

We want to raise the lack of process for funding programs in the ACT—as in some lack of clarity and transparency in this budget. We have heard about the need for over \$60 million for a remand centre in the ACT. We see a few million dollars—or about \$2.5 million—for planning and design of the remand centre. The amount of \$50 million was referred to, in a media release, in the budget, for the building of a remand centre. However, it seems we cannot find any money to build a remand centre, even in the out years in the capital works program—or anything of that nature. We would urge this committee to take up that concern.

There is still some misunderstanding around money for housing. It is identified in different ways and in different places in the budget. In some places, \$3 million is referred to as money allocated to meet the recommendations of the affordable housing task force. However, in other areas, it already has strings attached for recommendations referring to community housing coming from the affordable housing task force. That constitutes a lack of clarity for us as well.

We are interested in the processes to be used to allocate funding for indigenous housing. It is becoming evident that respite care will be responded to in the pending needs analysis work to be tendered by the Department of Health, although it was not evident at the time of the budget. Respite care was very uncertain around the time of the budget.

There are some things which have happened outside of the budget process that we felt could have been internalised into the budget process. Probably a perfect, most recent, example of that is the ACT Housing rent review last week. We imagine that will increase the revenue of ACT Housing. However, there was no mention of that in the budget, despite the fact that we think there would have been some foreknowledge of that kind of thing.

Regarding the alcohol and drugs taskforce recently announced by the Chief Minister, we do not think that has any money against it for resourcing that process—and we think it will be a fairly resource-intensive process. That has been done outside the budget context as well.

Concerns with this budget include some issues around the ACT community services sector. The sector identifies, and is extremely pleased with, the fact that we have funded the SACS award increases from last year. However, we are concerned that, in the same budget allocation process, there is a lack of increases under indexation for CPI for the community services sector. It is almost a problem of giving with one hand and taking away with the other.

Given the increases in costs for the community sector, the most notable of which has been around insurances, there has been indexation of only 1 per cent for a number of community organisations, whilst, in the past financial year, we saw a CPI increase of 2.8 per cent. There seems to be a lack of foresight there.

There is not much mention in any of the budget papers—whether concerning planning, asset management or community infrastructure—in respect of buildings for the community services sector. There is no money, there is no planning, there is no discussion about the need for community sector facilities in the ACT.

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Given these lacks, coupled with the fact that we have already had an announcement from this government with regard to reviewing purchaser/provider policy, and the fact that there is no mention of resourcing that review, we hold some concerns. We would like to see more respect paid to the compact of understanding between the two sectors.

We laud the fact that this government has been willing to increase revenue, and in several of those areas that has been done in a very progressive way, in the sense of trying not to overly burden people on lower incomes. That has meant the government has been able to provide many of the increases in services which have taken place.

We notice that there are no direct programs for people who need employment assistance in the ACT. However, there is considerable scope in the \$44 million going to Chief Minister's in the broad employment area—which includes the business assistance area—to provide assistance more directly for people living in disadvantage to get into employment. Given that we believe employment is the best way out of poverty and also the best way to avoid poverty, we think this would be an appropriate direction for the business assistance and employment money which is currently in the Chief Minister's Department.

In the past 12 months, there has been a massive analysis into homelessness in the ACT. The report came out with a number of recommendations. Twelve months ago, money was earmarked to respond to those recommendations. As far as we can tell, all that money has pretty much gone. We think the recommendations in the homelessness needs analysis report need to be acted upon fairly quickly. The fact that that money no longer exists is of great concern.

Finally, we have some trouble in reading these budget papers. This is not the first time we have made that clear to Assembly committees. We spend in the order of six or seven person-days trying to analyse these budget papers so the document you have in front of you can be provided to the sector.

These budget papers are not accessible to the sector—and they are certainly not accessible to ACT citizens—so we suggest there are ways of making these budget documents much more accessible. We also believe that, in the process—partly because of the fact that it came immediately after an election, but not completely because of that fact—there was considerable room for improvement this year. We felt that the resources available to the government were not used to fully understand the needs out there which could have been met by the budget.

That is the end of my presentation, Mr Chair. I am happy to take questions.

THE CHAIR: Thank you very much, Mr Stubbs. Since we began, Mrs Dunne is on your left and Mrs Cross is on your right. One of the issues we want to examine in this budget is how well the budget preparation process has worked.

Before the budget, you made a submission to the government. What specific issues did you see picked up in that, which you felt contributed to your having value in that process? The second part of the question is whether, in light of how much was picked up or not picked up, you feel there is some better way of being able to involve the community in the preparation of a budget.

Mr Stubbs: There were a number of issues picked up from our budget submission. One of the headline issues picked up by the Assembly committees was housing. We think that, in many ways, that was picked up by the actual budget. That was very gratifying to us.

There were other issues picked up. However, in general, we feel that there is possibly some room for efficiency in this process, given that there are potentially two parallel processes going on, with the Department of Treasury writing to community stakeholders at almost the same time as the Assembly committees are holding hearings to take submissions from the community services sector.

Although this may be seen as useful, we need to revisit this process. The whole budget process was begun under the previous government. It would be timely to hone it down to something more efficient and productive, rather than something which seems to be more of a scattergun approach.

Ms Nicholson: I would add that we were asked on budget night by somebody, “How do I tell what they did, from last year’s budget? We did this great analysis last year—how do we connect that with this?” I said, “Well there are two points of disjunction. One is that you have a change of government and two is that, because we will not have the outcomes of last year’s budget until September this year, we are trying to compare things across timeframes that are just incompatible.”

We cannot get the results of last year’s budget until September, so we are trying to make recommendations on this year’s budget. We will not know until the budget comes out—and then only if the government identifies it—what was underspent and what has been redirected.

In the past, budgets have not always been that explicit about funding which has not been spent over a year. It is really a matter of judgment as to whether that makes it into the budget explanatory notes or not. There is a gap in the information there, and trying to analyse that, particularly with a bunch of community sector workers whose normal stock-in-trade is a cash balance sheet, was very difficult.

MR HARGREAVES: Karen, do you think that is to do with the fact that there was a change of government, or is it something which is consistent, year to year?

Ms Nicholson: This is a consistency. It is in the traditional nature of the budget papers. We inherited the budget formats from the federal government—and the way they do things. It is standard across all governments, so you cannot complain that anybody is being inconsistent in that way. However, it does not contain the information the community sector wants, in order to say, “We have met this need.” We are constantly holding forums and trying to analyse what has been done so far. It is piecemeal to say what should be done next. Budget documents do not go anywhere near helping you in that task.

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MRS CROSS: I wanted to ask you a question about the digital divide. This morning, the committee was informed that funding for the digital divide had been cut back by \$300,000 from the previous Liberal government's commitment. Do you have any comment to make about that?

Mr Stubbs : I understand that is the case. We have had a few minor frustrations in that area, in the sense that it has taken a while for any consultative processes to be built up under the new government. As many of you will know, a digital divide advisory panel was recently set up—which met for the first time last month.

In recent times, we have had the opportunity for some structured community consultation on the issue, and we were a bit frustrated about the fact that money was cut out of that program. However, we have always been frustrated with the approach to the digital divide, whether it be under this government or the previous government. That is because of the very small amounts of money provided to any organisation—whether it be a community organisation, CIT or anyone else—to provide the assistance that has been identified in digital divide consultation processes.

Providing in the order of \$10,000 to a community organisation to set up an IT access centre is probably neither appropriate nor sustainable, but that was the decision taken last year. So there have been considerable frustrations. We have considerable representation on this new advisory process. We will be making the details of those frustrations known through that process, as well as this one.

MRS CROSS: Does that mean you are going to have to change your priorities, given that you have \$300,000 less to work with? What are those priorities?

Mr Stubbs : The first priority will be to advocate to have the program properly resourced. Beyond that, the range of other priorities will be around, first of all, fully understanding the need. There is already a process underway to do that. The second priority will be to identify ways for the most disadvantaged people in our community to gain access to information technology. Often the most disadvantaged people are those already using various community services, such as homelessness services. They need access to information technology in SAAP services, and that kind of thing—or it might be that we identify that the most IT-disadvantaged people are people from multicultural communities. Therefore, we would need to place services differently.

It would be about trying to make the services and training available to people where they already go—about bolstering and making sustainable those services, so people can access them on a regular basis. It is quite obvious that, if you are homeless, you cannot get access to these things. So that is the most disadvantaged group, in many instances.

We have only one place on that committee. I do not know if you had a sense that we were still in control of the process. I was made chair of the committee last year, but that is no longer the case. We are certainly not in control of that process.

MRS CROSS: You are one of how many people on the committee?

Mr Stubbs : There are about a dozen.

THE CHAIR: To return to an issue raised about paid parking, you make the comment in your report that paid parking will have a disproportionate impact on people on low incomes. Is it not true that, if you want to engineer a shift out of private transport into public transport, you have to use price mechanisms? In doing that, don't you inevitably have to target people on the lowest incomes because they are the ones most likely to make a rational decision to give up their cars in favour of buses, whilst people with lots of money are going to keep using their cars, almost unless car use is outlawed? Is there any other way to engineer that shift—other than through price pressures, which place people on low incomes at the greatest disadvantage?

Mr Stubbs: I suppose the greatest price elasticity exists for people on the lowest incomes, because they are going to make the decision most quickly. However, it is not just at that end that we should be doing it. I would emphasise that we have recognised the other revenue-raising activities this government has undertaken as being progressive. This is the one we have identified as not being progressive.

The other measure which needs to be taken is appropriate provision of public transport. There has been some movement in that direction under this government—ACTCOSS has received positive feedback about the changes to public transport. However, we need to have a public transport system which, for a long period of time, has consistently reliable services. It should have the same services so people know how many services are operating in their area on a day-to-day basis.

One of the ways of doing that is to encourage the marginal user to use it, so there is greater usage of the public transport system. We could do more in public transport but, we have recommended that, at a minimum, this change to the public transport system must be maintained. We cannot have another chop and change in a year or so, as we have seen over the past however many years. With little changes over time, people lose their confidence in the system and will therefore not use it. A number of issues arise there—and it is not just about pricing people out of one form of transport.

The other factor, which is closer to the ground, is that the parking we are seeing people pay for is not just for access to shopping and that kind of thing. People have to gain access to other services in those areas which are not as discretionary as accessing shopping centres. For some people, that may create more difficulties than just difficulties in discretionary access to shopping areas.

Ms Nicholson: The Tuggeranong College has raised the issue of student parking, and also the fact that some pay-parking in Tuggeranong is connected to the community health service. I think you will find the disability services sector will argue that going without private transport is pretty inequitable when you have, for example, frail aged people or children. For students, it is quite often a matter of having a car to be able to maintain their employment and their studies.

THE CHAIR: That is a good point—thank you for that. I am afraid we have run out of time. Thank you very much for your appearances today and for your comprehensive submission to the committee about the budget.

Ms Nicholson: Thank you very much for your time.

THE CHAIR: I invite Ms Maxwell, from the conservation council, to come forward. Welcome, Ms Maxwell, to the hearings of the committee. Because of the short period of time we have for each organisation, we are inviting organisations coming before us today to make a short opening statement. After that, we ask questions of the person, for as much as we have left of the 20-minute time frame.

We have seen your submission. I invite you to make an opening statement if you wish to.

Ms Maxwell: Yes, I wish to do that. Thank you for the opportunity to come and speak to members of the Select Committee on Estimates today. As you know, the Conservation Council has put in a written submission. I want to quickly go through what we see as the positive elements of the budget and then look at some of the negative elements.

As a positive, we are very supportive of the further funding for the Office of Sustainability of \$375,000. We are also supportive of the extra \$500,000 for the sustainable bush capital in the new millennium initiatives. However—and we have made this quite clear to the government—we do not see that as sufficient to address the nature conservation challenges in the ACT. Our best estimates are that a figure of about \$1.5 million extra per annum is required.

We are extremely pleased about the extra \$300,000 for transport planning, and very supportive of the funding to modify the kerbside recycling services. This will make it easier to recover a wider range of materials. We understand that that includes a wider range of plastics—and there are increases to landfill charges. We are also very pleased about the increased spending on the Office of the Commissioner for the Environment.

