

**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**SELECT COMMITTEE ON ESTIMATES**

**(Reference: Appropriation Bill 2004-2005)**

**Members:**

**MR B STEFANIAK (The chair)**  
**MS K MacDONALD (The Deputy chair)**  
**MS R DUNDAS**  
**MRS V DUNNE**  
**MR J HARGREAVES**

**TRANSCRIPT OF EVIDENCE**

**CANBERRA**

**MONDAY, 17 MAY 2004**

**Secretary to the committee:**  
**Ms S Leyne (Ph: 6205 0490)**

**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).

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## **The committee met at 9.18 am**

### Appearances:

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

### Chief Minister's portfolio

Mr Mike Harris, Chief Executive, Chief Minister's Department  
Ms Pam Davoren, Executive Director, Industrial Relations and Public Sector Management Group, Chief Minister's Department  
Ms Penny Shakespeare, Director, Industrial Relations and Public Sector Management Group, Chief Minister's Department  
Mr Warren Foster, Senior Manager, Industrial Relations and Public Sector Management Group, Chief Minister's Department  
Mr Lincoln Hawkins, Deputy Chief Executive, Policy Group, Chief Minister's Department  
Mr Andrew Rice, Director, Policy Group, Chief Minister's Department  
Ms Cathy Hudson, Director, Policy Group, Chief Minister's Department  
Mr Phil Tardiff, Senior Manager, Policy Group, Chief Minister's Department  
Mr Jeremy Lasek, Director, Policy Group, Chief Minister's Department  
Mr Peter Ottesen, Director, Policy Group, Office of Sustainability, Chief Minister's Department  
Ms Sue Hall, Director, Corporate Services, Chief Minister's Department  
Mr Karl Phillips, Financial Controller, Corporate Finance, Chief Minister's Department  
Mr Phil Hextell, Director, Accounting Branch, Treasury, Chief Minister's Department

### Community affairs portfolio

Mr Nic Manikis, Executive Director, Multicultural and Community Affairs Group, Chief Minister's Department  
Ms Lyn Ella, Director, Multicultural and Community Affairs Group, Chief Minister's Department  
Mr Peter Brady, Director, Multicultural and Community Affairs Group, Chief Minister's Department  
Mr Ross McKay, Case Manager, Aged Persons Accommodation, Policy Group, Chief Minister's Department  
Ms Helen Hill, Director, Multicultural and Community Affairs Group, Chief Minister's Department, Women  
Mr George Tomlins, Executive Director, Shaping Our Territory Implementation Group, Chief Minister's Department  
Ms Lucy Bitmead, Executive Director, Strategic Implementation Group, Chief Minister's Department  
Ms Chris Healy, Director, Strategic Implementation Group, Chief Minister's Department  
Ms Kathryn Maxwell, Director, Strategic Implementation Group, Chief Minister's Department  
Ms Sue Marriage, General Manager, Bureau of Sport and Recreation, Chief Minister's Department, Sport, Racing and Gaming, Department  
Mr Danny Harley, Chief Executive Officer, Stadiums Authority, Chief Minister's

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Department, Sport, Racing and Gaming, Department  
Mr Peter Gordon, Executive Director, Business and Tourism, Chief Minister's  
Department, Economic Development, Business and Tourism  
Mr Geoff Keogh, Director, BusinessACT, Chief Minister's Department,  
Economic Development, Business and Tourism  
Mr Neil Tothill, Director, ACT Information Management, Chief Minister's  
Department

**THE CHAIR:** Welcome. Witnesses here this morning 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 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 because giving false or misleading evidence will be treated by the Assembly as a serious matter. Do you understand that? I hope so.

Would each witness, on coming to the table, please state your name and the capacity in which you are appearing and clearly identify when you are taking a question on notice. It is then your responsibility to check the transcript and respond to that question. As you are probably are aware, responses to questions taken on notice are required within three full working days. The transcript will be emailed to the minister and the departmental contact officer for distribution to witnesses as soon as it is available.

Due to the late sittings of the Assembly last week, which went into the early hours of Saturday morning, there may be a delay in the provision of the transcript. Would members please confirm when they are taking questions on notice—and I suggest that officers take note of the questions in case there is a delay in the provision of the transcript. Would members please clearly identify any question to be taken on notice, and give any page references.

Proceedings are being broadcast to specified government offices, and the media may be recording proceedings and taking visual footage. Morning tea will be at approximately 10.30 am and afternoon tea at 3.30 pm. The lunch break will be from 12.30 to 2.00 pm. We will finish at 6.00 pm each day unless otherwise indicated. We do have a recall day, being Tuesday, 1 June. I have also been asked to indicate each day if there are any areas involving witnesses before lunch where members have no questions.

**MR HARGREAVES:** I have no more questions. Thank you very much for coming, Chief Minister.

**THE CHAIR:** No, not quite, Mr Hargreaves! We're starting with the Chief Minister's Department. I have a few questions in relation to the bushfire but I'll come back to that area, Chief Minister and officials. I note at page 28 of budget paper 4, in the statement of financial position, under non-current assets, that the amount of \$131,000 is budgeted for intangibles this current financial year. The estimated outcome is \$110,000; it jumps to \$7.224 million at the end of the next financial year, drops back down to \$5.3 million; it is then \$3.5 million and \$1.79 million in the out years. Could someone please explain that to me? Why is there that huge jump and what exactly is meant by "intangibles"? I could not find that in the notes.

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**Mr Hextell:** Phil Hextell, director, accounting. The “intangible” there is the human resources system. The human resources system, after being developed, going up to a cost of \$7.2 million, is amortised down over about a five-year period. It then drops down in value fairly quickly.

**THE CHAIR:** Why is that?

**Mr Hextell:** Why does it drop down in value?

**THE CHAIR:** Yes.

**Mr Hextell:** Because being software—software has a fairly limited useful life—it’s written off fairly quickly compared to other longer-term assets like buildings.

**MRS DUNNE:** So this is entirely a computer program for managing staff systems?

**Mr Hextell:** That’s right. This is the computer software to be used across the ACT government for human resources.

**MRS DUNNE:** That was the next question. So it’s not just for CMD?

**Mr Hextell:** That’s right.

**MRS DUNNE:** But it falls to CMD to develop?

**Mr Hextell:** That’s right.

**MRS DUNNE:** Is this essentially off-the-shelf software, or a ground-up building?

**Mr Hextell:** I’ll turn this over to Ms Davoren, who may be better able to answer this question.

**Ms Davoren:** Pam Davoren, Executive Director, Industrial Relations and Public Sector Management. There is an ongoing project to purchase a replacement HR System for the ACT Public Service. This will replace the existing legacy system, PERSPECT, with a new service-wide HR system. The project’s being managed from the Chief Minister’s Department but it involves staff from across the service. We are currently at the stage of the end of the procurement process and the preferred provider has been identified. We have been through a process of proof of concept and are moving into contract negotiations with the provider.

**MRS DUNNE:** When you say “preferred provider”, is that a provider for an essentially off-the-shelf product with a bit of tweaking, or are you finding someone to build you something?

**Ms Davoren:** No, it’s off the shelf. We had a detailed set of specifications but on the basis that we would be aiming for a system with the least amount of change or customisation. At the end of the day there will be a combination of some configurations to meet our business systems. But we will also be changing business systems, where possible, to reflect what’s in the system, to reduce the issue of customisation and

rebuilding to meet specific needs.

**MRS DUNNE:** One of the things that strike me is this: you're saying that CMD is purchasing this for the entire public service, so that all the expense, and the depreciation over time, sits in CMD. I suppose there are several accounting ways of dealing with it. Why is it being dealt with by CMD, in that you're doing the purchasing and taking the financial burden, rather than having it spread evenly over the agencies?

**Mr Hextell:** We have one agency that takes overall management of it across the territory. We do that for both Oracle, on the financial side, and for the human resources system. That way you have one department that controls all the developments of the system and does most of the contract liaison. Even though the costs obviously do relate to other departments, they get benefits from using it. We have one department that takes the control role, looks after all the finances and shows it through its financial statements.

**THE CHAIR:** In this part of budget paper 4 there are a number of statements on pages 30 and 31 in relation to bushfire activity. The second paragraph in the notes on page 30 refers to a decrease of nearly \$10 million, in the budget we're dealing with, from last year's budget due to a decrease in funding for bushfire-related activities—\$6.520 million—and some other funding. Also on page 31 it refers to a decrease in funding in relation to bushfire-related programs of \$2.620 million, which is quite a significant decrease in bushfire funding. Why is that so?

**Ms Bitmead:** Lucy Bitmead, executive director, strategic implementation group. We have a decrease in the funding that is set out in this budget for bushfire recovery related issues because of the change in circumstances from last year's budget to this time, in that many of the programs required intensive efforts across government, including in Chief Minister's, last year. That situation has changed. So while the budget sets out the ongoing support, that support is not as intensive as it was previously. That reflects the needs that we're continuing to monitor across the community.

**THE CHAIR:** What's the status of seeking funds through the national disaster relief arrangements and otherwise from the federal government? I'm looking at table 7.1.1 in budget paper 3 on page 229. I note that the estimated five-year net cost is \$121 million and, from the NDRA, costs are estimated at \$15.2 million. Why is it such a small amount relative to the overall cost of the bushfire disaster?

**Ms Bitmead:** Questions in relation to the fund would be better directed towards Treasury.

**Mr Harris:** Mike Harris, chief executive, Chief Minister's Department. In budget paper No 3 on pages 238 and 239 there is a breakdown of funding arrangements under the NDRA assistance program. The detail though, as Ms Bitmead has said, is a matter under the control of Treasury, so detailed questions in respect of NDRA are probably best addressed to Treasury.

**THE CHAIR:** All right. We can have a look at that one when we come to Treasury. You should be able to answer this one because it's at a government level. I note that the Prime Minister made an offer on 19 January 2003. That should be under your department. What additional funds have been requested from the federal government?

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**Mr Harris:** The funding requested from the federal government fell into two categories, as I understand it. The first category was NDRA arrangements. They are subject to specific criteria set down by the Commonwealth in relation to funding disaster situations. There has been a lot of dialogue between the Treasury and the federal Department of Transport and Regional Services, which administers those arrangements. The second category related to correspondence between the Chief Minister and the Prime Minister. To the best of my knowledge there has been no funding provided by the Commonwealth under any arrangements other than the NDRA.

**Mr Stanhope:** No. There was some funding provided by the Commonwealth in relation to assistance to the saw milling and timber industry. Once again, the detail of that was through negotiations with Business ACT, which is a functional responsibility of the Treasurer. I was involved in those negotiations. I don't have the figures here but from memory I believe the Commonwealth provided \$1 million in cash assistance, which was matched, by the ACT and the industry in a partnership of support that was provided to companies and individuals involved in, particularly, saw milling and the timber industry.

**Mr Harris:** I apologise; I had forgotten this particular point. Aside from the NDRA assistance, the Commonwealth has supported the territory's bushfire recovery effort with half a million dollars to the bushfire recovery appeal. There was \$1 million as a separate support package to the softwood industry in the ACT, half a million dollars to revitalise the tourism industry, and \$1.7 million through the Natural Heritage Trust agreement.

**MRS DUNNE:** Chief Minister—this is not entirely tangential—you've taken responsibility for the implementation of the non-urban study. How is that progressing, given that the CMD is not usually a line area for that sort of activity? Are there impediments to that happening?

**Mr Stanhope:** No, I don't believe there are any impediments. It's a major task, and I think all members are aware of the very significant work that the non-urban study group, under the leadership of Sandy Hollway, has done in producing the "Shaping our territory" report. The government has accepted the essential thrust of the report and the implementation group, once again led by Sandy Hollway, but with significant support from within Chief Minister's, as you say. It has, on the basis of direction given by the government, continued to work up the proposals. It has continued to work up the implications of implementation of a number of the recommendations that were made, particularly in relation to the need for master planning of the Cotter and the Tidbinbilla area. As a result of a requirement of the cabinet, proposals in relation to the restoration of rural villages must be shown to be sustainable before commitment is made to their re-establishment.

The position we're at in relation to that is that the Shaping our Territory implementation group has now commissioned major sustainability studies for each of the rural villages that were impacted by the fires. It is involved across government in the development of master plans for many of the other major foci of attention—namely Tidbinbilla, the Cotter, the restoration of the Stromlo recreation park and the establishment of an arboretum. Mr Hollway and the implementation group will be making a presentation to cabinet next Monday on the work that has progressed to date. I'm hopeful that the

government will be making decisions on a number of issues following that presentation.

The work is progressing well—it's working across government. One of the reasons why it is being coordinated from Chief Minister's is because of the number of departments and the breadth of the issues involved. Of course, in relation to all of these issues there's a significant Commonwealth government or NCA involvement and interest, and we're working closely with them. You raised the question of impediments. I wouldn't say that there are impediments as such, but there are certainly some difficult issues. There are some major issues for us to face and make decisions around, but our negotiations and the relationship that's been developed with the Commonwealth is very constructive.

**MRS DUNNE:** When you talk about master planning for Tidbinbilla, do you just mean the nature reserve and Birrigai, or going out onto non-territory leased land as well?

**Mr Stanhope:** No. I'm talking just about the Tidbinbilla valley and that part that's designated as the Tidbinbilla Nature Reserve, and certainly Birrigai. We are having a fresh look. Once again significant master planning work is underway in relation to the future of Tidbinbilla. Because of the destruction of facility and the consequential opportunity to look again, rejig and refocus on Tidbinbilla Nature Reserve and the activities there, a very significant effort has been put into what we might achieve or what an appropriate vision for Tidbinbilla may be. Of course, in that context we're looking at the opportunities that exist for Tidbinbilla and Birrigai to work more closely than they perhaps did in the past.

**MRS DUNNE:** Do you envisage, or does the implementation group envisage, that at this stage there would be sufficient impact in terms of the change, or that the rejigging would have an impact on the neighbourhood, in a sense? Are the neighbours, such as the tracking station and rural lessees, involved in this master plan?

**Mr Stanhope:** I'd have to take advice on the nature of the consultation. Mr Tomlins would be better able to assist in relation to that. I might ask Mr Tomlins to explain exactly the nature of the work being done at Tidbinbilla and Birrigai, and about the master planning and consultation being undertaken.

**Mr Tomlins:** George Tomlins, executive director, Shaping our Territory group. Essentially the model being used for Tidbinbilla is that we've got government representatives working in a group and periodically we expand that group to take into account a range of stakeholders. So there is discussion with the rural lessees, with other people around the Tidbinbilla area and with other stakeholders who may have an interest in the area but who essentially aren't located there, such as CSIRO or the universities. We started off talking to the stakeholders and then did some work. We tend to go out to the stakeholders, do some more work and then go back out to them. It's an interactive process.

**MRS DUNNE:** You probably haven't made a decision but have you had any serious thoughts about what might happen with the forestry block, the number of which I think was 60? Have you made any decisions about what's going to happen there? Is it going to be re-treed; is it going to become part of the reserve, or what?

**Mr Stanhope:** Yes, some decisions have been made. A decision has been made that it

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won't be returned to pine plantation. I made that decision.

**MRS DUNNE:** Congratulations!

**Mr Stanhope:** I must say it always was a scar within the valley. It was a pity that we cleared that block, but there are some significant issues in its restoration. George may be able to assist me—this is a matter under the management of Environment ACT. I understand there will be some planting of native trees but it is anticipated that we will allow the block to naturally regenerate. I think that's the expectation at this stage, although some of those final decisions haven't been made.

It perhaps needs to be noted that, as a result of heritage investigations for the site post the fire, an enormously large number of Aboriginal artefacts were identified—actually within the whole of the ACT but significantly within Tidbinbilla valley. There are some issues being explored around that as well. In the context of the master planning, there is some thinking being done about how block 60 might be integrated into a recrafted Tidbinbilla Nature Reserve. But at this stage it won't be returned to pine plantation. It has been removed from the softwood plantation estate.

**THE CHAIR:** When you say “naturally regenerated”, I hope you don't mean with blackberries and sorts of pests like that.

**Mr Stanhope:** That's already occurring, I'm afraid. That is one of the major issues around regeneration or replanting of the entire area. Am I right about that? I don't think it's all going to be replanted, is it? That would be enormously expensive.

**MRS DUNNE:** Keeping the weeds down is enormously expensive as well!

**Mr Tomlins:** We have investigated the technology of moving from a pine plantation back to native species. That hasn't been done terribly well, or terribly successfully, in Australia and it is expensive. It's an exercise that we think we'll have to experiment with. We've identified combining some planting with some attempts to get the adjacent country to seed the areas. There are issues associated with erosion control and issues associated with bringing in seeds that might not be indigenous to the area. So there is a range of difficulties. Another issue is that the native wildlife is very partial to young trees. As the wildlife have been going through a lean period, that's also going to be a challenge for us. The Chief Minister's outline of the strategy is right. The details might mean that we have to experiment and vary it somewhat.

**MRS DUNNE:** What sort of timetable are we on for the finalisation of these master plans? You said there is to be a cabinet presentation next week, but when are we going to see the final, or all but final, master plans?

**Mr Tomlins:** Next week we'll be taking the issue of villages to the cabinet. The next one to go to the government for decision-making will be Tidbinbilla. That will be followed by Stromlo and the international arboretum. We're talking about the space of a month or two between each.

**MRS DUNNE:** There's the substantial amount of \$10 million in the budget for the international arboretum but there's no substantial money in the budget for the others. Do

you imagine that the others are going to be, in some sense, off budget?

**Mr Tomlins:** There is money, because Chief Minister's is coordinating the planning of the implementation, but agencies are taking responsibility for the operational aspects of the work. There's money, for example, in the forestry budget, as I understand it, for planting at Mount Stromlo.

**MRS DUNNE:** Yes—I am sorry—there is.

**Mr Tomlins:** There is money in the education budget for Birrigai and money in the Environment ACT budget essentially for start-up work in Tidbinbilla. We envisage that, following the Tidbinbilla master plan exercise, the government will be able to give consideration in later budgets to whether it wants to go along the lines suggested by the Shaping our Territory working group.

**Mr Stanhope:** There is almost \$2 million in the environment budget for Tidbinbilla, which is significant.

**MRS DUNNE:** I am sorry to labour this, but you said at the outset, Chief Minister, that there were major studies about the rural villages and that the government had determined that the rural villages needed to be sustainable: sustainable in what sense?

**Mr Stanhope:** I'll ask Mr Tomlins to respond as to the nature of the work being undertaken.

**MRS DUNNE:** No. Before Mr Tomlin does that, what is the government's view? What is the executive's view about what it considers the villages need to demonstrate before we can go ahead?

**Mr Stanhope:** The decision the government took in relation to the rural villages was that the government supported in principle their re-establishment, subject to the undertaking of detailed sustainability studies. The government had in mind that every aspect of the restoration of the village would be measured against its sustainability. At the forefront of that were issues around costs and resources—whether or not the re-establishment of a village at, say, Uriarra could be achieved with, hopefully, no net financial cost to the territory. It had to be acknowledged that there was a whole range of issues around the mix of housing there, because of the fact that the housing that existed was utilised as public housing. There are, of course, issues in the context of how we fund and resource public housing.

In establishing rural villages we are concerned at the implications in relation to water supply, energy and transport demands that might be made post re-establishment of the villages, and about the provision of facilities and infrastructure such as schools, bus routes, bushfire services—the full range of services that one might anticipate would be demanded down the track.

We looked at sustainability in its broadest and truest sense. We looked at issues around cost and cost benefits and all of the issues around the equitable provision of services and expectations about the future provision of government services. Detailed sustainability studies have been undertaken. I'm more than happy for Mr Tomlins to give some

indication of the brief that was provided to the consultants that undertook the work. It's very significant work and, I must say, very impressive and thought provoking. I'm happy for Mr Tomlins to just give a breakdown on the task that was put to the consultants, which would answer your question more fully.

**MRS DUNNE:** Mr Tomlins, was there a set of criteria to be met by these rural villages established before the process started? Did you sit down and think, "What does a set of sustainability criteria look like? I'm blown if I know. Does anyone know?" Were they established for this process before you started, or are you sort of working around the other way and asking, "Does it look sustainable?" at the end?

**Mr Tomlin:** No. Certainly the former is the case. We briefed the consultants. There were 11 different specialisations involved in the consultant team. The government had a sustainability policy that was based on people, place and prosperity. They had consultants working on each of those individually, but they made sure that they worked as a team so that the villages would be excellent examples of each of those elements.

For example, when we're talking about the place side of the issue, we wanted the houses to be architecturally excellent and to be of five-star energy rating, although we're now talking about six star in relation to that. We investigated issues associated with the use of green energy. We're putting to the government a model that will not only enable the villages to have green energy but also enable something like 500 to 1,000 other houses in the ACT to pick up that green energy. We're talking about green tank water for potable water supplies, grey water and black water, if you like.

**MR HARGREAVES:** What about green water? What happens on St Patrick's Day?

**Mr Tomlin:** The aim would be that those villages would use something like only 20 per cent of the water consumption that urban housing uses. So there is a whole host of things. The village itself would be designed to be more environmentally sensitive as well. As far as people are concerned, we're talking about involving the community in rural fire services and creating community social capital by involving people in decisions about the maintenance of the village, open space and bushfire management—the possibility of starting up with some community development involvement. As far as prosperity is concerned, we've analysed—

**MRS DUNNE:** You don't want it to cost the government anything in terms of prosperity, in net terms?

**Mr Tomlin:** That's correct, yes. We're working so that, in net terms, the villages would be able to pay for their re-establishment and also pay for at least the land component of the cost of the former village residents returning. We've analysed that in a number of ways.

**MRS DUNNE:** So one of the risks would be that—to use a current term that I heard a lot last week—we have to avoid gentrification; that you could do all this but it would cost a motser and only rich people could live there?

**Mr Stanhope:** That's a very real concern. I think it's fundamentally important to the re-establishment of the villages that that not occur. In the context of some of the drive for

the re-establishment of the villages—namely that those people who lost their homes, who were burnt out and displaced, should be able to return to their homes—we're concerned to ensure that a model that would allow us to re-establish the villages doesn't, in a very short period of time, simply become, as you say, an elite enclave within the non-urban area of the ACT.

**THE CHAIR:** Does that mean that you'll continue to have some public housing there?

**Mr Stanhope:** Anything is doable. I think anything can be achieved as long as you recognise the issue before you set down a path and put in place mechanisms to pursue it. That would certainly require a very significant level of housing in public ownership and a whole range of other arrangements, contractual and otherwise, in relation to the nature of the village. It can be achieved.

**MRS DUNNE:** Could the committee have either a copy of the consultants' brief or the sustainability criteria, whichever is easier?

**Mr Tomlin:** Yes.

**MS DUNDAS:** I wanted to ask about the bushfire rebuilding grants that were part of the 2003-04 second appropriation. I'm referring to page 38 of BP 4, which shows that appropriation coming in. But then part of that rebuilding grant—\$400,000—was rolled over and \$650,000 of it was transferred to ACTPLA. How much of the rebuilding grant was actually spent? Why is some of it staying in Chief Minister's Department for administration? Why is some of it going to ACTPLA?

**Ms Bitmead:** I'll answer the second part first. Maybe Chris Healy, the director of bushfire recovery, could look up those figures as to how many of the grants have been allocated at this stage. The rebuilding process, as we all know, is going to be a long one. At this stage a bushfire recovery unit has been established within Chief Minister's Department to ensure that we maintain whole-of-government and community monitoring and delivery of services to the people affected by the bushfires.

We anticipate that, in the longer run, the support for those people who have specific rebuilding issues would be carried by ACTPLA. That's why the money has been transferred through. The grant money is paid to those residents after they've rebuilt their homes and got to the point of a certificate of occupancy being issued. That is the final stage before they can move into the home. The statistics I have here, which are current to 4 May, show 57 grants having been paid to people who have reached the point of certificate of occupancy. We are following up with others who have got to that point in their rebuilding projects but at this stage haven't accessed that grant money.

**MS DUNDAS:** That still leaves the question: why is \$400,000 being rolled over to stay in Chief Minister's and the rest of the money going to ACTPLA? You have explained why the money is going to ACTPLA. Why then is some of the money staying in Chief Minister's?

**Ms Bitmead:** In this financial year we still have an ongoing bushfire unit within Chief Minister's Department.

**MS DUNDAS:** In the 2003-04 year?

**Ms Bitmead:** In 2004-05, going forward, we have a bushfire unit. So we have some moneys that we would still manage.

**MS DUNDAS:** It just seems kind of silly to split the rebuilding grant across two departments—this is specifically the rebuilding grants according to page 38.

**Ms Bitmead:** The reason the split was made was in recognising that the total of the original money that was allocated for this purpose would not be spent in the short term. It's anticipated that in the longer term ACTPLA would manage that project. It's been particularly difficult to anticipate the timing of the rebuilding by individuals and when they might subsequently access the grant money. So while the bushfire unit, which has a team actively working with those people who are rebuilding, is still within Chief Minister's Department there are moneys there for them to be monitoring that. That's something that would be reconciled.

**MRS DUNNE:** Ms Bitmead, could you tell me, in one sentence, what the criteria are for the program? It seems odd that the money doesn't click in until you get your certificate of occupancy. Is it to buy a couch or put in carpet? What is it for? To an outsider it seems to be at the wrong end of the program. What is the purpose of the grant?

**Ms Bitmead:** Financial assistance has been provided in a number of ways to the people who lost their homes. The bushfire rebuilding grant recognises the need for equity between people who decide to sell their properties and purchase elsewhere in the ACT. They've received relief from stamp duties that would be payable on those homes elsewhere. The \$5,000, plus various fees which relate to a building process, add up to that same amount of money. It's payable at the end of the process because at that stage the house has been rebuilt.

**MRS DUNNE:** Then you can tell that they're going to use the money for that. Okay, that makes sense.

**MS DUNDAS:** Has there been an increase in the amount of money put into the bushfire rebuilding grant from the original appropriation? The second appropriation estimated \$1.2 million for 2003-04 and then \$250,000 for 2004-05. But then, if you spend only \$800,000 of the initial money, you're rolling over \$400,000, plus you're transferring \$650,000—and you've still got the \$250,000 left to spend. That adds up more to the original money that was appropriated.

**Mr Phillips:** I am the Financial Controller. That is correct. We have \$1.2 million in the second appropriation bill. What has happened is that we anticipated spending \$800,000 of the \$1.2 million. We are rolling over \$400,000. That \$400,000 is rolled over plus the original \$250,000 in 2004-05 in the second appropriation bill, making up the \$650,000 that goes to ACTPLA.

**MS DUNDAS:** So no money is being retained by the Chief Minister's Department. It is all going to ACTPLA?

**Mr Phillips:** In the next financial year, yes.

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**MS DUNDAS:** In the 2004-05 financial year?

**Mr Phillips:** Yes.

**Ms Bitmead:** My apology.

**MS DUNDAS:** Thank you. That cleared it up a lot more easily.

**MRS DUNNE:** You already had 50-odd grants issued for 50-odd certificates of occupancy. That is roughly \$130,000, depending on how many. You were saying before that you expect to spend \$800,000 this year. But up to 4 May you had only 57 certificates of occupancy. Are you fully anticipating another 150 or so certificates of occupancy before the end of the year?

**Ms Bitmead:** We would not anticipate the program of rebuilding before the end of this financial year.

**MRS DUNNE:** How are you going to spend \$800,000?

**Mr Phillips:** That was our forecast at the time we prepared for budget.

**MRS DUNNE:** On what basis? If it is \$5,000 per certificate of occupancy into \$1.2 million, that is about 540 certificates of occupancy. If my arithmetic is wrong, somebody tell me. That is more than the number of houses that were destroyed, isn't it?

**Mr Stanhope:** No, I think the maths is wrong.

**MRS DUNNE:** For later on, can somebody check my maths and tell us how many grants you propose to offer. You are saying that you propose to spend \$800,000 this year. What is the breakdown of that? It just does not seem to add up.

**Mr Stanhope:** Yes.

**MRS DUNNE:** And is there anything other than certificates of occupancy that you pay for under this grant? You pay people \$5,000 when they get a certificate. What else is there?

**Mr Stanhope:** A number of charges have been waived, as Ms Bitmead has said. I do not know the full detail of them, but there are a number of charges related to the rebuilding process that have been waived.

**MRS DUNNE:** That roughly equates to \$5,000 per household.

**Mr Stanhope:** It roughly equates to \$7,000, I believe. I think it is perhaps best if we check that.

**MRS DUNNE:** Can you give us a breakdown?

**Mr Stanhope:** Yes.

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**THE CHAIR:** That would be handy because I can recall when it happened. I think it was a figure of \$5,000 for some people and up to \$10,000 for other categories.

**MRS DUNNE:** That was people who didn't have insurance.

**Mr Stanhope:** No, it is different.

**THE CHAIR:** Was that completely different?

**Mr Stanhope:** Yes.

**THE CHAIR:** That doesn't come under this at all?

**Mr Stanhope:** As to Mrs Dunne's question, I think we can give a detailed breakdown of the understandings on which those figure were based. As I understand it, I think it goes to the fact that at this stage something like 260 development applications have been sought.

**Mr Harris:** They certainly have been lodged.

**Mr Stanhope:** Mr Harris has just provided me with some additional information, but I think we might take it away and provide a formal response. But, as at 4 May, 278 development applications have been lodged for rebuilding of houses. I presume they are for rebuilding of houses. So 133 properties have been sold, 278 development applications have been lodged, 271 development applications have been approved, 204 building applications have been lodged and 84 certificates of occupancy have been granted. The point Ms Bitmead makes is that 57 grants have been paid out of the total of 84 certificates of occupancy granted. At this stage, there are 271 approved development applications in the line. Those are some of the numbers. I am happy to come back with the information about the other sums.

