

**LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

SELECT COMMITTEE ON ESTIMATES

(Reference: Appropriation Bill 2003-2004 (No 3))

Members:

**MRS CROSS (The Chair)
MS MacDONALD (The Deputy Chair)
MR SMYTH**

TRANSCRIPT OF EVIDENCE

CANBERRA

WEDNESDAY, 7 APRIL 2004

**Secretary to the committee:
Ms Stephanie Mikac (Ph: 6205 0136)**

By authority of the Legislative Assembly for the Australian Capital Territory

Submissions, answers to questions on notice and other documents relevant to this inquiry which have been authorised for publication by the committee may be obtained from the committee office of the Legislative Assembly (Ph: 6205 0127).

The committee met at 9.35 am.

Appearances:

Mr Jon Stanhope, Chief Minister, Attorney-General, Minister for Environment and Minister for Community Affairs

Chief Minister's Department—

Mr Lincoln Hawkins, Acting Chief Executive Policy

Ms Cathy Hudson, Director, Social Policy

Ms Kathryn Maxwell, Director, Community Engagement Unit

Ms Pam Davoren, Executive Director, Industrial Relations and Public Sector Management

Department of Justice and Community Safety—

Ms Elizabeth Kelly, Acting Chief Executive

Mr Bruce Kelly, Courts Administrator—ACT Courts

Mr Richard Refshauge, Director of Public Prosecutions

Department of Urban Services—

Mr Alan Thompson, Chief Executive Officer

Dr Maxine Cooper, Executive Director, Environment ACT

THE CHAIR (Mrs Cross): Good morning everyone. Chief Minister, thank you and everyone from the departments for coming along this morning; it's nice to see you here. There are a few things that I need to read out before we start the questions.

Minister and departmental witnesses, your evidence today is being recorded by Hansard to prepare the committee's transcript of the proceedings. It is therefore necessary for you to speak clearly into a microphone when you answer questions. Officers who are seated at the back of the room should come to the main witness table if called to respond to questions. Please do not speak from the back of the room.

For those that give verbal evidence to the committee today, a copy of the transcript will be emailed to you for correction as soon as it is available and also so that you may identify relevant questions taken on notice. Please return responses to questions on notice to the committee secretary no later than Friday, 16 April 2004. To assist in the preparation of transcripts, witnesses need to state their full name and the capacity in which they are appearing on the first occasion they give evidence. We intend to break for morning tea at 11 o'clock.

I also have to read this card for witnesses prior to their evidence being given. 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 action, such as being sued for defamation for what you say at this public hearing. It also means that 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.

Once again, I welcome the Chief Minister and all the people in the gallery here today.

Chief Minister, we have a couple of people who want to ask questions and who have to go to funerals this morning, so we are going to start with the Department of Justice and Community Safety, if we can, and follow with Environment ACT and then go to other areas so we can allow our members to go off to their commitments. So, if anyone needs to come forward before we start the questions on justice, please do so now.

I will start the questioning. Chief Minister, on page 166 of this budget there is \$2 million for the continuation of coronial investigations into the bushfires. My question is: why couldn't this be included in the next budget?

Mr Stanhope: I will ask Ms Kelly, acting chief executive officer of the department of justice, to respond to those questions around the need and the urgency of funding. Mr Kelly from the courts is also here. As you are aware, of the \$2 million that is being sought in the third appropriation bill, \$1 million is identified for ACT courts and \$1 million is identified for the Director of Public Prosecutions for costs incurred in relation to the coronial inquest. I think it would be more useful for the committee if I were to ask, in the first instance, Ms Kelly to respond to the pressures in relation to departmental and DPP funding and Mr Kelly to respond on behalf of the situation in relation to the courts.

Ms Elizabeth Kelly: My name is Elizabeth Kelly. I am acting chief executive of the Department of Justice and Community Safety. The expenditure was required in the third appropriation because it wasn't able to be absorbed by the department this financial year and the expenditure was required prior to the expiration of the financial year. In relation to the detail of that, I will ask Mr Kelly to provide you with the information.

Mr Bruce Kelly: My name is Bruce Kelly. I am ACT courts administrator. The financial position of the courts is similar to that of the department in the sense that we were not able to absorb that level of expenditure to date. Most of the expenditure relating to the bushfire inquiry is likely this financial year.

THE CHAIR: Would you like to respond?

Mr Stanhope: I think essentially, Mrs Cross, this was unanticipated expenditure at the time of the last budget. They're very significant amounts. I don't have the expenditure to date—Mr Kelly may have it in relation to the courts—but these were funds that weren't anticipated, at least weren't appropriated or budgeted for at this level, as Mr Kelly has indicated, and he can give you greater detail than I can. But at this stage of the cycle the courts have expended a significant additional amount of money on the coronial inquest having regard, as we all know, to the number of days and the logistics involved in the hearing of an inquiry of this size and this nature, but I think Mr Kelly will certainly have more detail than I have available to me.

Mr Bruce Kelly: As at the end of March this year, expenditure on the coroner's bushfire inquiry had exceeded \$900,000. The major areas of expenditure in that are roughly around \$300,000 for information technology support, that is, an electronic courtroom that has been established to deal with up to 20,000 documents that are now part of the brief. Almost the same amount has been expended in fees for expert witnesses, in particular from the CSIRO, and for the reports that they have been preparing for the coroner. In addition, almost \$100,000 for an expert witness in the area of bushfire

command and control.

THE CHAIR: How long did it take to accrue this amount? Normally an appropriation is for urgently needed funds. These costs would have been accrued over a period of time. It's \$2 million and we could put it to you that the government could have put it in the next budget and still met the costs. What is the reason why funds totalling this much accrued over a period are needed immediately?

Mr Bruce Kelly: Those are this financial year costs to date, to the end of March. Those costs are real costs. They are being disbursed on a daily basis.

THE CHAIR: How far back do they go? When did they start accruing?

Mr Bruce Kelly: I think when we start taking into account the expenditure, the opportunity cost virtually, of the magistrate herself and her associate and an executive officer who was appointed to support this inquiry, that started, really, last financial year, but was largely absorbed with a small allocation.

MR SMYTH: The 2003-04 budget has \$1.5 million in it for the inquest. Are you saying you've spent \$900,000 of that to 30 March?

Mr Bruce Kelly: The \$1.5 million, as I understand it, was a total allocation across the department. Of that, the initial allocation to courts was \$375,000.

MR SMYTH: Okay. So there is \$600,000 remaining of the \$1.5 million and that's not enough to take you out to the end of the year.

Mr Bruce Kelly: We have certainly well and truly expended our costs. We're in negotiations with treasury now about those sorts of matters. These are an adjustment for this current financial year and the anticipated cost to 30 June.

MR SMYTH: Have you made any estimates as to what it will cost from 1 July through to the start of the fire season for the finalisation?

Mr Bruce Kelly: We haven't adjusted our original estimate. The original estimate upon which, if you like, the notional budget was delivered was a total cost of \$2.4 million. That went across, of course, the three financial years. We've made assumptions that 75 per cent of that expenditure comes to book this year.

MR STEFANIAK: Just on that, you've indicated out of the \$2 million extra the \$900,000 which you've broken up. What about the other \$1.1 million?

Mr Bruce Kelly: Of the \$2 million, I think \$1 million is allocated for the court's purposes.

Mr Stanhope: I think the point that was made before by Mr Kelly—I'm not quite sure if it was absolutely clear—was that the \$1.5 million in the 2003-04 budget was allocated equally between the department of justice, the Emergency Services Bureau, the Magistrates Court and the DPP.

MR SMYTH: Chief Minister, with regard to the extra \$2 million, I have written to you asking whether transcripts of the coronial inquest would be made public. You currently have to buy them at \$10 a page, which, for 100 pages a day, is \$1,000 a day. A lot of the public out there are interested in it but don't have the ability either to be in the court or to access the transcript. I don't believe I received a reply from you. Is it possible that those transcripts will be made public?

Mr Stanhope: I'll ask Mr Kelly to respond to the issue that we have in relation to transcripts generally. I know it's an issue that has affected all governments. There is an ongoing debate in terms of the availability of transcripts of all matters within the court and all governments and the court have developed a consistent line in relation to this, but I'll ask Mr Kelly to respond on the question of the availability of transcripts publicly. This is a live issue that has been debated and discussed for as long as I can remember, the cost of court transcripts and their general availability to the public and the extent to which all courts and all jurisdictions do charge for transcripts and the basis of those decisions, but Mr Kelly, if you could give a further explanation on that.

Mr Bruce Kelly: The Coroner's Act requires that a coroner dealing with a matter make a decision as to sufficient interest for access to transcripts. The coroner's decision to date has been not to publish those transcripts, for instance, on the internet. Those are matters which are properly a decision for her. As to costs, were she to say yes—a number of people do have access to the transcript; obviously it is necessary for the conduct of the litigation—the question of fees is statutorily a responsibility of the registrar of the Magistrates Court and he may waive or partially waive those fees. But generally the legislation restricts that decision to a need in terms of hardship. For this particular inquiry, I suspect as a means of saving the taxpayers' money, we have actually negotiated with the transcript supplier, who is providing a daily transcript, and that's not usual for the ACT, for electronic copies of the transcript to be available at \$50 per day, a substantial discount.

MR SMYTH: How would somebody access that? They would write to the registrar?

Mr Bruce Kelly: Absolutely, yes. Approach the registrar, who would then clear it with the coroner in each individual case, and if there was an application to waive or partially waive the fees, the registrar would determine that. The Magistrates Court Act then provides a review provision within the legislation if a person is not satisfied with that decision.

THE CHAIR: I would like to ask a question on the \$350,000 for the reactivation of the Eastman inquiry. Are there expected to be any other ongoing costs?

Mr Stanhope: In relation to the Eastman matters?

THE CHAIR: Yes.

Mr Stanhope: Mr Refshauge is better placed to answer that question. I'll ask Mr Refshauge to provide some of the specifics and some of our expectations and the extent to which we can anticipate costs in relation to Eastman matters. I would say, from my perspective and my understanding of matters that have been pursued by Mr Eastman over a number of years, that it's perhaps impossible to predict the final outcome of those

matters and, indeed, the final costs. But Mr Kelly could once again speak to the costs to the court and Mr Refshauge to the costs, most particularly to his office, in relation to the Eastman matters, if we might call them that.

Mr Refshauge: My name is Richard Refshauge. I am the Director of Public Prosecutions. I think the implication of what the Chief Minister said is that we never know with Mr Eastman what will happen. The position at the moment is that we're awaiting a decision from Justice Gray of the Supreme Court on the terms of reference of the inquiry, Mr Eastman having made an application under the Judicial Review Act, to consider whether additional matters should be considered by the inquiry or an inquiry. I understand that a decision on that is expected shortly and our application has been made in anticipation that that decision will then result in the inquiry commencing and, hopefully, being concluded within this financial year.

The difficulty for us is that if the decision of Justice Gray is adverse to Mr Eastman and the terms of the inquiry are not extended, then on past performance it's likely that Mr Eastman will attempt to agitate that, possibly even up to the High Court. That would then produce a situation where we would have to continue to be involved and to play a part, but that part would not be through the inquiry, which is what the appropriation is currently directed towards, but similarly to engage in litigation for which we wouldn't ordinarily be funded and for which we would need supplementation. At the moment, the expectation is that the inquiry will commence and be concluded, if we can do it, within the estimated time scale of three to four weeks within this financial year.

MR STEFANIAK: Good luck.

Mr Refshauge: Thank you, Mr Stefaniak. That's the reality. Who knows? That's as clear as I think it can be made.

MR SMYTH: How long is a piece of string.

MR STEFANIAK: Thank you for that explanation of a hopeful expenditure of \$350,000. I don't expect you to have this information to hand—take it on notice, please—but I'd be very interested in finding out just how much Eastman has cost the ACT in terms of the administration of justice, leaving aside whatever it has cost in terms of his incarceration, but just what he has actually cost the ACT to date.

Mr Stanhope: That might be difficult. I'm more than happy to look at it, but it's a matter of passing interest, I guess, Mr Stefaniak. It's something I've pondered myself from time to time. I'm more than happy to take it on notice. Mr Refshauge may have easy access to it, but I imagine it could be quite a complicated process for us. We could do a guesstimate.

MR STEFANIAK: That would fine.

Mr Stanhope: If you would accept perhaps a guesstimate.

MR STEFANIAK: I would accept that. I don't expect one down to the last dollar. I don't want you to waste a huge amount of time on it.

Mr Stanhope: I would be concerned about that.

MR STEFANIAK: I would like a good ballpark figure. From time to time cases like this crop up.

Mr Stanhope: Perhaps we could do that. As long as it's accepted that it's very much just a best estimate.

MR STEFANIAK: I have another question for you, Chief Minister. I note that the previous government opposed Mr Eastman's application, along with, I think, the DPP, and Justice Miles approved it. I note that you actually supported the application to have this inquiry. Why was that?

Mr Stanhope: The attitude that I adopted was that it was appropriate. I think you need to understand the role and attitude that I, as Attorney-General, took in relation to it. I adopted an attitude almost of—how would I describe it, Ms Kelly?

THE CHAIR: Chief Minister, you don't have to answer that question here. We're here to discuss the amounts in the appropriation bill.

Mr Stanhope: It's an interesting issue.

THE CHAIR: If you wish, you can, but keep it brief.

Mr Stanhope: I think that it is important to understand that I did not agitate on behalf of Mr Eastman. I was appearing essentially as Attorney-General in a matter appealed by the Director of Public Prosecutions in the first instance to the Federal Court and then, I believe, subsequently to the High Court essentially—and there is an expression—to ensure that the arguments that Justice Miles may have put—

Mr Refshauge: Contradictor.

Mr Stanhope: As a contradictor; that's the word I was looking for. Essentially, as Attorney-General, as a contradictor, to allow the arguments that Justice Miles may have put in explanation of his original decision to be made in those appeal processes, and I think that's an appropriate role for an Attorney-General to take. It is important to understand that I did not appear as an advocate on behalf of Mr Eastman. I appeared as a contradictor to allow full arguments to be made in relation to the matters being tested in both the Federal Court and the High Court.

THE CHAIR: Thank you, Chief Minister. I would like to move on—still on page 166—to the \$545,000 for base budget pressures in the ACT courts, including increases in the remuneration—

Mr Stanhope: May Mr Refshauge be excused?

THE CHAIR: I don't know. I don't know what you're going to need him for, Chief Minister. We have a few more questions in this area.

Mr Stanhope: Okay, thank you.

THE CHAIR: I will finish the question. There is \$545,000 for base budget pressures in the ACT courts, including increases in the remuneration of judges, the master and magistrates over recent years. My first question is: if these increases have been going on over recent years, as stated in this paper, why weren't they budgeted for in the last budget?