Lastly, we are very supportive of a range of initiatives contained in this budget to support modes of transport other than the private car. This includes increased base funding for ACTION, the removal of the zonal fare system, increases in car registration, introduction of pay-parking in Belconnen, Tuggeranong and, hopefully, soon in the parliamentary triangle. We are also very pleased about the funding for the Downer to Woden cycle link. We believe that will form a central part of the future network of cycle lanes to enhance commuter cycling.

As to negative aspects and the decision to separate out sustainability initiatives in this budget, we believe that is the opposite of what needs to happen. There is a need to integrate social, economic and environmental goals into all budget-funded activities. Unfortunately, there was no sustainability assessment for the rest of the budget initiatives. We call on the Estimates Committee to undertake a simple sustainability assessment of the budget and include this in its final report.

We feel the budget has also reflected a failure to provide additional funding for what are known as the brown, or urban environmental, issues managed by Environment ACT. These functions are severely under-resourced. We believe a failure to increase funding in these areas will hinder their work to improve air and water quality in the ACT.

We are also displeased at the failure to fund a wood heater rebate scheme, as we see this as a key preventative health measure. Out of a total health and community care budget of \$501 million, we believe it is a priority to allocate the \$400,000-plus for the introduction of a very cost-effective and inexpensive scheme which has proved highly successful in

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Cooma, Armidale, Lithgow, parts of metropolitan Sydney, and Launceston. In addition, there is the failure to provide \$200,000 for enhanced air quality monitoring, despite it being the highest recommendation in the last state of the environment report.

We are also very concerned about the failure to increase expenditure on maintaining cycle/pedestrian paths, despite safety being a key impediment to the ACT government's goal of increasing cycling and walking as modes of transport.

The decision to go ahead with the funding of the Gungahlin Drive extension we feel will soak up vast sums of money and make it harder for the ACT government in the future to allocate the funds needed to achieve an integrated sustainable transport system. I refer to things like increased frequency of bus services, especially during commuting times; commencing the night service after 7.30, so that people like myself, who regularly work past 6 o'clock at night, can get home; introducing more bus lanes; introducing an inter-town service from the Gungahlin town centre to both Belconnen and Civic; improving park-and-ride facilities at each town centre, constructing cycle lanes on all key commuting roads, and investing in ensuring that our cycle and pedestrian paths are well maintained.

We are also very concerned about the failure to provide a sufficient injection of funds to Environment ACT for education and public awareness activities, including television, radio and newspaper advertisements. The ACT has an excellent range of legislation—the Environment Protection Act, the Water Resources Act and the Companion Animal Act. This legislation places legal responsibilities not just on the ACT government but on all its citizens. However, the public's awareness of its responsibilities has been severely hampered by lack of funds for community education.

This inadequacy of community education is illustrated by the poor take-up by ACT residents of the subsidies available under the greenhouse strategy for the installation of water-efficient showerheads, taps, et cetera. We also feel that the government has failed to put funds aside to implement the expected measures that will flow from the review of the greenhouse strategy which is about to commence. If any initiatives come out of that, we will have to wait until July next year to get funding to go ahead. We do not believe there have been sufficient measures to stabilise greenhouse gas emissions, let alone achieve the ACT government's greenhouse target of achieving 1990 level emissions by 2008.

We are obviously very disappointed that they did not introduce an environment levy on rates, despite surveys showing strong support for environmental taxes to be expended on environmental services. As a result, we continue to have a situation where Environment ACT, which is responsible for managing over 53 per cent of the land in the ACT, has just over 1 per cent of the total budget of \$24.6 million. This is less funding than all other government functions except for the Legislative Assembly, the executive and Attorney-General's Department.

In conclusion, I ask that the estimates committee adopt sustainability as a key principle on which to judge the 2002-03 budget.

THE CHAIR: Referring to the issue you raised a moment ago, you were suggesting that there should be a more integrated approach towards sustainability. I am still not quite clear how you think that should work. The Office of Sustainability is meant to comment on and assist government agencies in developing proposals which have impact on sustainability. How would the conservation council differently structure this process, to achieve that objective?

Ms Maxwell: We think you need to set some key sustainability indicators. There has to be some benchmark on which to measure these new initiatives or proposals, as to how they will address the achievement of sustainability. You need some key indicators on economic, social and environmental sustainability.

There has to be some mechanism by which they can then compare and contrast the various initiatives—as to whether they will enhance sustainability or cause the reverse. There is a lot more work needed on those indicators and on all proposals coming in—not just the cluster under the sustainability chapter—whether they are from health, education, Treasury, or wherever. That assessment should be undertaken. If they are assessed on only one of those indicators, often there can be adverse impacts on the other key factors. Whilst they may be economically beneficial in the short term, they might have adverse social implications—and vice versa.

THE CHAIR: You mentioned that the committee should undertake a simple sustainability assessment of the budget. I do not know what my colleagues think about that, but has the conservation council undertaken such an assessment?

Ms Maxwell: We are currently working very closely with the Office of Sustainability. There has certainly been a lot of work done. We are not saying this is easy, with the whole move to a more comprehensive assessment of what we are doing and the broad framework of how you ensure your measures are sustainable in the three areas. In fact, they are now talking about not just a triple bottom line, but a quadruple bottom line, if you take governance in as well. That work really needs to be done. You need to have the indicators. We understand that the Office of Sustainability is working on it. Once we have those indicators, we will attempt to do that in the next budget.

The reality is that we are a very small community organisation. As the people from ACTCOSS outlined, we put in a great deal of work to make sense of what is in this budget, in order to compare it with last year's budget. It is not a friendly collection of documents to go through. I think we did pretty well just to work out where the funding was going in the areas that we are keenly interested in, which are transport, planning and environment. I do not think we have the expertise to start working out whether some of the health, education and other initiatives are sustainable.

I suppose it is a matter of having expertise across the various disciplines. Although we have strengths in certain areas, we do not have sufficient expertise across the entire spectrum of the issues dealt with by the ACT government to make that determination. As to the areas we are most interested in, we will certainly give it a go once we have those indicators.

THE CHAIR: The Council of Social Service has suggested that the solar hot water system rebate arrangement should be means tested. Does the conservation council have a view about that?

Ms Maxwell: We do not, as yet. It is not something we have looked at. We are very interested to know what the take-up rate is. One of the good things about the solar rebate scheme is that it has been well promoted. We acknowledge that there is a lot more awareness out there of the existence of the scheme, and the situation when it comes to a rebate. If it were being taken up rapidly and then became a situation where low income households missed out, then we should be looking at means testing. However, at this stage, we are not sure whether there is a stampede or a dribble. If there is a dribble, we certainly do not want to bring in a means test which results in us not getting a take-up.

The whole aim of the rebate scheme is to get solar hot water heaters out there, to reduce greenhouse emissions. That would certainly be our line. If it was a case of a high take-up rate and only a certain number left, you would definitely want the rebate to be available to low income households. I certainly would not want to put a means test in now, and then have such a low uptake that we do not achieve the goal of reducing emissions.

MRS DUNNE: On the subject of the solar hot water system rebate, do you see it as an optimal program, or would you see that there might be ways of refining the program to increase uptake, or perhaps to facilitate people on lower levels of income gaining access to it? Apart from the greenhouse benefits, there are economic benefits of savings on their utility bills.

Ms Maxwell: We have supported other measures with public housing—and we have been involved in discussions with Bill Wood, who is very supportive of this measure. We would like to see insulation in the walls and ceilings of all public housing—and perhaps even solar hot water heaters.

You are right. If you get those measures in place, then the ongoing costs for electricity are reduced. Electricity is a very high expense for all households, let alone low income households. We would definitely support it for public housing and, perhaps as a secondary measure, look at doing something similar for low income householders who own their own homes. As you say, anything that can be done to assist low-income households is going to have a double benefit—an environmental benefit and also an economic benefit. It is frustrating to us, because we think the government needs to move pretty quickly on this. There is evidence from other states that electricity derived from coal is going to become much more expensive, irrespective of whether or not we sign with Kyoto.

The reality is that the investment in the traditional sources of power has not been sufficient to keep up with growing demand—with air conditioners and so forth. So it is a matter of urgency that we invest in things like solar hot water heaters for low income households. That is probably one of the most constructive ways of limiting the impact of growing energy costs on those households.

MRS DUNNE: Does the conservation council have a policy of aiming to achieve 80 per cent solar hot water systems by a certain time? Is that within your policy?

Ms Maxwell: No, we do not—we tend to have a more general target.

MRS DUNNE: I read that somewhere, but it must be some other organisation.

Ms Maxwell: We have been trying to get the renewables as a cluster—that was in our questionnaire at the last election. We have been told by the renewables industry that it is going to take some time to beef-up the amount of electricity provided by renewables. However, they saw it as quite feasible that, by about 2008, about 25 per cent of electricity consumed by the government could be sourced from renewables.

The difficulty is that, unless the government bites the bullet and starts making commitments, you are not going to get commensurate investment in the renewables. It is like anything else. The private sector will be motivated where there is a market. What companies like Pacific Hydro and others have shown—certainly through all the green choice schemes—is that if there is a market there, they will supply.

What we are saying is: we are going to increase it, from the 2 to 3 per cent level that we are at now, to something that will have a bigger impact. As you know, electricity is responsible for about half of our emissions. They need some future assurance that there will be a reliable market there.

We see it as working with the industry and considering the timeframes which enable that to be supplied. We have been told that if, tomorrow, the government said, “We are going to purchase 20 per cent of our electricity from renewables”, we could not obtain that amount of electricity from renewable sources. So it is about future investment. As you can see, there are several companies getting into this game—they know it is the future. It is about saying, “If we really want to progress, let us tell the industry that we are going to purchase this amount.”

There is another thing we have been encouraging this government to look at. At the moment, people on green choice are paying a premium. If you were an economically rational person, you would not go on that scheme. I am on the scheme, and I am subsidising everybody else who is not on it!

To encourage renewables, it would be far better if a small component of everybody’s electricity came from renewable sources. When the coal plants were built, we all paid for them in our electricity bills. The same sort of investment needs to occur with renewables, but we are not prepared to do it.

Through our taxes and electricity bills, we paid for those big power plants to be built. We need a similar investment in the renewables. It costs money to set up the windmills, solar farms—thermal and hydro—and all the rest of it.

We would see it as being far more equitable—and we would be far more likely to get the message home to people—if, as part of the shift, that could be made a small component. Perhaps the component could be increased gradually. If people still want the premium of 100 per cent, that could be made available. It worries me that we have set it as a premium and made it very costly. It is expensive because of the low economies of scale. If we could get the economies of scale up, the price would come down. The

industry has said quite clearly that, when they construct bigger plants, the unit costs come down.

MRS DUNNE: That is probably a fruitful area of investigation for the Standing Committee on Planning and Environment!

THE CHAIR: The Council of Social Service has asked for a review of the rates, taxes and charges regime of the ACT. I assume you support that.

Ms Maxwell: Absolutely. We will be putting in a submission on that. Given that the revenue base is very narrow, we know it is very difficult for the ACT government. We know much of it depends on federal government decisions, and all sorts of things.

Even within our narrow tax base, it is always worth while to look at whether there are any more equitable ways of doing it—or, if we did have to increase revenue, the fairest ways of doing it. For us, one of the things that was quite good in this budget was that we put in a whole cluster of revenue measures. There were two aims in that. One was to raise more money for the government. Every time we ask for anything, we are told that there is no money.

The second one was about the changing behaviour, or cost arrangements—like you were mentioning with ACTCOSS. We saw those aims as a double benefit. Not only was more revenue raised for the government to hopefully fund some of the measures we are all after, you were also helping to change behaviour to be more sustainable or ecologically friendly.

MR HARGREAVES: One which comes to mind would be transport issues.

Ms Maxwell: Yes, the cluster of registration and car parking. We agree with ACTCOSS. One of the things we will be putting into the transport plan is the next stage of moving to a more integrated transport system. We agree that you need carrots as well as sticks. There is no point in making it prohibitive to use your car if there is not a reasonable, feasible, alternative.