**MRS DUNNE:** When you do come back, could you clarify for the committee whether you take out of the calculation the blocks of land that have changed hands and are no longer in the possession of bushfire victims?

**Mr Stanhope:** I am certain we do, but I will clarify that.

**MS DUNDAS:** Could I just ask another quick question then on rollovers in relation to the bushfire? There has been a \$94,000 rollover of the bushfire assistance programs grants component. Can you fill us in on what has been happening with the grants component and what you expect that money to be expended on in the 2004-05 year?

**Ms Bitmead:** I think that is an issue for Business ACT. It would be able to address its grant money for that specific program.

**MS DUNDAS:** I thought there was a separation between specific business grants, which is the business assistance package, and the business interest subsidy, which we talked about in last year's budget papers. This is specifically a program grant.

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**Mr Harris:** We will get the detail and provide it for you.

**MS DUNDAS:** Thank you.

**THE CHAIR:** Any questions on the bushfire recovery program? On page 37 of BP 4—grants and purchased services—there is a reference to the decrease of \$1.825 million in this budget from the 2003-04 estimated outcome, and that is largely due to a reduction in funding for the Stadiums Authority. What is the basis for the reduced funding for the stadium?

**Mr Stanhope:** Mr Quinlan is responsible for the Stadiums Authority, Mr Chair.

**THE CHAIR:** Fair enough. We will ask him then.

**MS DUNDAS:** We seem to be working through on page order. May I just quickly ask a question about page 30?

**THE CHAIR:** Sure.

**MS DUNDAS:** I apologise for that. It may have been asked before. On page 30 there is a statement that there is a \$10 million contribution to the University of Canberra. What is that contribution? What is it going to do?

**Mr Harris:** It falls under Business ACT, so it is the responsibility of the Minister for Economic Development, Business and Tourism and he is probably better placed to answer the question.

**Mr Stanhope:** It is to go to the establishment of a faculty of allied health.

**Mr Harris:** Allied health professionals.

**Mr Stanhope:** It is to work with the University of Canberra in facilitating the establishment of a new faculty of allied health. Mr Quinlan has the detail of that.

**MS DUNDAS:** I have more questions on page 38.

**THE CHAIR:** Let us do a couple on page 38. On page 38 of BP 4 under “General Savings”, what is the basis for the savings identified?

**Mr Harris:** Which line are you reading from, Mr Chairman?

**MRS DUNNE:** About two-thirds of the way down the page there is \$320,00 in this year’s budget savings.

**Mr Stanhope:** Budget technical adjustments.

**THE CHAIR:** General savings, yes. Under “Superannuation” it is \$320,000 going up to \$419,000 in the out years.

**Mr Harris:** We go through a regular process, as we did this year. All departments go

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progressively through an Expenditure Review Committee process to simply identify ongoing efficiencies in departmental operations. So, if you like, this is my requirement to reduce the impact of administrative costs within the department.

**MRS DUNNE:** That is purely administrative?

**Mr Harris:** It is purely administrative, yes. There are no staff reductions or no forced staff reductions.

**THE CHAIR:** How would you achieve that then?

**Mr Harris:** A whole bundle of ways. We actively manage employment levels through the organisation, so timing of replacements when people leave is one way of managing it. That, of course, has to be balanced off against workload in the various sections of the department. I will give you another example. We administer a number of different grant programs, some in sport and recreation, some in multicultural affairs, some in women's and so forth. Rather than having two or three separate assessment panels or committees to do those things, we would roll the assessment panels together and have one assessment panel with separate criteria, rather than tie up a whole bundle of different people doing grant assessment programs. Simple things like turning the lights off more frequently adds up after a while—those sorts of things.

**MRS DUNNE:** That is where I wanted to get to. That includes the running costs of your buildings and things like that?

**Mr Harris:** Yes it does, to the extent that we can control them, given that we are in leased buildings.

**MRS DUNNE:** I know that you are in leased buildings, but would you, for instance, run an energy audit or something like that? I know that in the past we have done work on MacHouse but we own MacHouse; we don't own those buildings.

**Mr Harris:** They are the sorts of programs we go through—for example, encouraging people when they leave at night to turn the lights off rather than leave them for the cleaners to turn the lights off.

**MRS DUNNE:** The last person out turns off the lights.

**THE CHAIR:** Running the grants programs into one has been something that has been on again, off again since before self-government. Your actual assessments for the grant programs will all be done by one group rather than the individual groups in the areas you mentioned?

**Mr Harris:** What I am saying is that, rather than have one person in one part of the organisation spend, say, 20 per cent of their time doing grant assessment programs, another person somewhere else doing 20 per cent and another person somewhere else doing 20 per cent, we try and roll those together so that we have one or two people doing a larger proportion of their time and then free up the whole person somewhere else to do another task. So it is not quite as simplistic as you are suggesting. It is trying to get more efficient use of the people we have got.

**THE CHAIR:** If it is you might find it was also somewhat controversial because this instance has cropped up on occasions before. I take it that, with the way you are doing it, you are still having significant input into each of those that are subject areas?

**Mr Harris:** Yes, absolutely. We are not saying there is one set of assessment criteria. We still have specific assessment criteria for the various grant programs but better utilisation is what we want.

**THE CHAIR:** There is another one in relation to savings. Just below “General Savings” you have “Whole of Government Communications Savings”. In the current budget we are still in—the 2003-04 budget—there was \$250,000, I believe, allocated to that. How do the savings that are identified there—they are fairly small; about \$56,000 to \$57,000—relate to the increased spending on communications in last year’s budget?

**Mr Harris:** The savings you talk about here—the \$56,000, \$57,000, \$58,000, \$60,000—relate to reductions in charges to us by InTACT because of the contract savings they are getting by negotiating whole-of-government contracts for communications and the other services that they provide. You will find those savings reflected in every agency’s estimates this year.

**MS DUNDAS:** I was going to ask about that. It is in every agency’s estimates that there will be savings. Some of them are quite significant. The savings for Disability, Housing and Community Services are in the millions. The savings for whole-of-government communications was mentioned in the Chief Minister’s Department in the 2003-04 budget, but they were not picked up in other departments in the 2003-04 budget. How are those other departments managing their savings in terms of the fact that they were not mentioned in last year’s budget?

**Mr Harris:** These are savings that are now flowing through to forward estimates from contracts that InTACT have renegotiated this year. That is why they are starting to show up.

**MRS DUNNE:** What sorts of contracts?

**Mr Harris:** Telecommunications contracts.

**MRS DUNNE:** Mobile phones?

**Mr Harris:** Mobile phone data, infrastructure costs—almost every area of their work is subject to price reduction because of competitive tendering and also because of reworking the way in which InTACT itself does its business. In the early years InTACT did not have a very good handle on its pricing model.

**MRS DUNNE:** Gee, that is an understatement.

**Mr Harris:** It now has a much better idea of its pricing. We have been doing a lot of work. I distinctly remember last year at estimates committees, when I had another hat on, we had a very long discussion about InTACT and the way in which it prices its products. It now has much more transparency between what it prices and what agencies get. It has

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been working very hard with the agencies over the past 12 months to provide that information and that is now flowing through in a better pricing model and hence savings to agencies.

**THE CHAIR:** In the millions. I think DUS is about \$4 million and I see health is a little over \$1 million.

**Mr Harris:** I think overall the savings that InTACT have been able to negotiate through their contract negotiations are in excess of \$3 million, if my memory serves me correctly. One of my accountants will correct me if I am wrong. The detail you can take up with the Treasurer, though, because InTACT as a whole entity comes under the auspices of the Treasury.

**MS DUNDAS:** On the next line—I can pre-empt that the answer will be that maybe I should talk to Ted—“Non-continuance of ICT Centre of Excellence” there is a reduction in the out year of 2007-08 of \$1.5 million. Is there any explanation for that?

**Mr Harris:** It is Business ACT.

**MS DUNDAS:** If I wanted to ask questions about the digital divide program, should I save them for Ted too?

**Mr Harris:** No, we can do that.

**MRS DUNNE:** You do digital divide.

**Mr Harris:** We can fix that one for you.

**MS DUNDAS:** Why was the rollover of the digital divide program of \$235,000 necessary?

**Mr Tohill:** I am the Director of ACT Information Management. The rollover of the money from this year to next was taken in discussion with our community advisory group. We have 14 initiatives under the community IT access plan that essentially makes up the digital divide program. A number of those initiatives overlap with one another—things like PC re-use and roving trainer. It was decided that we should wait and see what impact those initiatives are having before we go out and put in place these community training centres. We wanted to see how well the PC re-use program has been taken up. Essentially the CTCs are about providing access to those computers. There was quite a good take up with the PC re-use and with the training and we wanted to see what impact and what gaps were still left in the community before we invested that money.

**MS DUNDAS:** How will you be getting that feedback or monitoring how it is being implemented?

**Mr Tohill:** We are working through the PC re-use providers and talking to them about the profile of people that have been taking up those computers. We are talking to the people providing the training, again getting feedback from them about what parts of the community are taking that up. We are also using the representatives on our community advisory group, who have contacts back through a variety of the charity areas, the

indigenous areas, to see what is the residual gap, where we should be putting these centres and what they should really be focusing on.

**MS DUNDAS:** Are you speaking to the clients who will be using the digital divide centres?

**Mr Tohill:** We are using the people providing the services to them—that is the people doing the roving training—and we have been talking to the PC re-use companies themselves.

**MS DUNDAS:** But in terms of the actual digital divide drop in spaces and the people who are accessing training there, you are not talking to the people in the group?

**Mr Tohill:** As part of getting to the end of this year, we are doing an evaluation of the overall program. Part of that will be going out and following up with some of the users as well as the providers of those services.

**MS DUNDAS:** In terms of not just the PC re-use but the whole digital divide program, what kind of promotion has it been given so that members of the community can know where to access this help, where they can drop in and how they can utilise these programs?

**Mr Tohill:** I am not sure of the exact details of the promotions that have been going on. We have an amount left in this year's budget for the program. It was discussed at the last advisory group meeting. The outcome from that discussion was that we should be better spending the money going to the community about why PCs are important and what value they can provide to the people, more so than explaining to people that this is where you go to get a computer.

**MS DUNDAS:** I understand that there are a couple of organisations that, within the last financial year, have approached the Chief Minister's Department for digital divide funding. They wanted to set up a computer centre and were told that there was no money left in the digital divide program. Do you have any response to that?

**Mr Stanhope:** The decision that was taken in the first round of digital divide funding for the community for the establishment of IT centres was essentially a process designed around a detailed assessment of merit—not so much the merit; I think all the applications certainly would be meritorious. There was very significant competition from across the community for the funding that was made available for the establishment of IT centres to address the digital divide.

I think 14 programs were funded in the decision that was taken. The decision was taken on the basis of advice and assessment by the community advisory committee. It was sought to establish centres in a broad cross-section of environments and locations. To go to your previous question, for instance, there was a very genuine attempt of targeting those constituencies that are affected by the digital divide—for instance, older people, indigenous people and people that, quite obviously, do not have access. It is through those particular community sectors that much of the advertising is done. COTA has a very active program of informing and advising older Canberrans of locations for accessing computers—most notably, of course, public libraries. There is very extensive

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advocacy through the community sector of the location of computers that can be used for free by the community.

I think it is not so much a question of money not being available or people being advised; it is a question of the process that was used—a process that is fair to the entire community. It is not “You can ring up at any time and achieve digital divide funding”. We have established 14 programs and are in the process of assessing their efficacy. I have no doubt that in future there will be additional rounds of funding of the community sector for digital divide programs.

**MS DUNDAS:** Is ongoing maintenance support given to the digital divide communities to look after their equipment or is that something that they have to manage in the original grant that they were given?

**Mr Tothill:** As to the people who choose to effectively rent a PC through one of the PC re-use programs, the support for them wanting to add additional applications and everything else is like anyone else in the community in terms of what they want to add. There is continued support through rover training on how to best use it. You can have the PC, but knowing how to use it is another thing. That is continuing with that program. Again, that will be one of the things we will be reviewing—once you have had your initial round of training, what else do you require as part of the ongoing use of that PC?

**MS DUNDAS:** So will there be greater funding or greater support for virus management and software purchasing and those sorts of issues. Virus management is one of the most pending questions in IT at the moment. If you are running a digital divide program with a small number of computers without ongoing support, virus management is quite difficult.

**Mr Tothill:** Yes, some of the PCs are being provided with internet access. Those things are provided as part of that base configuration. As to where we go to from here will be something that we will be seeking to draw out of our evaluation of the program.

**MS DUNDAS:** I will put some more questions on notice on the digital divide program. I want to ask about the digital divide tutoring program. CIT manage that program, don't they?

**Mr Tothill:** That is correct.

**MS DUNDAS:** Was that management job put out to tender?

**Mr Tothill:** I am not aware of whether or not it was. I have been in the role for about three months and we are going back a couple of years here. I can take that on notice, if you like.

**MS DUNDAS:** That would be really helpful. There will be some other questions on notice coming on the digital divide program.

**THE CHAIR:** Questions from you, John?

**MS DUNDAS:** I could ask all of my questions now if nobody else has anything to say?

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**THE CHAIR:** No, we have—

**MRS DUNNE:** I just wanted to sort out a procedural matter. I have some questions I want to raise but I don't know whether I want to raise them under the output classes. We have not got on to the initiatives. This is a bit random at the moment.

**THE CHAIR:** It is at present, yes. We are just doing random questions around pages 30 to 38.

**MRS DUNNE:** Shall I continue to be random?

**THE CHAIR:** Yes, at this stage. We will then get on to the output classes. We are doing random questions up to page 42, which is the output classes. Do you have any further questions other than questions on the output classes?

**MRS DUNNE:** There is money for initiatives—an extra \$90,000, increasing slightly in the out years—for the Office of Sustainability. You did not think that you would get away without a question on the Office of Sustainability, did you, Chief Minister?

**Mr Stanhope:** No.

**MRS DUNNE:** What is the \$90,000 for. Is it just another staff member?

**Mr Stanhope:** Yes, it is.

**MRS DUNNE:** They probably need more than CPR. They probably need more open-heart surgery to sustain the Office of Sustainability.

**MS DUNDAS:** Sustenance of tea and bickies.

**MRS DUNNE:** Can somebody tell me, Chief Minister, what the \$90,000 is for?

**Mr Stanhope:** It is for additional staffing support. Mr Ottesen would be happy to go into an explanation of why the world will end if he does not have this extra support.

**MRS DUNNE:** I am more concerned that it will not start unless he gets much more than that. Convince me.

**Mr Ottesen:** I am the Director of the Office of Sustainability. The extra funding will allow us to employ a senior staff member and that will give us some additional expertise. The important thing is to be able to respond to the issues. Our basic work plan is to try and influence the way government operates, to work with agencies, to develop policies and procedures, to provide expert advice and to service our Sustainability Expert Reference Group.

**MRS DUNNE:** How many people have you got to do that?

**Mr Ottesen:** At the moment we have three staff plus a contractor.

**MRS DUNNE:** And you are going to go to four staff plus a contractor. Is that right?

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**Mr Ottesen:** We are reviewing our program at the moment, but that is the likelihood.

**MRS DUNNE:** It sounds good when you say it like that. Are you telling the government, Mr Ottesen, that you cannot do what you are supposed to do with three staff and a contractor? Are you doing what you set out to do?

**Mr Ottesen:** We have developed a program where we are providing a range of services to government. We are operating within the Chief Minister's Department and we are able to take advantage of our position to provide a whole-of-government approach to providing advice. We are also working to develop policy tools and procedures to assist agencies in making more informed and, therefore, better decisions. We are looking at particular projects where we can provide advice specifically in relation to that project. We are trying to build connections with the community—both business and the wider community—drawing in that additional advice, and to produce reports.

**MRS DUNNE:** Produce reports that do what?

**Mr Ottesen:** That follow up in providing advice. For example, one of our major tasks this year has been developing a towards sustainability report. It has been a major exercise that has consumed a lot of resources. I should make the point as well that we exist within the policy group. We have a budget as well, but we also draw upon the larger resources of the policy group from the Chief Minister's Department. So, for example, with the towards sustainability report we have had around three staff from policy group working almost full time with us on that project. We have tried to give ourselves some flexibility and draw upon those resources as required.

**Mr Stanhope:** As Mr Ottesen says, the towards sustainability report, which I have now received as a draft, is a major piece of work. It will be considered by cabinet within the next week or two. I am looking to release it shortly. It gives some real indication of the nature of the work that has been undertaken in the Office of Sustainability.

I understand the point that you are making, but we have made significant gains and significant progress in the last two years since the establishment of the office in relation to a greater understanding of sustainability in the incorporation of sustainability principles within government decision making. I agree entirely with the point that Mr Ottesen makes. We are at the forefront. The ACT, I think, is essentially leading Australia in relation to the development of policies and sustainability principles and principles around sustainability reporting. I think it can be said quite fairly that the ACT is leading Australia in this. I was able to attend a conference of regional governments involved and committed to sustainability in March, in Wales, with Mr Ottesen. It is fair to say that, as a result of that particular experience, I believe that we, in the ACT, are leading Australia in considering these issues. We are there with any of the nations or governments around the world that are committed to sustainability and sustainability reporting.

There are things for us to learn. Certainly, in discussions that I held both in London and in Wales in relation to work that is being done, particularly in the United Kingdom, I think there are lessons for us to learn. It is an interesting time in relation to sustainability, sustainability reporting and the development of sustainability principles and how to

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measure progress towards sustainability in that governments around the world are all grappling with the same issue and the same problem of devising a capacity to measure progress. In that context, it was quite interesting to meet with other governments and other government representatives who are all committed to this issue and to discover that we are all struggling with exactly the same issue and the same concepts around measuring progress towards sustainability.

I have to say—and I say this quite advisedly—that we are there with the rest of the world in thinking these issues through. It is a great credit to Mr Ottesen and to the Office of Sustainability that we are essentially inventing a new wheel, I think, in relation to sustainability. But that is the work we are doing. There is this expectation that you can just create a massive office for sustainability and, all of a sudden, you have it all there before you. The issues we face in relation to the developing these frameworks can be met and overcome if we just triple or quadruple the number of staff we devote to sustainability.

The point is developing a framework and policies that then inform the way in which government does business, the way in which we report and the way in which we recognise and acknowledge where we are not doing particularly well. The report, which I will be releasing in a month or so, once we get it approved by cabinet and published, will be a great advertisement for the work that the office has done and what it has achieved.

I have done quite a bit of thinking around the issue and the structures that were put in place since the trip that I undertook in March. I was most taken and, at one level, inspired by the work that is being done by the London Sustainable Development Commission. It has adopted a slightly different model and structure than we have. I think the London Sustainable Development Commission has some real attractions. It has a different structure and I think it has some strengths—

**MRS DUNNE:** They probably have more people.

**Mr Stanhope:** They would have more strengths—they have 14 million people—and they have got a mighty big budget too. Nevertheless, the encouraging thing, in speaking with them, is that in a way they have battled with the same issues we have. At the end of the day, I think the decisions that we have made, the conclusions we have drawn and the model that we have developed, or that is in the process of being developed, stands very well beside theirs. But they do it slightly differently and I think there are aspects of their approach that we might embrace.

**MS DUNDAS:** How does the work that is being done on the sustainability report that you are releasing in about a month, as you have said, fit in with budget paper No 5, which talks about the sustainability and triple bottom line reporting for the budgets but does not have any consultation framework in it, even though it has been put out as a consultation document?

**Mr Ottesen:** The two, I think, link together rather well. As you know, the Treasurer has put forward our discussion paper. It identifies issues and outlines a possible framework. It talks about a number of indicators that might be included in a performance statement. I think that the towards sustainability report will, when it comes out, contribute to that climate of discussion and thinking.

**MS DUNDAS:** Will the towards sustainability report be a consultation document and a document for discussion?

**Mr Ottesen:** We see the towards sustainability report as being a statement in time of where we are at. One would hope that one of its prime objectives is to contribute to some discussion in the community about the issues around sustainability. We would also hope that between this report and a future report there is an opportunity to look at the methodology and that there will be discussion about it. That has to be one of the objectives of such a report.

**MS DUNDAS:** When would the next report then be written? Is it a one or two-year timeframe?

**Mr Ottesen:** There has not been a decision about that.

**MS DUNDAS:** Getting a triple bottom line of sustainability reporting into the budget is an open-ended question. We don't know when we will see that?

**Mr Ottesen:** I cannot speak for my colleagues in Treasury who are the ones who are running that task, but I know that they are very enthusiastic about the topic.

**MS DUNDAS:** Another question then for the Treasurer.

**MRS DUNNE:** I just wanted to go back to something the Chief Minister said. This is not being critical, Chief Minister. You talked about measuring sustainability, but how do you measure it if you don't know what it is? This is not being critical because it is an evolving science, I suppose. Australia is considered to be in the forefront. I thought Hunter Lovins made an interesting observation when I had a meeting with her when she was last in Canberra, waxing enthusiastic about how Australia was a place to really take off in this area. I have to say, in all honesty and with some disappointment, she did not say to me, "Gee the ACT is doing really great work". I was being told, "Look at what they are doing in WA" but I was not getting that message about the ACT. Seeing that she was here doing a gig for us, I thought that was a bit disappointing. What is the sign? What is it that you are out to measure? Do you know what it is? Are we measuring something as a means of trying to pin it down? Do we know what we are talking about?

**Mr Stanhope:** Yes. Mr Ottesen, could you just give an outline of the structure of the draft report that you delivered to me for consideration by cabinet—which of course is based on our people, place and prosperity policy—and the decisions that were taken in that in relation to the subjects that we would measure? We are being very precise and very specific in the identification of the measures that we will use and which we will report on. As Mr Ottesen has said, the towards sustainability report is a statement of where we are today on each of those issues.

**Mr Ottesen:** Yes. We all know that sustainability is a challenging subject. It creates hope within the community because it provides a sense of direction, I think, for people in an ever-changing world. We know about the three dimensions. What we are talking about is understanding where we are now and where we want to go to. So the three dimensions of sustainability—we define it in the ACT as people, place and prosperity—

give some idea of what that destination is.

We are going through a process now of, first of all, trying to influence the processes within government and the community, getting people to think about making more informed decisions and understanding more about the implications associated with decision making from a social context, economic sense and environmental context. A towards sustainable report gives us an important tool not only to let us know where we are now and where we are going but also to try to identify what are the things which are important to us in the ACT.

For example, in the report we are preparing now, we have identified 11 dimensions. They are basically those broad areas which we think, through a process of consultation that we have done with our sustainability expert and reference group and, more importantly, through the consultations which were undertaken through the development of the three or four components of the Canberra plan, the spatial plan, the social plan, the economic white paper and the sustainable transport plan, have identified the things which are important to the ACT. Progress in those areas would represent sustainability of the ACT. The report will look at those 11 dimensions and they will, therefore, contribute to discussion in the community about how we are performing against those measures and it will be a test of whether they are things that we think are important.

The other interesting bit is that we are including, for the first time, an ecological footprint. An ecological footprint has been done by about 150 cities and governments around the world now. It is a relatively new tool, but it is giving people a good sense of the impact of their city in the resources they consume and the waste they generate. It comes up with a simple number. That number allows comparison with other areas and is also a very powerful communication tool. The number that comes up is not necessarily a bad number. The idea is that it gives you a number so at a point in time you can say, "We are at that now." As I said, it not only allows people to understand the impact of their city and also may help to influence decision making because, in future decisions, we might ask ourselves the question: how will it influence that number? Is it likely to push that number up or down?

**MRS DUNNE:** Do you have a list of the 11 dimensions?

**MR CORNWELL:** I want to discuss something else, Mrs Dunne.

**Mr Stanhope:** The report will be out soon.

**MRS DUNNE:** Can the committee have a list of the 11 objectives?

**Mr Stanhope:** It is still a draft report. It has not yet been accepted by government. If you could just give us some latitude.

**MRS DUNNE:** It was just a trial.

**THE CHAIR:** We will have a short break. Mr Cornwell has some general questions. If we finish the general questions, we will then go onto the output classes on page 42.

**Meeting adjourned from 10.39 to 11 am.**

**THE CHAIR:** We will resume.

**MR CORNWELL:** I refer to budget paper 3, again on page 169, the ageing section. Chief Minister, just what is the break up of responsibilities for this area of ageing? You are the minister for ageing, as I understand it?

**Mr Stanhope:** That's correct.

**MR CORNWELL:** Mr Corbell, the Minister for Planning, has the planning responsibility, or non-planning responsibility, for the provision of aged care facilities and Mr Wood, I think, has other aspects of responsibility. Could you just explain to me where this break up is?

**Mr Stanhope:** I think you've essentially summarised it yourself, Mr Cornwell. An Office for Ageing has been established in the Chief Minister's Department. The Office for Ageing has responsibility for providing, in the first instance, policy support—and advice and guidance on all issues in relation to the ageing Canberra population or the people who one might describe as our seniors or older residents. Mr Corbell's responsibility in relation to ageing is, of course, the same responsibility that one might say he has in relation to any area of government service delivery in the ACT. As Minister for Health he has responsibilities in relation to the provision of health services that meet the needs of our older citizens.

As Minister for Planning he has a responsibility for ensuring that we have land available and, in the second instance, a planning system that allows us to meet the needs of our older residents or citizens. It's essentially a divide between a functional or administrative responsibility for the delivery of a service as opposed, insofar as the Office for Ageing is concerned, to an office that is responsible for provision of policy—a whole-of-government response to issues around ageing.

**MR CORNWELL:** As minister for the ageing do you have any influence on the provision of aged care facilities here in the ACT?

**Mr Stanhope:** Yes, to the extent that we have an all-of-government responsibility through the Chief Minister's Department. I have a personal interest in ensuring that all of the issues that affect older residents are being appropriately responded to. I've certainly taken an interest in the provision of appropriate aged care facilities for our older residents. To that extent, as I think you're aware, an officer within the Chief Minister's Department provides a facilitative or coordination and advisory role to the community sector in relation to processes for meeting the accommodation needs, in particular, of older Canberrans.

There's an overarching Chief Minister's responsibility for all ageing initiatives, including provision of appropriate accommodation. In the context of the point you make on aged care facilities, within the Chief Minister's Department there is an officer who is devoted to providing assistance to the community to ensure that they can at least access, or work through, issues relevant to them in the establishment of aged care facilities.

**MR CORNWELL:** Why then, do we have these quite bizarre, I suppose, hold-ups in the provision of aged care facilities? Some of these things have literally been going on for

years.

**MRS DUNNE:** Why aren't you banging heads?

**MR CORNWELL:** Calvary Hospital, St Andrews—you name it. We've had hardly any. I think Stirling recently announced 20 beds and there is to be an extension at Mirinjani. We've achieved two strikes in the best part of three. Even then, they're not on the ground yet.

**Mr Stanhope:** Issues in relation to the timing of the provision of land or facilities go to a planning function. I don't accept your underlying assumption that there's a bizarre circumstance here or that there are undue delays, or delays that you can specifically point to.

**MR CORNWELL:** You don't believe that there are undue delays?

**Mr Stanhope:** There are delays. There are always delays in any situation where one has a rigorous planning regime, as we do here in the ACT. You can use the Calvary example—it's the one you've used and reused. One can look at the range of issues that have been confronted and needed to be addressed at Calvary in relation to the accessing of the Bruce site by Calvary and the provision of that site by the ACT government to the Little Company of Mary for the establishment of a facility there.

It's not just a question—and you know this very well, Mr Cornwell—of somebody stumping up one day and saying, "Look, we're going to build an aged care facility, so just give us that land." There have been detailed and long negotiations, for instance, around the price at which the land might be purchased, and there have been detailed and complex negotiations around the basis on which the land would be provided. Appropriate investigations have been done by ACTPLA and Environment ACT on a range of issues in relation to how the land at Bruce might be utilised. It's not just a question of saying, "Look, this is an aged care facility so disregard the need for an environmental assessment." There are implications of developing not just a hostel-type facility or geriatric facility at Bruce but also a significant level of other accommodation with enormous impacts on the amenity—not just the environmental amenity.

We need to accept that the Bruce site is co-located with the suburb of Bruce, and that the residents have an interest. There are environmental issues that need to be addressed. In relation to that particular site there were significant bushfire-related issues that needed to be addressed, as well as the full gamut of planning issues—for instance, access and egress—that are associated with any block. It's not just a question of saying that ACTPLA, planning or the government didn't at all stages work assiduously to deal with each of the problems we had—and they've now been resolved.

**MR CORNWELL:** In the paper this morning I think Mr Ian Hay wrote in about the St Vincent's church site at Aranda. There weren't any environmental problems there. I'm just asking why the delays. That was three years ago.

**Mr Stanhope:** You can rant and rave and seek to make an issue out of it but the government is acutely aware of issues in relation to the provision of appropriate aged care facilities. It's a high priority for us. We've developed an early release program for

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the identification of land suitable or appropriate for aged care facilities. We're now seeking, for the first time ever—we are the first government to have done it—to ensure that we have a stockpile and a forward-looking program of development-ready land for aged care facilities. That has never been done before but we're doing it now. We've employed an officer within the Chief Minister's Department—

**MR CORNWELL:** You could argue that it has to be done now.

**Mr Stanhope:** Let me finish! That officer is devoted to assisting the community to deal with issues around the development of aged care facilities. Mr McKay is doing that with each of the providers—each of the applicants for beds, assistance or land. It's not a simple matter. Some of the applications that have been made by aged care providers raise significant issues of concern to the broader community. Some of the applications seek to access what is currently regarded by adjacent communities as open space or parks. There are applications in relation to the abeyance of that, or change of purpose and betterment. They are complex and difficult issues and each of them is considered on its merits.

**MS MacDONALD:** You have alluded a bit to the issue of assisting with each of the needs. I note that, in the initiatives, there is a statement that there will be a comprehensive analysis of the territory's ageing population. May I ask about that with regard to how long that will take, who's performing it and what it will involve?