Mr Stanhope: The issue of base funding for the courts is, as you say and as the papers reflect, a matter of some years standing. I have no doubt that Mr Stefaniak recalls it well. It's an issue that has persisted in relation to an appropriate level of funding for, most particularly, the Magistrates Court. I think it most appropriate that Mr Kelly explain the issue and nature of Magistrates Court funding and I think it's fair to say that over a number of years the Magistrates Court has had some difficulty in coming in on budget. After many years of not coming in on budget, it's quite obvious that there is what we call a base funding issue.

We've responded to that again. We are doing some quite significant work. I know that Mr Kelly, as courts administrator, has been working quite assiduously at addressing funding and budgetary issues within the Magistrates Court and it's appropriate, I think, that he address the nature of the budget overrun that has occurred again this year. It's something which has been repeated over a number of years but which, of course, we're seeking to address through the establishment of what we regard as an appropriate budget for the courts.

THE CHAIR: I suppose that would also explain the urgency of its having to be in this appropriation versus the budget and how you try to plan for it not to happen again in this way.

Mr Bruce Kelly: Budget base funding pressures arise mostly out of actual costs which exceed those that are anticipated. Judicial salary increases, awarded by either the Commonwealth remuneration tribunal or the territory's remuneration tribunal, for instance, are a very good example of that. I would say that since 1997-98 the base salary of a judge in the territory has risen from \$185,548 to \$258,920 this financial year. That's solely on the basis of adjustments by the remuneration tribunal. Similarly, a base salary for a magistrate has increased from \$139,161 to \$173,340 per annum. Those are significant increases and they are structural issues within the budget management process. We arrived at this position because in the budget process the escalations applied to, say, general salaries are generally in the order of 1.2 per cent or 1.3 per cent, and these are well in excess of those—these are 5, 6 and 7 per cent increases.

THE CHAIR: And you wouldn't have known that when you did the budgets last year.

Mr Bruce Kelly: No, because the remuneration tribunal decision had not come down.

THE CHAIR: You will know it from now on. Are you going to anticipate it in future budgets?

Mr Bruce Kelly: Certainly in building the budget. I don't think too many people anticipated a \$5,000 allowance for magistrates for tribunal work that the tribunal brought down on the last occasion.

THE CHAIR: Sure. Are there serious problems in managing the court budgets?

Mr Bruce Kelly: I'd have to say that the budget overruns are systemic and have been, certainly in the Magistrates Court, for at least the last five financial years. In this bill, this bid, we have focused on three things: the unfunded portion, if you like, of the judicial increases; the addition of the ninth magistrate; and a very similar structural position in terms of rent for the Magistrates Court building, that is, that the rent schedule and the ratchet clauses in the financing lease are more than are applied across-the-board for operating costs. Every year this gap gets bigger and bigger and bigger.

THE CHAIR: Are you confident that the court budgets are being managed efficiently and affording best use of taxpayers' money?

Mr Bruce Kelly: Certainly at this stage we know an awful lot more about the budget, its pressures and its drivers than perhaps we knew in the past. We've spent an awful lot of time in the last 18 months, and the 12 months I've been here, doing an analysis down to the line level. We've put new controls in place. We've had a staff moratorium in place for 12 months, so no position is filled in either court without an analysis of the risks associated with not filling that position. We have taken action to reduce expenditure in the area of libraries, for instance, and cancelled large numbers of legislation sets, which didn't make me the most popular courts administrator in the history of the territory with the judiciary.

MR SMYTH: I notice that you only have it in for 2003-04 yet, Chief Minister, the clerical enterprise bargaining agreement has an effect in the three outyears and that effect is noted. Why is the funding pressure seen as just a one-off thing in the 2003-04 third appropriation? Surely this pressure will apply in the outyears. Why isn't it seen there?

MR STEFANIAK: Page 167, second last item.

Mr Stanhope: What does that say, Mr Stefaniak?

MR STEFANIAK: I am telling you where it is. It's the second last item on page 167.

Ms Elizabeth Kelly: Mr Smyth, it isn't a problem that is only going to be for this financial year. The third appropriation will address the issue partly for this financial year, but it is an ongoing one and there are other processes in place in order to review the base for the next financial year and beyond; so this doesn't purport to be a total solution to the issue.

Mr Stanhope: No, that's precisely the case, Mr Smyth. I took a decision to seek to provide the \$545,000 through this particular appropriation to deal with the shortfall that has already occurred this year. I was keen before simply extending it into the outyears for some more detailed assessment of the underlying issue in relation to court funding. I take the point that has been made and that Mrs Cross led with in relation to this issue. If we had known about this issue, if it has been an issue for a number of years, why do we persist in allowing the courts to come in every year with a significant overspend? We're looking at the systemic issues that Mr Kelly referred to.

I wanted to take the opportunity between the finalisation of the third appropriation bill and the work that we're currently doing in relation to the budget for next year and the outyears to get a firmer handle on why it is that every year over the last five years at least, as Mr Kelly has indicated, the courts come in with this significant overspend. We've done significant work and are continuing to do it. We're in the process of finalising a budget and the issue has been considered again in the context of the cabinet's consideration of the budget for this year and the outyears, and this is a major issue in those discussions that are currently going on.

MR STEFANIAK: Mr Kelly, did you say that the big increase in the case of magistrates of, I think, \$131,000 to \$173,000—for judges it was even larger—was just for one year or that it was over a period?

Mr Bruce Kelly: No, that was from 1997-98.

MR STEFANIAK: I can recall a previous Chief Minister, Kate Carnell, saying in a submission to the remuneration tribunal at one stage—I must admit it was in relation to politicians—that there should be no increase. Does the government ever put in submissions in this regard? They seem to be fairly hefty salaries. Obviously they cost us a fair bit. Does the government put in any submissions, or has this government put in any submissions, in relation to this area of remuneration?

Mr Bruce Kelly: As far as I'm aware, there have been vigorous submissions from the government to the tribunal.

MR STEFANIAK: Supporting or opposing?

Mr Bruce Kelly: I think a bit like a CPI argument, really, or any wage increase. There are submissions made to the tribunal in relation to the impact in terms of operation or service delivery, a capacity to fund and sometimes the underlying assumptions that are made about certain things.

As you would well know, the Supreme Court judges are tied to the Federal Court rate. The Federal Court rate is determined by the Commonwealth remuneration tribunal. The year before last, the Commonwealth tribunal conducted a root and branch review of judicial salaries and determined then that there should be about 5 to 7 per cent increases, which flowed on automatically to the Supreme Court judges. So there is, I suspect, a more limited ability to argue when it comes to the Supreme Court's budget.

MR STEFANIAK: I cannot remember when exactly this particular remuneration tribunal decision was. If there were government submissions, could you possibly make them available, just for that one?

Mr Stanhope: There was a submission, Mr Stefaniak, and Mr Kelly has essentially explained, from my recollection of it, the nature of the submission. The submission which I signed to the remuneration tribunal in relation to judicial salaries went very much to that issue of the nexus between Federal Court salaries and the Supreme Court. But I can't imagine, Mr Kelly, if there's any reason that it should not be made public, and I'm certainly more than happy to make it available to the committee.

MR STEFANIAK: Thank you. Just one more point on this matter: is this \$545,000 solely to do with the remuneration of judges, the master and magistrates, or is there something else in there as well?

Mr Stanhope: Building rent of over \$100,000.

MR SMYTH: And an extra magistrate?

Mr Stanhope: Yes.

THE CHAIR: I'd like to move on now, Mr Smyth.

MR SMYTH: Chair, I assume that we will be doing the emergency services lines with Mr Wood tomorrow.

THE CHAIR: Yes.

MR SMYTH: Just on the clerical enterprise bargaining agreement, I see that across Chief Minister's there is \$516,000 for the rest of this year. How much allowance is already built into the budget for pay increases?

Mr Stanhope: Can you just explain the question a little bit further for me, please, Mr Smyth?

MR SMYTH: You're asking for an additional \$516,000 across the portfolio for pay increases for this financial year. Was any allowance built into the budget to cover that cost in expectation of the fact that there was going to be a bargaining round and, therefore, money would be required?

Ms Elizabeth Kelly: Mr Smyth, I'm informed that that's a matter for the Chief Minister's Department. There isn't anything in our budget at this point. These are matters that are being dealt with.

MR SMYTH: So there's nothing in the JACS budget that foreshadowed the need for a pay increase?

Ms Elizabeth Kelly: That's correct.

MR SMYTH: Okay. Chief Minister, is it a flaw in the JACS budget, knowing full well that there was going to be a round of negotiation that had to be, in theory, finished by 31 March this year, that you actually didn't make allowance for it in your budget? Your government has actually budgeted for a deficit of \$7.7 million this year. So, if the sales of land and land rate taxes hadn't come good with the extra money, where were you going to find the money for the pay increases that obviously the public servants were entitled to this year?

Mr Stanhope: Mr Smyth, I'll have to take some more advice on it, but I can say that one of the very significant differences between budgets delivered by my government and some previous budgets is the extent to which we have funded pay rises and anticipated pay rises. We have done it to a degree and to an extent that I don't think ever has been

done before, and we do it still. In relation to the provision within estimates of an appropriation for EBAs, those are matters that are essentially very much part and parcel of the processes of treasury and chief minister's. I don't know whether there's somebody here to give you a fuller explanation of it. Pam Davoren could do that.

MR SMYTH: Before we get the fuller explanation, perhaps you might explain something. You've just said that you have made provision for pay increases, yet there is nothing inside at least the JACS portfolio.

Mr Stanhope: I'm actually looking for one of my officers that can give you a fuller explanation of the tactics employed by the government in relation to provisions for EBAs and pay rises, because it's an issue that we have taken very seriously. But, as you understand in the context of ongoing negotiations, these are a matter for negotiation. It is important and part of a negotiating process between an employer and employees that we do have some latitude in relation to offer and counter offer. I think Ms Davoren can provide you with a greater explanation of the arrangements that are in place for the payment of anticipated EBAs than I can on the detail.

Ms Davoren: My name is Pam Davoren. I am executive director, industrial relations and public sector management, Chief Minister's Department. I can provide some explanation. I would just like to draw the committee's attention to the discussion yesterday with the Minister for Industrial Relations, where I believe these issues were fully canvassed. It is basically the same situation across all agencies that there is some infrastructure in terms of provisioning for pay increases in the outyears in the budget. The third appropriation reflects a top-up. There is a dilemma in terms of trying to anticipate future pay rises in advance of negotiations, and the pay rises indicated in the third appropriation reflect projected pay increases for this financial year.

THE CHAIR: Ms Davoren, I raised the EBA issue yesterday with the minister. I said that, if the minister was aware that EBAs were being negotiated, there would have been something put in last year's budget to cover it. The minister said that you can't pre-empt what the solution is going to be, and I understand that. So my further question is: why put it in this appropriation and not just put it in the next budget? I will ask that of every minister that comes here because it applies to every single department, which is why Mr Smyth has asked a similar question.

Mr Stanhope: I stand by the answer of the Minister for Industrial Relations, Mrs Cross.

MR SMYTH: That is interesting, Chief Minister, because the Minister for Industrial Relations put aside \$4.6 million next year and she has \$3.8 million in the 2003-04 year, but we are told that JACS has no money. Can we know the quantum of what has been put aside in Chief Minister's for expected pay rises?

Mr Stanhope: I'll seek to get that information for you.

THE CHAIR: Take it on notice.

MR SMYTH: But it does get back to the fundamental question, Chief Minister, that the industrial relations minister said that the government had a strategy. You've budgeted for a deficit this year of \$7.7 million. You have spent beyond your limit and it's only luck

and the good economy that brings the cash.

Mr Stanhope: It was good management, Mr Smyth.

MR SMYTH: Why didn't you make further allowance or better allowance for an EBA that you knew was going to occur? You are asking for an additional \$29,671,000 in the third appropriation for pay rises. If the cash hadn't kept rolling in, you'd have taken us another \$30 million into the red. Is it your strategy that you just cross your fingers and hope the cash will turn up?

Mr Stanhope: We do have a strategy in relation to EBAs and anticipated pay rises, Mr Smyth, and it's a strategy that is far more rigorous and far more open than one that, I think, has been employed before and was certainly employed by your government. I'd be more than happy to go back to your practice in government in relation to budgeting for anticipated pay rises. I think we all know what we inherited when we came into government in terms of the allowance made by your government, Mr Smyth. I think it was 1 per cent. I think it was 1.3 per cent.

MR SMYTH: It's nice rhetoric, Chief Minister, but would you like to explain your strategy?

Mr Stanhope: Our strategy is essentially one that allows us to keep pace with anticipated pay rises, something that we can't always anticipate because of the nature of negotiations—the offer, the counter offer and the quantum that is finally agreed on and delivered—but in the context of the allocations we do make and the appropriations that are included in our bills in relation to anticipated pay rises, they compare amazingly favourable with the 1.3 per cent which was included in your last budget in government as anticipated pay rises in an environment where the bids that were made—

MRS DUNNE: That was not the question. This is a history lesson.

Mr Stanhope: It is a history lesson but it's an indication of the extent to which this government is open and responsible in relation to the allocations we made.

THE CHAIR: Chief Minister, the only thing I wanted to know, maybe this is just because I am newer here than you, is—I'm not going to quibble about the amount because I think it's nice that you're generous—

Mr Stanhope: We're overgenerous, I think, Mrs Cross.

THE CHAIR: I won't say that, but what I would like to say is that, if you're aware that enterprise bargaining agreements are being negotiated and if it is an urgent matter, wouldn't you have put some fat in the budget last year to cover a possibility, rather than asking for something in an appropriation, or you could have put it in the budget that is coming up? That's a simple question, nothing further.

Mr Stanhope: I understand the point. I think the answer essentially is no, I don't think any government ever appropriates more they think they might need. Those with whom we negotiate in relation to pay rises look at budgets as well. If, for instance, we had anticipated that 3 per cent was an appropriate annual pay rise but appropriated 4 per cent,

how far do you think we'd get in convincing those with whom we're negotiating that we really think that 3 per cent is a serious offer?

THE CHAIR: We'll move on from the EBA.

MR SMYTH: Mrs Cross, I have one more question, if I may. Chief Minister, how much did you put in the 2003-04 budget as allowance for pay increases? You've told us that you have a strategy. We've had the rhetoric and we've had the history lesson, thank you. How much have you actually put aside in this year's budget, what percentage, and what is your government strategy to meet the pay rises for public servants, given that you budgeted for a deficit?

MS MacDONALD: Mr Smyth, that sounds very similar to a question you asked yesterday of the industrial relations minister.