We obviously see the two happening in tandem as important. Otherwise, you will end up with a situation like Sydney—where you wait until it gets to crisis point, then drastically implement bus lanes, and it is chaotic. I think we need to move in a graduated way—so we support the change in behaviour but do not penalise people by leaving them out in the cold—so the whole lot is working together. Thank you.

THE CHAIR: Thank you for your appearance here today, and thank you for the submission you have made to the committee.

Good afternoon representatives of ACT Shelter, and welcome. The process we are using this afternoon, given the limited time we have for each organisation, is to invite each organisation appearing to make a short statement—we would suggest no more than about three minutes—on what they see as the main issues. Then we will fire questions at you for the balance of the 20 minutes. Could I invite either Ms Seymour or Mr Webster to make a statement to the committee?

Mr Webster: Thank you, Gary. You have just received our written submission. We are grateful for that to be asked for and received—and we appreciate the opportunity to supplement the submission here today. As we have said in our written submission, we are appreciative of a number of budget initiatives that have been taken this year in the field of housing.

To focus on one particular point of concern, we are concerned at the continued unwillingness of governments across Australia—across party lines and across federal and state levels—to recognise that the main problem for housing at the moment is on the supply side; that there are no budget policies adequate to produce what is urgently required, which is an appreciable increase in the amount of rental housing accessible by people on low incomes. I refer not to people on the very lowest incomes of all, but to people in the bottom two-fifths of the socio-economic scale of the community.

There are vast numbers of people in housing crisis because of the housing shortage. They are in what is known as housing stress, because they are required to expend more than 30 per cent of their income on housing. That is because the kind of housing such people require—and I emphasise it now extends to the bottom 40 per cent of the community, not just 20 per cent—is not being built by private enterprise. It will not be built by private enterprise, because it cannot be built profitably by private enterprise.

The profit in house-building is in building houses towards the luxury end of the market. Governments continue to think that, by such measures as rent assistance, they can make it possible for medium-income people to gain access to housing, and that is just not so. It has been shown that it is not so.

Although rent assistance helps some people, the people it helps most are landlords. It is a kind of subsidy to landlords. It does not reduce the net addition to low rental housing stock that is urgently required. We wish to continue to press that point.

Governments recognise that they need to build and maintain public schools and public hospitals. The need for governments to maintain and build public housing is of the same kind—and these days I would say to a more urgent degree. Unless governments do something about it—much as they may hate it—it will not be done. That is the main thing I wanted to say to the committee.

Ms Seymour: Perhaps I could add a few points specific to the budget outcomes. The budget papers show \$11 million extra to the housing portfolio as a capital injection. However, looking more closely at the budget papers, we have assessed this as being \$7 million, because \$3 million is being reallocated from ACT Housing to the affordable housing taskforce. We have to be careful on that.

There are a couple of other points I wanted to bring to the committee's attention. Following the demolition of public housing in Burnie, Lachlan and MacPherson Courts, there has been increasing unease in the minds of public housing tenants about what is going to happen to them—particularly those living in multi-unit sites.

Basically, we want the government to release its multi-unit strategic plan. There should be open consultation with the tenants. Ask them what they think about that plan, and what ideas they have for doing something about their homes—because they are their homes.

An announcement was made as to \$1.4 million over four years for indigenous housing. A trilateral indigenous housing agreement is about to be signed between ATSIC, ACT government and the federal government. However, we are not sure whether that \$1.4 million is going to be matched by the other parties. We have not yet had an answer on that.

As to the expansion of community housing, our main point is that currently ACT Shelter are participating in a process of community consultation on the future direction of community housing. Those discussions are ongoing. However, we are not clear about how that money is going to be spent—whether it is to assist those consultations and the outcomes of that process, or whether it is to go directly towards expanding community housing options.

It is the same with the \$3 million. Again, it is not clear in the budget papers as to whether that is going directly to the supply of community housing or, as it says in one of the budget papers, the money is for innovative outcomes of the affordable housing taskforce.

We thought that was a bit pre-emptive. Those options are not due to be put to the minister until October. It is pre-empting that \$3 million will go towards the expansion of community housing. If that is the case then, before that, we need to be sure that the outcomes of the future directions consultation have been released and are clear. Issues such as equitable access to community housing and appeal rights have not yet been sorted out.

In our submission, we also ask for a centralised information service for housing issues of all sorts in the ACT. There is nothing in the budget papers stating that that will be funded.

The final thing we picked up on was that the rental bond scheme is to be re-established. We are glad about that. That is not in the budget papers, but it was stated in the briefing we were given by housing policy. We are assuming there is no extra appropriation for that, and that is cause for concern. We are asking where the money is going to come from for that. It is a loan scheme but, obviously, you need the money to put into it before you start lending money to people. It needs to be gazetted first.

THE CHAIR: Thank you for those opening remarks. You mentioned the affordable housing taskforce work, which takes off \$3 million. I assume you people are involved in that task force.

Ms Seymour: Yes, we are a member of that task force.

THE CHAIR: I do not want to pre-empt the outcome of that, but do you believe that this is an appropriate way of being able to address the outstanding issues in the affordable housing area? Would you like to see some different process used in the expenditure of that \$3 million?

Ms Seymour: In our submission, we call for money to assist the task force in its work. That is obviously not going to cost \$3 million. As I said, it is not clear as yet whether that money is simply for community housing outcomes or for a whole range of outcomes—and whether there will be extra money when the whole range of outcomes comes out.

Many members of the community are calling for an expansion of community housing. As ACT Shelter members have emphasised to me as the executive officer, until we have an assurance about the other issues—equity of access and clarification about who is entitled to community housing—the appeal rights for those people are unclear. As you know, ACT Housing tenants are able to appeal to the Administrative Appeals Tribunal. Community housing tenants do not have that same right. There are several issues such as those, which need clarification before we go ahead and expand community housing.

THE CHAIR: On the same page of your submission, you also make a comment about the demolition of Burnie, Lachlan and MacPherson Courts. You say that there is increasing uncertainty and unease being experienced by tenants regarding the security of their homes. I assume you do not mean in those three places, because the work has already been done.

Ms Seymour: No—they have been demolished.

THE CHAIR: How has this manifested itself? Do people come to you with their concerns?

Ms Seymour: Yes.

THE CHAIR: What—because of the demolition, or proposed demolition, of those buildings?

Ms Seymour: Yes. They are not sure whether their block is the next one to be pulled down. The government has given assurances—and the former government did rehouse all those people. Many people have been in their homes for years, and have friends in the communities in which they live. A lot of them would like to stay in the same communities—in their specific area. There is unease and uncertainty about what is going to happen to them.

We feel it would be better for ACT Housing to say, “This is our strategy. This is what we need to do in order to maintain a rollover of stock. What do you think? What are your concerns? Do you agree with how we are planning it? Have you got any better suggestions?” In that way they hear those concerns directly.

THE CHAIR: You went on to say that ACT Housing has not publicised its multi-unit strategic plan. Are you saying there is a plan which has not been publicised, or that there is not a plan, as far as you are aware?

Ms Seymour: You would know better than I, David. It has been presented to the Housing Advisory Committee, hasn't it?

Mr Webster: Yes. I believe it is in the pipeline.

THE CHAIR: You are hopeful of having a plan that is publicised in due course. Presumably, if that recommends an ongoing program for replacing those large blocks or estates over time, then you will be comfortable with the idea of some forewarning to the tenants there about the way that might occur?

Ms Seymour: Yes, but not only forewarnings—asking for their opinions, saying, “This is what we think we need to do. How do you feel? Can you think of a better way of doing it, or a different way of doing it, if you do not agree with our plan?”

This is what has happened with Burnie Court and MacPherson Court. In the past, it has been, “This is what we have decided is best. Let’s go ahead and do it.” We wanted to see that come back a bit. David Webster, our chair, is on the Housing Advisory Committee. The report has been discussed, but it has not been discussed with the tenants. Many of the papers which go to that committee are confidential.

Mr Webster: Very little has gone to the minister yet, because it is all in the course of being examined. The advisory committee is framing its advice. That is where things stand at the moment.

THE CHAIR: Prior to the budget, did you make a submission to one of the Assembly committees about the budget?

Ms Seymour: Yes, we did.

THE CHAIR: Did you feel that what you submitted and what was discussed then was fed into the budget, in a way? Were any initiatives, suggested by you, taken up in the budget?

Ms Seymour: Yes. Our main concern was that we wanted to see a capital injection to offset the reductions which have occurred over the past four years. The \$7 million that has come in will go a long way to assist there.

Some of the smaller ones such as an information service were not taken up. There was also a request for a youth refuge to service the Belconnen-Gungahlin area. That was not done, although they did put in an appropriation for an outreach there, to assist those young people.

THE CHAIR: Are there any other questions of ACT Shelter?

I was going to ask you about the indigenous youth accommodation service in the Tuggeranong region. You say there is no mention of it in the initiatives in Budget Paper 3. However, it is listed in the housing policy and planning briefing paper. Was that part of your submission to the committee prior to the budget?

Ms Seymour: No, that was a submission to the previous government, if I remember rightly. I think that is a carry-over of moneys previously put aside. I have not had a chance to find out the detail. I think it was \$90,000.

THE CHAIR: Is that the service in Macquarie?

Ms Seymour: Yes. I think it is the same money, as it was not listed separately. I think that is what that money was for. Yes, we did put in for that in the previous year's budget submission. It happened because there was money for the Macquarie Hostel.

THE CHAIR: A bit of rebadging goes on in the budget. It would not be the first time it has happened.

MR HARGREAVES: Or acknowledging good initiatives.

THE CHAIR: I am not sure it is quite that! Thank you very much for your submission, which comprehensively covers issues in the area of housing.

Ms Seymour: Thank you for your time.

THE CHAIR: I would like to call Pedal Power to speak to us. Welcome to representatives of Pedal Power. Thank you for being here today. We have seen your submission to the committee and we thank you for that.

The process we are using today is that we are inviting representatives of organisations to make a short statement to us, to start with—we suggest about three minutes—on what they see as the main issues to bring before the committee. We will use the remainder of the 20 minutes allocated to fire questions at you about your submission, or about the area in general.

In that light, can I invite Mr Strang, Mr Shields, or both of you, to make an opening statement?

Mr Strang: Thank you for the opportunity to appear before you today. Pedal Power is the peak recreational and commuter cycling body in the ACT region. We represent some 1,500 members. In my statement, I will refer to our written submission, concentrating on the recommendations and questions.

On page 2 of our submission, we talk about the value of and potential for cycling in the ACT. I will reiterate some of the points. There are a number of reasons why cycling should be encouraged and adequately funded by the ACT government. Cycling offers significant health, transport, economic and environmental benefits.

Some of the significant health benefits cycling offers are that regular cycling reduces the risk of heart disease, obesity and diabetes. Reduced car use means cleaner air and less respiratory illnesses. Reduced car use also means fewer road accident casualties. Cycling reduces peak period traffic congestion and is a cheap transport option.

Canberra's network of cycle paths has the potential to be marketed as a significant tourist attraction. Cycling can contribute to the ACT government's greenhouse strategy. Cycling reduces our dependence on fossil fuels and does not cause noise pollution.

There is significant potential to reap the benefits of cycling, because an estimated 25 to 30 per cent of car trips in Canberra are of less than five kilometres. Given these facts, we believe cycling contributes significantly to making the ACT a safer, healthier and more liveable region.

On page 3, we comment on proposed budget expenditure. We view the ACT budget as a significant step towards getting more people cycling more often—which is our objective—and also gaining the benefits that cycling offers.

The government's budget commitment to on-road cycling, such as the Downer-Woden link, is welcomed as a step towards a more sustainable transport system. You have heard from Kathryn Maxwell, of the conservation council, about a number of other initiatives that we also applaud. However, we believe there is potential to do more.

I turn now to our recommendations and questions. Firstly, on-road cycling lanes reduce the risk of accidents. They also reduce travel times for motorists and cyclists who wish to ride on the roads. Cycle lanes preserve road shoulders and reduce road maintenance costs. It is most cost-effective to install cycling lanes when other road works are carried out, rather than later. We therefore recommend that the ACT government adopt the policy we outline. I will not go through that—I think the three points are quite clear.