**Mr Brady:** Peter Brady, Director of the ACT Office for Ageing. Funding has been identified to do some work around a number of areas. Primarily it's in respect of the mature-age employment strategy that the government committed to in its plan for older Canberrans. There's a lot of data around ageing and different aspects of it. We're trying to translate that to an ACT perspective, so we can be very clear about any incentive programs around employment, or in respect of training programs. Once we've got the money we'll be engaging some assistance to do that analysis, but it's primarily around mature-age employment.

**MS MacDONALD:** How long do you envisage that will be going on for?

**Mr Brady:** I would think that towards the end of the year we would have that work done. We need to do it to be able to factor it into next year's budget in respect of putting it before government. If we were to identify some incentive programs or additional training, that would be part of the process. We would be looking at completing that somewhere around November.

**MS MacDONALD:** I might also mention, for your information—I'm sure you already know—that the Standing Committee on Education is conducting an inquiry into teacher numbers and recruitment, including retention and the leaving of teachers. We are looking at the overall numbers as well.

**Mr Brady:** Some of the issues that have come up in respect of the work we've been doing around mature-age employment is exactly as you say. It's around teachers, particularly women—and in respect of nurses as well. That analysis will help us to inform that process.

**MR CORNWELL:** Minister, in these expenses announced in the budget—\$335,000 in

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2004-05 and various other amounts—how is your aged persons case manager involved in this initiative, or is he involved?

**Mr Stanhope:** No. These are programs administered by the Office for Ageing, by Mr Brady.

**MR CORNWELL:** So the case manager is not involved there. Is there any specific funding for the case manager and related activities in this budget? If so, where can I find it?

**Mr Stanhope:** The case manager's salary is provided.

**MR CORNWELL:** I understand that part of Mr McKay's role is to drive the strategy of the building for the aged community.

**Mr Stanhope:** That's probably a fair summary.

**MR CORNWELL:** This would involve trying to break some of the logjam you have in the provision of those?

**Mr Stanhope:** No. I don't think that's an appropriate description—it's a facilitative role.

**MR CORNWELL:** Facilitating what?

**MRS DUNNE:** Here is a logjam. See how beautiful is our logjam.

**Mr Stanhope:** It's facilitating access by community aged care service providers—facilitating an understanding and providing assistance to community service aged care providers—in relation to their desire to enhance facilities. Of course, that does require that one have some real understanding of planning processes and the processes that ACTPLA administers to ensure the orderly development of the city and facilities. One of the issues we've discovered is that for years the community sector has simply been left to manage as best it can. Some access, most specifically to ACTPLA or PALM for instance, is quite technical. Some of it is difficult and some of it is complex. Mr McKay provides expert assistance to the community sector aged care providers in their determination to, in most instances, enhance the facility or service they currently provide. It's about providing expert assistance to the community sector to access these.

**MR CORNWELL:** The community sector, if they want to do this, could come to Mr McKay and he would assist. Alternatively—for example, your proposal to develop the O'Connell Education Centre in Griffith and the joint services site in Curtin for aged care—would you put that out to tender? Would Mr McKay then be looking at encouraging people to come forward to take up those sites?

**Mr Stanhope:** No.

**MR CORNWELL:** If so, when?

**Mr Stanhope:** Any decision the government takes to sell land for a particular public purpose will be done through the usual disposal process; Mr McKay won't be involved

in that.

**MR CORNWELL:** He's facilitating the aged care though, surely?

**Mr Stanhope:** He is, depending on—

**MR CORNWELL:** Sorry.

**Mr Stanhope:** Mr McKay is not going out touting for business. Mr McKay is not in the business of selling land for specific purposes; those are issues managed by ACTPLA. Mr McKay is not a land manager; he's not involved in the identification or disposal of land on behalf of the territory. But, if a certain piece of land is sold by the government and purchased by somebody intent on providing aged care facilities, of whatever description, and they require some assistance or guidance other than that available from ACTPLA then Mr McKay stands ready to be of assistance.

**MR CORNWELL:** The government appears to have earmarked the facilities I mentioned for aged care facilities—the O'Connell Education Centre at Griffith and the old Emergency Services Centre in Curtin. When are you going to put them out on the market? Then Mr McKay presumably would come in and facilitate.

**Mr Stanhope:** If that's the decision and the steps the government takes. I must say that, in relation to the future of those particular pieces of land that you've mentioned, they're issues for Mr Wood, not for me.

**MR CORNWELL:** Thank you. I shall be happy to take it up with him.

**MRS DUNNE:** Why are they issues for Mr Wood?

**Mr Stanhope:** As Minister for Community Services Mr Wood manages ACT government property.

**MR SMYTH:** There is a block in Monash that one of the local Christian churches has been trying to get for some years. Has that been progressed? Their initial dilemma was that they could never get a valuation of the block of land out of the Land Development Authority. Have they been given that valuation? Is the government working to ensure that that block goes ahead?

**Mr McKay:** Ross McKay, case manager. They are blocks 12 and 13 of section 56, Monash. A letter was sent on 16 February this year requesting the Christian City Church to provide more information to ACTPLA on the community needs assessment and to the LDA for financial assessment. That's the last entry I have there. That hasn't been progressed since then.

**MR SMYTH:** Chief Minister, that particular block has been going for some 18 months, if not two years. Every time this group tries to advance it they cannot get a straight answer out of your government.

**Mr Stanhope:** Mr McKay has just said that—

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**THE CHAIR:** Will you wait until he finishes the question?

**MR SMYTH:** They initially could not even get a valuation on the block. My question is: have they got a valuation on the block yet?

**Mr Stanhope:** I think you need to be fair. They were requested to provide additional information on 16 February this year, just over three months ago, and the proponents are yet to respond to that request. You can't come in here and say they've been waiting for 18 months for an answer.

**MR SMYTH:** The question was that they have been waiting 18 months for an answer on the land.

**Mr Stanhope:** A whole range of questions has obviously been asked of them. The government was last in communication with them through a letter on 16 February, to which they have not responded. This is the point I make about this. I don't want to come in here and get engaged in a spat in relation to a particular proponent or a particular piece of land because of that precise bit of information. You stand up and say, "Look, this mob have been trying to get an answer for 18 months." The facts disclose that they were asked for information on 16 February and have yet to respond to the letter, or to the request. There are two sides to almost every one of these stories. If you want to get involved in a case by case analysis of where each—

**MR SMYTH:** The question was: why does it take your government so long?

**Mr Stanhope:** Why does it take the church three months to answer that letter?

**MR SMYTH:** Why is it taking the government 18 months to two years to get to a position where they've got to send another letter?

**Mr Stanhope:** Because they're seeking information.

**MR SMYTH:** Charles Landry said, "You're too cautious; you've got to take a risk." The Planning Bureau says that if Canberra is going to get off the ground, you've got to do something.

**Mr Stanhope:** No. You can't come in here and ask, "Why haven't you provided that information?" We asked for information to allow us to progress the particular interest, or application, in the case you mentioned in Monash. The fact remains that the proponents were asked to provide the government with information on 16 February and the government is still awaiting that information. You can ask what we have provided or what we have not provided. Mr McKay will go through every single application, if you like.

**MR SMYTH:** Let me take that on notice, Mr McKay.

**Mr Stanhope:** We will tell you where we're up to. Every single application is being case-managed.

**THE CHAIR:** Mr Smyth wants that on notice. Could you take that on notice please,

Mr McKay?

**Mr McKay:** Yes, certainly.

**MRS DUNNE:** Perhaps I can just follow that up directly, Chief Minister. I will also ask the planning minister this question. Mr McKay said, "To the best of my knowledge nothing has happened since February." But to the best of my knowledge there have been ongoing meetings since February. There may not have been paper communications but there have been ongoing meetings. Why, as recently as two weeks ago, just after the planning and environment committee announced that they were doing an inquiry into the supply of land for aged care accommodation, was this group told that nothing would happen on their application until the planning and environment committee reported?

**Mr Stanhope:** That's information I don't have, but if that is the position of the group—

**MRS DUNNE:** May I seek an assurance that there is not going to be a hold-up on all of these until the planning and environment committee gives its report? There are live, active applications.

**Mr Stanhope:** I'm more than happy to give that undertaking. I'd be surprised if that were the position of ACTPLA. I can't imagine that ACTPLA would make such a statement or assertion—that they're stopping work on all aged care applications until after an Assembly committee reports. I simply can't understand on what basis ACTPLA would make such a statement. If they have made such a statement, it's a matter of serious concern to me.

**MRS DUNNE:** Mr Smyth has raised the Monash Christian City Church's initiative. On Friday at the Charles Landry breakfast you bemoaned the fact that in Canberra you can't crash through the system, but here is a real test for you. You're sitting here with your hands back saying, "Look, there are processes we've got to go through. We've got to do this and we've got to do that." When are you going to get active, start knocking heads together and crashing through the system? You're the minister for aged care. Every time I go to a shopping centre and every time I knock on a door I find people who are desperate.

**MR HARGREAVES:** Every time?

**MRS DUNNE:** Yes, every week.

**MR HARGREAVES:** Every time you knock on a door somebody says the same thing to you?

**MRS DUNNE:** Every time I go out doorknocking I find people who say that. Not every door I knock on, Mr Hargreaves. You can be a smart Alec, if you like. When are you going to crash through? When are you going to start knocking heads together, kicking bums and getting some things approved around here? When are you going to make sure that your ministers do their jobs in relation to it?

**MR CORNWELL:** I'd be happy with getting off the ground.

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**THE CHAIR:** Mrs Dunne has asked a question.

**Mr Stanhope:** I don't think it was a question.

**MRS DUNNE:** It was. I said, "When are you going to start doing something?"

**Mr Stanhope:** We've been doing that for the last two and a half years, after seven years of appalling neglect.

**MR SMYTH:** Nothing's happened.

**MR CORNWELL:** Yes. At a meeting with COTA in February, in answer to a question about delays with Calvary, St Andrews Village, et cetera, the reply was given by Mr McKay that:

The backing of the Senior Executive Working Group is needed before anything can be done. If the cynicism is still there 6 months from today...

That was in August. It continues:

...then I have failed in my job. The Chief Minister, Chief Executives, and other powerful backers are depending on this success.

Who exactly are this senior executive working group? Can you elaborate for me?

**Mr Harris:** There's a group chaired by Lincoln Hawkins, who is deputy chief executive of the Chief Minister's Department, which pulls together the key agencies concerned, in order to provide the high level support that Mr McKay was referring to.

**MRS DUNNE:** That's new-speak for an IDC, Greg.

**MR CORNWELL:** It's okay if it's a fairly powerful group, I suppose. In that case why can't they effectively improve this logjam in terms of the provision of beds on the ground so that people can be accommodated? There are 500 high care people and we've got 255 beds. Again nothing seems to be happening.

**Mr Stanhope:** It's not true that nothing's happening. It really is just quite base politics to express the fact—

**MR CORNWELL:** No, it's not. I haven't seen any foundations being done yet.

**Mr Stanhope:** It is, to suggest that nothing's happening. It is. There is very steady progress in relation to the delivery of additional aged care beds within the ACT community. It's possible that Mr McKay may have them there—as to progress that's been made, our expectations and the very significant work being undertaken in identifying development-ready land for aged care facilities. For the first time ever, we have a case manager and every application for assistance, or land for the development of aged care facilities, is being case managed by the ACT government. It is a new service—a service that's never before been provided. It is facilitating the provision of those extra facilities, and very steady progress is being made. It may be that Mr McKay can give you

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some indication of the progress we are making in relation to that.

**Mr McKay:** I'd be happy to. Would you like me to go through each project, or would you like me to go through the provision allocations and how they're being done?

**MR HARGREAVES:** We might noticeably age in that process!

**MR CORNWELL:** We most certainly would!

**MRS DUNNE:** Everyone has noticeably aged in the past three years!

**MR SMYTH:** Everyone else has. Why should you be different?

**Mr McKay:** As at the end of April 2004, there were 226 provision allocations, non-operational. These are all figures given to me by the service providers. At the end of this month, there are expected to be 210 beds, non-operational. At the end of November I expect there will be 168.

**MR HARGREAVES:** Are they additional to the 210?

**Mr Stanhope:** No. They are non-operational.

**MR HARGREAVES:** Are they additional to the 210?

**Mr Stanhope:** No. This is the declining number.

**MR CORNWELL:** It was 168 was it, Mr McKay?

**MR HARGREAVES:** It's a declining number—so we're getting better at it.

**MRS DUNNE:** No. We predict we'll get better at it but we haven't done it yet.

**THE CHAIR:** Let him answer the question.

**Mr McKay:** In the second quarter of 2005 there'll be 136 beds, non-operational. By December 2005, there would be nil beds non-operational—not counting the 210 beds which would be allocated between November 2004 and February 2005. Planning is underway for the sites we expect those beds to be allocated to.

**MR CORNWELL:** That's from a top figure of 255?

**Mr McKay:** No, 226.

**MRS DUNNE:** Between now and June, where are the 16 beds being allocated?

**Mr McKay:** There are two at the Anglican retirement village and 14 at Goodwin Monash.

**MRS DUNNE:** Can you clarify whether there is planning approval for those 12 or 14 beds?

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**Mr McKay:** They're underway. They're under construction.

**MRS DUNNE:** So what you're saying is that you won't take those 16 beds off your list until they're constructed?

**Mr McKay:** Until they're complete, yes.

**MRS DUNNE:** When they're complete you take them off?

**Mr McKay:** Until people are in the beds—yes.

**MRS DUNNE:** Until people are in the beds and they then become allocated beds?

**Mr McKay:** Operational, yes.

**MRS DUNNE:** Then you were going to have another 42 beds go down in the next period. Where are they?

**Mr McKay:** That's correct. There are 21 at Villaggio Sant' Antonio and 21 at Croatian Village. Both of those have development approval. The board has yet to decide whether to proceed with Villaggio Sant' Antonio. I bring this forward every month, because this has been happening for about six weeks, to ensure that their construction period stays the same.

**MR CORNWELL:** Excuse me, Mr Chairman, could we have a written reconciliation on those, please?

**Mr Stanhope:** Yes, we'd be happy to give you that.

**MR CORNWELL:** Thank you. I've got some of them down but I'm not sure I've got them all right.

**MR HARGREAVES:** What I'd like to do is look at a clarification of the account from Mr McKay. I think we brush up against this sort of query each year. The picture I'm getting is that we've got an attack on the issue of the scarcity of aged care beds, that there are a number that are non-operational and that you're going to shrink that number down. I'd be interested in knowing the relationship with the Commonwealth in terms of the accreditation of beds. I heard the Chief Minister say that we're getting together a land bank to apply specifically to aged care facilities, once that has been determined and is sitting there.

I'm interested in whether or not this has been done in partnership with the federal government in terms of accreditation of beds; whether or not we will have the land available to us—then we've still got a time lag and perhaps you've got some idea of what that might be—and what the relationship is between you, this arm of government, if you like, the federal government's accreditations and the developers or proponents of that. Is there some sort of infrastructure, something stitched together, that addresses that?

**Mr McKay:** Once a year, at about this time, the Commonwealth says, "We are going to

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allocate X number of beds to the ACT”—in this case it was 265. A formal announcement will come later this year to say how many how high and low care beds there will be. The service providers make an application for the beds and the Commonwealth then decides who gets those beds. The Commonwealth minister makes an announcement some time between November and February.

As to the partnership between me, this government and the Commonwealth government, we've been working very diligently trying to get the section 87 Belconnen site to have an allocation allowed specifically for it. This has never been done in Australia. I believe the Commonwealth minister is still working through that, as to how to do it. There have been a couple of suggestions made but they haven't been allowed under the legislation—they're trying to work it out. But we believe that the considerable number of beds we got would indicate that we are going to get an allocation for that particular site.

My information is that, for further sites, that won't happen at all. The further sites will be available from the next allocation period in 2005 but what the planning of the sites reveals—whether they should have beds as in nursing home or hostel—will determine whether an applicant, or a number of applicants, says, “We would like to buy this block of land. Can we say that you will sell it to us if we get an allocation?” That would be understanding bed readiness.

**Mr McKay:** There was a question about time lag.

**MR HARGREAVES:** Yes. At the moment, we are going to get a series of blocks of land identified.

**Mr McKay:** Yes.

**MR HARGREAVES:** So, presumably, the criteria for planning approvals are crystal clear—there's no sweat. I think you partially answered it by saying that we've got an allocation of 265—and that allocation comes every year. I was interested in the time lag when the federal government gives the approval to an accredited organisation to do it. It accredits each bed, doesn't it?

**Mr McKay:** Yes.

**MR HARGREAVES:** Is there a time lag between when you say, “Yes; there's a block of land” and when they get accreditation?

**Mr McKay:** There is a time lag between determining bed readiness and allocation of about six to eight months. Between when you say, “Okay; I've got a block of land that I'm ready to build beds on: May I have some beds?”—it's about six to eight months before the Commonwealth will say, “Yes you can have some beds.” From that moment you've got two years to build those beds.

**MR HARGREAVES:** My understanding is that the territory laws, state laws or whatever, can say, “Yes; there's the land” but it still could be up to almost a year before those beds will materialise for the people who need them, because of the necessary process that we go through with the accreditation through the feds.

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**Mr McKay:** Service providers are unwilling to progress development approval on land until they get an allocation, because it's unnecessary expenditure.

**MR HARGREAVES:** You said that we had an allocation of 265. What was the previous allocation?

**Mr McKay:** It was 121.

**MR HARGREAVES:** Is there any way you can anticipate what the allocation is going to be from year to year?

**Mr McKay:** The Commonwealth this year has put forward estimates of allocations for the next three years. It's 145 next year and I think it's 95 the year after that.

**MR HARGREAVES:** Do you have, or have you had, registered with you expressions of interest from various deliverers of aged care service to take up those beds if and when they become available?

**Mr McKay:** I know that this year there'll be more applications than there will be available beds.

**MR HARGREAVES:** To what degree?

**Mr McKay:** I'm only guessing here but I think there are going to be applications for around 120 beds extra for the Belconnen site, and there are going to be about 110 beds available.

**MR HARGREAVES:** What is quite likely to happen, then, is that you've got 120 extra people wanting to do it—more than you've got available for them—so the feds come up with another 145 beds. They have gone with a bang, and we have to wait another 12 months before that can happen again.

**Mr McKay:** That's correct.

**MR HARGREAVES:** Are we going to get ourselves into a backlog situation?

**MR SMYTH:** We're already there.

**MR HARGREAVES:** Excuse me. Mr Chairman. I didn't realise that the Leader of the Opposition was sitting there. I apologise to Mr McKay for Mr Smyth.

**THE CHAIR:** Okay. You've asked a question of Mr McKay, Mr Hargreaves; and a few other people have volunteered their two bob's worth.

**Mr McKay:** We will face the difficulty that we'll have a lot more land available than there are beds available.

**MR HARGREAVES:** Are we in that situation now?

**Mr McKay:** We're not in that situation immediately.

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**MR HARGREAVES:** But you're telling me that there's a strong likelihood that the territory will have done everything it possibly can by making land available, and we still have to hang out for another six to 12 months, or something like that, to make sure that the federal government allocates the beds to us?

**Mr McKay:** By the time of the next allocation, there will be at least three sites available for 100-odd beds each, which would be 2005, 2006 and I assume 2007.

**MR HARGREAVES:** When you talk about the blocks of land made available under the land bank business, do you know if that is greenfield land? I understand we can anticipate a draft variation for another block altogether—to do with Goodwin Homes, if my memory serves me correctly. I'm interested in knowing the time lag for this land bank. Are these blocks going to be subject to draft variations or will they just be greenfield sites? As I understand it the draft variation process can extend a length of time before the land becomes available.

**Mr McKay:** There is a variation required for Monash, which would be a direct grant, and also for Greenway, which is not community facility land.

**MR HARGREAVES:** What about where we're getting the land allocated and ready to roll? Is that stuff going to be subject to draft variation, or will that be greenfield stuff?

**Mr McKay:** No. They'll all be greenfields and they'll all be ready to roll.

**MRS DUNNE:** I have a question about block 87 in Belconnen. You are saying that the proposal is to have beds specifically allocated to that in the allocation, rather than the other way around. The Commonwealth says, "We will give you X number of beds" and people then bid for those beds. You've got a block of land; it isn't sold; there isn't a buyer for it at the moment; it has been notionally on and off the land sale program for some time; and you're asking the Commonwealth to say that 100 beds will be allocated. This is an unusual step. Why have you proposed to go down this path? What are the advantages or disadvantages of going down this path?

**Mr McKay:** The advantage of having an allocation to a greenfield site is that it makes it more attractive for the service providers. A service provider is likely to want to have the best possible option. Also it would require that the tenderer be a service provider. Therefore, it's not a person who wants to develop it merely to make money on the open market, or to subvert the purpose of the land. Allocations being attached to a block enables some innovative ideas to become apparent for that site. It gives them leverage to each of the governments.

**MRS DUNNE:** I'm struggling with why the incentive of 100 beds allocated makes you suddenly innovative. What is the difference?

**Mr McKay:** There is a requirement on this site that you meet with the Land Development Agency and the Commonwealth and give a presentation on what your development is going to be. We are developing a workshop for the middle of June to seek expressions of interest from service providers, both in the ACT and externally, and saying that we will be seeking innovative options for this site.

**MRS DUNNE:** This is a design competition by a different name?

**Mr McKay:** The design parameters will be developed and the service providers will have to fit within those design parameters. Yes, there will be a component of competitiveness.

**MRS DUNNE:** Does the person who comes up with the best presentation become the preferred tenderer, or is that a separate process?

**Mr McKay:** Quality of design will certainly be a strong factor in determining the winning tender, but there are other issues that come in with the issue of allocation of beds. That means that the Commonwealth has a great deal of input on the quality of the service provider.

**MRS DUNNE:** Correct me if I'm wrong. I thought the Chief Minister said that you had some sort of planning expertise. You aren't a planner for the purposes of your present job, but do you have a planning background?

**Mr McKay:** No. I worked at the Planning and Land Authority for three years, and I have 24 years of design experience in domestic and commercial developments in New South Wales and the ACT.

**MRS DUNNE:** You come into this from a design background rather than an aged care background?

**Mr McKay:** Correct, yes.

**MS DUNDAS:** The amount of \$3.1 million has been allocated in relation to capital works for child and family centres in Gungahlin and Tuggeranong. How does this fit in with money allocated in previous budgets for child care/parenting infrastructure in Gungahlin and Tuggeranong, which was underspent in last year's budget?

**Mr Harris:** I'm sorry; I missed the question.

**MS DUNDAS:** I'm trying to get a comparison. For child and family centres there is \$3.1 million in this budget. How does that compare to the money allocated in previous budgets under education, youth and family services for parenting infrastructure in Gungahlin and Tuggeranong? Are these projects going to link? Has one project been rebadged as a youth project?

**Mr Harris:** I can't answer the education side of the question. What I can tell you is that, flowing on from the policy decisions the government took for the establishment of family and children centres—which are centres that come from the experience we had in the recovery centre after the bushfire—we are now preparing to develop, firstly, the one in Gungahlin and, secondly, the one in Tuggeranong. To the extent that there's a relationship between the two, I can't answer that question from the education perspective, but I can answer it from our perspective.

**MS DUNDAS:** That is what I would like to hear.

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**Mr Harris:** That's what I'm saying to you. These centres are developments that came out of the experience we had during the bushfire recovery process with the recovery centre itself.

**MS DUNDAS:** So quite possibly they won't in any way relate to the parenting infrastructure that's meant to be out there already?

**Mr Harris:** I wouldn't want to see them duplicate each other's activities, but I would like to see them complementing if there are areas that can be complementary. Whether there are or not: I can't answer that question at this point in time.

**MS DUNDAS:** There's a whole-of-government question there that you can't answer.

**Mr Harris:** No, but I'll ensure that I do find the answer, now that you've raised it.

**Mr SMYTH:** The underspend, Ms Dundas, I understand, is \$2.1 million from the previous year and the initiative this year is \$3.5 million?

**MS DUNDAS:** It is \$3.1 million.

**Mr SMYTH:** \$3.1 million.

**Mr Harris:** I am sorry, but we did not have funding last year for family and children centres. This is new.

**MS DUNDAS:** No, that is my point. The Department of Education, Youth and Family Services in the last budget was underspending on child care and parenting infrastructure in Gungahlin and Tuggeranong.

**Mr Smyth:** Sounds pretty close.

**MS DUNDAS:** And now he is putting children and family centres in Gungahlin and Tuggeranong.

**Mr Stanhope:** No, this is new.

**Mr Harris:** I cannot answer for expenditures, over, under or otherwise, in the education department, but I can say to you that this is new money for the development of these centres.

**MS DUNDAS:** But you do not know whether or not you are building exactly the same thing.

**Mr Harris:** I am confident we are not building exactly the same thing.

**MRS DUNNE:** Because they have not built the first one. So we will only have one of them.

**Mr Harris:** Because we have not built anything yet.

**MR SMYTH:** More delay.

**MS DUNDAS:** So we will have a conversation with the Department of Education, Youth and Family Services about their budget expenditure.

**Mr Harris:** It is not more delay. We are ensuring we do not waste money. To the extent that there may be any overlap of education, I can assure you we will ensure that that is not the case. I can also say to you that by a discussion with education and other departments, one of the reasons this program is being run out of Chief Minister's is to ensure that we do not have duplication of effort or expenditure with other departments while we are developing these facilities.

**MR SMYTH:** When you check, can you check that the \$3.1 million this year is all new money and it is not rolling the \$2.1 million from last year's budget into it?

**Mr Harris:** I can assure you it is new money.

**Mr Stanhope:** These are not child-care centres. You are talking about Department of Education, Youth and Family Services infrastructure. That is not what this is. I cannot speak for the Department of Education, Youth and Family Services' budget. This is not a child-care centre.

**MRS DUNNE:** What does it do?

**Mr Stanhope:** I think it might be useful for a description of exactly what we are proposing to achieve here. The suggestion has been put that this was simply a child-care centre by another name. It is not.

**MS DUNDAS:** No, that is not what we were saying. We want to know how it complements the infrastructure work that has already gone on. How does it look after children in the areas of Gungahlin and Tuggeranong? It seems pretty similar.

**Ms Bitmead:** Well, the two child and family centres are to provide local services and they have a focus on support and on early intervention. They will include health, education, parenting and family support services. The reference to building on the successful model that we have utilised in bushfire recovery at Lyons is referring to supporting people accessing these services in a way that they can attend the centre and become a client of that centre; to access services that will be provided from the centre directly by professional officers who will be employed at the centre; to have facilitation to services that are provided by other government programs; to also have facilitation through the services that are being provided by community providers.

The intention is to link up the wide range of services so that in attending the centre, or in meeting with the centre out in the community, because it has a large outreach component to the program, that individuals are able to access the whole spectrum of services and also that at the centre we become aware of the spectrum of issues that people with child and family issues are experiencing. It is about joining those services together. Where current services are already being delivered, this is not about replicating those services.

**MS DUNDAS:** So there is \$3.1 million for capital and the \$1.56 million for expenses. What are those expenses going to be used for in the first year while you are building the facilities?

**Ms Bitmead:** We have a rental amount in that total while we have a temporary site before we build the purpose built. We have a salary component and we also have some administrative component in there, most of which would be directed towards the community development functions that would be undertaken from the centre.

**MRS DUNNE:** How does this fit together with services that may be provided by, say, Gungahlin or Tuggeranong Community Services, by CHADS, by baby health centres, whatever they are called these days?

**MS DUNDAS:** The child care-parenting infrastructure.

**MRS DUNNE:** Thank you. They used to be called baby health centres in my day. How does all this fit together? Mr Harris is saying we are doing it like this so we do not have duplication. How do we guarantee that?

**Ms Bitmead:** During this period where we are scoping the specific programs that we will be providing from the centre, we are co-ordinating that approach with a senior interdepartmental committee where we have representation from the agencies that have services being delivered in the Gungahlin area. We are also meeting with people in the community who are providers. So in Gungahlin we are meeting weekly with the community centre staff as we develop a better appreciation of what the current services are that are provided across the community, what the existing needs are and where there is benefit for the community in facilitating or in providing additional and new services.

**Mr Harris:** I should add that this whole model is being overseen by management council, which is the grouping of chief executives, to make sure that there is not duplication, that we are adding value here and not duplicating services. At some point in time, probably about 12 months hence, or shortly thereafter, when it is truly a service-delivery activity, family and children centres will shift to another line agency rather than stay within CMD.

**MS DUNDAS:** So they are in CMD for the construction phase?

**Mr Harris:** They are in CMD for the developmental phase, which includes construction as the model develops. When it becomes a pure service-delivery model, which is what the intention is, it will then move to one of the line agencies. The chief executives are yet to agree which line agency is the one best placed to eventually deliver the service, and that is one reason for leaving it in the CMD whilst we develop the model.

**MRS DUNNE:** What you are saying is that you are trying to provide a one-stop shop for child and family services in Gungahlin or Tuggeranong as a model, is that right?

**Mr Harris:** That is one way of describing it, yes.

**MRS DUNNE:** So you could go in and have your baby weighed, go and see an occupational therapist, talk about family assistance, et cetera?

**Mr Harris:** There will be a range of facilities.

**MRS DUNNE:** A sort of community nurse on steroids, sort of thing?

**Mr Stanhope:** It is a whole new approach.

**MRS DUNNE:** I do not mean that disparagingly. It could be a good service if it works.

**Mr Stanhope:** It will be a wonderful service. It is a genuine attempt to deal with issues around early intervention. I think we all know and we talk constantly about the range of problems that present for children at risk and families at risk. The major task facing government is to intervene early, to intervene well and to intervene holistically. What we are seeking to achieve through these centres is a whole new approach. In the first instance identifying children and families at risk, acknowledging that there are families that are essentially dysfunctional and through the dysfunction there are children who are at grave risk. In the first instance, grave risk of not developing appropriately, not achieving educational outcomes and falling off the edge into all those range of problems that then result from their incapacity to participate essentially, I think, through the education system.