MR SMYTH: You're not the chair, Ms MacDonald.

MS MacDONALD: She said that she wasn't going to give that away.

MR SMYTH: Thank you for the history lesson; you're not the chair. Chief Minister, the question stands.

Mr Stanhope: These are questions for the Minister for Industrial Relations. I'm more than happy to take them, but our strategy in relation to paying pay rises, EBAs and appropriations is to overcome seven years of neglect of public sector wages and salaries in the ACT.

MR SMYTH: Thank you for the history and the rhetoric. That's not a strategy, Chief Minister.

Mr Stanhope: That's our strategy. Our strategy is to value our work force. In relation to the questions around our strategy in the budget and the appropriation bill, Mrs Cross, I rely on the responses provided by the Minister for Industrial Relations, who has responsibility for those matters.

THE CHAIR: I don't want this to go on because I'm mindful of the Chief Minister's time and mindful of the members here that have to go off.

MR STEFANIAK: I will put the rest of them on notice.

THE CHAIR: Thank you, Mr Stefaniak. You can take on notice Mr Smyth's question.

Mr Stanhope: I'll take it on notice.

THE CHAIR: Fine. I would like to move on because Mrs Dunne has to leave. I would like to move on now to Environment ACT so that Mrs Dunne can ask some questions before she goes to a funeral. Again, I apologise for not doing things in the order expected.

Mr Stanhope: That's perfectly understandable, Mrs Cross.

THE CHAIR: Thank you, Chief Minister, and I thank those that have given evidence this morning. I welcome Dr Cooper and Mr Thompson.

MRS DUNNE: On page 78 and following there are items under urban services which are essentially items for Environment ACT. They relate, for the most part, to bushfire recovery, and then there are issues in relation to the implementation of the water strategy. I will start with the water strategy and then go back to the bushfire-related ones as that might be a more coherent way of doing it.

Chief Minister, it is said in the explanation here that the programs that will be run in this financial year will be water efficiency measures, including a pilot water audit or tune-up program, and revised rainwater tank rebates and the development of community awareness programs, and then there will be a slightly different emphasis next year. Could you tell the committee how you envisage a water audit pilot would be run in the remaining months of this financial year?

Mr Stanhope: I'll ask Dr Cooper to respond to the steps that the department is taking in relation to that.

Dr Cooper: My name is Maxine Cooper. I am executive director, environment, Department of Urban Services. We envisage that we will have a plumber visiting households and advising on water efficiency, repairing leaky taps and installing a water-efficient showerhead, a two-tap valve flow regulator and some washers, and we envisage that that pilot program could be conducted across approximately 650 houses. So the project has been scoped and staff are of the opinion that it is very achievable for approximately 650 houses.

MRS DUNNE: Have you come up with a theory about how you will target those houses? Have you worked out how you will target the 650 houses?

Dr Cooper: It's going to be across the ACT region applicability, so it will be called for in terms of those people who are interested.

MRS DUNNE: So that they will be early adopters, self-selecting?

Dr Cooper: Yes, and it is a pilot.

MRS DUNNE: The principal question is: why do we need a pilot of a program which seems very much like the program that's been running with Queanbeyan City Council for a number of years?

Dr Cooper: We call it a pilot program in order to refine it for the subsequent financial year. We just want to make sure we get it as right as we possibly can.

MRS DUNNE: Okay. Why is this here? This particular program or a pilot like it has been raised in the think water, act water strategy, but we seem to be anticipating the final results of the think water, act water strategy. There seems to be a cart before the horse. I don't particularly have a problem with the program. I have a problem with the process and the sequencing of the process. Chief Minister, I think this is really a question for

you. This seems to be partly an announcement of what's in the think water, act water strategy, which hasn't actually been publicly finalised and released.

Mr Stanhope: Certainly it anticipates the final release of the strategy that will occur in the next couple of weeks. I anticipate the final of the strategy to be released in April. It then does allow us time to hit the ground running in relation to the strategy and our determination and commitment to implement that particular strategy.

Yes, we are anticipating the final release, and to that extent we've decided, rather than releasing the strategy now, accepting the criticism that comes with the release of every strategy that doesn't have funding or resources associated with it, and to that extent perhaps we've listened to some of the criticisms we've received in relation to some of the reports that we've released that didn't have funding associated, to respond to that. The final report will be released in the next couple of weeks. There will be money and resources applied to the implementation of that report and in the first instance, in terms of this financial year, there's a modest amount of \$280,000.

MRS DUNNE: Getting back to the Queanbeyan City Council program—I'm not quite sure whether the Chief Minister can answer this or Dr Cooper—you said, Dr Cooper, that you were running a pilot this year so as to refine the program. What do you think needs to be done differently from what is being done in Queanbeyan and what you propose to do here, because what you described a few minutes ago seemed to me very much like the Queanbeyan program, except that there doesn't seem to be as much money associated with it as there is with the Queanbeyan program?

Dr Cooper: That's why I think the staff are advocating a pilot program, as I said, to refine it. I can't answer that now. I think in implementing the pilot program we're actually testing out if there are points of difference and what are the issues before we then jump into a full-blown program.

MRS DUNNE: Does Environment ACT have any idea how much water consumption has been reduced in Queanbeyan as a result of the pilot program? What do you aim to achieve here as a result of that program?

Dr Cooper: I don't have that figure with me, but I could come back to you.

THE CHAIR: Take it on notice.

Mr Thompson: My name is Alan Thompson. I am chief executive of the Department of Urban Services. The Queanbeyan figures have been presented in various forums. They haven't done it so much in terms of a total reduction in water consumption, but much more in terms of a lower flow at their treatment plant. The figure they're quoting there is a 5 to 7 per cent reduction as a result of their various initiatives, one of which we haven't picked up at this stage, that is, the proposition about essentially providing at very low cost new dual-flush toilets. We're not proposing that at this stage. They're claiming at their treatment plant a 5 to 7 per cent reduction.

MRS DUNNE: So you're not proposing it.

Dr Cooper: Not in the pilot scheme, we're not, but it's certainly something that we'd be

looking at post the pilot scheme for a longer scheme. It's certainly something in the outyears that is definitely on our minds.

MRS DUNNE: One of the other things—this is in this financial year and it seems to be going into the outyears—is a revision of the subsidy for rainwater tanks. Can you tell me how you envisage that the subsidy would change from the current Actew subsidy?

Dr Cooper: It's looking at streamlining it a bit further in terms of the processing process and actually giving it a bit more impetus in terms of some additional funding to help focus and get some more take-up.

MRS DUNNE: How do you envisage getting more take-up?

Dr Cooper: It's going to be very much linked to the other part, the public information and awareness campaign, so we see the three-pronged approach as the way to go. It will be part of the water efficiency drive as well as that public information and awareness, so it's getting the message out there more to the community, and then with a more streamlined process we hope the uptake will be greater than it currently is.

MRS DUNNE: How is a rainwater tank a water efficiency measure?

Dr Cooper: Sorry, I didn't mean to mislead you there, Ms Dunne. With the awareness of the water efficiency program going into the 650 houses, it will make for awareness of water and water mechanisms by the general community. It's more a matter of awareness raising generally.

MRS DUNNE: Does that mean that the information program for this financial year is only going to the people who will be involved in the pilot?

Dr Cooper: No, it will be across-the-board.

MRS DUNNE: Okay, I needed to clarify that. Chief Minister, has the government conducted a cost-benefit analysis of rainwater tanks as a storage option?

Mr Stanhope: I don't know whether I'd characterise it as a cost-benefit analysis—perhaps that is an appropriate description—but an analysis has been undertaken, if I might use that expression and you won't hold it to me in a technical sense, of, I guess, the efficiencies of a range of measures. Mr Thompson or Dr Cooper might know the detail a bit better than I, but I think it's fair to say that a rainwater tank subsidy doesn't rate all that highly in terms of water saving as a water saving efficiency measure, but it's one of a raft of measures available to us. It certainly is not the most cost-efficient. I think there is some detail of that and I think we could provide that to you, Mrs Dunne. There is some detail available against all of the proposals that one might pursue in relation to a water strategy or a water policy.

MRS DUNNE: I'd like to see that analysis; that would be good.

Mr Stanhope: Sure thing. That's fine.

MRS DUNNE: The question I asked, Chief Minister, was: how did it rate as a water

storage option rather than a water efficiency option? I don't think that it is that because there is a whole range of water storage options which, presumably, are going to be divulged when the think water, act water strategy comes out. Have you actually set targets for water storage?

Mr Stanhope: Through water tanks? I don't believe we have.

MRS DUNNE: Through water tanks specifically and also other means of water storage.

Mr Stanhope: As you are aware, Actew has been doing significant work in relation to future water supply requirements and I had a brief discussion with Mr Costello yesterday about that. I asked him about the stage at which that work or research that Actew has been undertaking is at. I look to releasing that raft of very significant work that Actew has overlooked within the next few weeks as well. We could perhaps do that at the same time as we release the final water strategy.

MRS DUNNE: But not necessarily at the same time as the water strategy.

Mr Stanhope: Yes. It will be about the same time.

THE CHAIR: Mrs Dunne, one more question.

MRS DUNNE: Sorry, Madam Chair, I do have a couple of questions that I have to ask on this. Have you done a cost-benefit analysis—you may not be able to give me the detail, but I would like a yes or no answer at least—of the different sorts of storage options, ranging from water tanks through to a dam or augmentation of dams?

Mr Stanhope: I think at this stage it's fair to say no. At this stage, Actew has been collecting and collating a range of information across a whole range of issues relevant to water storage in relation to a dam or a pipeline, a new dam or a new pipeline, or an adjustment to our existing catchments. But whether I could say has a cost-benefit comparison across the range of potential options been done at this stage, I think it's probably fair to say no, that work hasn't been done yet, but certainly a significant amount of information and research has been both collected and commissioned by Actew and it is a significant body of work that I think will certainly enhance and facilitate the debate that we're currently having as a community around our future water storage needs. I think it will be a very significant part of the debate.

THE CHAIR: Mrs Dunne, you will need to put your other questions on notice. I'm sorry, we have a number of other areas we need to cover, Mrs Dunne. I have allowed you lots of latitude but, like other members, you will have to put on notice your questions to the Chief Minister so we can move on. I would like to move on to the Chief Minister's Department now.

MRS DUNNE: Madam Chair, there is a whole range of bushfire-related issues on page 78 which are all related to Environment ACT.

THE CHAIR: Mrs Dunne, I have allowed you a lot of latitude to ask questions. You've chosen to do those on the environment. You may ask one question, if you wish, on another matter, but we do have other members here that have to ask questions in a

number of other areas. We have the Chief Minister only until 11 o'clock.

MRS DUNNE: Yes, I realise that.

THE CHAIR: And this is not the only area we are covering; so one question.

MRS DUNNE: Okay. Chief Minister, the other important issue is the repair and replacement of fire-damaged fences. There has been some discussion about that in the last couple of sitting days. There are two issues that come out of this issue. One is the inordinate delay in repairing fences. We have seen in surrounding areas of New South Wales that the farmers had their fences repaired by April/May last year, so that lessees in the ACT are having significant problems a year later. Then there is the issue of who owns the fences and the property rights. Dr Cooper wrote to the lessees about a fortnight ago requiring that, after the fences are repaired, they take over ownership and responsibility for boundary fences. I would like to know the legal precedent for that, who gave advice on that policy and whether that policy advice is available.

Mr Stanhope: Certainly the issue around the replacement of fences has taken some time to resolve; I acknowledge that. Of course, we regret any inconvenience that has caused to rural lessees. I think that in the context of discussion around rural fences it is important that we understand that, in 2003-04, \$1.1 million was spent on repairing and replacing about 200 kilometres of boundary fencing and another couple of hundred kilometres of fencing are still to be repaired.

The difficult issue that we've grappled with, and it has been a difficult issue for us, has been, as I've explain in the chamber, a difficulty in relation to issues of ownership and, as a result of the different ownership arrangements that apply to rural fencing within the ACT, there has been a significant equity issue that we've been grappling with: how best in the first instance to assist rural lessees in the repair of their fences, but how to be fair about it, and at the same time how to perhaps take the opportunity to resolve the issue of ownership of the fences.

I think that it had been hoped at the time that we moved to 99-year leases that in the progressive move from old-style leases to 99-year leases we would have addressed this figure. In that regard, I note that this was an issue that did occupy the mind of the previous government and we're grappling still with that same issue. For the information of the committee, because this is an important issue, Mr Humphries sent a letter to a rural lessee that summarised the issue that we're facing particularly well, and the government concurs with everything that Mr Humphries said and sought to achieve in relation to rural fences. Mr Humphries said—

THE CHAIR: What date was that, Chief Minister?

Mr Stanhope: In 1996. He said:

The policy currently being followed for allocating ownership and responsibility for rural boundary fences is similar to that in other states and in urban Canberra, which is that fencing adjoining public lands is the responsibility of the occupier of the land abutting the public land. Transfer of ownership and responsibility from the previous arrangements, which varied from lease to lease, occurs when a rural lessee renegotiates a new lease which includes the requirement to acquire government-

owned improvements.

Any apparent windfall gain to a lessee who is given previously government-owned boundary fencing is offset in the longer term by the associated responsibility of the lessee to repair, maintain and eventually replace the fencing.

While the allocation of “free” boundary fencing will vary in value from lease to lease, I do not believe that it will significantly affect the price a lease would realise if sold.

Your suggestion for an alternative approach to this complex issue is appreciated and has been given proper consideration. On balance, I consider that giving full responsibility and ownership of boundary fences to rural lessees is a simple and economically responsible policy for this Government to adopt and is consistent with practice elsewhere in Australia and in the ACT.

I concur absolutely, and that’s what this government is seeking to achieve as well. Mr Humphries started the process in 1996. We are continuing it and seeking to achieve what Mr Humphries set out to achieve in 1996.

THE CHAIR: Chief Minister, that letter was written before the devastation of the bushfires last year and maybe that could have been applied at the time, but since last January we have had a different kettle of fish here and I would have thought that that would have forced any government to re-evaluate a position like that.

Mr Stanhope: No, not at all, Mrs Cross. The policy position as expounded by Mr Humphries, which was the previous government’s policy position, is our policy position. It hadn’t been achieved. What we’re saying is that we’ve expended now over \$1 million on rural fences. We are appropriating an additional \$2 million. What we’re saying is that that’s over \$3 million of taxpayers’ funds to replace the full suite of fences within rural areas of the ACT.

What we’re saying is, “Look, we’re starting again. The ACT government, through the ACT taxpayer, is replacing all of your fences. Let’s regularise the position in relation to the ownership of those fences for the future so that if, heaven forbid, there is an issue again in relation to the ownership, repair or replacement of fences, we all know who is responsible and who owns those fences.”