The third point states that, if it is not feasible to put in on-road cycle lanes, cycle groups should at least be consulted, so we may be able to come up with alternative strategies. We meet regularly with ACT Roads to look at solutions to some of these engineering problems.

Shared paths, and the maintenance thereof, are very important. They are a prime attraction for visitors to Canberra. They are used by the large number of Canberrans who ride regularly. They are also used by pedestrians, rollerbladers and people in motorised wheelchairs, so they are not exclusively for cyclists.

Unfortunately, many of these paths are deteriorating, due to tree root intrusions and potholes. For this reason, we are concerned that the expenditure on shared path rehabilitation has fallen from just over \$300,000 last financial year to just under \$200,000 in the current budget. We would like to know the minimum level of expenditure needed to arrest the decline in standards of shared paths.

The last point of our submission concerns the Way to Go program. We strongly support the implementation of the Way to Go program. A trial carried out by PALM has recently been completed in Woden.

Way to Go is based on the TravelSmart program in Western Australia. This program consists of approaching households and offering to inform them about sustainable transport options, such as convenient bus routes, bus times and cycle routes. In South Perth, where the program was first started, about 45 per cent of households wanted to know more about alternative transport options. Another 15 per cent were already using some kind of sustainable transport mode. The balance, unfortunately, were not interested.

Many people would like to know more about using sustainable transport. However, unless information is readily available to them, they are not likely to take the matter further. In South Perth, where the TravelSmart program was carried out, it resulted in a 14 per cent drop in car kilometres travelled, a 21 per cent increase in public transport usage and a 90 per cent increase in cycling trips.

We understand that the Way to Go program has been successful and has produced some positive changes—however, the report is not available. We are interested in when the results of the trial will be made public. More importantly, there does not appear to be any funding in the current budget for the expansion of this program. We would like to know whether any funding will be allocated to the program this financial year.

In summary, cycling has benefits for the ACT as a whole. It means reduced traffic congestion, lower transport costs, cleaner air and better health outcomes. There is still plenty of potential to achieve these benefits since, as I mentioned before, some 25 to 30 per cent of car trips in Canberra are of less than five kilometres. Thank you.

THE CHAIR: I would like to go, in turn, through the three areas to which you have referred. In respect of the on-road cycling lanes which you are suggesting should be built into the planning for new major roads, presumably at places like Gungahlin there is the greatest opportunity for that to happen.

Is it your impression that new roads in Gungahlin are tending to incorporate these sorts of features? Have we made a quantum leap in our approach in recent years, or is there still some way to go before cycle paths are fully built into the process of planning new roads?

Mr Strang: It is the policy of ACT Roads to incorporate on-road lanes in upgrades, in the cases we have mentioned. However, I guess there are times when things that should happen do not happen. So we are suggesting that it become government policy, rather than a more or less informal departmental policy. We are reasonably happy with the way things are going at the moment, but we feel more formal government support is needed, to ensure that the department does the right thing. Indeed, with the Gungahlin Drive extension, the plan is to have an on-road cycle lane in each direction.

THE CHAIR: At the moment, are you advised when they make a decision not to build an on-road cycle path?

Mr Strang: Generally, yes, but there have been occasions where—there was one last year, in Morshead Drive—the road was to be upgraded and the plan did not incorporate on-road cycling. After some discussion with the department, the plans were changed. As you will appreciate, that is a more expensive option, in drafting of the plans and designing of the road. If it means double work, then it is something we want to avoid. If it happens right from the start, then that is a much better outcome. Our relationship with ACT Roads is certainly quite good—they have improved their performance.

MS GALLAGHER: Regarding the on-road cycling lanes, in your recommendations Nos 1 and 2, are you saying that is not happening?

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Mr Strang: No, I am not saying it is not happening. I said that there was an occasion last year where it did not happen until we raised the matter. We are suggesting that, rather than being a departmental policy, it be a more formal government policy.

MS GALLAGHER: Earlier in the week, we had someone here from ACT Roads who was saying that the situation in recommendations 1 and 2 do occur.

Mr Strang: Well, it is now.

MS GALLAGHER: My question following on from that is about the third recommendation coming from Pedal Power—that Roads ACT are not required to comply with directives 1 or 2 where it is not reasonable.

Mr Strang: We are saying that there may be some places where it is not feasible—we recognise that. We are not trying to be unrealistic and demand the impossible. We are saying that, where they do not think it is practicable, safe or feasible, then at least we should be consulted. Then, if we can see a reasonable option, we can put that forward.

MS GALLAGHER: Thank you.

THE CHAIR: The second issue you mentioned is the reduction in funding for shared path maintenance. Have you received any explanation as to why that cut has been made? Do you see it as an ongoing cut, or as a cost-saving measure this year?

Mr Strang: I have not received any formal notice. However, the informal assessment is that it is due to funding this year. Obviously, that is funding that has gone into the Downer-Woden link and other on-road cycling. That is significant. Our general view is that the budget is positive. However, this is one gap which may mean that, although there is a short-term saving, there may be a long-term cost. There are many people who use these paths.

THE CHAIR: Are our shared paths in a good state at present?

Mr Strang: We have had informal advice from people in the department that they are not in a good state—no.

THE CHAIR: The third item you mentioned was the Way to Go program, and you talk about the TravelSmart Program in Western Australia. When was that begun—and how old is it now?

Mr Shields: TravelSmart was first instigated in South Perth in 1997. They trialled it with a small group of households—about 400 or 500 households. They have now expanded it out to 15,000 households.

THE CHAIR: You mentioned the initial results—a 14 per cent drop in car kilometres travelled, a 20 per cent increase in public transport use and a 19 per cent increase in cycling trips. I assume those results have not been sustained as the program has gone on.

Mr Shields: The information from their website shows that the results have been sustained one and two years later. This survey was done in 1997. It is now four years later, and we could not get any further information. However, two years later, which is a fair amount of time, it was still going on.

Mr Strang: With anything like that, because it is a matter of informing people, you probably need to keep doing it, to some extent. Bus routes and times change, there are new cycle routes, and people change locations—so is not a static process.

MRS CROSS: I wanted to ask either of you gentlemen about bike racks. Did you have a chance to take up the issue of bike racks on buses during the pre-budget period? If so, what was the outcome?

Mr Shields: No. Unfortunately we have not. Like a few of the other volunteer organisations, we have limited time. I understand that, earlier this year in parliament, there was talk about it and that Simon Corbell said he was going to investigate it. Unfortunately, we have not had a chance to catch up with Simon and hear what is going on there. He has not said anything publicly.

Mr Strang: We do not see it so much as a financial issue. There are some financial implications, but the biggest constraint is the safety issue.

MRS CROSS: The 50-kilometre limit is something we could discuss.

Mr Strang: We could, but we do not see that as a budget issue. We have not brought that up because it is not really a financial issue.

MRS CROSS: It is. If there is no money put aside in the budget for implementing the 50-kilometre zone for Canberra, that is a budgetary matter. Do you think that is a concern? Is it of concern to you?

Mr Strang: Once again, I do not think that is the reason why it has not been implemented. In some ways, it is cheaper to have a default 50-kilometre limit because you do not need to put signs up everywhere saying whether it is a 50 or 60-kilometre zone. We might see a lot less signs, which would be a good thing.

MRS CROSS: I take it you advocate 50 kilometres per hour?

Mr Strang: Yes, strongly. We have been working on that, and a number of other issues.

THE CHAIR: What do you estimate to be the cost of implementing a Way to Go program across the rest of the ACT?

Mr Strang: We contributed to the conservation council's budget submission. We asked for the sum of \$300,000 for this financial year for that program. I do not think that was to cover the whole of the ACT, but it would cover a fair chunk. I do not have any figures to hand.

THE CHAIR: You say it would tend to pay for itself in other advantages like reducing car travel and greenhouse gas emissions.

Mr Strang: Yes.

THE CHAIR: Are there any other questions of Pedal Power?

MR HARGREAVES: I take the opportunity to congratulate Pedal Power on the lobbying, and the quality of their submissions, which resulted in the Downer to Woden cycle link. I believe it was the pressure placed on both parties in the election campaign that resulted in its gaining such wide acceptance. I thought it was great—let the record show that.

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

Mr Strang: Thank you.

Short adjournment

THE CHAIR: I welcome the representative of the New South Wales/ACT Independent Education Union to the proceedings today. Thank you for coming. I will explain the process we are going to use this afternoon, as for other community organisations making submissions.

We have allocated 20 minutes to each organisation. We are inviting each of them to make a submission—a short, maybe three-minute, opening statement—if they wish to. We will then ask questions of you about the way in which those issues are teased-out in your comments. In light of that, I am happy to invite you to make an opening statement if you wish to do so.

Mr Watt: Thank you very much, Gary. I will be very brief in my introductory comments.

The New South Wales/ACT Independent Education Union covers staff working in non-government schools, obviously in the ACT but also in New South Wales. That covers the broad range of the non-government schooling sector.

Unfortunately, the union is sometimes portrayed in the media as being solely for the elite private schools, but it is the Catholic congregation—the Catholic systemic schools. That includes private early childcare centres, areas such as the English colleges, ANUTECH, Life Education—and counsellors employed in schools and Centacare. We have quite a broad coverage area. So our interests are clearly across the broad range of the non-government schooling sector.

One of the things we are proud of in the sector is that it represents part of what I believe is the very rich history and tapestry of Australian society, as to where the schooling sector has come from, especially in the religious background of the education of Australians since settlement. That includes the Irish Catholicism background, the Protestant, the Greek Orthodoxy, the Lutheran and, more recently, the Jewish and Islam schooling traditions.

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What we believe is important in this debate is to keep separate issues about what might be referred to as the state-aid debate. Our view is that that debate died 20 years ago—it is just that some people have not been brave enough to bury it. That having been said, we are concerned that there is a range of things that are not being adequately dealt with in the non-government sector.

In the ACT, we are concerned that the relative funding being provided is not sufficient. We do not believe the current budget addresses those issues. That goes into the funding of the dominant part of the non-government sector, namely the Catholic systemic schools.

There are some real issues there that will manifest themselves in the longer term when it comes to its capacity to continue to pay equitable salary rates. However, in the short term, there will be significant implications in the early years as to class sizes able to be provided.

Whilst there is a budget initiative to provide for smaller class sizes in the government school sector, those corresponding moneys are nowhere near available on an equivalent pro rata basis, you might say, in the non-government sector. Where moneys have been provided, it is only in the Catholic system and not in what we would consider reasonable proportion.

We know that, compared to those smaller classes in the government sector, the younger years in the Catholic systemic schools are currently averaging 28 students. There is very little capacity for improvement there. We think it would be a socially inequitable situation if, within the next couple of years, government schools were able to provide classes with numbers in the low 20s with very little, if anything, being able to be done in the Catholic systemic schools.

We have a range of concerns about funding provided for students with disabilities and special needs, and also with the way some of the budget calculations are provided. The budget acknowledges that there are increased costs in the schooling sector and provides the CPI adjustments. It goes on to provide for additional salary supplementation in the government school sector, and is not married across into the non-government sector. What it shows is that there is a recognition of costs beyond CPI.

A line item is created outside the recurrent government expenditure which means that, in the longer term, the relative value being put into non-government schools—and in particular the Catholic system, which has equivalent salary rates—they are going to be worse off. This is because you are taking line items—or dollars—out of what should be in recurrent expenditure. When you increase recurrent expenditure rates through CPI or whatever, a fundamental item is going to be missing. There will be a relatively worse outcome manifested, and exaggerated over time.

So we have some pretty serious issues about where this budget lands us. We have concerns that there are elements in it which seem to foreshadow what might be some findings coming out of the inquiry into ACT funding for education. It concerns us that there may be some outcomes already understood, well before there is any decision of that inquiry. Thank you.

THE CHAIR: Thank you very much for that opening statement. In the ACT, how many members does your union cover?

Mr Watt: Our submission was a joint one between the IEU and the ISSA. There are two unions covering the non-government sector. Jointly, we currently have 1,100 members.

THE CHAIR: You have made a case in here for more equity in the funding of non-government schools vis-à-vis government schools. You are suggesting a funding target of 25 per cent of the cost of a place in a government school going to non-government schools.