We talk about it. I have talked about it constantly since I have been in this place and in particular over the past six years. It is always "if only": if only we could identify the children at risk of not achieving educationally; if only we could address their issues, the issues that degenerate the dysfunction and the non-achievement; if only we could do it. That is what we are seeking to do here with established centres that will be staffed with professionals, psychologists, social workers, maternal health nurses, occupational therapists, as you say. The centres will be staffed by professionals. We are hoping through this process to identify and provide that family support to those families that are not managing and deal with the broad range of issues, whether they are issues around alcoholism or substance abuse that are affecting the family and the child's capacity to meet any of the aspirations that we have for all of our children. So that is what it is about.

It is essentially about early intervention. It is about ranging professional services, co-locating professional services with a view to allowing us to provide a one-stop shop and an outreach service so that when families that are not functioning present, when families with children that are quite obviously at risk come to our attention, hopefully we can deal with the full range of issues that are causing the dysfunction and that essentially lead to the children within that family not achieving. We are hoping through that approach, through a proactive rather than a reactive approach to non-achievement, that we can assist those children that we hope will be assisted through the centres to reach their potential.

So that is the philosophy underlying it. We are doing it through the establishment of centres such as this that do not just deal with the child's physical health. We look at the family's situation. We provide counselling if it is warranted. We have psychologists on staff and social workers and maternal health staff and we deal with all of the issues as they present.

**MRS DUNNE:** I have just a note of concern. Chief Minister, that sounds quite laudable

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but I am a bit concerned that if you start off with the premise that the people who come here are dysfunctional, a lot of people—

**Mr Stanhope:** We don't, but some of them are.

**MRS DUNNE:** A lot of people who access maternal health services, occupational therapy, a whole range of things, do not come from dysfunctional families. They might have a small problem or a large problem, it might be a transient problem, it might be a long-term problem, but because people experience problems in their family which may have to do with the nature of the makeup of the family or all of those things, it does not mean that they are necessarily dysfunctional. I think that we need to be very careful not to send a message that the people who access this are dysfunctional, because you will discourage people from going there because they do not want to be associated.

So please be careful about the language that you use. That seems to me to be a very problematic thing. People who go to baby health centres are not dysfunctional. People who go to CHADS are not necessarily dysfunctional. Because they have a problem in one part of their life, does not mean they have not got all the rest of their stuff together and that they could not work a lot better if they could address this. But please, they are not necessarily dysfunctional across the board

**Mr Stanhope:** I am not for one second suggesting they are, Mrs Dunne. Do not put words into my mouth. Do not be overly political for the sake of being political. I am explaining an essential philosophy behind the establishment of two wonderful new services for the people of Canberra and our determination through the social plan to address disadvantage and to identify those instances where we can intervene early to address problems before they present. To suggest that anybody who presents at any service is necessarily identified as dysfunctional or not functioning or in need of some specific assistance is an absolute nonsense. I am not suggesting it for a second. I would never suggest it.

This is a service for all Canberrans, but we, through our determination to address this advantage, are looking for some innovative ways of allowing us to intervene early, and that is what these centres are about. It is to ensure that we have a capacity to recognise children and families at risk and to provide the full range of services to children and families at risk. We have a major commitment to addressing disadvantage, poverty and exclusion and we are addressing it through a range of initiatives. This is one of them.

**THE CHAIR:** Will the Gungahlin one be called, for example, the Gungahlin Child and Family Centre? It seems innocuous enough.

**Mr Stanhope:** I must say I have not had a discussion with anybody about the naming of the facilities, Mr Stefaniak.

**MRS DUNNE:** May I suggest, Mr Chairman, that the Chief Minister might like to go back and look at the *Hansard* record of what he just said to see whether he is comfortable. I know I am determined to do the same.

**Mr Stanhope:** I am perfectly comfortable. I am perfectly comfortable.

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**MRS DUNNE:** Because I am not comfortable with what I think I heard him say

**Mr Stanhope:** I would be surprised if you were, Mrs Dunne, comfortable with anything I have ever said.

**THE CHAIR:** All right, then both go and have a look at *Hansard*.

**Mr Stanhope:** I am not having a look at *Hansard*. I know what I said and am comfortable with it.

**MRS DUNNE:** Good, thank you, fine.

**THE CHAIR:** Ms Dundas, if you do not have any more questions I will move on.

**MS DUNDAS:** I do have some others in relation to capital works.

**THE CHAIR:** We could probably quite quickly go to the outward classes as I have just a few questions that deal with capital links within that term. I think we have probably covered some of the things in the outward classes.

**MS DUNDAS:** Well, while we are on child care, I will ask a quick question about the \$100,000 that is being set aside for a feasibility study for the work based child-care centre. It is \$100,000 for a feasibility study. Which work office will have the work based child-care centre?

**Ms Davoren:** This is an initiative for the Minister for Industrial Relations, but I could probably just cover off some of those issues now. The feasibility study is looking at whether or not there is a capacity to combine different employers and seek the benefit of employer-provided childcare. So at this stage, if you are asking who is going to get the child-care centre—

**MS DUNDAS:** Is there something then that is specifically in relation to the ACT public service?

**Ms Davoren:** Not necessarily. It may be public and private sectors. So it is looking at the situation that in the ACT most employers are not of sufficient size to be able to maintain employer-provided childcare. So it is looking at the capacity to have partnerships across employers to share those benefits.

**MS DUNDAS:** Do you have terms of reference for the inquiry or the government feasibility study?

**Ms Davoren:** Not at this stage, no.

**MRS DUNNE:** When will that happen?

**Ms Davoren:** It is an initiative for 2004-05.

**MR HARGREAVES:** You have to get the money first.

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**MR SMYTH:** Chief Minister, in the estimates on the second appropriation last year, questions were asked about the ongoing advertising of the prior recovery information. At that time, Mr Tonkins said that the intention was to continue to run the ads until the end of January. This is an ad from May. Has the government made a conscious decision to reverse the decision to end it at January and, if so, how much longer will they go for?

**Mr Stanhope:** I must say I am not entirely clear on the decisions that have been made or perhaps were resiled from, but my understanding is that all advertising will cease within the next four weeks. I think that that is true, Ms Bitmead?

**Ms Bitmead:** End of June is the date that we are aiming to complete the bushfire advertising and also the production of the community update. The decision was taken to extend that information service to the bushfire-affected community as we assessed how that community's needs were changing.

**MR SMYTH:** The other question is that I noticed you put a press release out on Friday after the Charles Landry breakfast to say that now Canberra will become a world leader in green urbanism. Checking back through the Canberra plan and social plan, the economic white paper and the spatial plan, there is absolutely no mention of green urbanism. What has prompted the government now to change its direction and become green and urban and why was it not included in the earlier work?

**Mr Stanhope:** It is a new notion. I think we should be open to the embracing of new ideas, new concepts and a new way of thinking about ourselves and about the world. I think it is interesting. It encapsulates essentially, I think, some of what we hope for our city. I do not think it hurts us to be open to the creative genius of others and to be prepared to accept and explore new notions and new concepts. Nothing is ever static or no thinking should ever be cemented into the time we were thinking.

**MR SMYTH:** I would agree that we should always be looking at new ideas, but having spent \$4.2 million on the Canberra plan and its associated plans, why did the government not have some sort of idea about green urbanism before that? If you look through your summaries, there is absolutely no mention of the environment here in budget paper 2 in regard to the Canberra plan. Is it something that was just overlooked and Charles Landry sort of pricked your conscious?

**Mr Stanhope:** No, that is not true. The Canberra plan is essentially wedded inextricably to our commitment to sustainability. It says that. It is our commitment to sustainability and essentially underscores everything that is incorporated in the Canberra plan. Sustainability, and our commitment to sustainability, are commitments to maintaining the natural environment and its sustainability. Sustainability now underpins everything that we do as a government and it quite explicitly underpins the Canberra plan. It says that. The Canberra plan was based and developed on a commitment to sustainability as enunciated in *People, Place, Prosperity*.

**MR SMYTH:** So will the Canberra plan be updated now to include green urbanism as one of your objectives?

**Mr Stanhope:** Well, sustainability is one of our objectives. I do not think you were here for the discussion, but we have just indicated that we will be releasing our first major

report on sustainability, towards sustainability, within the next four weeks. Of course, it works very much in concert with the Canberra plan. As I just said, the Canberra plan is built on an acceptance of our commitment to sustainability as enunciated through our first expression of principal around sustainability, *People, Place, Prosperity*.

Of course, that incorporates a whole range of issues and concepts around environmental sustainability or sustainability of the natural environment and sustainability of our cities, which are incorporated within this new concept, the concept of green urbanism. It is essentially what we live, in any event. We are not talking here about a radical departure from the commitment to sustainability or the Canberra plan.

**THE CHAIR:** Moving on, I have just a few general questions in relation to the outputs. On page 42 of budget paper 4, I am a little bit concerned about just exactly what the performance indicators mean. For example, in output 1.1, let us take output quantity number (e), which relates to development of information management policies. Is that not just a normal job and what is being measured and how is it being evaluated? I would have thought that is just something the Chief Minister's Department would do as a matter of course.

**Mr Harris:** That is a fair statement to make.

**THE CHAIR:** Similarly with F, "Development of whole of government policies," and you see here we have, "Target 1, estimated outcome 1, target 1." Similarly with, "Development of whole of government policies." Again that is your job, is it not?

**Mr Harris:** Yes.

**THE CHAIR:** So, you would agree there is no real point to putting those things in there as it is?

**Mr Stanhope:** Except, it is an indication of departmental functions.

**MS DUNDAS:** Then what about quantity R, "Provide ongoing support to bushfire-affected members of the community, target 1?" Is that providing support to one bushfire-affected member of the community or providing one program when we have already talked about the number of programs that are being provided? Out of all of them that one is really unclear.

**MRS DUNNE:** And we were not doing it last year.

**MS DUNDAS:** No, it is a rollover of an old output class that has been moved into here. You have taken a whole page and you have condensed it down to an output target of 1.

**Mr Harris:** I have made the observation in this committee before, and I make it again, that the range of measures that the Assembly uses to measure performance may not necessarily be the most appropriate, efficient or relevant measures, and that a serious re-examination of all of those measures is, in my view, a matter of priority for two reasons. One, to take away the bunch of measures that may not necessarily be of value to you and, two, to put in place a range of measures which would be of more value to you and more value to the chief executives in managing the organisations that they manage on your

behalf.

**THE CHAIR:** For example, “Development of whole of government policy.” How on earth would you measure that?

**Mr Harris:** Good question.

**MRS DUNNE:** Thank you, Mr Harris, for saying that. This is my third estimates committee. I think the last two estimates committees have had specific recommendations but we have not made any progress on effective performance measures.

**Mr Harris:** Well, the government has given me a task to review all of those measures over the next 12 months.

**MRS DUNNE:** Okay, so that’s going to happen in the course of this financial year?

**Mr Harris:** That’s right.

**MRS DUNNE:** Although the estimates committee has been crying out for this for at least the past two financial years.

**Mr Harris:** But I do note your point that it will be of no value if at the end of the day the Assembly refuses to give up all that it has now and simply adds a whole raft of new measures on top.

**MRS DUNNE:** I am quite happy to give up things like develop a framework, develop a policy, but I also have a specific question. Are we having a new Canberra plan this year? The measure is (j) the production of the Canberra plan, targeted 1 for this current financial year, estimated outcome, 1, but we’ve also got a target for next year. Why have we got a target for a Canberra plan next year? Is it not done? I do not have a problem with implementing it but why do we have a target for producing one?

**Mr Harris:** Well, the measure itself has a degree of implementation attached to it and the notes do say that the target measure is complete.

**MRS DUNNE:** But why do we have an estimate for another one for next year if we are producing a Canberra plan?

**Mr Harris:** I have already made my point that I do not believe that the way in which we provide this information is necessarily helpful, and it may well be that you have given me an example of that.

**MR SMYTH:** In quantity (c), which relates to support for Assembly business processes, I note footnote 4 says there were 20 more sitting days scheduled than initially anticipated in the year 2003-04. I checked with the secretariat. It cannot recall an additional 20 sitting days in that period. Could you explain where the 20 sitting days went?

**Mr Harris:** I would prefer to take it on notice.

**MR SMYTH:** That is fair enough.

**MRS DUNNE:** I am interested that the scheduled number of cabinet meetings seems to have increased. The outcome is roughly 20 per cent more than the scheduled number of cabinet meetings. Why is that, Chief Minister?

**Mr Stanhope:** I would have to do a detailed analysis of all the cabinet meetings, but beyond the scheduled weekly cabinet meeting the only significant variation is in the number of meetings that were held for budget cabinet and they were quite extensive. Beyond that I know of no other variation other than for budget cabinet, and a significant number of meetings were held.

**THE CHAIR:** Do you have any more questions on 1.1?

**MS DUNDAS:** I have a question. You have agreed to take this on notice anyway, but it flows on from Mr Smyth's question about the 20 more sitting days than initially anticipated. So we have gone from a target of 39 to an estimated outcome of 41 and that is because of 20 more sitting days scheduled than anticipated. But if you look at last year's budget papers, for the same output there was a target of 39 and an outcome of 40, which was the result of one more sitting day. One more sitting day means an increase in target of one, but 20 more sitting days means an increase of target of two.

**MRS DUNNE:** It could be that there's a typo in the footnote.

**Mr Stanhope:** I would suggest that is the most likely explanation.

**Mr Harris:** We will check it.

**THE CHAIR:** Check it if you could, but you are probably right. Okay. In class 1.2, again we have targets in excavated outputs where there is only one program. I note footnote number 2 says that the 2004-2005 target reflects major projects within the measure, and that refers to a number of policy strategies and programs, (a), (b), (c), and (d). What exactly are they? You have a number of targets there but you make no mention here of what those policies, strategies, programs are. If they are somewhere, where can they be found?

**Mr Manikis:** You would like to know what the target is for 2004-05?

**THE CHAIR:** Yes, you have the targets for this year.

**MRS DUNNE:** Yes, because they have suddenly jumped from one to seven, six, four, nine respectively.

**Mr Manikis:** Seven is the response from last estimates where there was a request to break down some of the projects from the one global that was put in there. So for next year we have seven for multicultural, which is a work experience program for migrants, multicultural achievement awards, national multicultural festival, ministerial advisory council and multicultural affairs, multicultural grants program, multicultural broadcasting grants program and the multicultural community languages grants program. They are significant pieces of work.

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**THE CHAIR:** And the women's?

**MS DUNDAS:** Yes, that is what I was going to ask. What are the six under women?

**Mr Manikis:** There are six programs there: action plan addressing violence against women, international women's day awards, women's register, women's plan, women's advisory council and the women's grants program.

**MRS DUNNE:** Apart from the women's grants program and perhaps the violence program, those things are already there—the women's register, international women's day and those sorts of things. So they were all one before and now they have become six. What was the rationale for putting those all together and saying that is a women's program and now divvying them up and saying, these are several elements of a women's program?

**Mr Manikis:** I think for accountability purposes more than anything else. I think that was the argument that was run last at estimates. There was a desire to disaggregate that one into the significant pieces of work that were being carried out. It is a little bit more transparent on what we are doing I suppose.

**MS DUNDAS:** Those six, however, include the new initiative of the women's grants program, but do not include the initiative of the women's directorship scholarships.

**Mr Manikis:** That is right.

**MS DUNDAS:** Why?

**Mr Manikis:** The Office for Women does a lot of other things as well. Not to downplay the importance of that particular initiative. I suppose we could have gone to seven, we could go to 13, we could go to 20 different actions under that, but these six that we have provided here are the most significant. But I guess we could go to many more. The Office of Women conducts a lot of work and does a lot of interfacing with the community and network meetings.

**MS DUNDAS:** So the work that should be getting done on gender statistical analysis that was discussed at the last estimates as one of the roles of the Office of Women, even though it is not listed as a policy strategy or program, it is still being done?

**Mr Manikis:** It is being looked at, that is right.

**MRS DUNNE:** Sorry, the trouble with this, Mr Manikis, is that the quantity measure is the development of multicultural policy, women's policy, Aboriginal and Torres Strait Islander policy. So that gives the impression that it is new. But, for instance, the collection of data, the running of the women's register or the running of international women's day, they are not new.

**Mr Manikis:** No, they are not, they are ongoing.

**MRS DUNNE:** So I think that we have a problem here with some category blurring. So, which ones are new, which ones are ongoing, and perhaps you might take that on notice.

How many measures do we have that are ongoing? How many programs are ongoing? How many are new, so that we actually have some sort of breakdown of the actual tasks?

**THE CHAIR:** It is probably helpful for a recommendation too.

**MRS DUNNE:** Yes, because there is a problem there. You are blurring existing and new categories.

**THE CHAIR:** That is a good point. You also mentioned, Mr Manikis, the four programs for Aboriginal and Torres Strait Islanders plus the nine for older people in volunteering?

**Mr Manikis:** Yes. Again, these are the key projects or the work of the relevant office: indigenous public art, Consultative Council on Aboriginal and Torres Strait Islander Affairs, United Ngunnawal Elders Council and the Aboriginal and Torres Strait Islander partnership plan 2004-2013. They are the four initiatives in the Office of Aboriginal and Torres Strait Islander Affairs, the key work there. For older people, a lot of this is new stuff that has come through the budget.

**THE CHAIR:** Okay, fine. Again we look forward to getting that. Can you read it out so we know what the programs are?

**Mr Manikis:** Seniors week, seniors information service, ministerial advisory council on ageing, seniors card, seniors awards, seniors expo, seniors grants program, elder abuse prevention project and mature age employment strategy. That is it.

**THE CHAIR:** Thanks. You have obviously taken on notice what Mrs Dunne asked which I think sounds eminently sensible.

**MS DUNDAS:** Under the development of Aboriginal and Torres Strait Islander policy strategy programs, you did not mention the ATSIC cultural centre. Can you tell me where the ATSIC cultural centre is up to? As you might have noticed, I have been looking through the last three years worth of budget papers and there are very sporadic mentions of it. It does get a mention in this year's budget paper. It is a capital works in progress and there is an increase to that cultural centre of \$0.37 million. Is that correct? It is different to what you have said somewhere else.

**Mr Manikis:** The Aboriginal cultural centre down at Yarramundi Reach? During the latter part of last year we put out a tender for a community management group and at the end of last year we selected an appropriate community management group to manage the cultural centre. There was \$120,000 appropriated out of the 2003-04 budget for the management of that centre. That group now has taken over the centre and has employed a staff member, and it is just about to be opened. There are some issues around water, plumbing and electricity and what have you—just the getting the old building up and running again. There is \$1.5 million in capital works. They are waiting for the community to open the cultural centre and get it operational. Then we will talk about some capital works there.

**MS DUNDAS:** When you say \$1.5 million, you actually mean the \$1.442 million that is referred to in the ownerships grant?

**Mr Manikis:** Yes.

**MS DUNDAS:** So that capital works for the ATSIC cultural centre was appropriated when?

**Mr Manikis:** About 12 year ago. It was part of the casino premium.

**MRS DUNNE:** That was supposed to be on Acton Peninsula.

**MS DUNDAS:** Has it been continually rolled over? Why is that not coming up clearly in the budget papers as a rollover?

**Mr Manikis:** Well, it has. As far as I was concerned it has been.

**MS DUNDAS:** Well, the 2002-03 budget talks about it as savings, but as a capital works rollover it is very hard to find in the 2004-05 budget. It has not easily identified it.

**MRS DUNNE:** Has that money been on the short-term money market all that time? What is it worth now?

**MS DUNDAS:** Maybe these are questions that you can take on notice. Of the original money that was expended for the capital works part of the ATSIC centre, how much has been expended in each of the intervening years? The money that was appropriated in the 2002-03 budget which was, I guess, the ongoing funding for the Aboriginal and Torres Strait Islander cultural centre, and which was meant to be \$126,000 for this financial year, how is that spending going? Are we expending all of that money? Are we meeting those targets? It is very difficult to find in these budget papers specifically how the cultural centre is going. So, that is taken on notice?

**Mr Manikis:** Yes.

**THE CHAIR:** Okay, we move to output 1.3.

**MS DUNDAS:** I was going to ask quickly about the women's grants programs.

**Mr Stanhope:** Ms Gallagher is the Minister responsible.

**THE CHAIR:** With 1.3 again, just what on earth do some of the performance indicators mean? For example, the third one—learning and development framework—has now been completed. Could you tell me, if that has been completed, why is it here? What happens now and is there any monitoring and evaluation to be done in relation to that?

**Ms Davoren:** This is one of the strategies under the ACT public service human resources strategy. One of the initiatives for this current year was the learning and development framework, which is a service-wide framework to support learning and development issues across the service and includes a framework that requires development of learning plans and will ultimately be performance management processes in each agency. The project as far as this budget paper was concerned is completed this year with the release of that framework. There is ongoing work of implementation with agencies, and it will be reported through the commissioner's state

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of the service report. There is a human resource development forum that is supported by the Chief Minister's Department that will support agency learning initiatives and in addition the human resources council oversees implementation of strategies in the ACT public service human resources strategies.

**MRS DUNNE:** Chief Minister, the quantity measure (i) and the cost measure (u)—a review of the safety of children in care in the ACT and of child protection management—what is that and how does that relate? It is targeted in the budget as a measure so it has been there from the outset. How does that relate to the review of reporting about children in care?

**Mr Stanhope:** I will ask Mr Harris to answer that, thank you.

**Mr Harris:** That was the additional appropriation given to the Chief Minister's Department to support the commissioner's review.

**MRS DUNNE:** Why is that in the 2003-2004 budget and why is that targeted? It was not there when the budget was brought down last year, so how does it suddenly appear to be a target for this current financial year? It seems to be a very strange way of reporting.

**Mr Harris:** Yes, I agree.

**MRS DUNNE:** Okay, so that is—

**Mr Harris:** I am telling you what it is. It is additional appropriation provided to the Chief Minister's Department to support the commissioner and the additional staff that she needed to undertake the review.

**MRS DUNNE:** Yes, I think we need to know that that is a different way of reporting it.

**Mr Harris:** As to why it is there in that form, I go back to my earlier statement.

**MS DUNDAS:** It appears you revised these estimates to reflect the impact of the second and third appropriations. Is the cost of the review going to be on target?

**Mr Harris:** My expectation is that it may well cost a little more than that by the time we get to the end of the day, given that the commissioner has sought two extensions of time and additional professional support as well. As I said to you today, I cannot tell you the exact cost. The best guess would be it is likely to cost more than that.

**MS DUNDAS:** So between now and the end of the financial year, the Chief Minister's Department will find extra funds to meet that?

**Mr Harris:** That is right. I should point out that this is only the cost of the review reflected in the Chief Minister's Department. Of course, other costs are reflected, in education in particular.

**MS DUNDAS:** There is no expectation that this will carry over? Originally, with McLeod as a comparison, when it first appeared in budget papers, it was only going to be in one financial year. There was not going to be any overflow. That, unfortunately, was

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not the case. It had to be budgeted for in the next financial year.

**Mr Harris:** There will be no overflow as far as the commissioner's work is concerned but certainly implementation issues will arise. I have not seen a report, but I am assuming they will arise from her report and will have costs attached to them.

**MS DUNDAS:** For the Chief Minister's Department?

**Mr Harris:** Yes.

**MS DUNDAS:** What kind of costs are you anticipating for the Chief Minister's Department?

**Mr Stanhope:** Not for Chief Minister's. Well, it depends on decisions.

**Mr Harris:** It depends on decisions that are taken, but we have an ongoing role in providing advice to Ministers and working with education and family and children's services in general. So that is a cost I had not expected to wear but which I will have to wear. It may well just be an attribution issue because people that I shift across to that task will not be doing other things that they would have expected to do. Nevertheless, it is a cost.

**MS DUNDAS:** Chief Minister—and maybe this question I will repeat for the Minister for Education, Youth and Family Services—you have either received the report or you are anticipating the report this week and are taking a week to review it. If that report does recommend changes in budgets and those kinds of issues, will they be implemented immediately? Will we see an amendment to the 2004-05 budget? How are you planning to manage those anticipated costs?

**MRS DUNNE:** Well, there will be costs, we know that.

**Mr Stanhope:** The commissioner handed me the report at 10 past 9 this morning.

**MRS DUNNE:** That was my next question. You have got it?

**Mr Stanhope:** Of course, I have not even opened it. So, to that extent the question is hypothetical. I have the report. As I say, I have not even opened the cover. The process that we intend to pursue now is that I will refer the report to Mr Harris and ask him for urgent advice on its content. Our intention is then to discuss the matter at cabinet, and I cannot do that now until next Monday. My intention at this stage is to release the report publicly next Monday.

**MRS DUNNE:** After cabinet?

**Mr Stanhope:** Yes, after I have taken it to cabinet. At that stage I also would have some idea of the way forward and the implications of the report but I take the point and I accept that it would be a matter of surprise if there are not resource implications in the recommendations and the need to implement those recommendations. I think you are all aware that the budget that we are discussing now contains significant additional funds—I think somewhere in the order of \$37 million or \$38 million.

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**MS DUNDAS:** But those funds are required funds. They do not in any way relate to—

**Mr Stanhope:** Well, except there is an obvious connection between workloads and the very significant additional resourcing and the implications of that resourcing for caseload. I am not suggesting for one minute that the additional \$37 million that we are providing over the next four years will meet potentially the resource implications of all the recommendations, but it would have to be at least thought that an additional \$37 million over the next four years to deal with workload and case management issues is going to have some impact on the raft of recommendations that the report will most certainly contain. I do not know what is in the report. It is difficult for me to respond otherwise than to say that we anticipate there will be a need for additional resources.

There is an acknowledgement of that in the additional \$37 million plus the additional \$1.8 million. It needs to be recognised that since the beginning of this year, we have provided just under \$40 million in additional funding over four years for child protection and family services. I am anticipating a call for additional resources and we will deal with that when we analyse the report and have a better understanding of what those needs will be. Of course, there are two options open to us. One is potentially the Treasurer's advance and I would have to look at whether or not that is possible. Over and above that, it may be we will need to look to a second Appropriation Bill. But, I am only anticipating those as possibilities. I cannot say if that is what will need to be done.

**MS DUNDAS:** I assume that we are keen to go to lunch now, but this is a very quick typo question of the budget papers. Under (i), which is the review of safety of child care in the ACT and protection management, footnote 6 says that this measure is being transferred to output 1.4, work safety and labour policy, to combine private and public sector OHS projects. Which of the line items is being transferred to 1.4? Because it appears that it does not relate to child-care management. It is a typo question, but if we can get an accurate gauge of what that is?

**Ms Davoren:** Yes. If you go down the list to (f), projects under public service injury prevention and management strategy, that relates to public sector occupational health and safety.

**MS DUNDAS:** So footnotes 5 and 6 have been swapped?

**Ms Davoren:** Yes, transposed, yes.

**Meeting adjourned from 12.35 pm to 2.06 pm.**

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**ARA CRESSWELL** and

**KAREN NICHOLSON**

were called.

**THE CHAIR:** Ladies and gentleman, I will read the following for the benefit of any witness who gives evidence before the committee. It is just a formality—I hardly think it is relevant in budget proceedings, but you never know.

You should understand that these proceedings are legal proceedings of the Assembly protected by parliamentary privilege, and that gives you certain protections as well as responsibilities. You are protected from certain legal action such as being sued for defamation for what you say here. It also means that you have a responsibility to tell the committee the truth because giving false or misleading evidence will be treated by the Assembly as a serious matter.

Naturally you both understand that, as do you Bill, because you are on next. No problems? Good stuff. For any witnesses who appear before us, could you please when you come to the table, give your name and the capacity in which you are appearing. So, firstly, to Karen and Ara, thank you very much for attending. For the record, could you give your name and the capacity in which you are appearing.

**Ms Cresswell:** Ara Cresswell, the director of ACTCOSS.

**Ms Nicholson:** Karen Nicholson, I am the senior policy officer.

**MS DUNDAS:** And can we welcome Ara to her first public hearing as the director of ACTCOSS.

**Ms Cresswell:** Thanks, Ros.

**THE CHAIR:** And Karen.

**Ms Nicholson:** I have been here before.

**THE CHAIR:** By the way, these proceedings are broadcast to government offices and the media may record proceedings, and they may come in and take visual footage. So, firstly, thank you very much for attending and also thank you for your submission.

Is there anything you wish to say? You are meant to have 20 minutes. I will give you 25. We will go to 2.30 on this one. So is there anything you wish to say just generally or specifically in relation to your submission? Are there any additional points that we should be aware of?

**Ms Cresswell:** Yes, we have a few notes here that I will go through with you and then we are most open to any questions. What I would like to reiterate, and ACTCOSS has been talking about this for some time, is the viability of the community sector. It is really important that we provide for the services. It's required now, it's required at an appropriate level, with room to develop new and innovative ways to provide services

into the future.

The government announced a new funding policy in February, yet to date we have only seen the new community sector funding policy document, which in the majority of cases continues existing funding on a three-year cycle, with CPI indexation set at 2 per cent for 2004-05. I will quote to you from a press release from Bill Wood in February 2004:

The new approach aims to achieve greater clarity, consistency and security in funding arrangements than has occurred in the past. The Government will ensure services are well-targeted, link with other services where appropriate, and provide genuine value for money.

The Community Sector Funding Policy is a key element of the Building a Stronger Community Flagship of *The Canberra Social Plan*. As the government works to implement *The Canberra Social Plan*, a strong, ongoing relationship with the community sector will be vital.