Mr Humphries and the previous government had a public policy position in relation to this, which we accept, that the fences should be owned by the rural lessees and they should accept responsibility for them. That was the previous government’s position. That is our position. What we are saying is, “Righto, the situation is confused. Here’s \$3 million. We the government, we the people of the ACT, will start again. We will build the fences, but we would like you, in recognition of the fact that the taxpayer is replacing your fences, to accept this policy position, which has been the policy position of the previous government and is our policy position.”

THE CHAIR: Isn’t it more prudent, though, for the current government to wait until the end of the coronial inquiry before making a final decision on that matter?

Mr Stanhope: I don’t believe we need to do that. That’s like saying, “Should we wait

longer before repairing the fences?” We are saying to the rural lessees, “If you don’t agree with this position, then on what basis do you accept this money, as a gift?”

THE CHAIR: Mrs Dunne has one final question and then we will move on.

MRS DUNNE: I would like to wrap this up, if I may, by pointing out first of all that that letter was written in 1996, before the rural policy was changed in 1997 and implemented in 1999. Chief Minister, you said that you had already appropriated \$1 million, there is another \$1 million here and there will be \$1.3 million next year. This supplementary appropriation says that the work will be completed in 2004-05, essentially 18 months to two years after the fire. Would it not be better, if we are talking about equity, to repair the fences and have the separate argument about ownership?

It seems to me, Chief Minister, that what you are doing here is putting land owners over a barrel by saying that you won’t repair their fences until they adopt your policy, which is not an equitable position for people. What are you going to do to ensure that land owners who have unmended boundary fences can operate their business, or are you going to continue to hold out a bucket of money and say, “We’ll give you the bucket of money when you agree with us?”

Mr Stanhope: I honestly can’t understand why there would be any objection or issue with the position that the ACT government has put. We have provided significant support to rural lessees. In addition to the \$1 million we have already provided for fences, all the other assistance that was provided to all residents of the ACT affected by the fire has been provided to rural lessees.

In addition to that, the ACT government, in direct response to the fire, has provided \$150,000 to lessees under the rural recovery funding and \$44,000 through the rural conservation fund, \$50,000 was allocated for herbicide assistance to deal with weeds, \$168,000 was provided for fodder cartage subsidies, \$69,000 was allocated to removing burnt pine trees on rural leases, \$3,880 was provided for pasture restoration, \$32,000 was provided for pasture seed mix to assist rural lessees to have their land restored, \$11,421 was provided to rural lessees for soil conservation works, and \$12,000 was forgone in relation to agistment.

We actually arranged all stock burial and euthanasia. We’ve actually provided significant weed control strategies for rural lessees. As I say, all of those services that were available through the bushfire recovery centre to ACT residents were provided. In total, in addition to the \$1 million so far in fences and the \$2 million yet to come in relation to fences, we have provided an additional \$542,000 in other assistance, not counting the direct assistance provided through the recovery centre and the other direct initiatives.

Very significant assistance—we are talking about between \$3.5 million and \$4 million of assistance—has been provided to those rural lessees. We are talking here of between 40 and 50 people or families that have received about \$4 million worth of assistance. We believe the proposal that we’ve put on the table in relation to rural fences is consistent with the longstanding policy of this government and the previous government, is consistent essentially with what was sought to be achieved in the new 99-year leases and the new rural land policy, and is equitable, namely, that rural lessees will in the future accept responsibility for the brand new fences that we are providing.

MR SMYTH: I have a question concerning the revegetation works and fuel management. There is \$175,000 for revegetation and there is \$300,000 for fuel reduction. I was approached at a meeting last night by some Farrer residents, one of whom wrote to you, Chief Minister, and you sent back the promotion blurb saying, “We are doing all these things and, yes, we will be doing some work on Farrer Ridge.” A couple of young fellows turned up with chainsaws a week ago and started chopping down trees and clearing debris, to which the residents went out and asked why they were chopping down trees that were planted by the landcare group. One of the kids with a chainsaw said, basically, that they were told just to go up there and clear stuff. The young fellow was asked whether there was a plan for the clearing, to which he replied, “Normally the trees are marked that we chop down but, given there were no marks here, we did it anyway.” The residents shooed these gentlemen away and approximately three days later a guy with a pink spray can turned up to mark the trees that were to be removed.

THE CHAIR: What is the question, Mr Smyth? That is a long preamble.

MR SMYTH: The question is: what is the process that leads to the removal of fuel? It just doesn't seem that there was rhyme or reason in the case of Farrer Ridge?

Mr Stanhope: I can't respond specifically to Farrer Ridge. Perhaps Dr Cooper can as the relevant land management agent responsible for Farrer Ridge. But let me just say from my observations of the fire abatement work that is being done, particularly the physical fire abatement work that is being done around Canberra, I have noticed it quite explicitly in relation to Belconnen and I've seen it in relation to other areas, particularly around Weston Creek. I think the work that is being done is absolutely excellent. I think the work of those that have been engaged in the physical removal of fuel within particularly nature park areas has been first class.

If there was an issue, an error or a mistake in relation to Farrer Ridge, I apologise for that. Dr Cooper might be able to respond more fully. But from all of my observations, all of the physical fuel work that has been done over this last year I think has been excellent. The work of officers engaged in bushfire abatement and the physical removal of bushfire hazard material has been exemplary and I commend them absolutely. If there has been some overenthusiasm, I apologise for that, but I don't resile from the work that we've done as a government in seeking to allay concerns and anxiety and to make this community safer, and I will continue to work it.

I might just say, Madam Chair, that this is a vexed and difficult issue. I've been beaten from pillar to post in relation to fire abatement work that I've done in particular areas. I get criticised when I do it and I get criticised when I don't do it. I have no option but to adopt an attitude that I and this government will do what we believe appropriate to make this community safe.

I receive as trenchant criticism for the fire abatement work we do, hazard reduction burning, as for the fire abatement work we are not doing. I have no option, nor do my officers, in working to the fire abatement plans which have been developed and we are working to and which have been very broadly consulted on and I don't apologise for it, but I apologise for mistakes, overenthusiasm and a breakdown in protocols and

operations.

Dr Cooper: I'll come back to you. This is news to me.

THE CHAIR: I would like to move on to the Chief Minister's Department. I thank everyone from Environment ACT. I refer to page 13. This one is one of my favourite areas. I am mindful of the time, Chief Minister. If we go two or three minutes over time, you're not going to have a conniption, I hope.

Mr Stanhope: No, but I've undertaken to go to a function.

THE CHAIR: I appreciate that. Your answers are very comprehensive and thorough and I'm trying to get through as many questions as possible, but I appreciate your indulgence, Chief Minister. My first question is about the \$300,000 that has been allocated for community events and enhanced engagement between the government and the community. For which community events? Given that the \$300,000 is a lot of money between now and the next budget, which is less than a few months away, what return can the taxpayer expect and what is the urgency of it now?

Mr Stanhope: I will ask Mr Hawkins to commence the answer and Ms Maxwell will be able to assist as well.

THE CHAIR: Thank you, Chief Minister. In the answer, will someone explain to me what is meant by enhanced engagement between the government and the community? I know what it means. I would just like to know why it is in there as that. I would have assumed that what we do have anyway is enhancement between the community and the government. Is it some special program, something above and beyond what has been before? What is it?

Mr Hawkins: My name is Lincoln Hawkins. I am acting chief executive of the Chief Minister's Department. In the instance of the Chief Minister's Department, particularly the third appropriation items listed in the table on page 14, they are by and large a reflection of the priority commitments of the social plan. In this instance across, for example, building a stronger community, which links community engagement, you will see the same themes reflected as events across-the-board. Developing a strong, integrated program of events reflects very much the views and values of Canberrans.

As a priority initiative, the ones provided for in the third appropriation are the ones that the government has identified that it wants to initiate and move on very quickly. It is very compatible with the community engagement strategy work which has been undertaken in the department and making an early start has been the priority commitment of the government. Ms Maxwell will outline some of the details for you.

THE CHAIR: Before Ms Maxwell does that, I ask: is this something that you just decided on very recently to do? If not, why didn't you include it in last year's budget? If there is no urgency because the budget is nearly here, why have you asked for this money in this appropriation and not in the upcoming budget?

Ms Maxwell: My name is Kathryn Maxwell. I am director of the community engagement unit. Of the \$300,000 allocated, \$235,000 has been allocated to a pilot of the

renewed community facilities program. The idea of this is that there is actually an expectation of some significant funding for the next two financial years and we're running this pilot to address some urgent repairs and maintenance required to community facilities, but also working with a number of agencies with projects that have come through that haven't had access to funding. That is the main element that's happening and that pilot will take place in May-June. The experiences from that will feed into that two-year substantial funding to renew community facilities, which was a key element of the social plan.

The sum of \$30,000 will go towards the community engagement initiative. This is to develop a comprehensive community engagement code of practice. The funding will go towards funding extensive focus groups, surveys, workshops and meetings to thoroughly engage with the community in the development of this code of practice. The sum of \$30,000 will go towards the community sector funding reform. As you might be aware, this policy was launched in February and essentially between now and June we need to put in place new funding agreements, new subsectional funding plans, so that we can move to these arrangements on 1 July. That funding will actually go towards some extensive training of both contract managers within the ACT government and community sector organisations. Negotiations have to commence in May so that they can complete those negotiations and start the new arrangements in July. It's part of that overall framework of moving from purchaser/provider to a partnership arrangement.

We have small funding of \$5,000 towards community events and it's really a recognition that you need a long lead time in your planning for community events. There's a focus on some key days in the calendar for this funding. Just as an example, we've already commenced negotiations with the organisers of the multicultural festival for a community connect day where we can actually use the facilities that are in place in Civic walk to have all of the community organisations there accessible to the public, to facilitate better awareness of the groups that exist and encourage greater participation. A very important element of the social plan was this thing about social cohesion, the sense of community, and we feel that community organisations are key to that in the ACT and an event like this where you can piggyback on an existing event will provide an extra benefit to the community.

THE CHAIR: The urgent repairs and maintenance that you refer to, when did they come up?

Ms Maxwell: A number of them have come up through the year. Some of them were, for example, applications to the Canberra community foundation, which is a grants program. Unfortunately, repairs and maintenance are not eligible, but certainly a number came through there. A number of inquiries have come through ACTPLA and through disability, housing and community services, so there has been a number of proposals come in with very urgent works for occupational health and safety, for access, and basically what's happening is we're putting together a list. That list will then be assessed by ACTPLA's social infrastructure group, which has the asset managers from every agency in the ACT government. So we're basically putting together a list, then doing an assessment and prioritising that list and spending the funds in that way.

THE CHAIR: Chief Minister, the \$300,000 for enhanced engagement between government and community, is this a new area and is this money taking any part of the

Office of Multicultural Affairs away? Is there going to be a shifting of focus from that department to this other area? The reason I ask that is that I understand that there have been staff cuts in that department. Given that this government has said that it has a very strong commitment to multicultural and indigenous affairs and, in fact, the Office of the Status of Women, which is staffed by people that work in that same environment, is any of this money coming from the money from the savings that you are making from the staff cuts in that department?

Mr Stanhope: Let me say a couple of things, Mrs Cross. No, this is new money. This is not money that has been transferred from any other part of the department. I can't speak to you with any authority about staffing issues with any part of the department, I'm afraid. I would have to take advice from officers in relation to issues around staff.

I'm not aware of any staff cuts in any area of the department. I'm aware that from time to time in response to budgetary pressures and the state of an individual branch, sectional or divisional budget at any stage over the year, certain contracts for engagement of staff that had been entered into aren't extended, but I'm not aware that any part of the Chief Minister's Department has suffered staff cuts as such in terms of the full-time equivalent allocation of staff, except otherwise than perhaps in the transferral of responsibility.

It may be, of course, that staff that have been taken on on short-term contracts for certain tasks did not have those contracts renewed at their termination. I'm afraid I'm not in a position to give you the details of that. But let me say that this government hasn't lessened its commitment to multicultural affairs or a multicultural ACT one iota, nor will it.

THE CHAIR: Do you have anything on this line item, Mr Smyth or Ms MacDonald? I'd like to go to the \$133,000 for a community inclusion fund. I want to know how this will alleviate poverty and exclusion? What do you mean by exclusion?

Mr Stanhope: The establishment of the Community Inclusion Board and a community inclusion fund is, I think, a very significant part of the social plan and its implementation and of the government's capacity at one level to meet the targets that we've set ourselves through the social plan and, indeed, for us to meet the aim and the vision that underpin the social plan.

As you're aware, the chair of the Community Inclusion Board has been appointed. Mr Hugh Mackay has accepted that position. You would also be aware that we have advertised for expressions of interest from the community for appointment to the Community Inclusion Board. I expect to be finalising that matter probably at the next cabinet meeting and we will be announcing those decisions.

But the question around inclusion and exclusion, the division that underpins the social plan and, indeed, the Canberra plan, is that every Canberra has the opportunity to participate in the life of the Canberra community and society to the same degree as every other member of the community if that is their wish. If we are talking about inclusion or exclusion, we have to start from an assumption that everybody should have the same opportunity. Whether they choose to accept or take that opportunity is a matter for them, but the opportunity should be there for them to take if they wish to take it.

We all know through a variety of circumstances that as things stand, whether it be poverty, whether it be as a result of Aboriginality, whether it be as a result of a range of other factors that lead to the exclusion of some from that capacity to participate as a result perhaps of a dysfunction in a family or a lack of family support and an incapacity to participate appropriately in the education system and everything that flows from that, that leads to some people being excluded from those opportunities.

I think we all know and generally accept what those excluding factors are. They are poverty. They are in many instances Aboriginality, disadvantage and discrimination. That's what we're seeking to address through the social plan. The Community Inclusion Board is a fundamentally important part of the strategy that we've put in place for finding a way ahead and for ensuring that as a community we remain focused on our commitment to inclusivity. But it may be that Ms Hudson, if you have some more detailed questions on that, can provide a more succinct definition of inclusivity or exclusion.

THE CHAIR: Briefly.

Ms Hudson: My name is Cathy Hudson. I am director of social policy in the Chief Minister's Department. I'd like to go back to the \$133,000. It is particularly for setting up the board and the community inclusion policy unit within the Chief Minister's Department. The fund itself is included in the outyears, but the government has decided that the fund will take advice from not only the Community Inclusion Board but also a management council to decide how best to allocate that funding; so it's important to set up the board and move forward first so that the funding can be allocated next year and in the following years.