There has already been much debate about this in the course of the hearings, and we have put some of these issues to the Minister for Education. I would like your reaction to some of the things he had to say. You mention, for example, the matching of specific allocations going on in government schools, such as funding for students with disabilities, teacher salary increases, and funding for smaller class sizes.

The minister's response to that was that the government does not dictate the nature of spending in non-government schools and that, therefore, non-government schools should determine for themselves whether, and to what extent, they fund the matching of those initiatives. He argues that it is not the responsibility of the government system to pay for the matching of those initiatives. What is your response to that?

Mr Watt: I think the union's view would be that that does not genuinely address the issues. By that I mean that, when an initiative is made, there are more dollars. It does not mean that dollars are being taken out of the general recurrent expenditure, or ongoing expenditure, in capital or other areas.

These are new initiatives. For example, class sizes is an issue which will, in our view, have an ongoing recurrent element. I could not see, in 2004, 2005 or 2006—whatever the government at the time—easily removing the provision of smaller class sizes in the early years. It would seem to us that, basically, once they are put in place, they are there for good, unless there is some other major restructuring. It is not purely a one-off budget item, it is genuine recurrent expenditure.

I believe we need to be very careful about delineating, and suggesting that some initiatives are one-off items, when some of them are clearly recurrent. If they are such, they should be described as such, and there should be a proportionate amount provided—otherwise the non-government sector is unable to provide for those initiatives, unless it cuts other existing programs.

There might be greater capacity for funding in some schools in the non-government sector. The union does not deny that there are some schools whose resources, beyond what is provided through government funding, are quite substantial. We are aware of which schools those might be. We are aware of the capacity of their clientele to provide funding—either through higher fees and/or building funds or major fundraising activities. However, by and large, they do not represent the non-government school sector. The fact that the remainder of the non-government school sector tries to provide for those initiatives from their general funding, without supplementary increases, can only mean that they are going to have to cut programs. They have already committed

substantial amounts of those moneys—given that the wages bill is the primary expenditure in the sector.

That is what gobbles up most of the dollars, as far as the employers are concerned, whether it is the Catholic system or a small independent school such as the Christian school in town. They have already come to agreement with this union, and with the ISSA, for percentage salary increases over the next couple of years which mirror the types of increases in the base rates applying in the ACT government sector.

If we do not provide additional funding, the only option for those systems—given that they have agreed wage rate increases—is to look at cutting something else. We do not believe the education needs and priorities in non-government schools are at the excessive end—and we are not asking for provision of some wonderful packages that are not available in the government sector. Far be it! If anything, many of the non-government school sector struggles to provide the sorts of resources already available in government schools. Therefore, I do not believe the response is adequate, and I do not believe it represents fairly the outcomes and current reality of funding arrangements.

THE CHAIR: We also put to the minister that, of the \$20 million in new initiatives announced already, \$19 million is going to government schools, and only \$1 million to Catholic systemic schools. The minister's response was that the Connors inquiry into education funding was still proceeding and that there is approximately \$7.4 million in reserve to implement outcomes from that inquiry. He also said there is a potential, with issues arising out of that process, to address the issue of inequity in that initial \$20 million. What is your view about that?

Mr Watt: There are two aspects. There is quite clearly this \$20 million plus the \$7.4 million, which relates largely to what we have termed in this territory as the free school bus money.

One might take a cynical view and ask, if the current proportion being given to non-government schools on the basis of the moneys already expended is about 5 per cent, how much might they reasonably expect out of the remaining \$7.4 million? Therefore, one might not be overly confident about how the remaining moneys would be spent.

Leaving aside what the inquiry might find—the inquiry might find a range of substantive things about the way recurrent funding is calculated—our view is that the way the budget is currently arranged, as a base, is inequitable.

Irrespective of what the inquiry might find, we believe it is an inappropriate proposition to take things out of recurrent expenditure and describe them as something else. The current \$20 million total which has already been assigned was, as you would no doubt appreciate, a political hot potato during the last election.

The IEU made no secret about where it believed that money should have been spent. We supported the expenditure of those dollars, how ever they were calculated, on our members inside the school gate, and on the students our members work with, rather than on the buses. We took a line on that—as members of the Assembly may be aware. We did so in consultation with a range of other groups.

We were of the understanding that the moneys which would become available if the free bus scheme was changed, or if the government changed—which has been the case—would be shared on a reasonable, equitable basis.

I do not believe that today we have seen a reasonable, equitable sharing of those dollars. One could suggest, from some of the figures touted before the election, that the majority of those dollars may well have finished up in the non-government school community sector. Non-government schools, outside their normal zones, have greater access to those buses for their portage to schools. There were a number of figures produced in the media suggesting that the moneys were going primarily to non-government school parents.

We have seen a complete reversal of those dollars. I do not believe it has been equitable—the proportion is certainly not equitable to date. I am not confident in saying simply that the inquiry may find something that could be implemented. We are looking at current circumstances, and the way the budget is currently being drafted and presented.

THE CHAIR: The final thing the minister put to us was that the Commonwealth has the chief responsibility for funding non-government schools and that, therefore, if there is a need for extra funding for non-government schools, that extra funding should come from the Commonwealth. Indeed, he said it is fair for the ACT government to withdraw, to some degree, from funding of non-government schools because of the extra funding the Commonwealth is putting in for non-government schools. Do you agree with that?

MR HARGREAVES: I do not remember that.

THE CHAIR: That is what he said.

Mr Watt: Not knowing what the minister may or may not have said by whomever that proposition was put the union and most governments in Australia have recognised that there is a dual state/territory and Commonwealth role when it comes to funding. We have seen in other areas, including Health, people suggesting cost shifting from time to time.

As recently as a couple of years ago, when the new SES index was put into place by the Commonwealth government, we saw a move by the New South Wales government to take moneys out of the non-government sector and target the elite private schools—the category 1, 2 and 3 schools—as a bit of a quid pro quo.

I do not believe that is a fair or reasonable approach. I do not believe that approach is based on any sound examination of the needs. Fundamental to our submission—both on the budget and in our submission to the inquiry into funding—is that we support funding of both government and non-government schools on the basis of need. That should underpin everything. I do not believe that a proposal to withdraw from one level, because the primary responsibility lies somewhere else, enhances the debate. It does not move us forward. Neither does it acknowledge that, historically, there has been—for about three decades now—a contribution by both the Commonwealth government and state and territory governments to school funding.

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I am not attributing it to anybody, but if such a proposition is put, I do not think it develops the debate—it simply produces emotional arguments which hark us back to unhelpful state-aid debates.

MS GALLAGHER: Before you go on, I think the comment made by the minister was rather the difference between what the Commonwealth provides as funds for non-government schools and what they contribute to government schools. That was the point he was making. I do not think he was saying that that means the government should withdraw funding from the non-government schools.

THE CHAIR: When he made that comment, I put it to him that was he saying that, as the Commonwealth was increasing funding to non-government schools, it was fair for the ACT to proportionately decrease funding for non-government schools. We had a debate about that. It seemed to me that that is what he was saying.

MS GALLAGHER: I can check the *Hansard*.

MR HARGREAVES: Yes. I would like to see the *Hansard* on that.

MRS DUNNE: Mr Watt, in your dealings with your 1,100 constituent members in the ACT, what do you think are the most pressing issues for teachers in non-government schools?

Mr Watt: They probably fall into a couple of categories. I guess most often cited are issues around teacher morale and teacher retention. This often goes back to the base point of saying, “Well, it is mainly about salary.” To a large extent, that is correct.

Over the years, there have been various attempts to examine ways in which issues about retaining and attracting quality teachers are dealt with. That certainly plays on teachers’ minds. Whenever you talk to them about what they are concerned about in their profession, they repeatedly reflect that point.

They are concerned about their standing in the community. They believe that salary is an indicator of the respect they command within the community. The other issues are the difficulties they face in the classroom, and issues arising both from the increasing integration of kids with special needs and the demands being placed upon teachers. In the non-government school sector, heavy demands are being placed on teachers, but there are limited resources available.

The other concerns in relation to classroom matters and impact on students—which has been reported in the press often enough in recent weeks—are issues in relation to student behaviour. Students are presenting with more and more difficult behaviours, and teachers are expected to deal with those behaviours.

Parallel to that is that there seems to be an increasing expectation of schools to deal with that problem. Rather, it should it be something that parents and the community in general deal with—working in cooperation with schools. Teachers are finding this a very difficult workload issue. There is more and more foisted on the schools, and there appears to be less and less responsibility taken in other places for some of those matters. Those are the primary workload issues being faced by teachers.

MRS DUNNE: You do not see that issues about funding in non-government schools, and the limitations of funding, are of as high an order issue as teacher retention, student behaviour and integration?

Mr Watt: I do not know that the average teacher necessarily directly links funding to their salary. There is no question that funding, whether it is the non-government school sector or the government school sector, directly determines the number of dollars available.

One of the difficulties for education—not just in the ACT but nationally—is that it is a huge enterprise. It is a monstrous enterprise. We recognise that any increase in salaries has substantial impacts on territory, state and Commonwealth budgets. We know that.

At the same time, our view is that, irrespective of whether we are talking about government or non-government schools, the critical issue of teachers' salaries is going to be addressed only by dealing with issues such as funding. Whilst teachers may not use the word funding, the reality is that funding and availability thereof is the precursor of the number of dollars available for teachers at the end of the day.

MRS DUNNE: When talking about funding, I was not really thinking about teachers' salaries. You were saying previously that, to some extent, there is a coordination—that you have come to some sort of agreement with coordination of salary rises between the government and non-government sectors. Is that what I understood you to say?

Mr Watt: Largely, yes. That is probably a reasonable way of putting it. The salaries paid in government schools in the ACT are equivalent to salaries paid in the Catholic system of schools. That is the case in New South Wales as well, so there is a clear nexus there.

MRS DUNNE: When I was talking about funding, what I was getting at is whether teachers in the non-government sector are aware that they are up against it—that they do not have at their disposal the same resources they might have if they were teaching in the government sector.

Mr Watt: There is no question of that. I think the average teacher knows that, because the average teacher interacts with teachers from other schools—whether that be through sporting activities or shared professional development. We are aware that there is one school where they share the same area—the same space. They also share some common areas, including the library. Those teachers know what resources are available in many government schools—although not all government schools. This comes back to the question of need. There are also needy government schools out there which need additional support.

By and large, the average non-government school does not have available to it physical and educational types of resources. However, at the end of the day, resources can also be in the form of support for kids with special needs, and availability of counsellors—whether they be counsellors for the students or the teachers. Those resources are not as available in the non-government sector.

MRS DUNNE: There was something I was trying to elucidate from the minister.

THE CHAIR: You do not have much more time—just one more question.

MRS DUNNE: I will probably ask this question of everyone this afternoon! How would you describe the role of the minister for education? Would you see him as primarily responsible for government schooling, or generally responsible for schooling?

Mr Watt: Our hope is that this minister will be the minister for education for all schools. We have had experiences in other jurisdictions where the minister has taken on the role of the minister for government schools, full stop. We do not believe that is appropriate. Our conversations to date lead us to believe that we are able to deal with a minister who recognises the responsibility across both the government and non-government sectors of education. We are hopeful that that will continue. However, that needs to be matched, not just in discussion but also in the way resources are made available on the basis of equity and need.

THE CHAIR: Thank you for your submission here today, and for the comments provided to the committee on the subject.

I would like to welcome Ms Pearce to the Estimates Committee—thank you for coming. The process we are using this afternoon is that we have about 20 minutes for each organisation. We are inviting them to take a couple of minutes to explain what they see as the main issues they would like to get across to the committee. We will use the remainder of the 20 minutes to fire questions at them.

I understand you have not made a submission as such to the committee, but I do have a copy of the submission made by Toora to the Standing Committee on Community Services and Social Equity. That was the pre-budget exercise. Do you want to make an opening statement on the main issues?

Ms Pearce: Yes, I would like to do that. There are a few critical issues that I have observed—one is an overall concern about the transparency of process. I have some real concerns about the need for more accountable and open communication processes around things like budget issues—how the budget is developed and those sorts of things.

I am particularly concerned about consultation issues with the broader community. There seems to have been a lack of consultation with the broader community, prior to this budget coming down. That is evidenced by some of the things which do not appear in the budget.