Other significant reforms in the new Community Sector Funding Policy include:

- introduction of three-year funding cycles and multi-year funding arrangements for services that are performing well;
- a consistent whole-of-government approach to community sector funding;
- joint professional development and training programs; and
- a strong focus on improving quality.

These things can't be achieved without a change to the funding mixture that recognises a number of things, such as the cost pressures on the sector—both the past cost pressures and future ones. You may have noticed over the weekend if you went to fill up that there has been a 20 cent per litre jump in fuel prices. This will be passed through the economy and it will impact on services and upon their clients. Neither the services nor the clients have the capacity or the financial ability to offset these costs by reducing their consumption. That's simply not possible.

The sector is also expected to have compatible IT capacity to allow its funding agencies data collection reporting mechanisms to receive a lot of information, yet government support for community sector IT has been minimal and ad hoc when compared to the renewal of public sector and education IT. The capacity is not there. And yet the sector is expected to give and receive an enormous amount of information via IT. We often hear of community agencies whose systems have frozen because there are big reports coming through, or are expected to report in formats. That is very difficult without the infrastructure and the support there.

Also, there is the historical under-spending on community services. In the 1990s, policy decisions were taken in the health sector to increase turnover in the acute sector, which was necessary. However, the necessary supports in the community sector have not matched the increase in acute care funding or the downturn in availability and affordability of primary healthcare. Similar arguments can be advanced for mental health and disability, although we note the new disability policy has just been released for comment. The sector was also not compensated in 2003-04 for the failure to pass on full

CPI compensation in 2002-03, adding to the historical shortfall in funding.

Another point is that the costs associated with wages is a big one for our sector. The human services sector, as the government is well aware from its own wages bill, is very costly. The SACS award increases, the costs of minimal wage increase passed on by the IRC and community standard entitlements, should be built into the funding formula. It is absolutely crucial that they are built into the funding formula.

Instead, what happens is that the community sector must renegotiate or call for extra assistance when the rises occur. The rises might be expected as there are the \$61 million worth of public sector pay rises funded in the 2004-05 budget and third appropriation. What happens in the community sector is because those costs are not costed in, agencies either have to reduce service or not fund adequately their wages sector.

**MS DUNDAS:** May I ask a quick question about that before you go on? So the new, I guess, funding arrangement document that the minister for community services has presented to you, which maintains the current level of funding with only a 2 per cent CPI, is grossly inadequate then in terms of meeting wages? How are wages dealt with in the new proposed agreements?

**Ms Cresswell:** As I understand it, there is no increase in funding—Karen will follow up on this in a moment. It's structured on current costs. And what we know is that the sector is already under-funded and service capacity is diminished. The 2 per cent simply doesn't cover what is a constant increase in costs.

**Ms Nicholson:** With wages, and Ros asked a question about the IRAC process: the Industrial Relations Advisory Committee process is still ongoing. However, in the six weeks since Ara has been director, that hasn't moved on any. The funding agreement is very welcome. We have worked very hard to both develop that and to help with the training for the agencies and for the community sector. But it's really only one small piece. It gets rid of the purchaser/provider problem that we had, but it's only part of what needs to be done to put the sector on a viable footing.

**MS DUNDAS:** So you see the wages negotiations as separate to the contract negotiations?

**Ms Nicholson:** Well, the contract is already there—we have the contract—but we sort of hoped that it would all come together at once, but it's not. It's coming together in bits. And there are a lot of other cost pressures that have to be recognised, and wages are one of the big ones. As the government knows from funding its own services, the wages cost is always the biggest part. Particularly in our sector, there are not a lot of assets that are owned, or equipment, or vehicles. There are no great fleets of vehicles or anything to be owned, so most of it is in the paying of wages.

**MRS DUNNE:** I might just follow up on that. You are saying that the current arrangement is independent and separate from the wage issues? And if that's the case, is there any indication that when the wage issues are sorted, you are going to get more money to actually address the wage issues? There is no point giving people pay rises if you haven't got money to pay them.

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**Ms Nicholson:** We are still waiting. We don't know. We have just had a wage increase passed on by the IRC—that was a minimum wage—which will be translated into the major award for our sector. But the IRAC process is looking at the wages in this sector and the minister for community services, Bill Wood, is undertaking a review of community sector wages as well. We still don't know the outcome of that. It has been advertised for people to participate in, and I'm not sure where that has got to.

Unfortunately, one of our other policy officers, Mary Andrew, is working on the SACS award and sector viability work so I only have the knowledge that comes from writing the budget papers, which is far more detailed than all of this. But the agreement is great, we have really welcomed that work—that's been terrific—but we are still struggling to try and keep some sort of viability in the sector when we have got a high turnover and low wages.

**MRS DUNNE:** And you still don't actually have any commitment that, even if you come up with a different wages formula, you will be funded for it?

**Ms Nicholson:** Well, we just have to take what's under the SACS award increase. But there are some fundamentals, like making sure that we can cover those wages. We have an agreement on how those wages will be covered by the funding agencies. Those sorts of things still have to be put in place, rather than going back to where there is a wage increase to try and up the funding.

**THE CHAIR:** Ms Cresswell, if you would like to continue with your comments.

**Ms Cresswell:** Further to that, there is a real problem with attracting and retaining staff, particularly because there has been a wage freeze in the higher levels, and because of that wage freeze in the higher levels we can't retain many of our staff. So there is a very high turnover because people are paid substantially less than their counterparts in the public sector. Sometimes they are paid at around half, sometimes it's about a third, of many of their counterparts in the public sector. So this is a real problem.

In terms of certified agreements that exist in the public sector and the current situation in the community sector, we lose often the best of our staff, and we lose many of our mediocre staff to be honest with you, to a public sector that pays them really well. It's a real problem for us. And because the wage freeze is such that—I can't remember what the highest amount in the SACS award is but it's very—

**Ms Nicholson:** It's below \$50,000.

**Ms Cresswell:** It's below \$50,000 for your absolute highest level. So that's your highest level manager, who could be managing a budget of several million dollars and a staff team of 40 or so. So, of course, in the public sector your wages are substantially higher. What then happens is that services often do have to pay above award to attract a manager of any capacity to manage a service like that, which may leave them with problems delivering services.

**MS MacDONALD:** I would like to ask a question in relation to that issue. You have been talking about the award but you just referred to enterprise bargaining within the public service. What enterprise bargaining is going on within the community services

sector at the moment in order to provide above-award conditions?

**Ms Cresswell:** Can you tell us where we are at with that one?

**Ms Nicholson:** This is where I would have to bow to Mary's better experience, but from my understanding there is no enterprise bargaining. There is a SACS award campaign to try and get the certified agreement across the industry, and I'm sure the government is looking at that quite carefully. It creates its own problems but there are examples where a certified agreement has covered a sector rather than just a workplace or a particular group of workers.

As far as I know, we don't get to that. It's a base rate worked out on the SACS award. We have minimum pay and conditions in the sector anyway. There is not a lot of negotiating. What happens is that individuals, when they are employed, may be able to attract better wages and conditions but most people who work in the sector—we are a minimum rate sector—just take the wages that are on offer when they apply for the job, and any increases tend to be the ones passed on by the Industrial Relations Commission, or that has certainly been the case for the last three years. I can't think of a single SACS workplace that has actually gone out for an EBA.

**Ms Cresswell:** I can't either. I don't know of any of them.

**Ms Nicholson:** But it's possible. It's possible that they have negotiated as a workplace with their bosses and it's happened quite quietly, but I don't know of anywhere that is paying routinely over above. Certainly ACTCOSS—

**MS MacDONALD:** Well, if they have got a certified agreement, it actually has to be registered with the Industrial Relations Commission.

**Ms Nicholson:** We have not got one. We want one for the sector but there are no certified agreements. None of our bodies could actually afford to put a certified agreement in because then they have got to guarantee those rises to their people, but they are still on contracts with the government that have to be renegotiated when those rises happen. We haven't got that automatic funding.

**THE CHAIR:** So everyone is on contract?

**Ms Nicholson:** Yes. We have got the new funding agreement, and I said before you entered the room that we are really happy with that and it has been a terrific operation to sort of work that out between the sector and the government. But we are still looking for a formula that actually compensates or brings in a lot of those costs, and the wages is one where we are so far behind we are just watching the public sector sort of disappear off into the distance. It is getting worrisome that the retention rates in the community sector will get worse, not better. Particularly with the government putting in new agencies—it has got a few new agencies in the last two budgets.

**THE CHAIR:** Is there anything else you need to say in about the next three minutes? I will make sure that you do not get any questions until after that because obviously there are probably a few more questions as a result of your overview. Are there any other major points you really want to stress to us?

**Ms Cresswell:** Yes. Stress on the sector has been mapped in successive Australians living on the edge surveys. It showed that turn-aways are increasing and services aren't able to meet the demands. In a discussion paper on sector viability in 2003—and that is available on our website—ACTCOSS pointed out that as well as a basic delivery of services, agreements should address the need to fund the relevant award, volunteer management, organisational risk management and OH&S compliance, work with relevant quality standards, data collection and reporting, insurance requirements, training and development and broaden government's support. It is hard to see delivery of this happening in the next financial year.

We would really like to see where the funding for the community inclusion fund will go. But, what we do notice is that there will be a unit within the public sector where wages and conditions will be much better than anything provided to the people who work everyday to enable people living with disadvantage, disability, poverty or health problems lead full and productive lives.

Just in brief, we are really interested in the large expenditure on homelessness and social housing, and we would really like to see some acquittal of that funding or some breakdown of how that is being spent and when. We really look forward to that.

ACTCOSS is very interested in the human rights agenda. We are an enthusiastic supporter of the government's stance on human rights. We are hoping to see that the committee also uses the Human Rights Act to determine whether the allocation of funds in the 2004-05 budget sets out to achieve the human rights goals articulated in the act and in the government's stated commitment to social, economic and cultural rights in the social plan. We will leave you our notes, which have lots more in them. I spoke as quickly as I could.

**THE CHAIR:** Thank you. That would be helpful. Well done. I have only three questions, which I will now ask—and I am delighted you mentioned human rights. I have got two questions in relation to page 31 of the submission and one in relation to housing. That will then do me and my colleagues can continue.

You recommend in recommendation 14 that the government continue to fund innovation of flexibility in the justice system to allow the maximum admissible alternative to prison sentences in the ACT, particularly for women. As someone who has practiced in this system, I think it bends over backwards to ensure flexibility and tries to avoid prison, and probably too much so in my personal view. But I am always interested in this. Have you got any specific initiatives that have not been tried which might work? We have had a number of initiatives in the past, with probably varying degrees of success; a couple in this budget. Have you got any specific ones that you think should be tried, which haven't been tried in the ACT?

**Ms Nicholson:** The results from interstate are equivocal. You don't know whether drug courts actually work. They seem to decrease recidivism, but they are talking about percentages that are open to interpretation until there is a bit more robust data. What we were mainly concerned with is that we are opening a prison and, of course, once you open one you are going to fill it. But at the moment we have got a three-year running alternatives to sentencing project going on that has included things like circle sentencing

for indigenous communities that has now been implemented. It has also got the conferencing and some alternatives that are being worked out in the juvenile justice system this year as well.

But there are all sorts of things that need to be in place as well as the prison. There are the step-down facilities, there are drug and alcohol programs. The prison will always be a high-end high-cost solution to that, and we know that the Canberra community is still calling for that as a way to punish recidivist offenders. But we feel that the best financial, economic, social, cultural outcomes come from trying to get people to reintegrate into society rather than further marginalizing because nobody can ever point to prison and say that it has actually repaired anything.

**THE CHAIR:** If there are other programs that you know of that we are not doing as a community and territory, could you pass this on to the committee. I think that would be helpful generally.

**Ms Nicholson:** I am not quite sure that there is a lot of stuff out there, but the alternatives to sentencing committee is a very competent group of 18 people that would know more about this than me.

**THE CHAIR:** If you have got any you know of which we are not doing which actually have a track record of working, that would be fantastic. You have mentioned human rights. Recommendation 18 is that the government allocate funds for potential legal challenges to the Human Rights Act. I actually think that is not a bad recommendation given that they have allocated a quarter of a million dollars for something that could cost us an absolute motser, whilst we might disagree on whether we need the thing or not. Do you have any idea of how much? You mentioned it should allocate funds for potential legal challenges. Is there any figure you would wish to share with the committee, or is that just an observation and you can't say what?

**Ms Nicholson:** It would depend on where the legal challenge came out of. It just needs to be in contingent funds, and I am sure every department has contingency funds. We all know the problems with appropriations in past years. You have to say that you are going to spend money on something.

I don't think it would be appropriate to set aside an amount and I don't think the challenge would probably happen in the next financial year. But I do think there should be at least positions funded, not necessarily in the education funding that they have put up for their Human Rights Bill. This recommendation more envisages that there is a legal presence within the Attorney-General's Department that actually looks at the areas where there is some dispute about the outcome of the bill and how it is complying with legislation, and where there might be individual cases brought to it so that those cases can then be funded. But I think there needs to be somebody looking for it, and that needs to be somebody who can then come up with the figure for what a challenge would cost.

**THE CHAIR:** My final question is in relation to housing. On page 18 you say that in the short term the ACT should investigate temporary leasing of accommodation as a way to increasing the available stock. To your knowledge, is that actually being done? I seem to recall somewhere it was meant to be, but is it? And if it isn't, what you think the government should do there?

**Ms Nicholson:** Defence force housing actually does that, but it's not a model that you would want to see recreated in the long term. It was more as a short term to boost the numbers because the government has made a commitment in certain forums to increasing the amount of social housing. And without being able to spot purchase the stock, we thought that the defence housing scheme offered a possible short-term solution.

**THE CHAIR:** So something like that?

**Ms Nicholson:** Yes.

**THE CHAIR:** Thank you.

**MRS DUNNE:** In relation to your recommendation 10 on page 14 about providing the wherewithal to develop emergency plans, I presume this has come directly out of the community sector's experience through the bushfires? Is that right?

**Ms Nicholson:** Yes. This actually predates Ara's time with the council. As you know, our former director was on the fire recovery taskforce and there was a lot of work done. We have actually made this submission I think before two other committees, and it was part of I think the second appropriation when they came up with all the money for the increase in wages for the fires and those people. We made the point then, and I think it's a valid point, that the next emergency might not involve a fire, but it will still fall on the community sector to coordinate and get people moving. We don't actually have any emergency plans, and there is not a lot of capacity in the community sector to just develop those in-house. They need funding, they need guidance, they need to fit in with what the government is doing on a government and emergency sector footing.

We believe that every community service needs its emergency funding protocol, and the community sector as a whole needs an overarching one that then fits in with what the emergency services bureaus are doing, because fire isn't the only emergency. If something happened to Canberra Hospital, the response would have to come from the community sector.

**Ms Cresswell:** This has been raised for quite a lot of years in the community sector here because of the nature of the sector. A lot of people who do the grief and loss counselling, a lot of people who are available after hours, the telephone systems that are after hours, Lifeline, the Domestic Violence Crisis Service—those systems are all based in the community. For a long time we have said that one big emergency hits Canberra and our whole system could collapse. We need some work.

**Ms Nicholson:** We work very well, but I think we have had the same problems in the community sector, as is evident through the fires inquiries and coronial inquiries. There is communication, there are people who have to take charge of what is going on because there is no leadership there because of the lack of planning.

**MRS DUNNE:** Have you had discussions with—I have forgotten what his title is—Peter Dunn about this, or is it something that is in emergency services?

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**Ms Nicholson:** Well, we really need leadership from the government because at the moment we have no capacity, nor do we have the authority to discuss this with them.

**MS DUNDAS:** I was interested in what you said about sector viability. You have raised a number of questions that we will put to the ministers as they come forward.

**THE CHAIR:** Thank you very much, ladies, and thank you for your assistance.

**Ms Nicholson:** Could I just mention—very quickly, I promise, Bill—that we were talking about the consumer price index in our submission and we have also raised it again today, so I brought along the latest quarterly consumer price index. We would like to say that the overview of the CPI movements makes our point that for people in our sector, and our sector in particular, the CPI is not a good measure because the things that offset the increases—the increases were in fruit and vegetables, fuel, pharmaceuticals, education, housing, gas and other fuels—were in the cost of overseas holiday travel, motor vehicles, furniture and audio-visual and computing equipment. All are things that aren't really impacts on our sector. So we have made the argument in our budget submission, and again in our analysis, that CPI is not really a good measure, and within this funding agreement we hope to make that point.

**THE CHAIR:** All right. Thank you very much.

**Ms Nicholson:** I will leave those papers with the secretary.

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**WILLIAM TULLY** was called.

**THE CHAIR:** I welcome Mr Tully, who is a very good friend of ACT libraries.

**Mr Tully:** It is a pleasure to be here. It is due to you that I heard about this on radio when I was travelling on a bus from Red Hill to come along to such a group.

**THE CHAIR:** It is good to see you using ACTION transport.

**Mr Tully:** In a way it is accidental that I am here but it is very important in that it enables me to put a view.

**THE CHAIR:** You have heard the general statement that I have read out. Could you please give your full name and the capacity in which you appear in front of the committee.

**Mr Tully:** William James Tully. I have been the president of the Friends of the ACT Library and Information Service for about eight years now—life president I fear; I have been trying to get other people to take it up but I am afraid it is not always possible to do it. But I live in hope.

**THE CHAIR:** Thank you. If you could just tell us what submission you would like to make to this committee.

**Mr Tully:** Sure. The main point of my submission is to query the \$14 million budgeted Civic link building which is going up between this Assembly and the Canberra Museum and Gallery. We have a few problems about the building. One of them is that it is part of a complex of theatres, galleries, arts things and all the rest of it. And libraries generally link into the arts, they link into theatre, but they do require a degree of quietness, I suppose, of people discussing things, reading, coming in to collect their books, all that sort of thing. So I am a little worried about just how this \$14 million is going to be split up between the arts and the library—the Civic branch of the library, as it will be. Also, I am a bit worried about how long it will take, when it will begin, and all that sort of thing.

We have recently had a victory of sorts where the Civic library is staying where it is rather than going to the ActewAGL library, which is good—that is in a very central location. But this building really isn't, particularly for an aged group or younger people and people who have difficulty in getting to libraries via buses. The present location is ideal. We recognise there is a need for the location to be improved, extended, and moved certainly, but to be kept within the central area of Civic rather than, and no disrespect to this Assembly, not quite so much in that area where the central bus facilities are. That is one of our difficulties.

The other is the staff will be spread over possibly four storeys. We are not quite sure how this is going to work out. This is not very good in a—what would one call it?—cultural area, where staffing is very, very thinly spread at the moment, where there are some problems about standards. This is a sort of a professional difficulty, that there used to be standards kept about sizes and staffing, and levels of staffing and all that sort of thing. There are standards but they are usually on a state-to-state basis rather than a wider one.

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So this is another difficulty that probably is not something that I could ask the ACT government to do anything about.

But accessibility certainly is a difficulty. We also have a little bit of a problem about consultation—consultation between Minister Bill Wood and ourselves on just what is going on here. We had a forum some years ago where we got together—it was in 2002 or 2001—and had a discussion about this. I think John attended it—do you remember that one?

**MR HARGREAVES:** Pilgrim House, wasn't it?

**Mr Tully:** It was indeed, and there's going to be another one on Wednesday in Pilgrim House to talk about this whole issue in the wider context—of not only Civic but about libraries, where they are, how they can be located. Recently a very good library has been opened in Kippax. It is custom designed; there was a lot of consultation. They have got a very big group, the Kippax support group. So that's a model about how consultation should go.

**MRS DUNNE:** It's not been built yet.

**Mr Tully:** Not been built—indeed not, and doubtless there are a few issues there. I know that my colleague in the friends group, Chris Watson, has a few problems about that one.

But I think this one is a big one. We have got a big library, it's \$14 million, and here we are sort of complaining about too much money. It's a bit odd, isn't it?—unlike our friends previously. But I think it is more a question of quality and finding out just how that money is to be spent properly, and I do see a difficulty in mingling the arts together with it.

If I were Walter Burley Griffin No 2, I suppose I would say something like, “Keep it as an arts area. It would be beautiful. Keep it as a political discourse area where people can demonstrate outside the Assembly, where they can have all sorts of fun, where it can be a community-type arts sort of thing.” I really don't think it will get a library there. A library was there, as those of us who are old enough would know, and I don't think any of you around the table are old enough to remember—

**THE CHAIR:** I was there in 1966 when it snowed, Bill. I was about 14.

**Mr Tully:** You were only a lad, of course.

**THE CHAIR:** Yes.

**Mr Tully:** And John was here, too. Well, there was one here and it didn't really—

**MRS DUNNE:** Let the record show I wasn't here in 1966.

**Mr Tully:** You were here too, my god!

**MRS DUNNE:** No, I wasn't.

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**Mr Tully:** And it didn't quite work. It didn't really draw people in. It was a bit dark then, there was not as much lighting as there is now. Well, there isn't a lot there now but that is still an issue. So, yes, we have problems. The building is approved in the budget. It was deferred, I think, in a couple of budgets, wasn't it?

**MRS DUNNE:** It's been on the never-never for a long time.

**Mr Tully:** On the never, never for a couple of budgets, or maybe three, which means that there have been some questions asked about it, which possibly might flow from us or may flow from other areas, because I think you have got a bit of a division of spoils here between the arts work and libraries. Always in this lovely city of ours—this lovely Grecian city, as Kate Carnell called it—there is a lot of rivalry between various areas; lots of turf to be divided up.

But the Friends is a non-profit incorporated associated. It is not part of the library service. It helps but it also questions and likes to dig into things a bit deeper. Now that I am retired, I can do a lot more digging. I don't know whether it is depth at all or whatever. It certainly seems to be width at the moment, but it's great fun.

I think the questions we really ask are: let some of us as friends, let some of us of the library service, let some of us as people who are concerned about libraries in the wider context, have some involvement in this where we can extend and improve, possibly in an area—and here is a suggestion, for what it is worth—near the new Griffin Centre when it finally gets built, because there are all sorts of things happening there. The multicultural people will be moving into another area somewhere—I think opposite where we are talking about. There are all sorts of organisations there that may or may not be moving into the new Griffin Centre. So it's a good place, I would have thought, to consider the library. If the new Griffin Centre doesn't suit, well, the building that the Queensland Investment Corporation are doing for their own commercial purposes might well be another area to consider.

**THE CHAIR:** Where is that one?

**Mr Tully:** It will be where the present Bunda Street car park is.

**THE CHAIR:** Right. So what's the building called? You just mentioned a name there.

**Mr Tully:** Yes, it's the Bunda Street car park. It's on either side. The new building will be opposite the present Griffin Centre. The old Griffin Centre will become a commercial-type building and QIC will be organising that and so forth.

**MS DUNDAS:** May I just ask a quick question?

**Mr Tully:** Sure.

**MS DUNDAS:** You are making a very good point that there are a lot of different locations to which a revitalised library could go, and one of the problems you have—I hope I understand correctly—with coming up here is its distance from the interchange, from the central bus location. But the new Griffin Centre in Bunda Street is also a similar distance from the interchange. So to distil it, what really is the core problem with the

link? Is it the linking with the arts or the location?

**Mr Tully:** That is one of the problems. I see more opportunity for the arts rather than sort of us competing with them. I suppose that's one thing; that's not the central thing. The area isn't as central as the present Civic library, but it's more central than this one. Here you have got a walkway, you have got buses coming past but not in the interchange way that they have there. It's closer. It's a bit of a hike, certainly, for people wanting to walk there.

I think that area of Civic where the Griffin Centre is will be revitalised. I can see possibilities in the immediate future for revitalisation there, where there might well be re-routing of buses. But, again with due respect to this organisation, this Assembly, I think there is 's a bit of a problem with revitalising this area, apart from getting it into the arts area. I see it as a possible arts and multicultural area. But this is, as I say, my sort of Walter Burley Griffin garb that I am wearing at the moment, so I speak without having a great deal of knowledge there. The other possibility is to extend and build from where it is at the moment in that building in Civic. Is it the Sydney building or the Melbourne? I have forgotten.

**MR HARGREAVES:** Sydney.

**MS DUNNE:** It's in the Saraton building.

**THE CHAIR:** No, it is in the one next to the Melbourne one.

**Mr Tully:** Yes.

**MRS DUNNE:** To move it over into the Melbourne building, sorry.

**Mr Tully:** Yes. The Melbourne building is not a bad one. There are lots of things happening there. It depends largely on the imagination of people who want to do this. Just to end up, and maybe let you ask a few questions: libraries really, I think, are the way to the future with all the information technology we have got.

**MR HARGREAVES:** Bill, could I ask you for your interpretation—it's something that has bugged me for some time. Given the fact that we have the theatre over there and the theatre in this building, you could say this is a centre for the performing arts, of which we are merely players. There seems to be a concentration of the performing arts in this area here. The static arts are provided in some sense—things like sculptures, paintings, things like that—in CMAG. But what about the notion of the art of literature also having a role to play within an artistic centre, within this area here? What is your thinking about that? Isn't a library not only a place of instruction, a place of learning, but also a place of preservation of the art of literature?

**Mr Tully:** It's becoming so, John; it's becoming so everywhere. The National Library is much more an exhibition of things as well as books. But to my mind—and here speaks an old fashioned librarian; I have been in the profession now for almost 50 years—I am not certain whether this is conducive of learning. This is where I could probably sound a lot more conservative on this one. I think exhibitions are fine. Libraries have got a role to do this. They had one exhibition at the National Library, which was the best of the lot—

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the treasures exhibition, where they had book-oriented, learning-oriented material rather than paintings, sculptures and all this sort of thing, and that really worked; that was very imaginative and, I think, very successful.

Learning and libraries are not sort of breezing through looking at things. Ideally they should be where people read, sample the whole range of material, including learning about sculpture, learning about the arts. But it is largely a sort of technological cum bibliographical sort of thing and it is rather hard work. I differ a little bit from you in seeing libraries of the future becoming too much of fun parlours. I am not suggesting for one minute, John, that you are saying that, but I see this as a trend that I am a little worried about and I certainly see it happening here in Canberra. But, yes, I know what you are getting at and I can certainly see a role there, and many of my colleagues can, too, but I differ from them a little bit on this one.

**MR HARGREAVES:** In a similar sort of vein, the other thing that occurs to me—and I fess up to having a sister in the game and many of my friends in the game also—is that it seems that in addition to that sort of responsibility to provide learning opportunities through literature and through books particularly and the media that seems to be overtaking books sadly, it is also from my own experience an entertainment centre and the entertainment that you have, of course, is the enjoyment that people have putting their noses in books. And so what we have here also in a sense is a centre—if you want to be entertained you go into there. I am not advocating this position: I am just throwing it at you to see what your reaction is.

**Mr Tully:** Oh, no, I think it is great. I think there are lots of Australian, Canberra books. The ACT Writers Centre is nurturing an enormous number of people who are reciting their poetry, who are writing novels, who are sort of putting Canberra on the map. Eventually, I would say in 10 years time, we will have a really good literary community here, and that is excellent. And that is nurtured in part by libraries.

Libraries like the National Library, of course, are very big and a bit intimidating but they are very much the country's rather than the ACT's; they are an Australian library. Little libraries, smaller libraries, like the ACT Library Service do try and provide entertainment—videos, games for the kids to play, all this sort of thing, and that is part of learning. Entertainment can certainly be part of learning and it's a good thing if it is. I think my profession has been a little dour and a little bit over serious in the past about this and I don't want to give the impression that I want to go back to those days. But I think it's a big issue and it does need a lot more discussion than I fear has been done.

The recent issue of where Civic was located is an example of that. This is where the number of people who came up and said, "Keep it here, keep it here, keep it here. Don't move it to ActewAGL" because of the location, was enormous. It surprised even me. I was astounded at just how many people came and felt very gratified that the instinctive feeling that I had was reflected there.

So I suppose I am spilling a little bit into this area over here. Mind you, don't get me wrong: to have a \$14 million building devoted to the arts and to libraries is not a bad thing. It is just how it can be done and how it is going to be done that really is important.

**MR HARGREAVES:** Could I ask also for your thoughts on library services. When I

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was a kid I would go and spend hours in the state library of Melbourne.

**Mr Tully:** Great place.

**MR HARGREAVES:** For me it was just part of the civic infrastructure. It was just a brilliant place to go and see. One of the things that has concerned me about the maturity of the society in which we live and the perspective that we are seen to be the second-class cousins of our federal colleagues, is that we have the National Library, which is the sort of absolute pinnacle of all things library, but we don't have a perspective of having a territory repository.

**Mr Tully:** That's true.

**MR HARGREAVES:** Do you feel that it would be a good idea to have some spot located near the centre of government, for example, where we can say, "That is where the territory focus is on our ACT culture in terms of literary achievement"?

**Mr Tully:** I would agree with you wholeheartedly, John. I would go even further than that and say that some sort of archival repository is desperately needed in the ACT. Every little university and high school has got its own archives but we don't seem to have a proper one in the ACT. This is a separate thing. Archives and libraries are different. In archives you keep the manuscripts of grandpa, the manuscripts of Bill Stefaniak maybe one day—

**MR HARGREAVES:** We haven't got a building that big.

**Mr Tully:** the official papers of this Assembly—all these things that may seem boring to you now but in the future they will be telling a lot of things. An archival sort of idea also brings the art in—entertainment, the arts, papers of singers, buskers, god knows what, are all around us at the moment. Do they all disappear into thin air? Often—and this is not a good thing—this isn't printed material or published material. It's the unpublished and the other sort of material. Yes, I would agree wholeheartedly: I think we need to get moving on the archival side of things. I know there is an act—I think it has been passed, am I right?