Looking at the exclusion and inclusion issues or ensuring that everybody is included, the fund will progress the work of the addressing disadvantage project last year in which lots of the recommendations focused on the need for multidisciplinary approaches to deal with multiple risk factors for those who are experiencing exclusion and also to work better, I suppose, between government and non-government areas so that you actually get better synergies than perhaps has been the experience in the ACT with better partnership approaches. That is what some of the fund will be looking to.

MR SMYTH: The \$133,000 sets up not only the board but also the unit in the department; is that what you said?

Ms Hudson: It's for a secretariat function to the board which will be in the community inclusion policy.

MR SMYTH: What will the board cost to run? Are there sitting fees for the chair and the members of the board?

Mr Stanhope: Yes, the chair and members of the social inclusion board will receive a payment, will be paid.

MR SMYTH: What will those payments be? What will the chair get and what will the members get?

THE CHAIR: You can take that on notice.

Ms Hudson: The final determination of that will be made at the time cabinet considers the nominations.

Mr Stanhope: It will be consistent with the policy of payment that applies to other government boards. I must say that I don't have the numbers, but it's consistent with other like constituted boards within the government service. I'm more than happy to provide you with that immediately I have it, Mr Smyth.

MR SMYTH: Thank you. What are the funds intended for? There is almost \$6 million there. What will they actually do? It is nice to talk about inclusion. On one hand, you could say that the government's policy has failed because it has had to have an inclusion board. What are the functions that it will be taking on that are new and different from what the government already does? Is there anything new and different or is it just an extension and a rebadging of functions the government already carries out?

Ms Hudson: It is to allocate additional human services staff in key areas where gaps have been identified and, again, that's where we see government and non-government working well together. Two chief executives of the ACT government—CMD as well as the head of disability, housing and community services—will be on that board and it will build on existing initiatives and be able to provide assistance where there are already existing initiatives but you might need a little bit extra to make something work and people are saying, "Look, if we just had an extra early intervention psychologist, it would make a big difference between making this work okay and making it work really well and make a difference for the people who are most disadvantaged."

MR SMYTH: Do we need a board to tell us to do that? Surely these are standard functions of government and it's a decision for government rather than another layer of the bureaucracy through a board.

Ms Hudson: Some of the role of the board—why we're particularly pleased to have Hugh Mackay—is to look forward, not just to, say, what were the problems in the past, but to predict what might be the issues for the future in terms of inclusion and exclusion; so it's to provide that forward advice as well.

MR SMYTH: But isn't it part of the role of the current bureaucracy also to provide that advice? Surely the ACT public service isn't just a reactionary force. We had a poverty task force and we had a social capital task force. We were always working forward. Why do we need a board to tell us what are the emerging issues? Isn't that advice available from your bureaucracy, Chief Minister?

Mr Stanhope: Some advice is, Mr Smyth, and some very good advice, but I think that any government would certainly look in the first instance to the range of expertise that is available and certainly any government that is grappling with issues around disadvantage, poverty and exclusion, acknowledging how intractable some of these issues sometimes appear to be, would be looking to be innovative in the way we seek to address our responses to poverty, to disadvantage and to inclusion and exclusion, and that's what we're doing.

This is a new model. It's a new model of service delivery through the social plan. Some of the initiatives that we are otherwise pursuing through the social plan do throw up a new way of delivering services, a new way of seeking to address disadvantage, a new way of grappling with the issue and difficulties around early intervention. As long as I've been in public life, we've spoken about how fundamentally vital to progress in relation to addressing disadvantage early intervention is, yet the conversation has barely moved.

We're seeking through the social plan and the initiatives within the social plan to find new ways of intervening early and of addressing disadvantage and, through the social inclusion board, we're bringing together a group of acknowledged experts—in the case of Hugh Mackay, the acknowledged expert, I think, in terms of an understanding of people and how societies work. It's a new way. It's an attempt to think outside some of the traditional ways of seeking to address these issues and time will tell how successful it is.

MR SMYTH: But how is it a new way? All you've done is brought together another group of advisers. Governments since time immemorial have been bringing together groups of advisers. What's new about it?

Mr Stanhope: The social plan of itself is new and innovative.

MR SMYTH: No, Canberra has had strategic plans, social justice plans and all sorts of plans. You can characterise it as new.

Mr Stanhope: It is new. You can seek to minimise it by shrugging it off and saying that it is just another plan, but it is not.

MR SMYTH: And you seek to maximise it by saying that it is new and wonderful.

Mr Stanhope: It is.

MR SMYTH: Assertion doesn't make it so.

Mr Stanhope: It is. It's a fact that it is. I know it is. I am more than happy to debate it and discuss it as long as you wish. It is new, it is innovative, it is far-sighted, it has set targets for the first time ever and it does provide some innovation in relation to the Community Inclusion Board.

MR SMYTH: That is not true. There have been targets previously, Chief Minister.

Mr Stanhope: Not of the order that we have established through the social plan.

MR SMYTH: So you do acknowledge that there were targets previously.

THE CHAIR: Sorry, you've allowed me a few extra minutes and I'd like to take advantage of that. A significant chunk of the appropriation, \$10 million, is for the construction of the school of health science facilities. I applaud you for the initiative. I'm just wondering why that money isn't in the next budget and why you've asked for it in this appropriation? What is going to happen between now and when you bring the budget out and why do you need that \$10 million immediately? Again I stress that I applaud you

on the initiative, but I'm just puzzled with the timing.

Mr Stanhope: It's a fair question, Mrs Cross, and I think it's a fair response in relation to all of these initiatives for me to say that for a range of reasons it was vitally important that we had a third appropriation bill. Some of the expenditures included in the third appropriation bill are needed and they're needed now for us to operate and function appropriately and for the delivery of services and the payment of officers to be continued.

It is fair to suggest that perhaps we've taken an opportunity to give some heightened impetus to other things that we think are priorities and are important. We have gained some significant time. We have now signalled to the University of Canberra that we as a government are prepared to commit \$10 million to the establishment of this school. As you say, it's a very good initiative. It will have a broad range of impacts, not just in terms of some of the economic outcomes that could be expected from establishing a whole new school at one of our universities and what that means in terms of the economic activity that is generated as a result of that. In addition to that, of course, is our commitment to expanding the number and range of health professionals that, having studied in the ACT, might choose to work here.

You have acknowledged that it is a good initiative. It is a very good initiative. We believe that it is a priority initiative. We get a jump from the blocks by announcing it now and committing to it now. It's simply an expression of our priority and our commitment to get on and do these things. You can say and anyone else can say and argue, "Don't do it now. Wait until the budget passes." The budget won't pass for some time. We will get a three or four-month jump and I think it's worth doing it. So it's about priorities, it's about trying to govern well, it's about trying to drive reform and change within the ACT, and I think it's important we do that.

THE CHAIR: I did say that I applaud you on the initiative. It is an excellent initiative. I was mindful of the timing and I understand that you are trying to get a jump; I understand your answer. Given that you do talk about priorities—I'll flag this with you before I close—the ACT is in desperate need for a mobile humidicrib, which would cost a small percentage of what you're allocating to other things. I'd like to think that the government will put that in its next budget, because that is a priority for the ACT.

Mr Stanhope: I'll take up that issue with the Minister for Health, Mrs Cross.

THE CHAIR: Thank you. Chief Minister, thank you so much for staying a few extra minutes. Thank you to everyone from the departments. I will now close the proceedings until about 11.30 am when the Minister for Health comes before us.

Meeting adjourned from 11.07 to 11.36 am.

Appearances:

Mr Simon Corbell, Minister for Health and Minister for Planning

ACT Health—

Dr Tony Sherbon, Chief Executive

Mr Ron Foster, Director, Financial and Risk Management Branch

Department of Urban Services—

Mr Allan Eggins, Executive Director, Corporate

ACT Planning and Land Authority—

Mr Neil Savery, Chief Planning Executive

THE CHAIR: Minister, thank you very much coming before our committee today. I would like to thank also your departmental heads and their staff and also welcome those in the gallery who are here to observe.

Minister and departmental witnesses, your evidence today is being recorded by Hansard to prepare the committee's transcript of proceedings. It is therefore necessary for you to speak clearly into a microphone when you answer questions. Officers who are seated at the back of the room should come to the main witness tables if called to respond to questions. We have got no-one there anyway. Please do not speak from the back of the room. And that is for anybody.

For those that give evidence to the committee today, a copy of the transcript will be emailed to you as soon as it is available, for correction, and so that you may identify relevant questions taken on notice. Please return responses to questions on notice to the committee secretary no later than Friday, 16 April 2004.

To assist in the preparation of transcripts, witnesses need to state their full name and the capacity in which they are appearing on the first occasion they give evidence and they also need to read this yellow card. 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 that 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.

Once again, minister, welcome. I will start the questioning. I would like to go to page 65 of the appropriation bill and ask you the same line of questioning as I did of all ministers, and I would be extremely grateful if you answer the question.

\$12.164 million for EBAs has been allocated in this appropriation. My concern is that it was known last year that these EBAs were going to be renegotiated. There was a knowledge of an approximate cost and how much the government could afford to pay. I am just wondering why this wasn't covered in last year's budget.

Mr Corbell: Mrs Cross, the government, I guess, makes its decisions about when to

make provision for wage negotiations through the budget cycle and it does so once it has the best possible understanding of what the parameters of a pay offer need to be. For example, it may be influenced by decisions in other jurisdictions which may, in some circumstances, have an impact on the quantum that the government will need to offer. Equally, it may want to understand the negotiating union's position before finalising on its pay offer.

So it is a matter of timing and understanding what the potential quantum will need to be to maintain a competitive rate of pay for ACT government officers, and all those factors were brought to account in deciding when to seek the appropriation. I think it is worth noting that there is an underlying provision built into our budget as to a level of a wage payment and then at the appropriate time we seek the actual appropriation for specific agencies.

MR SMYTH: How much is that underlying provision? How much have you put aside in this year's budget?

Mr Corbell: I'm afraid I couldn't tell you that, Mr Smyth. It is a question better directed to the Treasurer. He is responsible for that underlying provision but—

MR SMYTH: Well, the education minister could tell us how much money she had. Are you saying you are not aware of how much money you have in your budget for an EBA?

Mr Corbell: Well, I just can't recall the figure, I'm afraid.

THE CHAIR: You can take it on notice, minister.

Mr Corbell: I am happy to take it on notice.

MR SMYTH: Given that the budget was meant to actually be \$7.7 million in deficit this year at 30 June and given that you haven't made full provision—I mean, the health department is asking for \$12 million—if your estimates had actually come in at a \$7.7 million deficit, how would you have funded any EBA increases?

Mr Corbell: Well, I think the point needs to be made that a \$7 million deficit is a very small differential in a budget of over \$2 billion. In fact, it is less than 1 per cent. So it shows that a deficit of that size is an extremely small variation between deficit and surplus, and it can quite as easily go the other way. So the question, I think, is pretty much hypothetical, Mr Smyth. We work on the budget as we estimate it at the time and make decisions on that basis, not on some other basis.

MR SMYTH: But if you work on the budget as estimated at the time, you weren't going to have the money. There isn't even enough money in the projected deficit of \$7.7 million to cover the health request for an additional \$12 million. Why didn't you, as health minister, insist that the \$12 million that you expected was already in the budget for the year anyway?

Mr Corbell: Well, we work off budget updates and clearly, Mr Smyth, I think it is fair to say that certainly the previous government made very poor provision for wage outcomes. For example, I think the previous government's provision was about 1 per cent of the

total budget.

MR SMYTH: We are not here to discuss that; we have had history lessons all week, oddly enough, Mr Corbell.

Mr Corbell: I am just using it to illustrate the point and the point, if I can answer the question, Madam Chair—

THE CHAIR: Minister.

Mr Corbell: The point I am seeking to make is that traditionally governments have not made the full provision in the budget for the total wage claim. The previous government didn't do it. This government is making greater provision, but it is not necessarily going to be the full provision up front.

MR SMYTH: So what provision was put aside? What percentage?

Mr Corbell: I am advised that the whole-of-government deficit did allow for nurses and other pay rises.

THE CHAIR: In the previous budget?

MR SMYTH: Sorry, would you repeat that? The whole-of-government—

Mr Corbell: The whole-of-government deficit did allow for nurses and other pay rises.

MR SMYTH: Well, the whole-of-government deficit for the year is, from the budget, \$7.7 million. That doesn't cover—

Mr Foster: In arriving at that \$7 million, they had made an allowance for provisions for pay rises for nurses, clerks and radiologist, et cetera. The quantum we are not aware of. I don't know what amount that was, but we do know that they had made an allowance at the whole-of-government level. So in arriving at a \$7 million—

MR SMYTH: Well, if you don't know what the amount was, how can you say you had made a provision to cover it?

Mr Foster: The government had made the allowance. That \$7 million deficit is the government's deficit. So they, in coming to that deficit, had recognised all their revenues and the level of expenditure against that which included the expectation they had spent so much on wage outcomes. They dealt with that at the central point.

MR SMYTH: But you can't tell me how much you expected to spend on health wage increases?

Mr Foster: No.

MR SMYTH: Well, if you could take it on notice, that would be kind. I notice the description line on page 65 says that this is to cover nursing and clerical staff and

additional funding to cover recent renegotiating of the visiting medical officers. What happened to the allied health workers and the salaried medical officers? Are they not getting pay increases or—

Mr Corbell: Salaried medical officers are dealt with separately. Dr Sherbon might be able to provide you some further advice on that. In relation to allied health professionals, they are dealt with as part of the general government round.

MR SMYTH: So where would I find them in this further appropriation?

Mr Corbell: Government enterprise. Well, they are in nursing—they are in the clerical staff.

Mr Foster: They are in the clerical and other staff category.

THE CHAIR: This is on page 65, Mr Foster?

Mr Foster: In the total.

THE CHAIR: In the total?

Mr Foster: That's right, the \$12,146,000 includes nursing, VMOs and other categories, except doctors.

THE CHAIR: So it is incorporated in that? If we wanted you to provide us with a breakdown of what that total is, you could do that?

Mr Foster: Yes. We have received a question from Mr Smyth on that which we are replying to.

THE CHAIR: Okay, so we don't need to go over it again. Dr Sherbon, you were going to add to that?

Dr Sherbon: In answer to Mr Smyth's question through the minister: the Salaried Medical Officers Federation had negotiated an agreement with ACT Health, which was concluded in 2003, and it was built into the prospective budgets from that point on. We are currently negotiating another agreement due to commence in the coming months. I think the termination date of the current agreement is 30 June. So that process was negotiated in 2003, finalised in 2003 and is due for renegotiation in the near future.

MR SMYTH: So the salaried medical officers are the only ones that don't come into alignment for the 31 March termination of all the other agreements?

Dr Sherbon: At this point, no. But we will be working towards alignment of their agreements with other government agreements in this round of negotiations.