There are some critical issues I have noticed. There is no additional funding for SAAP services. A couple of years ago there were growth funds in SAAP. My understanding is that those funds were allocated for pilot projects for a couple of years, and that those pilot projects are about due now. There is certainly no mention of what might be happening with those growth funds in the budget. They seem to have disappeared into the ether.

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For a number of years, there has not been funding around for the crisis accommodation program, which funds the bricks and mortar which go with SAAP services. There is no mention of those funds in any of the budget papers. I have some concerns about where those funds might be.

Regarding indexation in the Department of Education and Community Services, there is only a 1 per cent allocation for indexation, whilst there is a 2.5 per cent allocation in Health. Given that those departments are currently restructuring, I would like to know how the indexation issues might be dealt with, because some of them will be in the same department.

There is almost no mention of women. Despite the fact that the Labor government has stated its platform around women and services for women, there are very few initiatives which address issues for women. I have a concern about that.

In the health area, there are a number of issues around the formation of the alcohol and drugs task force. Again, that was suggested as a pre-budget initiative. The task force has been formed, but without consultation with the community. There are concerns about membership, and also concerns about the fact that there are no funds specifically allocated to that task force. That brings to mind the question of how it is going to function if it does not have some kind of allocation of funds. Further to that, there are very few allocations for additional drug and alcohol services in this year's budget.

I have a particular concern around public housing. In the pre-budget hearings, the committee asked every person who made a submission—in my presence, anyway—what was the single most important issue. In the time I was in the room, every person said it was public housing. It was reported in the media that way the next day. The fact that there was a focus on the need for additional funds for public housing is certainly not adequately represented in the budget papers.

Whilst there is an amount of \$3 million allocated to the affordable housing task force, it is as yet unclear what that money might be used for. However, it was reported in the media as being used for community housing. I have a concern that there are no additional funds for public housing in this budget, especially given that housing has been identified as the single most important issue. I would like some questions asked about those issues.

The other specific issue around public housing is that there is no mention of reviewing rental rebates, or whether the income of children on student incomes might be exempt from those. Generally, people are on low incomes anyway, and the student subsidies are quite low. So it seems to me a little unfair to include them in the rental rebate scheme.

A very new issue worth raising is the recent rental increase for public housing. From discussions I have had in the past few days with people who live in public housing, they are most concerned. Many people are fearful and upset about the fact that their rent has recently gone up significantly.

A further issue is in the justice and community safety area. In BP 3, on page 225 in the overview, at the bottom of the page, it says:

To address the issues raised specifically in the public submissions, the Government has included funding for:

- . the ongoing design and construction of an ACT correctional centre that accommodates the needs of female prisoners;

I am yet to find that allocation of funds. I have been unable to find anything to support that statement in the budget papers.

My last point is about the whole area of mental health. Whilst there is an increase of 1.2 per cent in the funds allocated to mental health, given that the ACT is spending way under the national average for mental health, that is quite poor. It is an area which needs to be addressed.

In my submission, there is a critical need for the allocation of funds for long-term supported housing needs for women with mental health issues. We have been raising this for a number of years.

THE CHAIR: Thank you for that. You mentioned the submission you made—I have a copy of it here. What evidence have you seen of the issues raised in the submission being translated into the budget? You mentioned areas that were not translated. Have any matters suggested by Toora Women Inc made it into the budget?

Ms Pearce: There are very few issues addressed. There are some broad initiatives which do take into account some of the issues we have raised, although not in a holistic sense. However, there is certainly money for upgrades of services on a one-off basis. There is also money for issues around violence in the indigenous community. There are some initiatives which, although they do not go directly to what I have raised, have a relationship. They will, in part, meet some of the issues raised.

THE CHAIR: You have been around a while in this process and you have seen various attempts at budget consultation.

Ms Pearce: Yes.

THE CHAIR: Having seen all of that, what would you recommend as the best way for the community to be involved in the making of the budget? Is it just a matter of the government of the day listening more carefully, or is there some mechanism which might be put in place to provide better or fuller community involvement in the creation of the budget?

Ms Pearce: There probably are some mechanisms.

One of the other points I would like to make is that we have a compact now. Even though that was put together in the previous government's time, I think it would be a useful document to be carried forward as an example of how communication and relationships can be developed, so that there exists more of a partnership between government and community. I understand that, frequently, there are time constraints in the development of budget submissions. However, we need to somehow be developing those partnerships so there is more communication and a level of transparency.

There needs to be a whole-of-government approach to things. There are lots of useful initiatives, but there does not seem to be much coordination across the breadth of those initiatives. Some communication about how whole-of-government approaches might be able to be taken could be useful.

THE CHAIR: You mentioned that there are some concerns about the membership of the alcohol and drugs task force. Can you explain what they are, from your point of view?

Ms Pearce: I am appointed to that task force. I have a concern because that is an area where there is divided opinion in the community. If the task force is going to be able to meet, and do its work well, it needs to have support from the community. It is a difficult and delicate area.

What we need to do is go into the community, have some discussion about the membership and make sure that that is going to ensure the best outcomes for the alcohol and drugs task force.

The primary concern for me, at this point, is that there appear to be no mechanisms across the community to ensure that the membership is reflective of the diversity of needs and opinions. Even though you cannot have everybody, that can be reflected in a fairly decent way. You can also put in place processes to make sure there is ownership, and that people feel like they have been involved in the work of the task force—and also in developing the membership of the task force. That has been missing, to date.

THE CHAIR: Are there any further questions?

MRS DUNNE: On a slightly related issue, a constituent put to me, the other day, that she was having discussions with people in the health department about drug and alcohol services. She said it was put to her that there were sufficient detox beds in the ACT at the moment. I was surprised to hear that. Are you surprised to hear that?

Ms Pearce: Yes, I am very surprised to hear that. We operate a number of crisis accommodation shelters and also two drug and alcohol services, all of which liaise closely with the existing detoxes. Many times when someone rings up to see if there is a bed, there is no bed. You know, that is a pretty consistent message from detox—that there are no beds. It is not that I have statistics but, on that basis, it seems unusual that someone would be saying there are enough detox beds.

MRS DUNNE: This is not an area of expertise on my part. Do you feel that there are enough rehabilitation beds? If there are X number of detox beds, you need places for people, once they have been through detox, in facilities that will help them through the next phase. Do you think there are enough detox facilities around the place?

Ms Pearce: I speak again from the perspective of being in a number of different positions, where we would provide information and referral for the people with whom we are working. They would generally have to go onto a waiting list, and the waiting time might be quite lengthy.

Often during that time someone's motivation to attend a rehabilitation centre disintegrates completely and they lose the opportunity. It can be a very long wait—at times it can be four to eight weeks. By that time, often other things have interfered with the process. Sometimes people are lucky—they ring up and there is a bed. There is not always a waiting list, but that is certainly more the experience than not.

THE CHAIR: Are there any further questions of Toora? Thank you very much for your attendance here today, and thank you for making those comments.

Ms Pearce: Thanks a lot.

THE CHAIR: I now invite the Catholic Education Commission to come forward. Welcome, Mr Barker. The process the committee is using this afternoon is to invite organisations like yours to speak for two or three minutes to the submission they have already made to the committee about the main issues they see as relevant to our work. We will then ask you questions about your submission. We have your submission in front of us. Would you like to make any comments?

Mr Barker: I would—thank you very much. First of all, on behalf of the Catholic Education Commission, thank you for the opportunity to speak to you this afternoon. As we have presented a detailed submission to the committee, it is not my intention to read it aloud in detail. I ask that the submission be incorporated into the transcript. I would like to go through the main points, if I may, and address the main issues.

Firstly, in its budget for 2002-03, the government has broken its pre-election commitment to Catholic school parents and students. Prior to last year's election, Mr Stanhope, in a joint press release with Mr Berry—who was then shadow minister for education—made a statement, from which I will quote briefly. He was referring to funding of \$27 million from the Liberal government's free school bus scheme money. It says:

The investment will go on a program designed to keep our children at school, helping those who are at risk and cutting class sizes. The money will be shared between the government and non-government sectors on a needs basis to be determined by a comprehensive review of the current school funding regimes.

The government did establish the promised review. The terms of reference, as noted in the submission, include to review and make recommendations on a policy framework and options for replacing or enhancing the current funding arrangements for government and non-government schools which, inter alia, acknowledge the relative needs of students, and which are financially sustainable into the future.

The government's budget then proceeded to distribute some \$20 million worth of new initiatives to government schools from the purported \$27 million available for education, without waiting for the recommendations of the education inquiry. Catholic schools represent 28 per cent of ACT school students, but will receive just 5 per cent of the funds allocated in the budget.

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Government schools also received indexation funding and full supplementation for expected salary increases over the next 12 months. Catholic schools—and indeed non-government schools generally—will be held at ACT CPI, which is estimated at 2.5 per cent. That falls far short of real cost increases in schools. Catholic school funding will therefore fall further behind government school funding.

The budget also indicated that \$7.4 million of the purported available education funding has been held for distribution in 2002-03. To quote from the education minister's post-budget media release, he says:

The government's future budget deliberations will be informed by the views of the school education councils, as well as the views of other key education stakeholders. We will also be assisted in future budget deliberations by three significant reviews, which will be conducted in 2002-03.

He says in the final paragraph:

The results of these reviews, the inquiry into education funding and broad consultation with education stakeholders, will assist government in developing future education budgets.

It appears from the minister's media release that the much vaunted inquiry into education funding has been relegated to a very minor position in the review process. The specific issues we raised prior to the ACT budget, on behalf of the 17,000 students in Catholic schools, were ignored by the government. Not only that, but significant additional allocations to government schools were made in some areas, further widening the funding gap between government and Catholic schools.

I refer in particular to early childhood initiatives. Catholic schools hold 26 per cent of enrolments in this area. Whilst, in its time, the previous government distributed \$21.8 million to government schools for K 1/2 initiatives and only \$1.2 million to non-government schools, which was about 4 per cent of the total funding, there has been an additional allocation of \$12.3 million to government schools to extend those initiatives to year 3, with nothing to non-government schools. Therefore, Catholic schools will receive just 3 per cent of available funding over the next five years, whilst undertaking 26 per cent of the enrolments in those areas.

The pre-budget submission of the commission noted the levels of funding allocated to government schools specifically for ICT issues—that is Information and Communication Technology—and the \$1 million commitment to Catholic systemic schools, to go towards bringing ACT Catholic schools up to a reasonable ICT level. No further funding has been made available to Catholic schools. Yet, on top of the \$7.8 million over the past four years, a further \$2.7 million has been committed to government schools.

Students with disabilities was an area for disappointment. We thought that, prior to the election and the budget, we had received bipartisan support for this issue. This is an area of recognised inequity in funding mechanisms between government and Catholic schools, yet the matter was not addressed in the budget at all.

The further point I would like to make is that we do not accept that funding available for education is restricted to the \$27 million, which was the figure allocated to the free school bus scheme of the previous government. I suggest that, if the previous government had not come up with that proposal, the current government presumably would have no funding to allocate to education in this budget.

We also call on the government to honour its pre-election commitment to distribute the funds on a needs basis, to be determined by a review of the current school funding regimes. That is the education inquiry.

Having said all that, the CEO and the Catholic Education Commission do support a healthy and properly funded government education system. It is the cornerstone of the community's commitment to our youth—and our economic and social wellbeing into the future. Catholic schools promote and strive for the same objectives. We serve the public purpose of education within this territory.

The election last year gave us an opportunity to meet and hold discussions with a number of parties and groups, to assess their views of education funding across the whole education sector. We believe this budget has failed the test of needs and equity basis, which was much touted by the Labor government prior to the election. Comments by the education minister since the election are contrary to the principles announced as part of the government's election manifesto, which talked about equity and needs-based funding across the whole portfolio. The abandonment of these principles is evidenced by the specific budget outcomes as they affect Catholic schools in this territory.

As I have stated, the Connors inquiry into education funding is in place. However, the budget now provides only about \$7 million for implementation, amongst other priorities suggested to the education minister by the Connors inquiry. Perhaps the minister has a crystal ball or some other way of knowing the outcomes of the inquiry, he is choosing to ignore them, or he is not interested in those recommendations.