**MR HARGREAVES:** Yes.

**Mr Tully:** We have got somebody beavering away and trying to sort of make the act come true. But that is another area that we are sort of edging into a little bit and I, like you, have very strong feelings on this and I would agree with you here.

**THE CHAIR:** Okay, Bill, thank you for your attendance before the committee.

**Mr Tully:** A pleasure. And thank you for speaking on radio and getting me here. If you hadn't been on that radio and I hadn't been on that bus, I wouldn't be here.

**THE CHAIR:** Good stuff. Thank you for coming.

**Short adjournment**

**TREVOR COBBOLD** and

**SUSAN ROCKLIFF**

were called.

**THE CHAIR:** I'll give you the general blurb. You should understand these hearings are legal proceedings of the Legislative Assembly, protected by parliamentary privilege. It gives you certain protections but also certain responsibilities. It means you're protected from certain legal action such as defamation for what you say at this hearing. It also means you have a responsibility to tell the committee the truth because giving false or misleading evidence will be treated by the Assembly as a serious matter. I have to read that to you. No doubt you understand that. I hardly think it's relevant, but you never know. Could you also please, for the transcript, just tell us in what capacity you appear in front of this committee and whom you represent. We just need that for the transcript.

**MRS DUNNE:** It helps Hansard to pick you up as well.

**Mr Cobbold:** Trevor Cobbold, Vice President of the ACT Council of P&C Associations.

**Ms Rockliff:** I'm Susan Rockliff. I'm the Executive Officer of the ACT Council of P&C Associations.

**THE CHAIR:** Thank you very much for your appearance in front of the committee. You've provided us with a fair amount of detail here. We only have about 20 to 25 minutes. Is there any particular point you want to stress, anything you also want to tell us which may not be in the submissions, and then we'll ask some questions?

**Mr Cobbold:** I'd like to actually read parts of our statement. It's a 3½-page statement. I imagine it's too long to put into the 20 minutes.

**MRS DUNNE:** Yes, I think so.

**THE CHAIR:** Possibly, but read parts of it, by all means.

**Mr Cobbold:** But I'd certainly like to have—

**THE CHAIR:** Trevor, if you want to talk for about 7, 8 to 10 minutes and then we'll ask you questions. Go for it.

**Mr Cobbold:** Okay. I should start by saying we've entitled our submission to the committee "What has happened to equity in education?" And we've done that for a particular reason, and that is we're conscious of the dual, if you like, equity goals that are spelt out in the national goals for schooling which the previous government signed on to for the ACT and to which the current government is adhering as well. And those dual equity goals provide for a range of outcomes for all students to achieve to the end of year 12—the goal of achieving year 12—but they also include a social justice component, in that students from different social backgrounds should have similar outcomes or at least outcomes that are not the effect of discrimination. Our concern is that we believe there's a case to be stated in the ACT that these goals are actually being

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reinterpreted in practice, or at least narrowed, and I hope to demonstrate that in the course of outlining our submission.

The 2004-2005 ACT budget is a major disappointment to the ACT Council of P&C Associations. While it brings much-needed support for IT in schools, building upgrades, support for indigenous students and students with disabilities, the overall increase in funding is inadequate and key priorities are ignored.

On the first area of concern: the new budget initiatives constitute only a small increase in government school funding on an annual basis, amounting to about \$4.3 million in the next financial year and a total ongoing cost of about \$5.2 million. I emphasise that I'm talking in terms of the new initiatives, not the salary supplementation and other issues, which of course amount to considerably more. But our concern is to focus on what new initiatives are being provided and how well they meet what we see as major priorities in the government school system.

This increase represents only about 20 per cent of what P&C council estimated is needed to meet the challenges in the government school system. Our budget submission to the Treasurer called for an increase of \$22 million. The new spending initiatives are certainly initiatives supported by council and welcomed by council. However, the key priority of addressing the outstanding learning needs of many students and the overall inequity in school outcomes has been ignored in this budget.

The government was elected on an education policy platform to address student need. Its election policy stated that a Labor government would be committed to directing funding equitably and on the basis of greatest need. In our view, none of the new budget programs directly address these goals. The ACT is a high-quality, low-equity system. Despite its high-quality outcomes in general, the ACT school system—and I speak in terms of the government school system—has a significant level of absolute need in that a significant proportion of students do not achieve adequate school outcomes. Such students are likely to face a bleak future as adults. At the social level, it leads to a waste of talent and resources for society. Human talents that can contribute to society are not fostered. By failing to develop those talents, society incurs lost opportunities for development and enrichment.

Having a proportion of young people at risk also incurs higher health-care and welfare costs as well as greater crime. There are also large disparities and outcomes for students from different social backgrounds. Such disparities entrench inequality and discrimination in society because students from more privileged backgrounds have greater access to positions of wealth, influence and power in society than students from more disadvantaged backgrounds.

The major area of learning need in the government school system is in high schools. Over 10 per cent of year 9 students in 2003, that is, the current year 10 cohort, did not achieve adequate literacy standards. About 20 per cent of the current year 11 cohort did not achieve adequate literacy standards in 2002 when the ACTAP assessments were undertaken of them.

Much higher proportions of males than females have not achieved satisfactory literacy levels. There is a large disparity in outcomes between the highest and lowest performing

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students, with large differences between students from high and low-socio-economic backgrounds.

There's also evidence of student dissatisfaction with certain aspects of government high schools, and I've quoted there some figures from last year's school development report. I note that a new one has been released today. Certainly, overall, the general satisfaction rates are very high for parents, teachers and students, but we believe that that report gives a qualified vote of confidence in the government school system. And it's qualified for two reasons. One is: the government appears to be deliberately not releasing information that's unfavourable. There are areas of reporting on high schools that have been reported on in previous years that have not been reported on this year, yet the same areas have been reported on in primary schools. We can only conclude that, because the information has been unfavourable in the past, the government has decided not to release this information.

**THE CHAIR:** Which areas are those?

**Mr Cobbold:** I've got the report here. The primary school questionnaire includes questions that relate to relations between students and teachers—for example, how teachers treat students, fairly or otherwise. There is a question there about whether school is a friendly place and there is a question there about whether school is a safe place. These are reported on in the case of primary schools, and there are high levels of satisfaction there. In the case of high schools, those same questions are not reported on; yet in the past they have been reported on.

**MR HARGREAVES:** When was the last time they were reported, Mr Cobbold?

**Mr Cobbold:** This is a 2003 report. They have been reported on—

**MR HARGREAVES:** Yes, I know.

**THE CHAIR:** Just let him finish and then ask the question.

**MR HARGREAVES:** I just wondered if you—

**Mr Cobbold:** They've been reported on from 1998 to 2002 and, for each of those years, between 40 and 50 per cent of students in high schools have complained about school not being a friendly place, school not being a safe place and not being able to get along with their teachers.

**MR HARGREAVES:** Could I just get it straight in my head. It was from—what was it?—1994, did you say?

**Mr Cobbold:** No, 1998 to 2002.

**MR HARGREAVES:** 1998 to 2002 they were reported on?

**Mr Cobbold:** Yes. Or similar questions.

**MR HARGREAVES:** And since 2002, not reported on?

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**Mr Cobbold:** Well there's only one more—the 2003 report.

**MR HARGREAVES:** Okay, so they only missed the one.

**Mr Cobbold:** And they're not reported on this year.

**MR HARGREAVES:** What about prior to 1998?

**Mr Cobbold:** That was when it started.

**MR HARGREAVES:** For both primary and secondary schools?

**Mr Cobbold:** Yes, that's when the school development report started.

**MS MacDONALD:** Are there similar questions asked for the colleges?

**Mr Cobbold:** No, the colleges are not included in this.

**THE CHAIR:** If you'd like to continue, Mr Cobbold.

**Mr Cobbold:** The budget papers show that about 13 to 15 per cent of year 10 students in government schools do not proceed to government secondary college education. A further 15 per cent of year 12 students do not receive a year 12 certificate. Overall, about 30 per cent of students drop out of school before completing year 12.

Despite these well-identified problems, the ACT government has failed to implement a comprehensive program for high-school improvement. It continues a long tradition of ACT—and I mean by that previous ACT governments—failure to address adequately problems in government high schools. There is also a need to better support student learning need in the upper years of primary school and in the college years, but there's little recognition of this in this year's budget.

P&C council is particularly concerned about the lack of consideration that has been given to the need to provide greater support for parent participation in student learning. Parent participation in student learning is widely recognised as a major factor in influencing student outcomes. Yet it is also a source of continuing advantage for families with highly educated, high-income background. Well-designed and funded parent participation programs have much to offer in improving outcomes of students not achieving at expected levels. Council will be saying more about this issue in the near future. And the reason I'm saying that is: we have a paper prepared for publication in the next few weeks.

The government could respond to these criticisms in several ways. It could point to increased funding for new school initiatives, totalling some \$13 million over the last three years. Second, these initiatives include programs to improve outcomes and retention rates in secondary schools, such as the high school development program and the student pathway plans for year 10. I should say that there's a correction there. At the moment it's operating for year 10, not 9 and 10. Third, the government has also introduced other programs involving expenditure over \$12 million a year to support

families and young people at risk, and these should have a knock-on effect on school outcomes. It could also argue that the projected small surplus estimated for 2004-05 and the deficit projected for 2005-06 restrict the scope for further increases in expenditure.

These points can be acknowledged, but they do not undermine the case presented by P&C council, for the following reasons: first, the approach that has been adopted in the past three budgets has been to allocate small amounts of funding to many programs rather than to focus on the key challenge, which is improving outcomes for students at risk in high schools and the senior secondary years. The funding increases in these areas have been entirely inadequate for the problem at hand. For example, the high school development program has funding of half a million dollars a year that is largely expended on central office staff, and the program itself covers only a small aspect of the kind of comprehensive change needed in high schools. In contrast, P&C council has estimated that over \$10 million a year is needed to make significant change in high schools.

Second, the conceptual basis of the government's approach to students at risk is flawed and leads to narrowly conceived programs. It tends to view students at risk as only those in crisis, those suffering from abuse and neglect, those already involved in the criminal justice system and those completely disengaged from school. These students have critical, pressing needs, and the government's initiatives are both relevant and critical to their alleviation. However, the programs that are based on such a definition ignore a wider problem. There are many students in government schools who have not reached crisis point but are at risk of not achieving adequate school outcomes to sustain them in adult life and further learning. It is important that the needs of these students are addressed before they reach crisis point.

The achievement of the threshold or minimum level of schooling of all students provides the necessary base for their future participation in adult society. Council believes that the minimum threshold of education required in today's society is schooling to the completion of year 12 or its equivalent.

Students who fail to make adequate progress through each stage of schooling are at risk of not completing year 12. Students who do not obtain a year 12 certificate have, to a large extent, cut themselves off from further education and training, and their future employment prospects and livelihood are at risk. Their ability to gain worthwhile and satisfying employment is at risk. Their ability to fully participate in adult society is at risk. There is next to nothing in the budget for these students at risk.

Third, the government has exceeded its fiscal objectives. In the 2002-03 budget, the ACT government announced a commitment to the achievement of an aggregate operating surplus over the economic cycle 2002-03 to 2005-06. It is on track to produce a massive surplus totalling about \$262 million, on the basis of the large surpluses achieved in 2002-03 and that estimated for 2003-04. Indeed, the only year in which a deficit is provided for is in the last year of the cycle and this deficit is only small, \$26 million, in comparison to the aggregate surplus over the whole cycle. Even this projected deficit may turn into another surplus, as the Treasurer has openly stated the projected operating results are based on conservative assumptions about future revenues and expenditures.

The ACT has a low level of government debt. Moody's Investor Services were quoted

earlier this year as stating that the ACT debt burden is amongst the lowest in Australia. The large aggregate surplus available in the current economic cycle, together with the low level of ACT government debt, indicates that additional expenditure on school education is affordable, even if it results in a larger deficit for the last two years of the cycle. It is also, more importantly, a prudent investment in the future. It will provide major benefits to individual families and young people, as well as the ACT economy and the general welfare of the whole community. The investment in education will reduce future government costs in many areas such as health, family and community services, unemployment and crime. It is the key to building the social capital of the territory.

In summary: the government has had three years to develop the programs to implement its policy to address student need and improve equity in education. It has conspicuously fallen short of this objective. Its program has provided minimal funding levels compared to what is needed and, as we say, it has ignored some key priorities.

The basic issues at stake are to improve outcomes for students not making adequate progress in schools, reduce the large disparity and outcomes between the highest and lowest performing students and improve retention rates to year 12. The main focus of this effort must be high schools. However, additional programs are also needed to improve outcomes in student support in the upper primary and college years and complement the high school improvement program.

P&C council asks for the support of the Estimates Committee in urging the government to give greater priority to improving equity in school outcomes. Thank you. And there are a few attachments there that give a bit of support to what we've been saying.

**THE CHAIR:** By the way, Mr Pratt has passed me a note saying he has an absolutely crucial appointment at 3.20 and he'll be back in 15 minutes, which is after we've finished, and he wants me to give you his apologies, because he wanted to ask some questions.

I've just one thing and then I'll throw it over to my colleagues. I'm interested to hear what you say about the high schools. I saw the thing in the paper today. I note what you've said in years gone by. I also note the figures were sort of strangely similar to what I've actually seen in years gone by. So I'm interested to hear that you say there are categories actually not being included in that. Is that just for high schools or does that apply to colleges as well as primary schools?

**Mr Cobbold:** Well, the report doesn't cover colleges; it covers 25 high schools and primary schools. I think there were about four or five high schools involved in doing the review last year. And the areas that we've pointed out are reported on in the case of primary schools; but they're not reported on in the case of high schools, but they have been reported on in the case of high schools in previous years.

**THE CHAIR:** I just seem to recall—I might be wrong with the figures—that high school is always lower than primary school but not by all that much; they were in the 80s rather than the 90s. Most of those ones were in the 80s, I recall, in years gone, but from 1998 to 2002—

**Mr Cobbold:** In general, the overall satisfaction rates are very good. They were slightly

lower in high schools in the past, but our concern is in particular areas. I certainly don't want to walk away from those results because they show high overall satisfaction results and they have done so over several years. But there are some aspects of high schools that have been identified in previous reports that are of concern. They relate to harassment, they relate to schools being a safe place or not and they relate to relations between teachers and students and the nature of classroom work. Our concern is that, in all of those cases, except harassment, the report this year has failed to report information on those issues even though it does so in the case of primary schools.

In the past there has been a very high difference between the primary school results and the high school results. In those areas in the past and in this year the satisfaction results from primary schools are that about 80 per cent of primary school students feel school is a safe place, they have good relations with their teachers, school is a friendly place and they like coming to school. Compared to that, between 40 and 50 per cent of high school students have thought the opposite. So there's a big difference. If you like, the dissatisfaction rate in primary schools has been about 20 per cent; in high schools it's been about 40 to 50 per cent on each of those issues.

That is an area of concern that I'm sure you recall us saying similar things to you about in the past. And it is of concern to us that, for reasons that are not apparent in this report, the government has ceased to report this information. On the surface, you can only think that it's decided not to report unfavourable information.

**MS MacDONALD:** May I ask, while you're talking about that: have you actually made any inquiries of the department as to why they haven't reported on it?

**Mr Cobbold:** We will be writing to the department. You'll be aware that this was only—

**MS MacDONALD:** So you haven't asked yet?

**Mr Cobbold:** Well, you will be aware that this was only released today. I got a copy of this report at 1 o'clock today, and I had to go and ask for it. We haven't been provided with a briefing on it. So we've had no opportunity today to ask the government why this information is being not reported on. But I assure you we will be approaching the government with questions as to why it has stopped reporting this information.

**THE CHAIR:** And it's only this year, for the year 2003?

**Mr Cobbold:** Yes, it's only this year.

**MS DUNDAS:** May I ask a different question on a different topic?

**THE CHAIR:** Yes, sure.

**MS DUNDAS:** You spoke a lot about supporting children at risk and high-needs children. There is some money in the budget that actually relates to supporting funding for youth at risk and helping non-government youth services provide support for children and young people aged 12 to 25. So there seems to be a focus on supporting high needs young people outside the school environment. I was wondering if you had a comment to

make on that. Obviously, you're saying that there needs to be funding to support those high-needs kids in the schools, but do you welcome the funding that's happening outside the schools?

**Mr Cobbold:** We certainly do. I thought I was careful to say in our statement that we believe that this support is critical. Certainly providing support for youth and children in crisis has been a feature of this budget, and we welcome that. There's about \$11 million being spent on that—a considerable amount of money—and we support that. Our concern is that, over the previous three years, the concept of equity in education and the concept of students at risk are actually being narrowed to be interpreted to mean just students in crisis. And we're concerned to ensure, consistent with the national goals of schooling, that students at risk should be defined more broadly as those students in danger of not achieving adequate outcomes and of having inequality in social outcomes of schooling, and that that should be recognised.

We have been arguing this case to the government now for three years. I might add we also argued it to Mr Stefaniak when he was in government.

**MR HARGREAVES:** And instant action ensued!

**Mr Cobbold:** And we're concerned that we appear to be making little progress in dealing with the wider issue of students at risk, although, as I say, we welcome the initiatives that are directed at providing support for students in crisis.

**MS DUNDAS:** To follow on from that: has that 30 per cent statistic that you quote of young people who will not complete year 12, either by dropping out through years 11 and 12 or not even going to college, remained constant over the last number of years or have you—

**Mr Cobbold:** It's been relatively constant. I should qualify it by saying it really is an upper estimate because you can conceive of things like students going off to private schools or going off interstate and some may get jobs. So it really is an upper estimate. But one of the problems with the data at the moment is that we don't have a good set of figures on this. On the basis of those qualifications, we've been using 20 to 30 per cent, but I do notice that the budget papers this year actually do provide some figures that we haven't had in the past. It does appear to indicate that it's more likely to be 30 per cent than 20 per cent. In a society today that expects education to year 12 in order to participate fully in adult society and when we have each government in Australia having accepted the idea of completion of year 12 as a necessary national goal for schooling, having 20 to 30 per cent of students not achieving year 12 is still a significant problem, be it in an affluent community like the ACT.

**THE CHAIR:** I note that we had about 40,000 students in the government school system through to, probably, the late 1990s, even 2000. I can recall it slightly dropping to about 38,000 about three years ago. I just saw some figures recently saying it was about 34,000, which would indicate a further drop of a couple of thousand in the last three years.

**Mr Cobbold:** My understanding is that the total enrolments this year are a little bit over 37,000.

**THE CHAIR:** There's been a decline of about 3,000 then from probably 5, 6 or 7 years ago. Is that due to the demography or is there a sequence to the non-government sector? Or both?

**Mr Cobbold:** It's both, yes. There's been an ongoing small seepage over time to non-government schools and there's been a change in demography as well.

**THE CHAIR:** Mr Hargreaves, and then we probably need to wind up. My Deputy Chair has pointed out the time.

**MR HARGREAVES:** Thank you very much, Mr Chairman. I want to just ask you some questions about the non-reporting stuff, the satisfaction levels and those sorts of things. I've been a bit concerned for some time about things like harassment, bullying in schools and stuff like that.

In terms of whether and why it's not been reported or not: I might suggest to you—and see what your reaction is—it might be a good idea to wait and find out what the stated reason is before we let our cynicism run riot. We will ask the same question. I hope that we don't jump to conclusions until we find out what their reason is or whether it's a reason or an excuse, in which case we'll deal with that.

But in terms of the environment within a school, how the teachers do their stuff, what the schools look like, what discipline exists or doesn't exist, et cetera, whether it's a nice place to be and all that, I'll tell you what my concern is, and you give me a reaction to this. I'm concerned that any government, regardless of colour, can chuck a bucket of money at them and it still won't make a lot of difference. Having a whole heap of money appear in a budget paper to address that fact is, if anything, giving an excellent excuse to think about it some more and review it some more. What is actually needed—perhaps you'd agree—is a fundamental cultural shift within the existing framework, within the existing resources; they need to do what they're doing now within their existing resources a hell of a lot better; just chucking a bucket of money at them won't necessarily guarantee the outcome that you're trying to seek. I think we share those outcomes that you're trying to seek. So do you have a reaction to that?

**Mr Cobbold:** I think your point is a fair one, in that just throwing money at it and doing nothing else will not solve the problem. But we have been arguing consistently over several years that we need cultural and organisational change in high schools, we need change in teaching practices, we need changes in curriculum, and we need changes in support services. And that requires some comprehensive change, but you can't do it without money. Schooling, at the end of the day, is all about relationships.

One of the problems in high schools is that we don't have enough adult support for students at risk. And putting more adult support for students in schools involves spending more money. But, as I say, just doing that, without making changes—we certainly would not argue that. In material that we have presented over the years, we certainly argued for a comprehensive change of environment in high schools. We will be releasing a paper in the next couple of months on our plan for high school improvement in which we will canvass these same kinds of issues.

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**THE CHAIR:** Thank you both very much for attending the committee. I'm glad we actually managed to get about 30 minutes out of your 20-minute slot. It was great someone missed out because that was all very helpful. Thank you very much.

**Mr Cobbold:** Thank you very much.

**Meeting adjourned from 3.27 to 3.40 pm.**

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**HOWARD GARNIER** and

**LARAIN STEPHENSON**

were called.

**THE DEPUTY CHAIR:** I will chair the meeting until Mr Stefaniak comes back. I will read this statement, as required. 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. You should also understand that the proceedings are being broadcast to specified government offices and the media may be recording proceedings and taking visual footage. Thank you for your appearance today. If you could just start by stating your name and position for Hansard.

**Mr Garnier:** My name is Howard Garnier. I'm the president of the Limousine Industry Association.

**Mrs Stephenson:** My name is Laraine Stephenson. I'm the treasurer of the Limousine Industry Association.

**THE DEPUTY CHAIR:** Thank you for coming along today and thank you for your submission to the committee. Would you like to start with an opening statement?

**Mr Garnier:** I presume the committee has read the submission that we made. I'm not too sure exactly of the format you want to adopt, but we're quite happy to answer any questions on that or we can take you through it little by little. I suppose in opening we might make the statement that, as the committee well knows, this issue of the national competition guidelines review of the taxi and hire car industry has been going on for over four years. It's our heartfelt view that the limousine industry, as distinct from the taxi industry, has suffered far more during that process and, as of now, there has been no resolution of it.

For the last 2½ or three years we have supported deregulation, but deregulation with compensation. There have been four reviews into our industry over the last four years. All of those reviews have recommended that some form of compensation be given. If I could just describe briefly our industry as it is now, and it is suffering more so every day, 22 hire car plates were issued by the government and have been traded on the open market for some time. Surrounding those 22 plates there are a number of operators who are operating for, we might say, almost nothing. For a one-off \$150 fee they have been able to do hire car work.

There are also what we might call restricted hire vehicles that have limited licences, some of which are exceeding their licence and doing hire car work. There are also illegal operators who don't have any licence whatsoever that are doing our work as well. So you can see our industry is quite in chaos and this is getting worse by the day. We have supported for some considerable time now the buyback of these 22 plates, the lessees or

owners of which are paying something like \$10,000 a year to operate. We've supported their buyback and the introduction of a regime which has got a fair, level playing field where all operators are on the same cost basis and where accreditation can, in fact, be introduced and eliminate the illegal operators and the operators who are operating for almost no cost. That's basically the position we've had for some time. A recent standing committee which looked at this matter supported that view.

**MR HARGREAVES:** Three-fifths of which is here today.

**Mr Garnier:** Yes, I was going to mention that.

**MRS DUNNE:** Three-quarters of which is here now.

**MR HARGREAVES:** Correct.

**Mr Garnier:** That committee recommended a budget financed buyback for the hire car industry. It recommended a privately financed buyback for the taxi industry. It also recommended that the hire car industry be dealt with more urgently and separately from the taxi industry. We see no reason to disagree with that whatsoever, even though the department and the government for some time have said that they should be dealt with together. I don't really understand the reason for that.

**THE DEPUTY CHAIR:** I have a question in relation to that. I'm not one of the three-quarters of the planning and environment committee that did that report. Has the government responded yet to that report?

**Mr Garnier:** No, they haven't. My understanding is that there is a three-month convention for the response. Our understanding also was that that report was tabled out-of-session in December last year. The minister's office seems to believe that it was tabled in the first sitting of this year, in February, and that the three months would date from then, so I'm a little confused on that score. But as of today there has been no response whatsoever, even though we've sought information quite a bit as to how progress was going with that.

**MRS DUNNE:** To follow up on that, has the minister's office told you that the three months for reporting back starts from when it was tabled in the Assembly?

**Mr Garnier:** Not in those exact words, but they suggested to me that it was tabled in February and my understanding was that the convention period started from the tabling of the report. I did mention this to Mr Wood when we had some discussions with him at the end of the cabinet meeting recently in Woden. He seemed to believe that they were still within the three months, from the way he was talking.

**MR HARGREAVES:** I think it's fair to suggest, Mr Garnier, that the minister's office will be disabused of that fairly shortly.

**Mr Garnier:** Even then, he was not able to give us any fixed time at which that response would come forward, saying that it could be late May but it could be later because of the complexities of the issue. I just can't accept that any more after four years.

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**MR HARGREAVES:** I can see that Mrs Dunne has a question and we're probably not on too different a track here. Is it fair to say that when the committee delivered its report there was some encouragement within the industry that finally something might actually materialise and that encouragement has now dissipated down to the despair that you felt before the inquiry was conducted?

**Mr Garnier:** Absolutely. We believed that that was our last chance to get some justice out of this whole thing and when we read the report we were quite excited about the fact that at last a committee which was bipartisan, which represented the government, the crossbenchers and the opposition, unanimously made these recommendations. We've been screaming out for quite a long time that it's the owners of these plates who are the pawns in the system. A lot of these people purchased their plates many years ago, as you'd know, and they're in desperate financial straits and suffering from ill health. There is absolutely no way that they can get out of the industry, absolutely no way. Those plates are not saleable on the market at the moment. Nobody wants to get into the industry. They have no idea what's going to happen, no idea whatsoever as to what the outcome is going to be.

**MR HARGREAVES:** Given the uncertainty, which continues unabated, is it fair to surmise that it's almost impossible to put a real value on the plates now?

**Mr Garnier:** Yes, it would be impossible, absolutely impossible.

**MR HARGREAVES:** Once upon a time you could put a couple of hundred grand on them.

**Mr Garnier:** If you took a market situation, you'd say they're worth nothing because they're not saleable.

**Mrs Stephenson:** One of the problems at the moment is that the hire car industry is mainly older people who bought their job for the last 10 years and a lot of them are now at the 65 age bracket. If you go to fill in a form at Centrelink, what value do you put on your capital items? It's becoming quite a problem.

**MR HARGREAVES:** Whilst I appreciate that you guys work in the limousine industry and not the banking industry, what is your impression of a bank's reception of a person coming to them to borrow the money to go and buy a hire car?

**Mrs Stephenson:** There has been one of the plates trying to be sold through one of the business sellers and apparently they've had a couple of people interested, but as soon as they go to the bank they can't get any finance whatsoever.

**Mr Garnier:** It would be impossible for a bank to agree to finance a hire car plate under the existing circumstances.

**THE CHAIR:** Basically, the plates are worthless in terms of putting a value on them.

**Mr Garnier:** They are if you apply the rule of what somebody is prepared to pay for one; they're worthless. We've provided information before about the prices that people have paid; they've paid from \$87,000 to \$120,000 over various periods of time for those

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plates in the full knowledge that the industry would continue as it is. There was no suggestion at that time for any of those purchasing people that there would be a national competition guidelines review. They bought them in good faith that they'd be able to sell them at some point in the future and most of them bought the plates not for investment, as people have suggested, but to operate a business; they were buying a business. They were buying a job or call it a business, but now they find they cannot sell.

**THE CHAIR:** When was the last time one was sold, Howard?

**Mr Garnier:** April 2000.

**THE CHAIR:** How many attempts to sell them since April 2000 have there been?

**Mr Garnier:** I don't know what you'd call an attempt, but all those plates are just about on the market and have been on the market since that time, basically, I think.

**THE CHAIR:** And no-one has bought any.

**Mr Garnier:** Most of them have been on the market. If somebody wanted to buy a plate, they'd be able to go to at least three-quarters of the plate owners, I'd say.

**THE CHAIR:** And none has been bought.

**Mr Garnier:** No, none has been bought. That was the last time a plate changed hands, in April 2000.

**THE CHAIR:** And you would say that the reason they haven't been bought is that they're not worth anything, for the reasons you've given this committee.

**Mr Garnier:** For the uncertainty that surrounded the industry, total uncertainty, chaos really now. I really get upset about the fact that the department is still prepared to approve the issue of these licences that cost almost nothing and allow people to operate in competition with people that are leasing plates and paying up to \$10,000 a year. There are illegal operators all over the place.

**MRS DUNNE:** Yes, I spotted some the other night.

**Mr Garnier:** We've been spending the last six months telling the department, giving them information. We've provided them with sufficient information to go to court and they do absolutely nothing about it.

**Mrs Stephenson:** The one you're probably talking about is a black stretch.

**Mr Garnier:** Yes, and it's still going around, Vicki, still going around.

**Mrs Stephenson:** We have reported it and reported it. They've asked us to keep on reporting it, but when we ring them to find out what's happening they say it's a privacy issue. This guy's got trick suspension, all sorts of things on his.

**THE CHAIR:** To whom have they told you to report it?

**Mrs Stephenson:** To urban services; keep on reporting it to urban services.

**Mr Garnier:** They've given us numbers that we've rung into.

**Mrs Stephenson:** We've got two guys, two of the chauffeurs, who were actually standing in front of the Hyatt Hotel when the guy took his "Pimpin" number plate off the car and put "Wedding" on the car, two wedding numberplates. They are prepared to go to court; nothing's happened.