MR SMYTH: Yes, but are there other sectors of employment in your department that also didn't terminate at 31 March?

Mr Foster: 31 March is not the exact date for all agreements. However, doctors are the

only category that isn't being dealt with in this current financial year.

THE CHAIR: Given that you have got your department heads from both health and planning, I am assuming they will stay until the end of your session.

Mr Corbell: Yes.

THE CHAIR: So I would like to reserve the right to come back and ask a health question after we have addressed other areas. Members, I would like to go to page 110 and ask a question on ACTION. So if you have got your budget there, turn to page 110, if you wish. I am coming back to health later, but I want to cover some other things with the committee. Thank you, minister.

Minister, it says here that ACTION's appropriation has been adjusted by \$370,000. Could you explain what this money is being spent on and why it is needed now, because there has been no written explanation in the supplementary budget papers as to what this is for.

Mr Corbell: I will ask Mr Eggins to give you an explanation.

Mr Eggins: The amount of \$370,000 is the amount flowing through to ACTION as a result of the proposed enterprise bargaining agreement.

THE CHAIR: Just speak up, Mr Eggins, I can't hear you.

Mr Eggins: It is the amount that ACTION will receive to assist them with wage and salary increases as a result of the enterprise bargaining agreement.

THE CHAIR: Okay. Obviously this is something that you need immediately. Why wasn't it explained? It is in here, but there is no explanation as to what it is for. Is it a last-minute thing?

Mr Eggins: No. It is the same; it is their share of the amount that flows through to all agencies as a result of wage and salary impact of the EBA. Unfortunately this is a Treasury document and I can't sort of account for why they may not have put a more detailed explanation in there.

THE CHAIR: All right. Do you have a question on this?

MR SMYTH: No.

THE CHAIR: All right. I would like to now move on to page 122, ACTPLA. It is musical chairs, I'm sorry. It is a very efficient committee, this one. Minister, you have allocated \$800,000 for the ACT Planning and Land Authority to purchase the lease over the Phillip oval from ACTAFL. My questions to you are: what are the lease purchase details of this and why is ACTPLA buying a football oval? What will it be used for? Actually, I will keep it at that for the moment, not to confuse you. Thank you, minister.

Mr Corbell: Well, Mrs Cross, to answer your questions in order: I don't yet have available the terms of the agreement. ACTPLA, on behalf of the territory, is still in

negotiation with ACTAFL, although I am hopeful that we will reach conclusion of that soon. All the indicators to date are very positive.

The reason that ACTPLA is seeking to purchase this oval is to purchase it on behalf of the territory. The reason for that is that ACTAFL have indicated to me and to the government for a period of time now that they no longer require Phillip oval for their purposes. However they have, in the past, sought to get my consent, as the relevant minister, to transfer the oval, that is, sell it, to another party. ACTAFL initially sought my consent, which is required under their lease, to sell the oval to a third party who wished to redevelop the site. That party also approached the government seeking agreement to change the territory plan to permit certain other activities on the oval.

I indicated on behalf of the government that the government would not support a redevelopment of the oval for the purposes that were proposed and I also indicated that I would not support transfer of the lease, because I thought it was inappropriate to sell the lease to a party who wasn't proposing to use the oval predominantly for sporting-type activities.

That said, ACTAFL again approached the government and said, "Look, we have no use for this oval but we also have a considerable investment in this oval. If the government's not prepared to let us sell it to a third party, what other options do we have?" I went back on behalf of the government and said, "Well, the government's prepared to purchase the oval from you, compensate you for the value of your improvements."

I think it is a very generous offer. Then the government can take some decisions about the long-term use of the oval. I have said publicly—and I am happy to say it again—that the purpose of acquiring the oval is to ensure that the oval is retained consistent with the draft Woden Town Centre master plan which recognises the long-term existence of that playing area, that playing field, as an oval capable of supporting Aussie rules as much as other activities. So the opportunity for the government to purchase the site, guarantee a long-term future of the oval and then seek to have it upgraded in a way which is consistent with the Woden Town Centre master plan is the reason the government agreed to my proposal to allocate that amount of money to acquire the site.

THE CHAIR: Okay. Thank you for that. Given that you are still in negotiations with ACTAFL and that hasn't been finalised, the money, if this appropriation goes through, will be there for you to use, despite the fact that you may not need to use it. I am just wondering what the urgency was, given the negotiation hadn't been completed and you could have put it in the budget that is coming up. Are you perhaps expecting a resolution of this to come up before the budget and therefore wish to have that there so you can use it to finalise the sale if it eventuates? Is that why it is in this appropriation?

Mr Corbell: Yes, that is essentially why it is in this appropriation. We have a reasonable expectation that we will reach agreement before the end of June—certainly when the third appropriation was put together that was the case—and so we sought appropriation on that basis.

THE CHAIR: And you said in your answer to my question that the government had been approached by a third party to change the territory plan to use it for other things, and the government has said no, it is not going to do that. Is the government's position

on that block of land to maintain it as a sporting facility or is the government considering using it as a combination of sporting and maybe aged care or something else? This has been a controversial block of land, this one, for some reason. There are various parties, from what you and others have said, that have approached you to buy it. Are you fixed on never selling this block of land to anybody, or will you consider selling it to somebody who promises to maintain it as a sporting venue? Is that what you are planning to do with this?

Mr Corbell: The government's intention is to make sure the site is used consistent with the planning work that has been done around the Woden Town Centre master plan.

THE CHAIR: And that is to maintain this as a sporting facility?

Mr Corbell: And it identifies maintaining it as a sporting facility. The master plan also identifies some opportunities for development around the perimeter of the oval, particularly on Launceston Street as it faces the Woden Tradesmen's Union Club, if you are familiar with that area.

THE CHAIR: Yes.

Mr Corbell: And also potentially some other development on the other perimeter of the oval, towards the Phillip sporting precinct there, down towards the Southern Cross Club premises and so on. Any use of the oval, we would see, would have to be absolutely consistent with the planning framework that we have worked through with the community for the Woden Town Centre.

Whether or not the government chooses to lease the site out to a third party to manage in a similar way that we have done with, say, the Ainslie oval, close to the Ainslie Football Club, is something the government will have to consider; but we don't have any definite approach on that at this stage. At this stage we don't even hold the site, and we need to acquire the site first.

THE CHAIR: No, but the fact that you have budgeted for it means you are fairly confident you are going to get it; otherwise you wouldn't have put it in the appropriation.

Mr Corbell: Yes, but I guess we are taking the view that it is one step at a time and once we have got the site, once we have acquired the site, a level of maintenance will need to be done to bring it up to scratch and secure the site, make it safe. So the government is considering that at the moment, but future long-term management of the site is a matter for further discussion.

MR SMYTH: Is \$800,000 the expected cost of purchase?

Mr Corbell: Yes.

MR SMYTH: It is not more likely to be \$1.2 million?

Mr Corbell: No. Based on the advice the government received, that was the offer we made.

MR SMYTH: So that is the government's final offer. That doesn't necessarily mean that ACTAFL will accept that offer?

Mr Corbell: Well, that's a matter for ACTAFL. Clearly there is some negotiation about that, but that is the government's offer.

THE CHAIR: Are you prepared to go higher?

Mr Corbell: No, that is the government's offer.

MR SMYTH: You mentioned then that there will be a need to manage the oval. There is no provision for that cost in this approp. Have you got adequate funds to manage the property when you take it back, or will nothing be done?

Mr Corbell: Once the site is acquired it will become the responsibility of Canberra Urban Parks and Places, and they have advised government of what the cost of that would be. That is being considered as part of the budget process.

MR SMYTH: How much will that be to manage it?

Mr Corbell: Well, that is being considered as part of the budget process, so I don't think I can answer that question.

MR SMYTH: So nothing will be done on it before 1 July, if it comes back to the government?

Mr Corbell: Look, I don't know whether there is capacity in the short term between when the site is acquired, which will probably be very close to the end of the financial year, and the commencement of the new financial year as to whether any immediate work is required at that stage. The government, though, is seriously considering a request from CUPP as to what they anticipate is the cost of necessary works on the oval, and that is being done as part of the budget process.

ACTAFL are aware of that process and they are comfortable with the advice we have given them to date in that regard. I am also advised by Mr Savery that there is an expectation on the part of the territory that ACTAFL would undertake a limited range of works to address certain deficiencies with the site prior to it being handed over as well.

THE CHAIR: What return on investment for taxpayers, if any, have you estimated you will get if you purchase this football oval?

Mr Corbell: The government has done an assessment as part of the valuation for the offer of the site, and we believe that there are considerable financial opportunities for the government but obviously, just as importantly, considerable social outcomes for the community. The benefit of the government maintaining control of an enclosed oval cannot be underestimated.

We have a very limited number of enclosed sporting grounds in the ACT—I think fewer than five—and, given the projected renewal opportunities for residential uses in the Woden Town Centre as well as the projected use of the Molonglo Valley as a new

residential area, the demand for an enclosed sporting facility, sporting oval, close to those areas in the long term justifies the government acquiring and protecting the site because people who live in the Molonglo Valley, say, in the next 15, 20 years, if that development proceeds, could very well be part of the catchment for such a facility, given that these facilities tend to serve a very large catchment of the whole town centre area. So it is an important facility socially in terms of the financial benefits.

An assessment has been undertaken as part of the assessment of what the government was prepared to pay to acquire the site, and, clearly, as I have indicated, consistent with the Woden Town Centre master plan, there are development opportunities in areas around the perimeter of the oval, especially on Launceston Street and on the other parts of the oval as it faces onto and adjacent to the Phillip pool. That has been taken into account as well.

I don't think it would be appropriate for me to disclose that development potential, given that the government may or may not seek to develop those sites ourselves or we may seek to release them to the market, but that is a longer term management issue which the government hasn't seriously worked through at this time.

THE CHAIR: On that, minister, two things: firstly you mentioned you have done an analysis of that site. Are you able to table the findings of that analysis to the committee?

Mr Corbell: I am reluctant to, given the negotiations, and I wouldn't want the government to be prejudicing its negotiating position by disclosing what is, in essence, commercial-in-confidence information for the government's purposes. In terms of our assessment of the evaluation once the negotiation was completed, I would be happy to reconsider whether or not that information could be made available.

THE CHAIR: I am uncomfortable with that, given that the information that this committee requests would be kept confidential. The reason I am concerned is that this is a significant purchase and, given that you did say you have conducted an analysis, I think it is within the rights of this committee to request that you table the findings of that analysis because it is within the committee's purview to approve or not approve this appropriation.

Mr Corbell: No, I understand that, Mrs Cross. With your leave, if I can take the question on notice I will get further advice on the issue and come back to the committee.

THE CHAIR: That is fine, minister; thank you. The second thing is: you mentioned the perimeter of the block, the oval. Are you referring to the perimeter of the oval that you were looking to purchase, so that it's not just where the game is played but the outside areas which you would own, or does it belong to somebody else? Are we talking about only the oval?

Mr Corbell: The government is acquiring the whole lease, which includes the perimeter of the oval as well as the actual playing surface and stands.

THE CHAIR: And you mentioned that the government may, in the future, consider developing the perimeter of that oval.

Mr Corbell: Part of the perimeter, yes.

THE CHAIR: I am just wondering, given that others who have offered to purchase that oval have also put proposals like that forward to develop it, is the government using ideas that others have put forward in order to, I suppose, profit, where a business would profit? Are we getting into a situation where the government is going into business for itself instead of making lands available to others that are in the game of building, for example, aged-care facilities or units and having a sporting facility? I am just trying to work out what you are doing. You have left the option open to the government to do this, but it seems to me there is a bit of a conflict in your maintaining it as a sporting facility because you said you want to not change the territory plan and keep it in accordance with the Woden master plan. Is it part of the Woden master plan to develop some sort of residential blocks around the perimeter yourself? And why aren't you then making it available for others to tender for it to do the same thing?

Mr Corbell: Well, the government could very well do that. The Woden Town Centre master plan identifies opportunities for some mixed-use development around part of the perimeter of the Phillip oval. That is partly on territory land on the Launceston Street road reserve and the verge and partly on the lease which is currently held by ACTAFL. That concept of partial development around the perimeter of the oval is actually the idea of the government. It has come up through the planning process, so it is not someone else's idea; it is effectively the intellectual property of the territory through our master planning document for the town centre.

The government could choose a variety of opportunities to realise that outcome of development around the perimeter of the oval. We could choose to do a development ourselves through, say, the Land Development Agency. We could choose to release the sites through a competitive process and have other people build around that perimeter consistent with the planning proposals. So there are a number of opportunities there.

I think the bottom line is, though, that the government was presented with a proposition where ACTAFL said, "We don't want this lease anymore; it's too expensive for us; we don't need it; and we've got a great offer from a developer to buy it off us so that they can develop half the oval area itself for an aged-care facility and residential uses and other things." I think quite rightly the government said to ACTAFL, "Well, no, that's not consistent with what the master plan says. The community have expressed the wish that they want to see the oval proper retained, and they're happy to accept some development around the perimeter of the oval."

We think the best way to ensure that that outcome is delivered—whether that is delivered by the government or by the private sector is another matter—is for the government to acquire the site and then make sure that any development around the perimeter occurs in an orderly way.

THE CHAIR: It sounds to me—and correct me if I am wrong—that you are doing that to simplify the process because, with ACTAFL and the way it has become more complicated because of the territory plan, the government purchasing this makes it simpler. Am I right in assuming the government is not going into business for itself, the government is looking to buy this property so it can determine who uses it and how it is used?

You said that ACTPLA had the intellectual property or the idea because of the master plan. I am aware that ideas for development on this site have been discussed by potential business people in this town for a number of years before the master plan. As to who has the intellectual—

Mr Corbell: I am sure, Mrs Cross, that everyone has got a great idea or a not so great idea. I think the issue is that there is now an agreed way forward which has been forged with the community and other stakeholders for the whole of the Woden Town Centre, including the future of Phillip oval, and the government's role in seeking to acquire Phillip oval is: (1) to protect the public interest in terms of maintaining an enclosed sporting ground for the Canberra community into the future, into the long-term future; and (2) to ensure that any upgrading or development around the oval is consistent with the town centre master plan. That is why we are doing it.

THE CHAIR: Okay, thank you. And you did mention one last thing: this is accordance with the wishes of the community because community consultation indicated they wanted a bit of input. Can you, for the record, advise the committee which community consultation and who in the community said—I am not disputing it—“We want to keep Phillip oval as a sporting facility and we don't want anyone to develop on the oval but we don't mind anything happening on the perimeter”?

Mr Corbell: The best way for me to do that, Mrs Cross, is: I will provide the committee with a copy of the draft Woden Town Centre master plan. It indicates the preferred outcome and the report on consultation.