It is disappointing to note that, because the submissions of the CEC, among others, were lodged to the inquiry on time, they were made available on the web before a number of other organisations lodged their submissions—in particular, the P&C Association, the AEU and the education department. We believe they were given an advantage, in that they were able to review the submissions that were put in on time. It gave them the opportunity to take into account the implications of the current ACT budget and generally allowed them additional time to prepare submissions. We were told that this was an error and an apology was made. Nevertheless, the submissions were made public and we believe this provided an unfair advantage.

We believe that neither the government nor the education minister can stand behind the inquiry in order to hold off on decisions on funding for Catholic schools in particular, especially in light of the fact that a large part of the funding has already been distributed.

No assessment has been made by the government on the impact of the budget decisions on Catholic schools, and no conclusion can be reached. The only conclusion which can be reached on the fact that they have not taken this assessment into account is that they simply do not care. In this budget, they have effectively sidelined 38 per cent of the non-government schools community.

THE CHAIR: Thank you very much for that. We have discussed a number of the issues you have raised today in our earlier examination of the minister and his department. I want to put to you some of the things he said—to counter the point of view that you and others have put about the alleged imbalance between the government and non-government sectors.

The minister says that neither he nor the department can dictate spending within the non-government sector; that there are generally block grants given; that the discretion as to how to spend the money within those areas is a matter for the non-government schools, and that, therefore, it is not the responsibility of the government to match programs like extra funds for smaller class sizes, teachers' pay rises or services for students with disabilities. What do you say to that?

Mr Barker: I think that is an extraordinary statement, given that he is the education minister. He is the minister for all education, not just the minister for government schools.

It is interesting that the Liberal government was able to provide funding for early childhood initiatives in its last years of government, and yet the education minister seems to now be stating that he cannot do that. I cannot think who else could do that if he cannot. It also seems to make a mockery of the education funding inquiry and the Chief Minister's comments that the funding available for education will be distributed on a needs basis across the government and non-government sectors.

THE CHAIR: The minister responded on the point about inequity in the first round of funding in this budget and, as it were, the \$19 million or \$20 million going to government schools. In response to the suggestion that there would be an imbalance, he said that the Connors inquiry is a chance to address that issue and that the Connors inquiry is capable of making some recommendations which might, in turn, offset any perceived imbalance between the two sectors. What do you say to that?

Mr Barker: I go back to the Chief Minister's comments before the election, when he said that the \$27 million investment will go on programs for our children at school—it does not say government or non-government, helping those who are at risk and cutting class sizes. He said that the money will be shared between the government and non-government sectors on a needs basis, following a comprehensive review of current school funding. Yet \$20 million of the \$27 million has already been allocated!

THE CHAIR: You made reference to that being a breach of a promise or commitment given. One of the earlier submitters—the ACT/New South Wales Independent Education Union—said there was an understanding that there would be more equity in the distribution of that \$27 million between the two sectors. The minister flatly denies that there was such an understanding. Are you able to throw any light on that? Were there any meetings, representations or letters provided which support the view that there should have been a distribution—other than the one we have seen?

Mr Barker: There was a media release by the Chief Minister prior to the election. He made comments at three public meetings, organised by the Catholic Education Office, of Catholic school parents. He indicated that an inquiry would be undertaken before any

education commitments were made, and that the outcome of that inquiry would be considered.

THE CHAIR: The final thing—this is my reading of what the minister said—we put to him was that the ACT government's contribution to non-government schools seemed to be diminishing, proportionate to government schools. The minister pointed out that, because the Commonwealth has a greater responsibility for the funding of non-government schools than the ACT government has, the non-government sector should look to the Commonwealth to support greater funding for non-government schools. What do you say to that?

Mr Barker: Certainly the Commonwealth government has a responsibility. Whether that responsibility is greater than that of the ACT government is a point that would need to be argued. Funding for Catholic schools comes from the Commonwealth, from the ACT government and from parents. In fact parents, on average, pay more than the ACT government does for the privilege of choice.

The Commonwealth also provides funding to the ACT government for government schools, both in specific grants and in untied grants. It is a matter of looking at all sources of funding when making funding comparisons—particularly both sources of government funding. If you put those sources of funding together, Catholic schools, on average, are still funded at only about 6 per cent of the level of funding of average government school students.

THE CHAIR: The minister pointed out that there have been increases in federal government funding of non-government schools in recent years. Is that a justification for not giving non-government schools in the ACT as much funding as government schools are receiving on a proportionate basis?

Mr Barker: I do not believe so. The ACT is the lowest funded Catholic sector in the country from the Commonwealth, compared to other Catholic systems. It receives only 51 per cent of the national average government school recurrent costs, as opposed to 56 per cent in the other states and territories. We are certainly pursuing that matter with the Commonwealth government.

However, in New South Wales, which has a high level of Commonwealth funding, the state government pays a much higher level than the ACT government to Catholic schools. Funding for Catholic schools by the ACT government is one of the lowest of the territory and state governments.

THE CHAIR: You point out that Catholic schools have had CPI of 2.5 per cent applied to the territory, per student grants. You say this falls well short of real cost increases in schools. Can you explain what you mean by that?

Mr Barker: Yes, I can. Ninety per cent of our budget is salary and related costs. I suspect that is very similar in the government sector. We have a commitment not to go beyond the salary level funding of government schools. Increases in salary levels for the next 12 months are expected to be at least 3 per cent. We will receive supplementation on 16 per cent of our funding at 2½ per cent. So, on that basis, the gap will continue to increase between government and Catholic schools.

THE CHAIR: Are there any other questions?

MRS DUNNE: Mr Barker, I ask this just for symmetry on an issue I have been pursuing with all of the people who have come here to talk about education. When you deal with the ACT Minister for Education, do you consider him to be the minister for government schooling or the minister for educational outcomes generally?

Mr Barker: As yet, we have not had an opportunity to talk with the education minister.

MRS DUNNE: If you did, would you be approaching him as someone responsible for educational outcomes generally—or just educational outcomes in government schools?

Mr Barker: He is the minister for education. We expect he would be responsible for education outcomes generally.

MRS DUNNE: Has the CEO not met with the minister for education, since he was appointed?

Mr Barker: We had an initial meeting shortly after the election, but we were unable to meet with him regarding budget issues prior to the budget.

MRS DUNNE: You did not meet with him about the budget?

Mr Barker: No.

MRS DUNNE: Did you ask?

Mr Barker: We met most other MLAs, but we could not see the education minister.

MRS DUNNE: You did ask to see him?

Mr Barker: We did ask several times, yes.

THE CHAIR: Have you had an invitation, or sought to make submissions, to the Connors review of education funding? Have you had involvement in the Connors review?

Mr Barker: We have submitted a submission to the inquiry, yes.

MRS DUNNE: Is that the one you were talking about before, where your submission had gone on the web, but others had not?

Mr Barker: That is right, yes. There were about 30 submissions placed on the web the day after they were due. We were advised that some organisations had been given an extension of time. Therefore, we asked that no submissions go up until all submissions were lodged. However, due to a clerical error, we believe that was not the case.

THE CHAIR: Have you been invited to take part in the process of discussion or dialogue with Ms Connors?

Mr Barker: Indeed. We have had a number of meetings with Ms Connors, and she has been invited to several of our schools. She has toured those schools, and has met with representatives from the Catholic Education Commission. She has also met with the director, on two or three occasions.

THE CHAIR: That completes the questions I was going to ask.

Would you prefer to see a situation where the ACT supports non-government schools by providing specific purpose funding—to decrease class sizes or improve funding for students with disabilities—or an increase of the grant, proportionate to the totality of increases which have been given to the government sector for a variety of factors?

Mr Barker: I think it would be much more appropriate if the specific funds for early childhood initiatives, ICT initiatives—and a whole range of other initiatives that have gone to government schools—were part of the total average government cost, and that Catholic schools were funded as a proportion of that. If we were funded at a specific percentage of the true and average cost, it would save us going back and forth, chasing bits and pieces for the various specific initiatives. That is if all the relevant costs were included and we were funded as a specific percentage of those costs.

MRS DUNNE: Despite the fact that you have said that, it has been put to me on a number of occasions that children with disabilities are particularly disadvantaged in non-government schools. It has also been put that, if they attract a certain amount of funding if they went to a government school, that funding should be mobile. In that situation, if their educational outcomes were better served in a non-government school, they would still receive the same amount of extra funding. I suppose it boils down to a sort of special purpose voucher in a particular area. How would the CEC approach that?

Mr Barker: A voucher system might not be appropriate. Undoubtedly, we believe that the only specific group of students at this time who are specifically identified as being needs-based students are students with disabilities—they are individually identified. We believe the funding available for these students should be equal, regardless of the school chosen.

THE CHAIR: I thank you, Mr Barker, for appearing before the committee today. Thank you for the comprehensive submission the Catholic Education Commission has given to this committee.

Mr Haggar, you are last, but not least! Welcome. The procedure we are using today is that we are inviting each organisation to make a short opening statement, outlining the key issues in their submission, as they see them, or the views they want to put to the committee. I invite you to do that. For the remainder of the 20 minutes or so we have allocated, we will fire questions at you. Would you like to make an opening statement?

Mr Haggar: Thank you, Mr Chair. My name is Clive Haggar. I am ACT branch secretary of the Australian Education Union. I have with me Ms Robin Ballantyne, who is our assistant to the secretary (professional). Once again, I appreciate the opportunity to come and talk to the Estimates Committee about the issues involved in the budget.

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To deal firstly with what are, from our perspective, the unpleasant aspects of the budget, I would like to draw attention to the situation in relation to the Canberra Institute of Technology. Some three years ago, we found ourselves in a special hearing of the Estimates Committee, challenging the notions of productivity at that time being required of the Institute of Technology by the then Carnell government. The savings extracted from the CIT subsequently amounted to over \$10 million over a four-year period.

We believed we had successfully convinced the officials of government and Assembly members that the very funding basis on which the CIT was being judged at the time—which was performance indicators based on annual costs per student—were demonstrated to be incorrect at the special hearing, and that we were not to see the pursuit of the \$700,000 final cut at the CIT. Unfortunately, it appears we were led up the garden path. Treasury officials intervened at the last moment and that final four-year cut was reinstated, effectively wiping out any CPI increase for the institute.

The end result of that will be a continuation of larger class sizes, fewer curriculum options and substantial workload pressures on staff who, in the figures we have provided in our submission to you, have demonstrated improvement in productivity over the past four years in the region of 25 per cent.

That is the situation for the CIT. We thought all parties in the Assembly recognised that the institute has a very significant part to play in community, business and education life. So it was with some disappointment that we saw the continuation of that cut.

There are other funds coming into play. There will be \$1 million from the Commonwealth. There is some money to support conversion of contract and casual staff to permanency, and we support that. Whilst the institute is surely one of the finest in the country, its standing as an institution and its capacity to service the local community is very much dependent upon the workload pressures of its staff, who are getting older. Unless we can look towards supporting the institute through other funding regimes in subsequent years, that situation is not going to get any better.

I would like to address our perspective in relation to the schools component of the budget, especially in light of a couple of previous submissions. Deeply disturbing to us is the continuing politicisation of government schooling in the ACT, and also the public-private debate which has crippled education policy in this country for the past 30 to 40 years.

I can only describe the comparisons of the CPI figure of 2.5 per cent for the private sector as somewhat deliberately misleading, when you take into account the fact that the bulk of the funding of private schools comes from the Commonwealth, and that this year their percentage increase was 6.6 per cent.

The average government school recurrent cost, on which their Commonwealth funding indexation is applied, has been as high as 7.7 per cent in recent years and has always exceeded CPI. So you are talking about a funding basis which sees government schools picking up, in the main, a CPI increase of 2.5, and non-government schools picking up a much larger component of funding from the Commonwealth through the indexation process.

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Any comparison between the two was carefully avoided by my colleague and friend Chris Watt, in his description of the salary nexus between the two sectors. The fact is that, by the end of our current agreement, teachers in the Catholic systemic system will be paid \$3,000 a year more in Catholic schools. They will hit that figure in January next year. In other independent schools, when our teachers will have just reached some \$55,000 a year, they will have staff on \$61,000 a year. There is, therefore, a growing differential between the salaries paid in both components of the non-government sector—that is Catholic schools and the non-systemic independent schools.