**MR HARGREAVES:** In terms of the disquiet in the industry, we've got the fact that the uncertainty because of deregulation has actually knocked the guts out of the value. We've also got an enforcement regime that is enforcement in name only and doesn't actually achieve anything.

**Mr Garnier:** Absolutely, non-existent.

**MR HARGREAVES:** We've got two further categories of people out in the community plying their trade, hiding behind licence conditions that ought to preclude them from doing that sort of work.

**Mr Garnier:** Yes.

**MR HARGREAVES:** Am I correct in assuming that the industry has got to the stage now where you're saying, "Okay, it's over, we want the compensation we're due and then you can do what you like with it?"

**Mr Garnier:** No, we've got a positive attitude to it. Buy the plates back and introduce a regime where everybody's on the same level playing field. I could circulate these at this stage. Would you mind? We believe that the government should set the licence fee at a figure which was well below what lessees are currently paying but at a figure which would prevent the fly-by-nighters from getting in, so that you've got people coming in that really are serious about it. We'd say start off at \$4,000. We've taken figures out there up to the \$10,000, which is currently being paid.

If you just assume that the take-up rate was the existing 22 plates, you can see the revenue that the government would collect. We believe that the take-up rate would be far more than that, probably in the vicinity of 40 or even higher because that's the number of people that are still legitimately operating for next to nothing out there now, RHVs that have got specials and people that are running Taragos for \$150. You'd imagine that the industry might be a vibrant industry again, and with accreditation we would believe that the revenue that the government would collect could be used to fund the enforcement side of things or, if they wanted to, it could be regarded as a partial payback and they'd probably recover the \$2.6 million within 10 or 12 years.

**MR HARGREAVES:** The \$2.6 million comes from \$120,000 multiplied by the 22 existing plates.

**Mr Garnier:** That's right.

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**MR HARGREAVES:** If you were correct in what you think might be the case and they could get \$400,000 a year, you're talking about getting your money back in five or six years, after which you're talking about a \$400,000 revenue stream.

**Mr Garnier:** You would get a revenue stream for the rest of your life. At the moment, the government is funding some form of enforcement in the department. That could be liquidated off these figures as well.

**MS DUNDAS:** The budget figures seem to indicate that there was possibly close to \$320,000 spent in terms of implementation of the reform of taxi and hire car licences. Have you seen any of that money?

**Mr Garnier:** Not one cent, Roslyn, not one cent—\$300,000 on implementation. Implementing of what?

**MS DUNDAS:** That's definitely something we're going to take up with the Minister for Urban Services. They budgeted for \$1.46 million to be spent in the 2003-04 budget, but they've got a delayed implementation rollover of only \$1.14 million, so \$320,000 has gone missing somewhere in this.

**Mr Garnier:** They actually budgeted \$1.5 million, did they, for the implementation?

**MS DUNDAS:** For the 2003-04 budget.

**MR HARGREAVES:** Last year.

**MS DUNDAS:** That's for the whole taxi and hire car industry.

**Mr Garnier:** I see. That's the taxi industry as well.

**MS DUNDAS:** But if we are hearing from the limousines that they haven't seen any of the \$320,000—

**Mr Garnier:** We would also have to mention the \$1.125 million that Peter Costello has fined them for doing nothing, which he'll fine them again next year, I imagine, if they get back in. They could have paid for it out of that.

**MRS DUNNE:** I did have some questions, but everyone has asked them.

**THE CHAIR:** Okay. Thank you both very much for your attendance before the committee.

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**CHRIS WATT** and

**ROSS FOTHERINGHAM**

were called.

**THE CHAIR:** Welcome, gentlemen. I have to advise you that these hearings are legal proceedings of the Assembly, protected by parliamentary privilege. That gives you certain protections, but also certain responsibilities. The protection is that you are protected from legal action such as defamation for what you say. The responsibility part is to tell the committee the truth, because giving false or misleading evidence will be treated by the Assembly as a serious matter. Do you understand that? Lovely. Please state your name and the capacity in which you are appearing before this committee?

**Mr Watt:** Chris Watt. I'm a research officer with the Independent Education Union.

**Mr Fotheringham:** Ross Fotheringham. I'm an organiser with the Independent Education Union.

**THE CHAIR:** Who wants to kick off? What would you like to tell the committee?

**Mr Watt:** To a large extent, our concerns are about the budget in terms of non-government schools, which is the area that we represent. Our members include teachers, principals, support staff, domestic maintenance workers—a raft of people, basically. Almost everybody that walks inside a non-government school in the ACT is eligible to be a member of ours. We have a substantial membership.

The non-government sector, as most of you would be aware, and I suspect it's been in other submissions before the committee, represents over 39 per cent of students attending schools in the ACT. So it's hardly the rump of education; it's absolutely there, it's mainstream, it's significant. Our submission goes to the issue, I guess, of what we consider to be a range of unfair outcomes for the non-government schools sector. Where our concern lies primarily is that, if it's allowed to continue and emerge in that way over a period of time, and there's already a bit of history around it, it's going to be our members who are going to be most at risk, along with the kids.

We're not here to represent the kids. No doubt, the Catholic Education Office or the parent associations will do that. We're here primarily to deal with our members' issues. In our view, if we don't deal with the matter, our members will have working conditions that are what we would consider to be second rate, and that shouldn't be the case, particularly not in an area where there is quite clearly demonstrable wealth relative to the rest of the nation. There is federal government data that suggests that from DEST and what have you.

Our teachers shouldn't be having to work harder, longer hours, with larger class sizes for what can be shown already to be lesser salary outcomes. When you look at the package that's paid in ACT government schools compared to our diocesan schools, there is a substantial difference when you look at things around superannuation inclusion and what have you. So our concern is that the current budget in its construct—if I just take one

single element of it, the indexation of costs—has set aside an increase of about 2 per cent in costs. We think that is ridiculous, basically. It doesn't reflect historical cost increases. It doesn't reflect the type of expected increases that DEST is budgeting for in terms of the Commonwealth funding of schools. It doesn't reflect the increases that are being put aside for government schools in the ACT. It is below what the minister herself has pointed out to be an inappropriate level. She indicated in terms of the federal budget that she felt the 2.9 per cent increase was below what was required, yet the increase provided here for non-government schools by the territory itself is below even that figure purely on the index.

**THE CHAIR:** It is only 2 per cent.

**Mr Watt:** It's 2 per cent. It's an area where there are increasing enrolments. It's unfair, for example, to include that as part of an alleged indexation of costs. That increased figure for increased enrolments is purely that—to reflect increased numbers of kids in the schools, the number of teachers needed, the support staff needed, the resources needed, and what have you. That figure alone represents and illustrates our concerns with the budget. But it's deeper than that. It goes to what we consider to be a reasonable share of initiatives. The ICT money, whilst welcome, is not in our view representative of the size of the sector. There is some more money, but it's at the lower end, what can even be considered trivial, for kids with disabilities. It's an area that all sectors have been saying needs to be addressed and it's still not being addressed.

I'd complete my opening submission simply by saying that the IEU, along with a whole range of other stakeholders, committed themselves and participated in the Connors inquiry into funding of schools in the ACT. It's our view that the government hasn't met its obligations in terms of that report. Whilst a number of initiatives have been implemented, particularly in the government schools sector, in the non-government schools the primary thing that's happened really is the knocking off of the interest subsidy scheme. The recommendations around indexing costs to some average cost of government schooling, or teacher salary increases as was proposed as another way of indexing costs, have been ignored. We have what we consider to be an arbitrary payment of a 2 per cent increase. It doesn't meet the real costs. It's just a case of potentially the non-government sector becoming for the people working in it a second-rate employment situation.

**THE CHAIR:** You say that 2 per cent isn't the correct figure. What would be the correct figure? You've mentioned the Commonwealth's 2.9 per cent which the minister criticised.

**Mr Watt:** DEST is estimating increased costs over the next four years at 28 per cent, or roughly 6.7 or 6.8 per cent compounding for each of the years. If you have a look at the salary figures that have been produced for the government school sector in the last 12 months and the next 12 months, you could be talking about a figure that's as high as 12 per cent per annum in terms of real costs of what has gone on, given that the salaries component is the largest component of expenditure on education. A more reasonable figure, I think, would be the 7 per cent that DEST is estimating. Last year, a supplementation figure for schooling that was paid in the non-government sector by the Commonwealth government was in the order of 7.2 per cent. So that's the historical trend.

**MS DUNDAS:** From where are you getting that 2 per cent figure?

**Mr Watt:** The indexation. The figure provided in indexation of \$0.588 million, I think it is, is 2 per cent of costs.

**MS DUNDAS:** Are you talking about government payments for outputs or the grants?

**Mr Watt:** In the figures provided to us, there's a figure for indexation of \$0.6 million; in other words, indexation of costs. That's the figure I'm working off as a 2 per cent figure. The other figures there are what the bureaucrats have determined as enrolment drift. So that's not indexing costs; that's reflecting increasing numbers of kids in the sector. Even if you include the disability moneys and some of the ICT money it only floats up, according to the Catholic Education Office figures, to somewhere between 3 and 4 per cent.

**MS DUNDAS:** I am looking at budget papers that show that you've had a \$6 million increase in assistance coming through from the federal government in terms of that transfer of payments and an increase in funding coming through from the ACT government as well—a variance of 10 per cent.

**Mr Watt:** I think it's a bit ripe for one sphere of government to be claiming an increased expenditure based on somebody else's.

**MS DUNDAS:** No, I did say that it was coming from the federal government. I'm trying to understand the claim. I'm looking at figures that are showing that you're getting an increase in funding, a not insignificant increase in funding at that, and you have been saying that it's not enough.

**Mr Watt:** Okay. The figures I'm using are from the data provided by the department on our briefing and they indicated a total additional funding of \$7.8 million. We are deducting from that \$7.8 million, \$5.6 million because that is the Commonwealth figure which reflects expectations of 28 per cent over four years plus increased enrolment of the order of 7 per cent in the Catholic sector and 20 per cent in the other than Catholic sector in the non-government area.

Firstly, you can't claim the Commonwealth figures but, secondly, the Commonwealth figures give us a clue to what those costs are. So you pull out the \$5.6 million and you pull out \$0.6 million for enrolment drift, because it's not indexing costs, it's reflecting an increasing number of kids. You've got ICT funding of \$0.8 million for each of the four years. That is for equipment. It is not for people. It is not for teachers; it's not for teachers' salaries.

What I'm trying to unpack, I suppose, is to say: when you look down on it what is it that in terms of the recurrent costs, primarily which are made up of salaries, the sector is getting? Our view is that it could be as low as 2 per cent. The Catholics are saying it's somewhere between 3 and 4 per cent at best.

**MS DUNDAS:** Okay. And this is information that you've gleaned from a briefing that you went through with the department of education. Have you actually done a

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comparison through the budget papers of what's going to government and non-government schools and looked at those figures?

**Mr Watt:** No, we haven't done that at this stage.

**MRS DUNNE:** Mr Chair, if I could interpose, because this letter arrived in my office at lunchtime today. Is the Catholic Education Commission coming to give evidence?

**THE CHAIR:** They're coming next.

**MRS DUNNE:** No, that's the Catholic Education Office. This is a letter from the Catholic Education Commission and their analysis in the letter they wrote to the Chief Minister bears out what you're saying here, Mr Watt. Funding for non-government school new initiatives is summarised as \$0.94 million, that is, \$940,000; continuing initiatives from previous years, \$0.088 million; indexation, \$0.598 million; and enrolment adjustment, another \$0.598 million, which adds up to \$2.224 million new ACT money, which is, by the Catholic Education Commission's analysis, 4.1 per cent of the total new funding for 39.2 per cent of the children in ACT schools.

**THE CHAIR:** Is that over a year or over a four-year period?

**MRS DUNNE:** This is over this year.

**Mr Watt:** Yes, for 2004-05.

**MRS DUNNE:** I presume that the Catholic Education Commission will be sending the committee a similar letter.

**THE CHAIR:** I'd imagine so.

**MRS DUNNE:** That is a brief summation. They do make the point on page 3 of this letter that the indexation factor applying to per capita grants has actually reduced from 2½ per cent to 2 per cent, despite the latest ABS figures that show education costs in the ACT rose by 5.6 per cent in the last 12 months.

**THE CHAIR:** Do you wish to comment on that?

**MRS DUNNE:** It says it all, doesn't it?

**Mr Watt:** I think it does. The only thing in terms of Roslyn's question, I suppose, is I was hoping by this stage to have had a look at the total package and what it's reflecting. You will notice that I don't dispute the figures. My view is that they're the correct figures. They're equivalent to the ones that were given in the briefing. It's comparing the percentage of the relative change. What we do need to look at eventually is what is the percentage of the total package. My feeling, given the indexation rate, is that the Catholics, who were concerned about the 17.2 or 17.3 per cent of average school costs that they used to receive, may find that figure has now ducked down into 16 per cent.

**THE CHAIR:** You mentioned 39 per cent now for the non-government sector. In, say, the last two years has there been a steady increase?

**Mr Watt:** There has been, both in the Catholic school sector and in the independent school sector. The Catholic school sector is growing slightly slower, but the figures we saw early this year across both New South Wales and the ACT, which is what we had privy to, showed increases of around 2.3 per cent over the previous year's enrolments in the Catholic school sector alone.

**MR PRATT:** And it has been a constant trend, hasn't it?

**Mr Watt:** In recent years there has been. I don't think the growth in the independent school sector is as large here probably as in New South Wales, because there aren't as many of the independent Christian-type schools that we see emerging in places like the north coast of New South Wales and what have you, but certainly the trend generally is of that magnitude.

**MS DUNDAS:** Does that increase in enrolments actually match the increase in advertising that independent and private schools have been doing?

**Mr Watt:** I have no idea. You'll have to ask them how much they're spending on advertising. I would have no idea what their outlays are in that regard.

**THE CHAIR:** The interest subsidy scheme was cut some months ago. What effect is that having on the sector, or is it too early to tell?

**Mr Watt:** I think it's far too early to tell. I have to say that our view was that we didn't have, I suppose, a huge problem with having a look at that, given that it was demonstrable that it was largely being accessed by very few schools, that it didn't seem to be being spread evenly across the sector. It didn't necessarily reflect a need versus a capacity to be able to repay debts. It's still far too early and the moneys really will not become available for a couple of years. The commitment the government gave, which we accept and we think it was a good idea, was to flick that back into recurrent funding. Those schools, particularly in the Catholic sector, which really didn't, given the size of the Catholic sector compared to the other independent sector, get a big share of it, in our view probably will be better off in the longer terms in terms of money from the interest subsidy scheme. But at this stage it's not clear that it has had any big impact.

**THE CHAIR:** Earlier you mentioned pay and conditions. Obviously, as a union, you are terribly interested in that. You mentioned that there were very big differences between superannuation in the non-government schools and in the government schools, to the detriment very much of the non-government school sector. What exactly is the difference there?

**Mr Watt:** I guess we need to look at it from two perspectives. One is the Catholic system of schools. The superannuation paid there is the statutory requirement, 9 per cent. We know from figures produced by the federal department of finance that the cost for the government is about 16.5 per cent for the scheme that's conducted in the government sector. So there's a genuine difference there.

**THE CHAIR:** And the independent schools?

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**Mr Watt:** In the independent schools it ranges. Some are paying 9 per cent. The three Catholic congregational schools—St Edmund's, Marist and Daramalan—pay 9 per cent, along with places like Trinity and Brindabella. However, the Anglican schools are paying more. Three of the four Anglican schools are paying between 12 and 13 per cent, with some co-contribution. So they're sitting in mid-ground, I suppose you'd say.

**THE CHAIR:** But a lot less than the government schools.

**Mr Watt:** Yes.

**MS MacDONALD:** Are you saying that it is superannuation in the non-government schools compared with the government schools that puts the non-government schools at a severe disadvantage in attracting staff?

**Mr Watt:** I think it has the capacity to. The reason I don't think it has in the past is that neither the union nor, therefore, our members really knew the extent of the difference. It has only been in the last 12 or 18 months as we've unpacked this, not just locally but nationally. We've had substantial changes in Queensland because of a similar sort of reality up there, the difference between government super and the non-government sector/Catholic superannuation up there. I don't believe that at this stage it has had an impact because it's a relatively new understanding or phenomenon, although it's been in existence for some time.

What we're concerned about is that it's one of a number of things where our teachers are being put in a situation concerning our capacity to be able to work with them to deliver better working conditions. It's superannuation and it's class sizes. We have no commitment for the same sorts of class sizes as the government schools have got in K to 3. In fact, even when we wrote to other than the Catholics last year and asked for how they were spending that money in the K to 3 area, the small amount of money that was budgeted, we were told that it was none of our business.

We've got issues around class sizes. The face-to-face hours in government schools are more attractive than in Catholic schools. When you start to put it together over a period of time, whilst it has been sustainable, in the longer term you're going to have Catholic teachers being required to teach as they were in the 1960s, pre-awards across the nation, for the mission of it, for the rewards in heaven. That in this day and age is totally inappropriate. Unless we get an appropriate outcome, our teachers are going to be put in a situation where they are going to be asked to continue to accept lesser conditions.

**MR PRATT:** My understanding is that the independent schools and the Catholic systemic schools, the CEO, as a grouping—independently, but they share the same goals—were very keen to get additional funding for children with difficulties. Of the amount of money that you understand has been received in the entire sector, what has that actually translated into? What does that mean? What will the schools that your union represents in terms of the teaching fraternity be able to do with that?

**Mr Watt:** Very little. On the Catholics' figures, and you can quiz them in more detail about this, they've suggested that it's about a quarter of an hour a week in teacher assistant time additional for those kids.

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**MR PRATT:** Per school.

**MRS DUNNE:** No, per child.

**Mr Watt:** Per child.

**MRS DUNNE:** Three minutes per day extra, they say.

**Mr Watt:** Yes. It doesn't meet the needs. It's an area in which there are huge issues and it's another area where Connors made some pretty clear recommendations about how we should be matching the funding for those kids. It's not sufficient to say that it's choice of school and whatever. If you've already got children enrolled, you've chosen to put your children in a non-government school for whatever reason—religious reasons, perception reasons or whatever the aspect is—and your third or fourth child or whatever happens to be a kid with special needs, families tend to like their kids attending the same school. If we allow the creation of a system and continuation of a system where the non-government school can't deal with those kids appropriately, it's unfair to those kids and the families become set in a bind.

On the other side of it, you hear argument that the Catholics and the independents aren't taking their fair share. I'd have to say that if I was the parent of a kid with a disability and I had other kids in the non-government sector, I'd be really wondering whether I'd put my kid in the non-government sector. So in a sense, because of the funding, there are choices in fact being forced on parents at times where they might wish to have their kid in a non-government sector but say, "Look, I might make a choice." I think some people do and say, "My kid is going to be better catered for over here in the government sector because that's where the dollars are." At the end of the day, that becomes an important driver.

I think that for that argument they're not taking a sufficient share, and there is data to show that the relative share of kids with special needs are a greater proportion in government schools. If the funding was right, then perhaps that would be shared. Why should it be that they are in fact forced into government schools and create a greater density there and more difficulty for classroom teachers and teachers aides in dealing with those kids' special needs in a concentration that's out of kilter with the rest of the distribution?

**THE CHAIR:** There being no further questions. I thank you both very much for your attendance and your assistance to the committee.

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**JOHN BARKER** was called.

**THE CHAIR:** I'll just read out the blurb on evidence which every witness gets. You should understand that these hearings are legal proceedings of the Assembly and they're protected by parliamentary privilege, which gives you certain protections and also responsibilities—the protections being you are protected from certain legal action like defamation for what you say at the hearing. You also have a responsibility to tell the committee the truth because giving false or misleading evidence will be treated as a serious matter. So I must read that to every witness. Would you please tell the committee your full name and the capacity in which you appear in front of us?

**Mr Barker:** My name's John Barker. I'm the head of finance and planning division at the Catholic Education Office, and I'm representing the Catholic Education Commission.

**THE CHAIR:** Thanks, Mr Barker, and thanks for your attendance. What would you like to draw the committee's attention to?

**Mr Barker:** Well, first of all, thank you very much for the opportunity to appear here. I'd like to preface all my comments by making it clear that the Catholic Education Commission supports well-funded public schools, public education, and is not seeking to transfer any funding from the public sector into the Catholic schools. But it is necessary to make comparisons in order to highlight some of the issues that we've identified within the budget.

I've presented a written submission, and I won't bore you by reading through it. I'd just like to raise a couple of the more pertinent issues within the submission. First of all, on the first page of the submission is a summary of a comparison of government schools new funding and non-government schools new funding in the 2004-05 budget.

**MS DUNDAS:** May I ask a question about that table, Mr Barker?

**Mr Barker:** Yes.

**MS DUNDAS:** On what basis did you believe that the \$13 million that's been offered for teacher pay salaries was actually part of the 2004-05 budget?

**Mr Barker:** Well, we've had to make an assumption on that. It was announced the day after the budget there was an extra \$13 million. We've had to make an assumption that that would be over the three-year life of the teachers agreement.

**MS DUNDAS:** I'm trying to understand the basis of this table that was raised in our last discussion. When you're looking at the new funding initiatives, indexation and all those figures, is that over the next three years? It's actually—

**Mr Barker:** This particular table is, apart from the \$4.3 million, which I've got there, all out of the budget papers for 2004-05.

**MS DUNDAS:** Well, if you agree that the \$13 million is being spread over three years, have you divided it by three?

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**Mr Barker:** By three, yes, that's—

**MS DUNDAS:** You have done that?

**Mr Barker:** The \$4.3 million is a third of \$13 million.

**MS MacDONALD:** Could I just ask, before you go into your submission—and I'm sorry to interrupt, just a bit of confusion; we've got you down as appearing on behalf of the Catholic Education Office—are you appearing on their behalf as well as the Catholic Education Commission?

**Mr Barker:** The Catholic Education Office is the administrative arm of the Catholic Education Commission. So the submission is presented by the Catholic Education Commission.

**MS MacDONALD:** I've been dealing with you for over three years and I still can't get it straight in my head.

**Mr Barker:** The office itself is not a legal entity; the commission is.

**THE CHAIR:** Thank you. You're the legal entity. Carry on, please.

**Mr Barker:** The table there shows 2004-05 funding. All but the \$4.3 million is in the budget papers or in the departmental summary presentation. The \$4.3 million was included because it was announced the day after the budget as an adjunct to the industrial relations. And I make the point there that there is \$2.2 million for non-government schools, yet another \$13 million could have been found for the industrial negotiations the day after the budget.

96 per cent of the budget goes to government schools, 4.1 per cent to non-government schools; yet the enrolment comparison is 60 per cent government and 40 per cent non-government. That compares with the previous two budgets in the Stanhope government. In the first budget in 2002-03 there was \$19 million over four years in new initiatives for government schools, \$1 million for non-government schools, and that was specifically to the Catholic system. In the second budget, 2003-04, there was a further \$8.7 million over four years for government schools and \$1.5 million for non-government schools. And in this third budget there's \$19.5 million in new initiatives for the government sector and \$2.2 million over four years for the non-government sector.

On top of the new initiatives, of course, as stated in that table, there are things like indexation, full supplementation for salary increases and a range of capital and other major inputs into the budget for the government sector.

Of most concern to the Catholic Education Commission is what appears to be the discriminatory treatment of students with disabilities in non-government schools. These students are assessed on medical criteria; they are identified generally on a common basis. In the government sector there's an average of about \$20,000 per student per year spent on a student with disability in a mainstream government school, and a further \$4.1 million has been allocated in the budget over the next four years for these students.

By contrast, the equivalent student in a Catholic school receives from both federal and territory governments some \$10,000 less per student, and in the 2004 budget students with disabilities were allocated \$70,000 for all the non-government sector, which equates to about \$200 per student or about three minutes in teacher assistance support time.

This is the only allocation of new funding for students with disabilities in the term of the Stanhope government and it is contrary to the Connors inquiry recommendation, which was accepted by the government, that such students should be treated on a comparable basis regardless of their school sector.

The other area of major concern is indexation. The indexation applied to per capita grants for Catholic schools and non-government schools generally is 2 per cent. In the meantime the government has offered over the last 12 months salary increases of 14.9 per cent to its teachers and another 18.9 per cent over the next four years. This is fully funded by government—and the Catholic system is committed to parity with the government sector for salary increases—but the level of funding from the territory government is nowhere near the level of support to help us fund those increases. This means that parents are going to have to pay more and it also means that those parents which are most in need may be turned away from the choice of Catholic education for their children.

There are a number of requests for funding, which we believe were well considered by the Catholic Education Commission. I've detailed those in attachment B to the submission. In most cases there was zero funding applied to those levels of support.

**THE CHAIR:** I note that you asked for the percentage of average non-government school expenditure to be increased to 20 per cent in this budget, but you got zero. What is it at present? We've just heard from the previous witnesses that it might even be under 17 per cent now.

**Mr Barker:** We haven't been able to finalise the figure yet out of this budget but we expect it will be somewhat less than 17 per cent. Prior to the budget the government itself said it was 17 per cent but it also included in that some notional costs like last year's career support program and this year's healthy students. We don't see any funding for that. We're advised that we will have the benefit of that support. They've put a dollar figure against that, which becomes part of the 17 per cent.

**THE CHAIR:** When will you have that percentage figure? When will you have those percentages?

**Mr Barker:** We have to go through the budget. Hopefully in the next week or so we should be able to.

**THE CHAIR:** Well, if it is in the next week or so could you provide this committee with it?

**Mr Barker:** Certainly. The other thing, just on indexation: one of the recommendations of the Connors inquiry was that an ACT school standard-cost be determined in order to determine indexation for non-government schools. This was the only recommendation of the Connors inquiry that the government rejected.

**MS MacDONALD:** At the moment the Standing Committee on Education is conducting an inquiry into teacher recruitment and retention and teacher numbers, and that's across all sectors. We've had the ACU Signadou Campus appear with the Catholic Education Office, Catholic Education Commission, whichever is appropriate. I do recall asking this the other day. I've just checked with Ms Dundas because she's also on the committee. It's my understanding that Signadou don't do any specific specialist ed teacher training. I think I asked the question about what specialist teachers are being employed by the Catholic Education Office. It was my understanding that you don't specifically have specialist ed teachers going in, say, for autistic children; you don't have necessarily an autism unit. If you were to actually be funded in parity with the government schools, how would the Catholic Education Office be addressing areas of specialist education needs such as autism, Auslan or other specialist education needs?

**Mr Barker:** It's not an area of expertise. I'll try to answer it, but I'll take it on notice if that's okay—the rest of it. ACU do run some programs for special needs teacher assistants. I think they're short-course-type programs. There are special needs TAs within our schools. We have a small unit within the Catholic Education Office which assists the schools with assessing students with special needs in developing programs for students with special needs, but we don't have the capacity for specialist units like autism or hearing impaired or visually impaired or whatever that might be. But I can get a more fulsome answer from our special needs area if that's okay.

**MS MacDONALD:** I think we've had this before as well, and I think we might have asked before for a breakdown of the actual students with special needs and what sorts of categories we're looking at. In the main they're integrated into the main classrooms. Is that what you're saying?

**Mr Barker:** That's correct, yes. We have provided that to the minister, and I can get you a copy of that if you like.

**MS MacDONALD:** Okay, if you could.

**Mr Barker:** That breakdown, for students in Catholic schools, at least, yes.

**MS MacDONALD:** By the sounds of it, you wouldn't necessarily have some of the higher needs areas of the more resource-intensive special needs education areas such as autism and Auslan teaching that go with those areas. Which are the areas that actually make the dollars go up?

**Mr Barker:** There are two. The figure that I've mentioned there is students with special needs in mainstream government schools. The students with special needs in specialist schools is significantly higher. I think it's about \$37,000 per student. We would have some students who have an equivalent level of need to those students in the mainstream government schools. We couldn't cater for those in special schools.

**MS MacDONALD:** And so your aim is not to actually look at catering for those high-intensity needs; you're looking at the students who are already within the mainstream, and you wouldn't be looking to move them out.

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**Mr Barker:** That's right. We simply can't. It's a very specialist area. We don't have the capacity to establish special schools and at enrolment times we work with the parents and assess the needs of the students. If it's felt that they would be better off in a special school, then we would guide them that way.

**MS MacDONALD:** The amount you quote per student, the ones that are roughly equivalent, would be within the mainstream sector, do you know, or would they—

**Mr Barker:** That is a figure from the budget documents for special needs students in a mainstream government school. There are two separate figures.

**MR PRATT:** Mr Barker, can you repeat or confirm if you gave it before what was the figure you would need to meet parity with the first round of government school teacher negotiations, the 14.9 per cent?

**Mr Barker:** The figure quoted in the minister's press release was 14.9 per cent over the last 12 months and then 18.9 per cent over the next three years.

**MR PRATT:** In dollar terms roughly what does that mean for you? Have you got an idea?

**Mr Barker:** I haven't got that figure, no.

**MR PRATT:** Got a rough ball-park?

**Mr Barker:** We've done some sums but—

**MR PRATT:** I won't hold you to it but—

**Mr Barker:** No, I couldn't tell you, I'm sorry. I could take it on notice and get you the figures.

**MR PRATT:** Would you mind? Is it okay, Chair?

**THE CHAIR:** Yes, of course.

**MR PRATT:** Okay, thanks.

**Mr Barker:** It's too frightening to think about.

**MS DUNDAS:** I put this question to the Independent Education Union and they couldn't answer it. I don't know if you could answer it either. They were making the point that there has been an increase in the number of students attending non-government schools and that has resulted in an increase in costs for non-government schools. I was just interested to know whether or not that corresponded with the aggressive advertising campaign that the non-government school sector has been working on—TV ads.

**MS MacDONALD:** The Catholic Education Office has been running ads.

**Mr Barker:** The Catholic Education Office for the last several years has run an

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advertising campaign for the two weeks prior to the enrolment period, and a lot of that is to make sure the people get their applications in on time because often in the secondary schools in particular many people are disappointed because we don't have the space to take them in.