MR SMYTH: Minister, you mentioned that there was an expectation that ACTAFL would do some work before returning the oval. Have they been made aware of that expectation, and how much is it likely to cost ACTAFL?

Mr Corbell: They have been advised of that expectation. We are not imposing unrealistic expectations on ACTAFL. We know that they have limited financial resources; that is the reason they want to get out of Phillip oval. Nonetheless there are some basic issues which I think negotiating parties have identified as reasonable, and it could include, for example, from my understanding, a general clean-up of the site before it is handed over. At the moment it is in a very rundown condition, and at the very least we would expect a general clean-up, tidy-up, of the site, an attempt to secure, wherever possible, the site. But we are not suggesting to ACTAFL that that will be an onerous requirement on them that is going to hit them heavily financially; we will take a reasonable approach; and the details of it are being dealt with through the negotiation.

MR SMYTH: Expectation of the cost?

Mr Corbell: I can't give that to you; it is a matter for the negotiation.

MR SMYTH: Is it possible to seek information on it?

Mr Corbell: I'm sorry?

MR SMYTH: Is it possible to seek an approximation of what it is?

Mr Corbell: I will seek to obtain some estimation of that but I have to stress, Mr Smyth, it may be very difficult to do so.

MR SMYTH: Sure, that's okay.

THE CHAIR: I have nothing more on ACTPLA. I want to go back to Health.

Mr Corbell: I am also advised, through you, Madam Chair, that ACTAFL will also be seeking some recovery from their insurer for some costs associated with damage to the site by vandals and so on.

THE CHAIR: There is no impost on the government there—just from their own insurer?

Mr Corbell: Yes, that element would be from their own insurer, yes.

MR SMYTH: I notice the Chief Minister's Department has sought \$1.9 million for the implementation of shaping our territory, the non-urban study. Why is this work being done by CMD and not by ACTPLA?

Mr Corbell: The key reason, Mr Smyth, is: it is seen as a central element of the bushfire recovery activity and of course Mr Stanhope, under the administrative arrangements, is the responsible minister for bushfire recovery issues and—

MR SMYTH: Under the admin arrangements, what acts does he govern that—

Mr Corbell: Under the overall whole-of-government response he is responsible for doing that.

MR SMYTH: But not under the AAs.

Mr Corbell: Well, I am not sure whether he is responsible under the AAs but certainly—

MR SMYTH: Sorry, that is what you said. You said “under the admin arrangements”.

Mr Corbell: Well, that was my understanding; that he had indicated he is the overall minister responsible for bushfire recovery and that was the agreement the government reached. Obviously there is a level of coordination across other agencies. The cabinet has agreed that Mr Stanhope will be responsible for implementation of the non-urban study. That study reported to him. The taskforce reported to him, and he took the proposal to cabinet. Clearly there is a role for the Planning and Land Authority in advising and working closely with CMD on planning issues, and that is what is occurring.

MR SMYTH: Will ACTPLA or the Chief Minister's Department be responsible for the reconstruction of the rural villages?

Mr Corbell: At this stage a task force is in place to identify the issues associated with the reconstruction of the rural villages. ACTPLA has a very important role to play in

that, particularly in the context of any possible amendment to the territory plan or liaison with the National Capital Authority around national capital plan issues. As to who will ultimately be responsible, it may not be the Chief Minister's Department or ACTPLA; it may be a market process, the Land Development Agency or a range of government agencies. That is yet to be considered by cabinet.

MR SMYTH: You've asked for \$190,000 for the EBA for the rest of this year and it then goes up to \$661,000, in effect, for the full year.

THE CHAIR: What page are you on, Mr Smyth?

MR SMYTH: I am still on page 122. What provision was made in ACTPLA's budget for the current year for increased wages as a result of the wage negotiations?

Mr Corbell: We'll have to take that question on notice.

MR SMYTH: Thank you. I notice on page 122 that there's an instrument of section 16 transfer for DUS of \$23 million. What is that for?

Mr Corbell: Again I'll need to take the question on notice. I don't have that detail to hand.

MR SMYTH: You don't have the detail? You're about to receive \$23 million and you don't know what it's for?

THE CHAIR: I am happy for you to take that on notice.

Mr Corbell: Not off the top of my head. I'm sure the relevant agencies know and I'm sure they'll be able to advise you of that.

MR SMYTH: You're not made aware of the fact that DUS is about to transfer to you almost \$24 million, rising to \$31 million and \$32 million in the outyears?

Mr Corbell: I'm sure I have been made aware of that but I cannot recall the detail today. I'm happy to provide the information to the committee.

THE CHAIR: That's fine; take it on notice, minister.

Mr Corbell: We'll try to get that information to you before the end of the hearing, Mr Smyth.

MR SMYTH: You mentioned in a press release recently that there is \$300,000 in this year's budget for mental health nurse scholarships but I can't seem to find that in the budget. You might have to take this on notice. When was the announcement made? Was there a press release put out about it? Where is it contained in the budget?

THE CHAIR: Is that in the appropriation, Brendan?

MR SMYTH: It's not, but it's one of the matters associated with the appropriation.

Mr Corbell: No, it's not in the appropriation.

MS MacDONALD: This is about the third appropriation.

MR SMYTH: Estimates committees have always been wide ranging, Chair.

MS MacDONALD: That's a discretion of the committee, Mr Smyth.

MR SMYTH: Thank you, Ms MacDonald; I didn't realise you'd been elevated to the chair.

MS MacDONALD: I didn't realise that you were the chair either.

THE CHAIR: Order!

MR SMYTH: The minister put it out last week. I would have thought he was across his brief.

Mr Corbell: I am advised that that occurred in the January 2002 appropriation.

MR SMYTH: Thank you. I'm not sure whether it's to you, to the Chief Minister or to the Treasurer—it's unclear. What role did you play in the University of Canberra health sciences building? What do you see as the advantages of our being involved in this for health issues in the future?

Mr Corbell: I was lobbied extensively by the University of Canberra, as were other members of the government. The department of health certainly provided advice to me in considering that proposal and cabinet took the decision on granting that amount of money to the University of Canberra. It has very real benefits to the Canberra community because it increases our training capacity for certain allied health professions. That will have real benefit to our public health system, both in the hospital and community health settings. Whether it's physiotherapists or a range of other allied health professionals, the fact that we are training those people here in Canberra means it is more likely they will stay in Canberra. It's effectively the same rationale that the government has used in giving its significant support to the medical school. It's not a guarantee but we know it's more likely that they will work where they have trained, or they are more likely to stay here for a longer period of time after they've completed their training. So there are some real opportunities for securing a long-term work force in a range of allied health professions.

MR SMYTH: It is unclear as to what it's actually for. Is this for capital purposes only? Will it be used for recurrent expenditure? Is there any ongoing cost? I note that there's no money mentioned in the outyears.

Mr Corbell: No, there is no ongoing cost. Clearly the details of this agreement will be worked through with the University of Canberra prior to the provision actually being given to them. We haven't given them the money yet because we haven't got the money yet. Nor have we entered into a formal agreement with them where we've crossed every t and dotted every i. As I understand it that work is being done at the moment through the business area, which is the responsibility of Mr Quinlan. What was the other part of your

question?

MR SMYTH: Will any of this be used for recurrent expenses? Is all of this for capital?

Mr Corbell: Yes. It will be mostly for capital. I understand it will also provide some assistance for start up but it is not a recurrent cost to the territory. An element of the \$10 million will be a one-off payment to assist with start-up costs. After that the expectation and the requirement, from the territory's perspective, will be that the university will meet the recurrent costs of running the facility.

THE CHAIR: Self-sufficient.

MR SMYTH: What is the likely signing time of the document?

Mr Corbell: I'm afraid I don't have that; you'd need to ask Mr Quinlan that question.

THE CHAIR: There is just one thing, given that Mr Smyth raised it. I do remember that in last year's estimates the government put more money into mental health than there had been in previous budgets. I complimented the government for that, minister—I think you increased it. It is a controversial issue and I know that a lot of people are saying that we need to have a separate mental health facility. Is it something that you as minister are considering in the next budget?

Mr Corbell: What do you mean by "separate mental health facility"? We have a number of separate mental health facilities at the moment. What sort of mental health facility are you referring to?

THE CHAIR: Are you planning on doing anything further, or additional, to mental health in the next budget?

Mr Corbell: The government is considering its budget, and all the options are on the table.

MR SMYTH: Given that you've asked for \$12 million to cover nurses and clerical staff, how is the recruitment of nurses going? How many nurses are we short? What will the current offer do? Where will it rank the ACT's nurses in the scale? Will they be on a par with New South Wales—or better than New South Wales? Is there a ranking?

Mr Corbell: I'll ask Dr Sherbon to give you the details on work force shortages. I think the government's pay offer is very significant and very generous. It will ensure that enrolled nurses and registered nurses level 1 will receive the highest rates of pay in the country. For more senior nursing categories the rates of pay will be very competitive with other jurisdictions, in particular New South Wales. It will be more difficult to compare rates because the structures tend to vary a bit once you get past the initial entry level; nevertheless, our rates of pay will be very competitive. In some instances the rate of pay increase will be up to 23 per cent. It's a very significant offer and one which we think puts the rates of pay and conditions of service of our nursing force in a very competitive position. I'll ask Dr Sherbon to give you some information on work force shortages.

THE CHAIR: Can you also address any ideas the government has come up with that are different from those in other states and territories about career plans for the nursing profession? I recently raised a question in the Assembly regarding the poor treatment of a patient in the Canberra Hospital who'd suffered a severe stroke. It has since come to my attention, from many other families, that this has been going on for some time. I'm not saying that all nurses are bad but is it enough that we increase salaries? Do we also need to consider career paths for these people in order for them to feel positive towards being in this vocation so they know that, when they're going through this vocation, they're not going to be taken for granted and that there is a very promising career path for them?

Dr Sherbon: With your agreement, Chair, I might allow the minister to have the first bite of the cherry in relation to your question. In answer to Mr Smyth's question, we recently exchanged data with the Australian Nursing Federation, ACT branch, as part of our negotiations with them over the new EBA. That revealed 127 nurse vacancies in the ACT. Depending on the demand on the day we normally have around 1,800 to 2,000 FTE nurses in our service. One could argue that that vacancy rate is not particularly high, especially compared with other jurisdictions; however, we do have deficiencies in staff—vacancies in oncology, mental health and emergency specialist areas—that are of concern.

As the minister has outlined on previous occasions, as a jurisdiction ACT is more than competitive in nurse recruitment; however, in some specialised areas we are experiencing difficulties. We are working to improve working conditions, training arrangements and attractiveness of pay offers across the board and, in particular, in those special areas where we're experiencing shortages. It's probably more prudent for me to allow the minister to address your question and perhaps assist him in that process.

Mr Corbell: As Mrs Cross said, it's a difficult area. You have to drill down and focus on what's going on in the individual specialties or subspecialties where we have particular workplace shortages and try and identify the particular circumstances acting as disincentives for people to work in those areas or holding us back in being able to find the necessary people. There is a general shortage across the country in certain areas, so you're working off a very low base from the beginning. It doesn't matter whether your rates of pay on their own are competitive or not; there are just not enough people to do the work.

Once you deal with that and accept it as part of the equation you then try to identify whether there are specific issues in particular specialties where we could be changing work practices, conditions of service and rates of pay that will assist. We've certainly done that in oncology, in particular, where we've identified some issues around work practices. We're facilitating greater part-time work practices, for example, because that is what's attractive to that particular work force specialty. Older nurses don't want to work full time; they are happy to work part time. We need to free up our flexibility to be able to do that, for example.

It's really a case by case basis and that's what we try to do. But the bottom line is that there are no magic bullets, and there are no easy answers to these significant work force shortages in the short term. In the medium to longer term the Australian Health Ministers Council is working cooperatively with the Commonwealth government. So all the states

and territories and the Commonwealth are working together to identify strategies to improve work force shortages, identify upcoming shortages and put in place arrangements for training and/or incentives for people to undertake training in particular areas in the medical work force or in the health work force overall. That is the longer-term strategy we need to continue but, in the short term, it's going to be a very difficult proposition for all jurisdictions. It will get worse before it gets better in all jurisdictions because of the failure in the past to adequately plan the work force at a national level.

THE CHAIR: Forgive me if this sounds naive but I've got to say this: as a layperson, a taxpayer and someone who finds that health is the most important area of one's life, wouldn't you think that the community would like to hear not of Canberra isolating itself from the rest of the country and what's going on but saying, "You know what? In the short term this is a problem but we are now going to put in place a plan for nurses and the hospital system. We have a five-year plan;"—or a 10-year plan—"today it may not be ideal but we are going to plan this for the future." So you're giving people hope that we're not just settling because it's happening everywhere in Australia. This is the most frustrating thing for people in the community—and I know you understand that. What the community wants to hear is, "Yes, we know what's going on." You say we're starting from a low base. What are we going to do to fix it? We can't keep saying that we're starting from a low base and we can't get enough people to train. What are we doing to fix it?

Mr Corbell: In the longer term the government is taking some very proactive measures. The issue we were discussing earlier with Mr Smyth—funding to the University of Canberra to train allied health professionals in certain professions here in Canberra—is a really significant step towards improving work force availability in the longer term. It is the same with putting money into the medical school. How long does it take them to graduate?

Dr Sherbon: Six years for undergraduate courses and four years for postgraduate courses.

Mr Corbell: It's a medium-term proposition before those people come out of the institution and are ready to be practising in their chosen professions, but we're investing the money now to do that. The government has spent tens of millions of dollars at both the University of Canberra and the ANU to build the institutions that will train certain health professionals. That will assist us in the long term in meeting certain work force shortages. We can't expect to train every single medical or health specialty here in Canberra so there is a range of other measures that we need to put in place.

The department is undertaking—and I certainly had discussions with Dr Sherbon about this—a whole-of-health work force strategy which we haven't had previously. There are disadvantages with a disaggregated siloed system, where the hospital is over here doing its own thing, the health department is over here doing its own thing and community care is over here doing its own thing. Bringing them all together into a single entity has assisted us in understanding where the pressures are across the system, how they affect different parts of the system and how we can better plan to address those. I want to stress to you that the government is taking significant steps in this area. But I say that with caution because work force issues are fundamentally driven by long-term decisions. We are now being affected by decisions taken 10, 15 or 20 years ago and are having to

respond to those.

THE CHAIR: I understand that. I'm encouraged by what I've heard. What are you doing to attract the people to come into the system? You've mentioned the things you're doing to improve the current system from the inside and you've mentioned the money that's going into the school to enable people to go through. How are you going to get them to come into the school? The word we get is that people, particularly women, are no longer attracted to nursing, which has been taken for granted as a vocation that people follow because they want to help humankind. How are you going to get them in the door to undertake it? This is where there is a great need. If there is a gap it's because people are not taking up the vocation. What are you doing to address that problem?