There can be a great deal of emotion generated around the use of statistics. However, fundamentally, it comes down to the fact that, as a result of the kinds of funding pressures we have seen since self-government—which you are well aware of—we are not paying the same salaries as the private sector. That is especially the case in casual relief employment in our schools, which leads to shortages of day relief. We are not achieving—until the budget this year—the same levels of indexation which are achieved, and have been achieved for several years, in the non-government sector from the Commonwealth.

So that it is done on a non-partisan basis, I would have to say that, when the ACT reached a point of potential surplus in its budgets, the kindergarten to year 2 class size initiative—flagged by your government—was seen as a significant improvement which would be available to government schools. We were highly appreciative of the fact that, once the free school bus scheme was no more—this was the commitment of the Stanhope opposition at the time—that program would be extended to year 3 at a cost of more than \$12 million over a four-year period.

There was no-one who, prior to the election, could make a judgment about those commitments in the election period—if they were players in the game—who was not aware that that class size extension was part of that \$27 million and would take a very large part of it.

Prior to the election, the information technology component of \$3 million was divided, with \$2 million going to the government sector and \$1 million not to the non-government sector, but to the Catholic systemic schools. That was well known in the community prior to the election. We are in a situation where there is some \$7.4 million of that free school bus money to be further allocated. We support a process of equity and identified need in the application of that money.

I believe all sides should be looking at the Connors inquiry with almost desperate hope that it can provide us all, as a community, with some indication of where we can go in the rebuilding of community education policy. The kind of paranoia that invests statements such as, “The P&C Council and the AEU were able to look at our submissions, because they put theirs in after ours were made public”, is really of concern to me. In our office—I was the author of our submission—we were down to two or three officers juggling a massive agenda. I asked for an additional few days and did not look at the submission of the Catholic Education Commission, although I will certainly have a look at it now.

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In fact, the two that I did have the opportunity to look at were provided to me by their authors. One was from our own secondary principals, which contained a couple of developments about which I had some concern. The other was from the IEU, and was presented to me before the closing date.

If that is the nature of the game and the way in which we are going to continue to deal with funding issues in this territory, when we cannot afford not to address issues of need and equity, I have some strong ongoing personal concerns.

The Catholic Education Office was approached prior to the last election by the AEU and the P&C council. We said we believed that the bus program was going to create severe problems for both systems—educationally. We asked for their support, to see if we could put pressure on all parties to make sure that program did not go ahead—so that we both had the opportunity to enjoy additional funding.

Mr Watt, from the IEU, was instrumental in getting the IEU to oppose the scheme. The other independent organisation, with which they are amalgamating, did not form a view. Mr Joy, through his correspondence and public statements, sat very uncomfortably on the fence, whilst at the same time pressuring parties on the issue of the 25 per cent average government school cost—similar to New South Wales.

The whole issue of equity of the division of those funds needs to be carefully looked at on a factual basis. The notion of 25 per cent was also very poorly explained today. In New South Wales, yes, it is 25 per cent of the cost of educating a student in a government school. However, in discussions with the IEU, it is now clear to me that they are not seeking 25 per cent for all students in the non-government sector.

They recognise that there is a massive differential in the needs of students in the Catholic systemic system—especially primary schools—compared to some of the elite secondary schools which exist in the territory. Unfortunately, I am not sure that, when it gets into the public domain, that notion of 25 per cent is understood in that way.

In fact, the comment was made to me that, if we are talking about average government school costs and needs, we can look at the grammar school—which spends about \$15,000 a year on each student—as probably striking the right balance of expenditure on students. That is what all of our kids ought to be getting. For some, it is probably half of that.

When the report from the Connors review comes down, I hope there will be non-partisan and non-sectoral analyses of its recommendations. In a unique and very small city like ours, unless we can ensure high level outcomes for the student population, we are not going to achieve—economically and socially—what I believe, from my experience in dealing with Assembly members, all of us would want to support.

We continually get bogged down in this morass of who gets more from whom, who has the greatest level of need, and what initiatives should be passed on to the other side. If you do settle on a percentage formula, you need to be satisfied that, in terms of equity and need, the school populations are broadly similar.

This comes back to the debate about disabilities. We have students in the government system who each cost us up to \$150,000 to address their identified needs of transportation, et cetera. They are profoundly and multiply disabled and require intensive medical and educational assistance. Those students do not exist in the non-government sector. If we go down the path of untrammelled choice, special purpose vouchers, or what have you, you will be in the situation that you are creating an almost insatiable demand on the government to meet those needs.

That experience has been seen in Canada and other places, where the cycle of integration, or special education, has led to enormous cost blow-outs. A previous chief executive officer, Cheryl Vardon, once portrayed that to me as the special education area having the absolute potential to destroy the education budget in the ACT. So we look forward to the Connors review.

Given some of your questions about issues for teachers and other concerns, I would like to table a copy of an executive summary of a research paper which is still being developed. The summary is now complete and is entitled "Too much with too little shift in intensification in the work of ACT teachers".

We commissioned the Australian schools network—an independent body in which departments, unions, professional associations and teachers are represented—to undertake research in certain focus groups in relation to this. This emphasises the intensification of the work of teachers in recent years—to the point where we are now seriously concerned about our capacity to provide teachers with the time and resources to teach properly.

The salaries issue remains of significance to us, and will be more significant than ever in 12 months time, when the current enterprise agreement runs out. At that point in time, apart from being substantially behind the non-government sector, we will be 8 per cent behind New South Wales in January. There are similar figures in relation to Victoria and Queensland. These are states that we have traditionally led or been equivalent to—certainly New South Wales. That kind of information has been provided to you in the papers attached to our submission.

THE CHAIR: Thank you for that. I am not sure that, here today, we should get into the full debate about what is going to be before the Connors inquiry. However, I was interested in following up your comment about the Commonwealth increase for non-government schooling. Did you say that, last financial year, it was 6.6 per cent?

Mr Haggar: I understand that 6.6 per cent is the figure at the moment for the Commonwealth increases—and that has always exceeded the CPI figure. That is not unreasonable, because government and non-government school costs go up by a percentage greater than CPI. It has been a significant advantage that the bulk of their funds are coming from a source prepared to provide a higher level of indexation than what we have been able to achieve in the ACT from the government at state level.

THE CHAIR: Isn't it fair, though, to describe a situation where government at the federal level increases funding and government at the state level decreases the same sector proportionately, or in some other way, as cost shifting?

Mr Haggar: I have no problem about recognising what is going on between the Commonwealth, states and territories at any point in time as cost shoving rather than cost shifting. There is a paper presently doing the rounds in the federal department of education suggesting they get out of public school funding altogether—and an even more radical paper suggesting they get out of school funding altogether. It is for Premiers, Chief Ministers and the Prime Minister to fight that out.

One of the issues in New South Wales mentioned by one of your previous interviewees was that of the enrolment benchmark adjustment, and Minister Aqualina having knocked off 5 per cent of the funding to the elite schools in that state. That was at the time New South Wales had a cut because of the shifting enrolment to non-government schools, even though government school enrolment was growing.

That was a tit-for-tat cost-shifting exercise, in response to the Commonwealth's EBA, which overall was a cost-shifting exercise. If the Commonwealth's costs were going to go up because of increased private schooling—as they did in several of the other states—then they were going to deduct funds from the state government.

We were fortunate here that, in the past few years, whilst that process was in place—it was largely an argument from the minister for education at the time—a buffer was introduced. So we never had the experience of losing Commonwealth moneys to our public schools in order to subsidise expanding enrolment and increased funding for the private sector. It was a close-run matter, on a couple of occasions.

THE CHAIR: It was suggested in an earlier submission by the Catholic Education Office, which you would have been present to hear, that Catholic schools seem to be able to deliver less, because of what they see as a disparity in their funding base, than government schools. Do you think that is true overall, notwithstanding what you have said about the additional money they can pay teachers?

Mr Haggar: Again, let us make a distinction between systemic schools—primary and secondary—and Catholic secondary schools run by specific religious bodies. There is no question in my mind that, depending on the area they are in, Catholic primary schools in Canberra find it tough—just as we have primary schools with no capacity to raise funds from their local community, and other primary schools which inhabit more middle-class areas which have a significant capacity to do that. This is why the Catholic system wants block grants. It wants to be able to have an equity or balancing arrangement with its own system of operations.

When it comes to the crunch, if this territory government is to continue to hand over significant amounts of funds on an identified needs basis, and pursue initiatives that one would like to see across the entire education sector—for example, the ACTTAP arrangements, the testing regimes—then you need to know that the money is going into the areas where you want it to go.

I have had discussions with teachers in non-government schools. They get very irritated about \$300,000 refurbishments to front foyers, when there are not enough books and other resources in the libraries.

THE CHAIR: You make the point about the productivity cut of \$700,000 to the CIT. The minister suggested there was an increase in funding for the CIT.

Mr Haggar: Overall, the CIT has additional funds. It has \$1 million from the Commonwealth, and there are a couple of other special purpose arrangements built in.

What we were looking at—it is, in some ways, more of a sense of frustration—was the fact that the CIT and the department of education agreed we had successfully argued that the fourth year of the productivity cut introduced by ACT Treasury really had no justification when you looked at the productivity performance of the CIT.

Those arguments, from what I understand, were lost in the mad rush to finalise the budget this time around, and a \$700,000 saving was made. However, that will not alleviate the sorts of pressures under which our teachers and students have been under for the past few years.

We have not been out in the streets over that because, overall, there is a \$13.9 million increase in the schools budget. There are new programs, CPI and the bus money. As a number of those programs have been asked for by us for several years, we think the outcomes for schools are quite positive.

There are also situations—for example, the high schools are focused on there—where there is new money coming in, not being funded over the CPI guarantee, which was the circumstance in the past four years. CIT, which is the real driver for training and adult education in the ACT, was disappointing—with the school circumstances. There is a significant focus on students at risk. We have been asking for that for several years. We were very pleased at what we saw there.

MRS DUNNE: I have just one question, for the sake of symmetry, Mr Haggar. Do you see the minister for education as the minister for government education—or for educational outcomes generally?

Mr Haggar: With all due respect, this gets back to the politics of the game. The federal minister for education recently stood up in the House of Representatives and said, “They are called state schools. That is what they are. They are state schools—they are the states’ responsibility.” Yet we probably had the greatest anger with his predecessor, David Kemp. In his years as a federal minister, it was almost impossible to find him saying something positive about government schooling.

We are now in a situation where we have a minister who is prepared to make positive public statements about government schools. That is not to say that his predecessor did not. Bill Stefaniak was often in the media saying positive things about our government schools. He has made a few public statements designed to warm the hearts of a profession which has been under serious attack for the past two decades, and has been targeted for that.

I am very comfortable—I think most teachers are, if not all of them—with the positive expressions the minister has been making about teaching and, from my perspective as a representative of public education teachers, about public education. I do not see him as

having the kind of ideologically-driven mania of a David Kemp, as far as the other side is concerned.

MRS DUNNE: That was not my question, Mr Haggar. I was not asking you about the personality or views of a particular minister—I was asking for your views about what you saw as the appropriate balance. Do you see that a minister for education, of whatever colour, in the ACT should be primarily a minister for government schooling—or for educational outcomes?

Mr Haggar: There is no question that the minister for education is the minister for education. The great bulk of his responsibilities, because of our funding and administrative regimes at the moment, have to do with public education.

THE CHAIR: Are there any further questions? Thank you very much for your attendance here today.

Mr Haggar: Thank you for the opportunity.

THE CHAIR: Thank you for the submission that you have made to the committee as well.

Mr Haggar: Just before we leave, if you are interested, there are further statistical notes in relation to the CIT that I would like to leave with you, if that is possible.

THE CHAIR: Sure. We are happy to get those.

Resolved:

That, pursuant to standing order 243, the committee authorises the publication of evidence and submissions received by the committee during this hearing, together with any supplementary material arising from the public hearing.

The committee adjourned at 5.13 pm.