Mr Corbell: I think it's worth making the point that it depends on the particular profession. There are different factors driving decisions to enter into particular professions, so you need to look at each individual profession and make that judgment. In relation to nurses in the oncology area, for example, just some changes in work practices can assist in making it more attractive for people to choose to work there. So it's about getting the feedback from the people who are potentially available and saying, "What would make you decide to work here in Canberra? As an older nurse not working full time, what is it that would make you decide, as a resident of Canberra, to come back to work in the hospital?"

THE CHAIR: You're talking about bringing people to Canberra. I'm asking how you get them into study—to go into this vocation in the first place?

Mr Corbell: Oh, into the professions?

THE CHAIR: This is where the problem lies.

Mr Corbell: That is a very big question. I think it is really a matter of national policy; it is about asking, "Why do people choose particular professions?" The Commonwealth government, to its credit, has taken certain steps to encourage people to consider particular professions. For example, it provides a range of bonded scholarships for people to undertake medical training, as doctors, on the arrangement that they meet some of the costs but, in return, they've got to go and do a certain amount of their practice in a rural area, say. So the Commonwealth government, to its credit, has undertaken some work in that regard.

Here in the ACT we also provide scholarships. They're aimed exclusively at improving the skills of our existing staff. But that's part of a work force strategy to retain good people, encourage them to develop further skills, do further learning and bring that value back to the system. So there is a whole range of mechanisms out there.

THE CHAIR: That sounds very good but obviously there is nothing in place. Neither the government nor the department has given thought to developing a strategy to entice people to take on a vocation such as this in the ACT—and it's obviously not happening anywhere else. Wouldn't it be great if we led the way—this small territory leads the way on so many other things—for the department and the minister to come up with an idea to entice people to take this up as a vocation? This is where the frustration lies. People are not taking it up because they don't see it as a progressive and interesting career path.

Mr Corbell: I don't think that's true in the ACT. The reason I say that is that, for example, the University of Canberra's nursing school has the highest entry level score requirement of any nursing school in the country. It is regarded as one of the most prestigious nursing schools in the country. It was an initiative of a previous Labor government to pay for the establishment of that particular facility and, as a result, we have that now. I'm pleased that this Labor government is doing the same thing with allied health at the University of Canberra. Clearly there is strong demand. The positions in the University of Canberra's nursing school are full—they have more applicants than they can accommodate. Equally the ANU's medical school has very high entrance score requirements and the demand is there. People are wanting to come and study in Canberra. In those areas, where we do undertake that training here in the ACT, the demand is outstripping the supply of places for people to study.

THE CHAIR: What are we doing to address the shortage where there's a need for skilled people—for example, in the stroke victims unit and oncology?

Mr Corbell: In some of these specialties our institutions don't train people here in Canberra, in some circumstances. One of the reasons we're establishing the allied health school at the University of Canberra is so that we will have places for those people to study here in Canberra. All the feedback I've had from the University of Canberra since the government made its announcement is overwhelmingly positive. They have people asking, "When is this going to start?" They say, "I want to go and study; I want to learn." As these are postgraduate courses these are mostly people who are already in the profession wanting to upgrade their skills and go to another level. This government is taking a very proactive approach in that regard.

MR SMYTH: You mentioned earlier that we're short of 127 nurses. Has this led to a loss of service—either ward closures or elective surgery not going ahead—or the hospital going on bypass?

Dr Sherbon: There have been no ward closures or bed closures. There are four beds in mental health available for opening if required but they have been on restricted access on account of staff shortages. There have been no operating theatre session deferrals that I'm aware of. I certainly would be aware if there were extensive operating theatre deferrals. Bypass is an issue not related to staff shortages per se, although staff shortages may contribute. Bypass arrangements are at the discretion of the directors of emergency at either of our two hospitals. They will talk to each other and assist each other in meeting peaks in demand. That may necessitate the bypass of ambulances to the other hospital. I must say that occurs rarely in the territory but it is standard practice elsewhere. Emergency departments work as a team, as a network, and manage peaks in demand between each service.

The two emergency departments work closely together. Occasionally, if there are staff shortages in one emergency department, the threshold for bypass might be lower than on other days but bypass is an infrequent event in the territory. There are concerns in oncology, where existing staff are having to make up additional shifts, and also in the emergency department where existing staff have had to, with the assistance and gratitude of hospital management, make up additional shifts. But there has been no service restriction that I'm aware of, apart from that four-bed closure in the PSU in mental

health. As I said, we can open those beds if required.

THE CHAIR: Given that staff do double shifts in emergency—they are kind to do that, and I have benefited from that myself—it puts an emergency department in a more grave situation when there are tired staff dealing with serious situations where mistakes can be made. That is unfair on the staff.

Dr Sherbon: No. We monitor the overtime situation carefully. People have been working double shifts in health care for hundreds of years, to be quite frank.

THE CHAIR: But not a succession of double shifts. It's usually—

Dr Sherbon: No. I can tell you that we monitor the overtime pattern very carefully. Overtime occurrence is something that I keep an eye on, on a monthly basis, through my finance and performance team. We are not working excessive hours. There are times when the manager of a unit may have to request additional assistance through agency staff to ensure that staff don't work excessive numbers of double shifts—and that has occurred in the emergency department. Where somebody is working a double shift we rely upon the local manager to ensure that that person is practising safely. I have certainly not received any advice that would indicate otherwise at this point in time.

MR SMYTH: What circumstances would cause the four beds at the PSU to be brought on line? The magistrates have been complaining recently that there haven't been beds at the PSU.

Mr Corbell: With all due respect, I don't think that's the magistrates' complaint. The magistrates' complaint is that they don't have any alternatives available to them apart from PSU or remand. They have taken the view that, in a number of instances, neither of those options is adequate or satisfactory for the person they're seeing. I don't think magistrates have said that they are unhappy with the availability of beds at PSU.

MR SMYTH: It has been brought to my attention that there have been occasions when there have been no beds at the PSU. What would allow you to bring those four beds on line? If you can bring them on line, why aren't they on line all the time?

Dr Sherbon: They're not required all the time. The occupancy of our psychiatric inpatient unit is far more manageable than anything I've been used to. Putting that to one side there are four beds we would normally make available that currently aren't available. If required, additional staff are called in. There is a protocol within the unit to allow the person in charge in the unit to call additional staff in. If worse comes to worst, we work with our partners in Southern Area Health Service. As far as I'm aware that has not happened for some months but, if required—if we're absolutely full—we do have the availability of beds in Goulburn. The question you asked was: what triggers the opening of those beds? Patient admissions is what triggers the opening of those beds.

MR SMYTH: You mentioned oncology services. Are we still sending Canberrans interstate to receive oncology treatment?

Dr Sherbon: For radiation oncology we are not sending people away but, on account of access, we are aware that there are still numbers of patients going to points north for

radiation oncology access, not medical oncology.

THE CHAIR: To where? You said north.

Dr Sherbon: To Wollongong and Sydney.

THE CHAIR: I see—interstate.

Dr Sherbon: I'm not sure about Wagga recently, but I'm certainly aware that that was an issue in recent years. I'm not sure whether that has occurred recently. To address that situation we have employed additional radiation therapists. You asked before about attraction and retention of staff. I must say that there has been a moderately successful undertaking in radiation therapy. Our staff numbers have gone up and waiting times have gone down. I have the figures here somewhere which I can quote.

The other aspect of radiation oncology is that we now have a patient liaison officer available to assist patients who have to go to another centre, so they aren't lost to our system. We keep in contact with them and ensure their other needs, such as accommodation, travel and linkages to other health professionals, are maintained in Canberra. We don't have the final figures yet, so I can't give you an absolute answer. Our impression is that local service access is improving in radiation oncology. So we would expect to see the numbers of patients going to Sydney, Wollongong or any other place in New South Wales decreasing. I have to wait for the final figures from New South Wales to verify that.

MR SMYTH: When will those figures be available? Do you have previous sets of figures?

Dr Sherbon: We have figures for admissions to New South Wales services but, as you are aware, not every patient who attends for radiation oncology is actually admitted. I'll have to take that on notice and check as to whether we can provide data from New South Wales for those patients who are not admitted, who attend either a private or public radiation oncology service as outpatients and receive their therapy as outpatients. I'm not sure that I can give you that data; I'll have to take that on notice. We can certainly track admissions but, at this point in time, we don't have New South Wales data for 2002-03. It usually takes six to 12 months to be collated, refined and passed on to us by New South Wales.

MR SMYTH: So you'll take that on notice and provide what you can with regard to inpatient and outpatient oncology services for Canberrans going interstate?

Dr Sherbon: Yes, with the minister's permission.

MR SMYTH: It has been raised with me that, on occasions, there has been difficulty accessing eye surgery and that a number of eye surgery cases that can't be accommodated here have been sent interstate—primarily to Sydney. Is it possible to get a breakdown of the number of people who start at, say, the Canberra Hospital and end up having their surgery done elsewhere?

Mr Corbell: I'm happy to provide the information if that data's available but eye

surgery is one of the areas where we perform fairly well.

MR SMYTH: Across all specialties. That would be all Canberrans who are sent interstate for surgery that couldn't be accessed here.

Mr Corbell: Across all specialties?

MR SMYTH: Yes, please.

Dr Sherbon: The data is available with the minister's permission.

Mr Corbell: As long as it's not an unrealistic ask, we can certainly provide that data.

MR SMYTH: Dr Sherbon said it's available, so it would be gratefully received.

Dr Sherbon: Can I just clarify that? You said that you wanted to see this data in order to ascertain the number of Canberrans who can't access surgery. Just because someone has surgery interstate doesn't necessarily mean they can't access it here.

MR SMYTH: No. That's correct.

Dr Sherbon: Many people choose, for family reasons or whatever, to have surgery elsewhere. We all know somebody who has decided to have surgery in Sydney for whatever reason. So you can't draw that conclusion. In the vast majority of specialties that we provide here in Canberra we are self-sufficient to the extent that people have a service available here and, if they wish to access it, they can do so, although some waiting times may be longer than elsewhere. We don't provide complex children's surgery here because we know that people are better served by going to a specialist children's hospital. As you know, people access transplant surgery services in either Sydney or Melbourne but otherwise we're generally self-sufficient. With the minister's permission we can supply that information.

To complete an earlier answer, with the minister's permission I can give you a short précis of radiation therapy waiting times. For instance from November 2003 to February 2004 there was a decrease in semi-urgent waiting times from 21.5 days to 16 days. In the less urgent categories there was a decrease from 54 days to 29 days in that five-month period. So there's a significant improvement in the median waiting time. So I'd have to say that my report through the minister to this committee is that waiting times are improving. Of course, as you know—you've been advised on previous occasions in Assembly committees—the waiting time for urgent cases is zero. Urgent cases are admitted on the day that they are required. These are mainly people who require urgent radiotherapy to the spine.

THE CHAIR: I want to thank the minister for allowing us some latitude because there have been questions put to you, minister, which fall outside the appropriation.

Mr Corbell: That's quite okay.

THE CHAIR: Given that that has happened, I would like to end with a question and a comment.

Mr Corbell: I have an answer for Mr Smyth in relation to the transfer of \$23 million. I will read the advice. It says:

When ACTPLA was established as an authority it had to receive an agency transfer of \$8 million from the Department of Urban Services in the first appropriation for 1 July to 30 September. On 1 October ACTPLA became a department for the purposes of the Financial Management Act.

MR SMYTH: On 1 October 2003?

Mr Corbell: Yes. It continues:

The residual of the funding for the period October to June 2003-04 was then transferred from DUS to ACTPLA through Treasury as part of the second appropriation.

That was for an amount of \$23 million. So the actual amount was transferred not in this appropriation but in the second appropriation earlier this year. I'm advised that it still appears as an adjustment to ACTPLA's financial statement. It continues:

The increase to \$32 million in 2004-05 is a recurrent appropriation to ACTPLA which brings the \$8 million and the \$23 million together, so there is in effect no increase in the overall funding to ACTPLA.

THE CHAIR: It's probably confusing because on page 122, it has, "Third appropriation, clerical EBA" and directly underneath it has "Instrument S16 transfer from DUS". Thank you for explaining that.

I've gone through the health section of this appropriation bill. I was looking for something but I couldn't find it—it obviously isn't there. I put this question to the Chief Minister when he was here this morning regarding the mobile humidicrib. I do not understand why there is a campaign to raise money for urgent lifesaving equipment that I believe should be provided by the government. We don't have a mobile humidicrib and we desperately need one. I couldn't find it in the appropriation, which I know is for urgent things. Why is it that there is a fundraising campaign? Why are we putting the impost on the community when this primary health care equipment should be purchased by the government through the use of taxpayers' funds?

Mr Corbell: It's very common practice for public hospitals around the country to fundraise for different types of equipment to supplement the equipment they currently have. The ACT government does provide approximately \$3 million to \$4 million every year to Canberra Hospital solely for equipment purchases. The hospital then prioritises within itself how that expenditure will occur. So clearly there is a wide range of priorities for equipment right across the health sector, particularly in the hospital, and decisions are made about the level of priority for certain types of equipment.

The government spends many millions of dollars every year in allowing for the purchase or replacement of equipment at the Canberra Hospital and Calvary Public Hospital. It is not unreasonable for a public hospital, or part of a public hospital—in this case the Newborn Intensive Care Foundation—to seek to supplement their base with fundraising

activities. A range of areas in the Canberra Hospital do that and that's not dissimilar to what other public hospitals around the country do. The government pays for the overwhelming majority of the equipment every year but if an area of the hospital believes that their priority, which hasn't come up through the general round, can be assisted with fundraising then I welcome and support that.

THE CHAIR: Thank you for that. I've heard you and I know you're committed to the future of Canberra through various plans—and to our children—but I would hate to think that we might lose a baby because we don't have such a piece of equipment available. The cost of that to the government is minute compared to the many millions of dollars in this appropriation. I would like to ask the government to consider putting that in its budget.

Mr Corbell: I'll certainly take the point on but I'd make the point that, in managing a health system which costs over \$300 million every year, clearly you have to prioritise where the money goes. I can assure you that every request is a worthy one in the health department. You make decisions based on priority and you have to apply some rationale to that. Otherwise, quite frankly, you could never spend enough money in health.

THE CHAIR: I'd be grateful if you gave that some consideration. I'd like to thank the minister for attending today. I'd also like to thank department heads—I appreciate your time—and also advisers who are here. I'm very grateful.

The committee adjourned at 12.53 pm.