**MS DUNDAS:** And that's funding that comes out of the Catholic Education Office and not out of any of the education funding that goes to non-government schools.

**Mr Barker:** The funding for the advertisements?

**MS DUNDAS:** Yes.

**Mr Barker:** Yes, that's right. It's shared amongst the schools.

**MS DUNDAS:** The schools get the grants moneys. It comes out of our budget and the federal budget, and some of that goes towards advertising.

**MRS DUNNE:** They also get fees.

**Mr Barker:** The Catholic Education Office receives all the grants for Catholic system schools and distributes that on the basis of need, that's right. It also collect tuition fees from all the parents and distributes that as well. There are local school levies and charges on top of that.

**MS MacDONALD:** I'm unclear as to where the money for the advertising campaign comes from.

**Mr Barker:** Well, the money from that would come from fees.

**MR PRATT:** So it comes from all those schools making a contribution, collected from their clientele fees.

**Mr Barker:** From their levies and charges, that's right.

**MR PRATT:** In respect of the funding, as you understand it, the entire sector is going to get for children with special needs: what is that going to reflect for the Catholic systemic schools and how will that translate? What are you going to get for that?

**Mr Barker:** The non-government sector this year has been allocated \$70,000. We would receive about 75 per cent of that, about \$54,000, across 245 students with disabilities in Catholic schools.

**MR PRATT:** That was what I wanted to ask you next. So, 245 children, 75 per cent of \$70,000—

**Mr Barker:** It's about \$200 a student.

**MR PRATT:** Thanks very much.

**MRS DUNNE:** May I follow that up. It may be faulty understanding on my part, but you

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said before, Mr Barker—and I think it's also in the Catholic Education Commission's letter—that children with disabilities in non-government schools receive about \$10,000 less than children in government schools. But you also said that that was a sort of combined figures; there's money that comes from the Commonwealth and money that comes from—

**Mr Barker:** That's right.

**MRS DUNNE:** So can you give me a breakdown on how much comes from the Commonwealth?

**Mr Barker:** Yes. In our original submission to the budget, in a government school at 2003, there was \$20,844 spent on a mainstream government school special needs student. In the Catholic school system, including fees of around about \$1,500, \$1,554 is the average parent fees. There is \$4,900 from—I'm sorry, this graph only has a combined state and territory base level funding for a normal student and \$6,176 for a special needs student which is a total, including fees, of \$12,663.

**MRS DUNNE:** So the \$4,900 is base level funding?

**Mr Barker:** It is base funding for any student.

**MRS DUNNE:** And the \$6,176 is ACT government money.

**Mr Barker:** ACT and federal government special needs funding, that's right.

**MRS DUNNE:** Does that \$20,844 for government schools include Commonwealth money as well?

**Mr Barker:** There will be some Commonwealth moneys in that, yes.

**MRS DUNNE:** You don't know what that is?

**Mr Barker:** No, I don't. It will be less than what's received by the non-government sector.

**MRS DUNNE:** Thanks. You're also including what people pay in school fees in that?

**Mr Barker:** Well, including the fees, the difference is about \$5,800 above the line. I'm confusing you with the figures. It's \$8,200 roughly, including the fees, difference between a government and a Catholic school student. Without the fees, by government, it's almost \$10,000 difference.

**THE CHAIR:** There being no further questions. Thank you, Mr Barker.

**Mr Barker:** Thank you.

**JIM PURCELL** and

**PAUL FLINT**

were called.

**THE CHAIR:** Gentlemen, I have to read this out to each witness. You should understand these hearings are legal proceedings of the Assembly, protected by parliamentary privilege, which gives you certain protections and also some responsibility. It means you're protected from legal actions such as defamation for what you say here. It gives you the responsibility to tell the committee the truth because giving false or misleading evidence will be treated by the Assembly as a serious matter. Do you understand that? Good stuff. Could you please give your full names and the capacity in which you appear in front of this committee?

**Mr Purcell:** Thank you, Mr Chairman. Jim Purcell. I'm the executive director of the Council on the Ageing (ACT).

**Mr Flint:** I'm Paul Flint. I'm the deputy executive director.

**THE CHAIR:** Thank you very much for your attendance. What would you like to tell the committee?

**Mr Purcell:** Thank you, Mr Chairman. The Council on the Ageing presented a submission to the ACT government and identified a range of priorities in that submission. In analysing the budget there were a number of ways in which some of those priorities were addressed either partially or more than partially.

Our major priority is in relation to residential aged care. You need to recognise that the responsibility for residential aged care rests primarily with the Commonwealth, but the ACT government has a role to play in the provision of residential aged care in the ACT by the provision of land on which to build residential aged-care facilities.

One of the major concerns that COTA has had over the last few years is the time taken for facilities to be brought from approval status to operational status. In some cases it's taking an extraordinarily long time. We believe that—

**MRS DUNNE:** Sorry, May I just interpose? When you say "approval status", do you mean approval by the territory to build or approval of beds?

**Mr Purcell:** Approval by the Commonwealth.

**MRS DUNNE:** I thought that's what you meant. I just wanted to check.

**Mr Purcell:** And the allocation for beds, yes. In the budget, that was addressed by the government deciding to spend some money on a review of the land and planning arrangements in the ACT. There's not a lot of money in the budget for that purpose but there is some money in the budget for that purpose. We hope that that will provide extraordinary dividends and that the time taken to approve the building of residential

care facilities will be much reduced as a result of that.

**MRS DUNNE:** But that's not aged-care specific, that's just a general review of the land act.

**Mr Purcell:** That's correct. Yes, it is, but we're hoping that it reaps dividends for our sector; yes, indeed.

Our other priorities in our budget submission related to accommodation and housing generally for older people apart from residential aged care. There is a particular problem at the present time around some issues to do with older persons housing, particularly those older people who are on pensions and rent in the private rental market. There are major concerns about affordability in the market at the present time and we had hoped the government would address some of those issues in the budget. Certainly in the budget there were some efforts to address those particular issues. There is a significant amount in the budget, \$5 million for each year over 20 years, to ACT Housing to provide some social housing in the ACT, and we would certainly hope that some of that money, at least, is sent on specific older persons housing.

There are also some minor measures in the budget related to increasing the rates rebate cap and there are also some issues around providing concessions for the inclusion of gas as well as electricity.

Another major concern that we had and raised with the government was in relation to workforce planning. You might say that that's an odd thing for a council on the ageing to be involved in, workforce planning, but there are basically two prongs to our concerns there. One is the workforce that delivers services to older people, and the other is the ageing of the workforce itself.

In his budget speech the Treasurer talked about the difficulties that basically all jurisdictions are having in attracting younger workers to anywhere—Canberra, Melbourne, Sydney—but the problem there in fact is not that people aren't being attracted to these places; it's actually the number of people who are available to do the work. Our view is that what we need to do there is look at how we better manage the ageing workforce; how we better manage to utilise people within the workforce; how, rather than let people go at 55, we keep them in the workforce; and how we train and retain people to re-enter the workforce.

Those were our concerns. Some of those were addressed in the budget. There was no mention of the workforce stuff in the budget. I'm aware the government is doing other things in relation to that, but there was no specific mention of those issues in the budget.

From our perspective, there were a number of other things in the budget which will impact on older people and impact reasonably positively on older people. There was an amount of money in the Chief Minister's Department specifically targeted at ageing, and that's to pick up a range of initiatives around senior cards, seniors week and actively ageing. There's funding in the Department of Disability, Housing and Community Services around addressing unmet need for people with disabilities, and we know a lot of older people have disabilities.

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In Health there are a couple of initiatives, including an increase in general surgery funding. A lot of older people use the Canberra Hospital and surgery greater than younger people do, so that will impact on them. There was a specific program aimed at reducing waiting times for cataract and joint replacement surgery. That, too, will assist older people.

There was a significant increase in home and community care funding, which is basically growth funding. There was some funding for suicide prevention and older men. They are a real target group in that, and so hopefully that will help. Also there is money in the budget for recurrent funding for the sub-acute facility being built at the Calvary Hospital. Capital funding for that was provided last year. This is the ongoing, recurrent funding. It's only \$400,000-odd this year but increases to \$3.9 million next year. So there were a range of initiatives in the budget which will impact on older people.

**THE CHAIR:** We had some evidence earlier from the Chief Minister in relation to the question of aged beds.

**MRS DUNNE:** Some of them were very aged by the time they came.

**THE CHAIR:** Yes, certainly there seems to be a bottleneck of sorts. You mentioned the time that it takes between when they're actually approved by the Commonwealth and the time when they're actually built. I think that's probably the crucial time here. Let's take it from 1 January 2002. How many actual aged beds have been provided from that time to date and how many more are in the pipeline in terms of what's been asked for?

**Mr Purcell:** I can't give you an exact figure on that, Mr Chairman, I'm afraid, but my latest estimation is that there are around about 250 approved but non-operational beds in the ACT, some of those dating back to 2001. I'm sure you're aware that the Little Company of Mary has an allocation and that is proving to be incredibly slow. There's been no new facility built in Canberra for a decade. There have been add-ons, certainly, over that period of time. There are three or four new facilities currently in the pipeline, but none of those have actually broken a sod of dirt to build.

If they started today I would estimate it would be 18 months before they're operational. I know there are some other estimations around which suggest that they can build them in 12 months. I suggest it would be very difficult to build them within 12 months.

We also know, with the ageing of the population, that there will be a requirement for the equivalent of one new 85-bed facility every year from now on in. So what we've got to do is look at bringing those things onto line a hell of a lot quicker than we currently do.

I know this is unrelated, but in the federal budget they're providing forward indicative numbers on the number of beds that they'll be allocating over a three-year period. We've argued that they actually ought to be providing forward allocations, but that's a Commonwealth responsibility, not an ACT responsibility.

**THE CHAIR:** Is that the 500 and something?

**Mr Purcell:** Yes, it's related to that. But, just looking at the demographics, it's not difficult to work out, given the formula that the Commonwealth apply to the provision of

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beds. So it's the equivalent of a new facility every year from now on in.

**Mr Flint:** And that was based on the old Commonwealth figure of 100 per 1,000. In the budget they're bumping it up to 108, so there'll be more pressure still.

**MR CORNWELL:** How old is that information, that ratio of 100 per 1,000, approximately?

**Mr Flint:** That ratio's been around for many, many years; I think probably 20 years.

**MR CORNWELL:** It's now 108 per thousand, and that just came in?

**Mr Purcell:** Yes, last week.

**Mr Flint:** It's announced; it hasn't come in.

**MR CORNWELL:** Given that information is generally behind the time, it would indicate that therefore the demand must be more than Mr Purcell's 85 beds per annum, I would suggest.

**Mr Purcell:** The demand is greater than that, but the allocation from the Commonwealth is based on a formula and that's the way they do it.

**THE CHAIR:** It might have been you, Mr Purcell, in another forum I was at in relation to development of west Belconnen who said that I think in the year 2000 there were 7,200 people aged 65 or older in the Belconnen region, and that would rise to 14,000 by 2010.

**Mr Purcell:** That may be the case.

**THE CHAIR:** So what is the actual demand per year? You've told us what the figure allocated is.

**Mr Purcell:** Yes, it depends on the number of assessments undertaken by the aged-care assessment team. And the number of assessments is consistently higher than the places available. I haven't got the figures in front of me for aged-care assessments over the last 12 months, but I'd be more than happy to provide that to the committee.

**THE CHAIR:** If you could, that would be helpful.

**MR HARGREAVES:** Mr Chairman, the aged-care assessment team is also part of the Health portfolio. You might like to revisit that with the minister.

**THE CHAIR:** We certainly can. I just wanted these gentlemen to have their say.

**MR HARGREAVES:** As a cross-check thing.

**MRS DUNNE:** Could I just go back to that figure, Mr Purcell, Mr Flint. Did you just say that you need one high-care bed or 1.08 high-care beds, for every 10 people in the population, or 10 people over the—

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**Mr Purcell:** Over the age of 70.

**MRS DUNNE:** Sorry, I was having a bad moment there.

**MR CORNWELL:** Sorry, I misunderstood you too. We all did.

**Mr Purcell:** At any one time there are around 6 per cent of people over the age of 70 in residential care. The lifetime propensity for somebody requiring residential care is much lower for men than women; I think it's about 10 per cent lifetime probability in men and about 30 per cent for women.

**MRS DUNNE:** That's because we live longer and look after them.

**THE CHAIR:** Women live longer, I suppose, yes.

**Mr Purcell:** Yes, that's right.

**MR CORNWELL:** I think the answer to that is fairly obvious. Mr Purcell, I think you were present at the famous, or is it infamous—I don't know—meeting of COTA on 16 February where Mr McKay, the case manager appointed by the Chief Minister, was present and addressed the group. One of the points he made was that the government will be developing the O'Connell Education Centre in Griffith and the Joint Emergency Services site in Curtin in terms of aged care. Have you heard any more about this?

**Mr Purcell:** No. My understanding of it is that that is a long-term proposal. I don't believe it's in the sort of time horizon of the next year or two.

**MRS DUNNE:** But, Mr Purcell, they're all long-term proposals.

**MR CORNWELL:** Yes, the whole lot of them, I thought.

**MR HARGREAVES:** You've got to catch your rabbit before you get rabbit stew.

**MRS DUNNE:** No-one's denying it, Mr Hargreaves.

**MR HARGREAVES:** Well, you've got to get them out before you can take over their tenancies.

**MR CORNWELL:** I remain very dissatisfied, of course, with the rate of development. Obviously you people feel the same way, that it could be faster. Do you see any way that COTA can assist in the fast-tracking now that this new initiative has come forward, if it is a new initiative, to try to speed things up? Have you made any representations or any suggestions that you see where this could be speeded up?

**Mr Purcell:** Yes, we have, Mr Cornwell. We've proposed to the government—and it's been taken up to some extent—the establishment of a land bank in the ACT whereby land that is suitable for the development of residential aged-care facilities be identified and preliminary processes undertaken so that a series of pre-planning initiatives that need to take place in the first place can happen. Basically, when the allocations are made, that

land is development-ready so that a provider can move into that land, buy it, have it allocated to them—whatever the government decides to do—and begin development immediately rather than having to go through all of the development approval processes that they can't start now until they have an allocation and then start with trying to find some land.

**MR CORNWELL:** Would it be possible for us to get a copy of that submission?

**Mr Purcell:** Yes, certainly.

**MR CORNWELL:** I'm asking whether we can officially do it and if you would be prepared to make it available to the committee.

**THE CHAIR:** Well, if they're prepared to make it available we'd love to have it, if you could do that.

**MR HARGREAVES:** A submission to whom? The reason we're questioning it is that submissions to committees then become committee property. If it's to the government, it's not a problem.

**MR CORNWELL:** I appreciate that, if you don't mind. Thank you.

**THE CHAIR:** Thank you, if you could provide that.

**MRS DUNNE:** Mr Purcell, during your introduction you spoke about initiatives in relation to things like increased HACC money for seniors week, et cetera. The issues that arise with me when I'm out and about in the community tend to be in areas that you haven't actually talked about. Two that come to mind are: there seems to be a high level of dissatisfaction in the community amongst self-funded retirees that they don't have access to the same range of concessions like gas and electricity, drivers licences and things like that. I gather there's Commonwealth money that's available for that so long as the states and territories make a contribution. Is it dollar for dollar? There is some contribution. But that doesn't seem to be happening in the ACT.

**MR CORNWELL:** It is 60:40.

**MRS DUNNE:** That doesn't seem to be happening in the ACT. Does COTA have a view on that?

**Mr Purcell:** Yes, we do. We don't necessarily support the extension of that proposed concession to the entire range of self-funded retirees. We believe that there needs to be a cut-off point somewhere. The Commonwealth are basing it on access to the Commonwealth seniors healthcare card. The Commonwealth seniors healthcare card is available to individuals with an income of up to \$50,000, and couples with an income of up to \$80,000. We believe that those limits are too high for concessions to be made available to those people, because that's inequitable with the balance of the welfare system. But we do believe that those self-funded retirees who are on incomes that are significantly lower than that, and in line with the aged pension, ought to be able to access a range of concessions.

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**MR CORNWELL:** Low-income, self-funded retirees, I think, is the expression we use. Am I right in saying that COTA does not differentiate between self-funded retirees and pensioners in terms of membership and advocacy, I suppose, is the word? Mrs Dunne has led us into this point that these new increases and concessions in gas and electricity come to \$23.15 a year. This is the increase. It isn't a great deal of money. But again it is not available to low-income, self-funded retirees. That is my understanding.

**Mr Purcell:** Unless they can access part of a pension. It's available to part-pensioners as well.

**MR CORNWELL:** And there are two other areas, one of which still hasn't come to fruition. I'm not sure whether this is going to work or not. This government promised to give pensioners, in fact—not necessarily low-income, self-funded retirees—reduced rates on peak hour bus travel as well as off peak. This has still not come to fruition. Does COTA have a view on this?

**Mr Purcell:** Yes, we do. We believe that the concession ought to be available all day, irrespective of peak hour.

**MR CORNWELL:** Thank you.

**MRS DUNNE:** Especially with the introduction of pay parking. The representation I've been receiving from, say, the Belconnen Seniors Club is that, especially since the introduction of paid parking, it is much more difficult to get around; and, if they can get their concessions on the buses, paid parking wouldn't be quite such a problem.

**Mr Purcell:** That's right. A quick example of that was we had a meeting this afternoon and we had to have the meeting over by 4 o'clock so people could be on the buses.

**MRS DUNNE:** Another issue that arose—and I suppose this is actually a little plea for help with constituent work—with me recently relates to elderly people, especially elderly women, staying behind in the family home and not having the wherewithal to access funds for maintenance, which means that they can't maintain their home; it diminishes in value; and it becomes also a health hazard for them, buckling paths and things like that. Does COTA have a view about whether there is enough of this or whether we need to have better accessibility, or is it just a means of people not being able to tap into the right sources of funding?

**Mr Purcell:** That's a very complex question, Mrs Dunne, because there are a number of answers to it. We get a significant number of representations exactly along that line where people are unable to afford the maintenance on homes because their income isn't great enough. They might be sitting on an asset that's worth quite a bit of money but simply can't afford to upkeep it. There are a range of options that may be available to them. One is an equity conversion loan, but not everybody wants an equity conversion loan.

**MRS DUNNE:** You find people in their 90s are not keen to borrow money.

**Mr Purcell:** That's right. One of the options that we've canvassed for some time now is in relation to assisting those people to move to more appropriate accommodation. In

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moving to more appropriate accommodation, we believe that that accommodation ought to be in that same geographic area because that's where people maintain their social infrastructure and their support infrastructure.

But a lot of people won't move because, again, there is a cost associated with moving. We believe that the government needs to look at how it can assist those old people to move into more appropriate accommodation, either by a reduction in stamp duty over a period of time or a direct grant of money to assist with paying for the costs associated with that.

We also believe that there needs to be a number of services available to older people to have some maintenance work done on their homes. Certainly COTA undertakes a project or a program called CLASP, which is the community liaison advisory safety project, and we give advice on safety and security issues. Where people need some improvements to their security the government has made available a small grant of up to \$100 for people to improve security within their homes but not—

**MRS DUNNE:** That's physical security?

**Mr Purcell:** Physical security.

**MRS DUNNE:** Not the sort of maintenance that makes you less likely to trip over?

**Mr Purcell:** No. That's right. It doesn't include that sort of stuff, but it wouldn't be a bad idea if there were a similar sort of grant for minor maintenance as well.

**MR CORNWELL:** Equally, I presume, some of these self-funded retirees on low incomes wouldn't also get this increased \$305 per annum rebate on rates?

**Mr Purcell:** Not unless they're pensioners. You must be an eligible pensioner to get that.

**MR CORNWELL:** So you're in a situation where you could be asset rich but cash poor. What's COTA's view about the Commonwealth offer to all states and territories in relation to the use of seniors cards for people who travel interstate and getting various concessions as a result of this? I understand the Northern Territory and, I think, Western Australia—I may be wrong there—have agreed to come in with the Commonwealth, I think it's on a 60:40 basis, but the ACT has not done so yet. Does COTA have a view on this?

**Mr Purcell:** We believe that the seniors card should be reciprocal Australia-wide.

**MR CORNWELL:** Thank you. Thank you, Mr Chairman.

**THE CHAIR:** Thank you, Mr Cornwell. Thank you very much, gentlemen, for your attendance before the committee.

Mr Wayne Berry MLA, Speaker

Legislative Assembly for the Australian Capital Territory Secretariat portfolio

Mr Tom Duncan, Clerk, Legislative Assembly

Mr Ian Duckworth, Corporate Manager, Legislative Assembly

Mr Max Kiermaier, Deputy Clerk, Legislative Assembly

Ms Robina Jaffray, Manager Committees, Legislative Assembly

Mr Russell Lutton, Manager Hansard and Communications, Legislative Assembly

Mr David Skinner, Senior Project Officer, Legislative Assembly

**THE CHAIR:** I welcome the Speaker and officers of the Legislative Assembly secretariat. Firstly, I need to read out this card, which no doubt you are all well aware of. You should understand that these hearings are legal proceedings of the Assembly, protected by parliamentary privilege. That gives you certain protections and responsibilities. It means that you are protected from certain legal actions, such as defamation for what you say at this public hearing, but it also means that you have a responsibility to tell the committee the truth, because giving false or misleading evidence will be treated by the Assembly as a serious matter. Do you understand? I'm sure you do as you are all nodding.

**Mr Berry:** Yes, Mr Chairman.

**THE CHAIR:** Please state your name and the capacity in which you are appearing before the committee.

**Mr Berry:** Wayne Berry, Speaker of the Legislative Assembly for the Australian Capital Territory.

**Mr Duncan:** Tom Duncan, Clerk of the Legislative Assembly for the Australian Capital Territory.

**Mr Duckworth:** Ian Duckworth, corporate manager, Assembly secretariat.

**THE CHAIR:** Thank you very much, gentlemen. I do not have any questions, but I know that Ms Dundas does. I have noted that there was some increase in costs related to employees, et cetera. Mr Speaker, do you want to make an opening statement?

**Mr Berry:** I would like to make an opening statement, Mr Chair, with your approval. It is always a pleasure to be able to appear before the committee as part of the budget scrutiny process. In the lead-up to this year's budget development, as appropriate, I consulted with the Assembly's Standing Committee on Administration and Procedure and, as envisaged under section 20 of the Financial Management Act, I wrote to the Treasurer outlining the appropriation that I considered should be made for the Assembly secretariat for 2004-05. In making that approach, some significant funding issues were highlighted. Whilst I am pleased that most of these issues have been funded in the budget, there are some issues that will present some challenges for the secretariat, which I will discuss a little later.

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In terms of the secretariat's operations and budget requirements, it is acknowledged that increased funding was provided for improved IT support arrangements, specialist advice to the scrutiny of bills committee, and the introduction of an improved financial accounting system. In terms of capital works funding, \$300,000 has been provided in 2004-05 to enable construction of a remodelled public entrance, addressing a number of identified security, energy efficiency and amenity concerns. This funding was originally sought in 2003-04 and declined. It is pleasing to see funding provided for this important work.

Additionally, capital funding of a further \$300,000 has been provided for upgrading physical security, the details of which will be finalised following the completion of a security assessment which is currently under way. However, further funding of around \$250,000 was sought to enable the secretariat to address key legislative, corporate governance and strategic requirements and issues and this funding was declined. I am concerned that this funding shortfall will impact on the secretariat's ability to maintain its high standard of service to members and the wider community. A further \$68,000 worth of capital funding was provided in the budget to undertake scheduled building work. However, the funding was \$135,000 less than the amount sought and, as a result, some prioritisation will be required.

I have some concerns about these reductions because the amounts sought were identified in a detailed life cycle costing study of the Assembly building which was undertaken by external consultants in mid-2002. It has to be appreciated that the upkeep of the building is an important issue and, if it is neglected, it will come back in the future as something that we will have to rectify. I acknowledge that there has been a debate about a possible increase in the future membership of the Assembly, but unless and until another use is decided for this building it will remain the home of the ACT Assembly and adequate funding needs to be provided for its upkeep.

I do have a final concern in relation to capital works funding, although it does not directly concern the Assembly's budget. For some years now, I have been concerned that adequate funding has not been made available to address poor accessibility issues that are visible in the area surrounding the Assembly building. For example, you will have noticed that on the northern side of the building the whole of the square has been freshened up, but you will also have noticed that on the eastern, southern and western sides of the building there is some outstanding work there that needs to be resolved. But it is particularly important, I think, along the London Circuit frontage of the building. You would all appreciate that the plane trees are beginning to cause some difficulty with some of the surfaces.

The budget provision for 2004-05 will allow us to continue to maintain the work of the Assembly committees and service the scheduled sittings of the Assembly. The important work of the education office will also continue and we aim to continue the task of informing the citizens of Canberra, especially the new citizens, of the role and functions of the Assembly as part of our civics program. The new citizen functions will continue into the next financial year and the new video of the Assembly will be utilised for school groups and other visitors to the Assembly.

This year, for the first time, a function was held for ACT teachers with a view to broadening the base of the level of understanding of the democratic processes in the

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Assembly and a further introductory day for ACT teachers has been planned for August this year. Seminars on parliamentary procedure will be held for ACT public servants, which is consistent with several recommendations of select committees on privileges. Finally, Mr Chair, I would like to thank you for the opportunity to make this opening statement and we will be pleased to subject ourselves to the thorough questioning of the committee.

**THE CHAIR:** Thank you for that, Mr Speaker, and thank you for indicating what you had actually asked for and what you have not got, because I think that is important. You mentioned an extra \$250,000 in funding for the secretariat and indicated that you would have problems if that did not come through. What sorts of problems do you envisage, given that that funding is not in the budget? What effect will that have over the next financial year on operations?

**Mr Berry:** I will ask Mr Duncan to deal with the details of that.

**Mr Duncan:** Tom Duncan, Clerk of the Legislative Assembly—and I might ask Mr Duckworth to chime in. Broadly speaking, there is a whole range of corporate governance-type functions in relation to the Territory Records Act, the Financial Management Act and strategic priorities for the secretariat that, from time to time, have been handled by other staff within the secretariat, particularly in years gone by. For instance, the strategic priorities work was done by committee secretaries during lean times for the committee secretaries or when there weren't inquiries. But, as you can imagine, that is no longer the case now and that work has had to be done by someone in the secretariat. We have created a senior project officer position to do that very important work and we haven't been funded for that position. That sort of work needs to be done in order for the Assembly to function properly. I might just call on Ian Duckworth to talk about the Territory Records Act.

**Mr Duckworth:** Ian Duckworth, corporate manager. The Clerk properly outlined that in the last 12 to 18 months a key investment has been made in a senior project officer position within the secretariat. That role has assisted with the development of a number of strategic initiatives—most importantly, I think, as a recently distributed strategic plan, which is a key document that sets out our future.

The funding sought was an attempt to secure permanent funding for that role. We have been able to fund it from internal reserves, if you like. In an accrual accounting model, you have a cash balance, including some investments. The difficulty is the longer-term funding for that role. We think that it represents a key element of an effectively functioning secretariat and, without secured funding for future years, we will not be able to take steps to permanently fill that role.

The \$250,000 in funding also was intended to be used for a similar administrative support role in the Hansard and communications office, where we have identified the need for a level of work to be performed. The failure to obtain permanent funding means that, whilst we can fund it in the short term, we do not have that certainty for the future.

In relation to responsibilities of a corporate governance nature and of a legislative nature, we have obligations that have arisen from the Territory Records Act, very important obligations, concerning our keeping of the parliament's records. We have had in the past

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good work done to create principles, guidelines and procedures, but there is a need for that work to continue to be undertaken. I think we are really more concerned about the future—the medium to longer term lack of resources—than the short term.

**Mr Berry:** The drawing of your attention to those matter was not to create a level of panic. For the next year, we will be able to draw on reserves. The reason that I raised it was to make sure that members were aware that at some time in the future we will have to deal with this issue, because the reserves won't last forever.

**MR HARGREAVES:** Mr Chair, I would like to echo your thoughts. It is nice to know what you asked for and then to see what you get, because if we do not know what you asked for, we do not know what you did not get. What was the reason given for knocking you back on the position?

**THE CHAIR:** Did you get one?

**Mr Duckworth:** I think the Speaker received a response from the Treasurer which indicated the issues that had been funded and I do not think that there was a lot of discussions about the issues that hadn't. It's a reality that the government has priorities.

**MR HARGREAVES:** You were actually told, "We will give you this much money. Go away and figure it out yourself." There was no reason advanced by the government as to why there was a shortfall.

**Mr Berry:** We got a courteous letter from the Treasurer informing us of the allocation.

**MR HARGREAVES:** As you would.

**Mr Berry:** That was the end of the matter and we have now got to deal with the challenges that that presents for us. But I want to emphasise again that we are not trying to demonstrates that there is a cause for panic or anything like that. This is an issue that we will be able to survive this year, but in the longer term it will have to be addressed.

**MS DUNDAS:** Are those challenges limiting the Assembly's capacity to explore other issues that are raised? There has been some discussion about making the Assembly more IT savvy in terms of following the path of the federal parliament and some state parliaments in allowing computer ports at the desks of members and those kinds of things. That would be, obviously, something that would require a lot of work. You would have to go through a consultation process and get the money for the infrastructure changes. Because there is already a limited capacity in terms of the budget that you are trying to meet, is it actually stopping your ability to look at other projects?

**Mr Berry:** If we use the reserves for a purpose we had not anticipated, then it leaves us with less flexibility in the context of the available reserves; but again I emphasise that this position indicates a need to keep a beady eye on this issue, certainly for the next budget, otherwise I think we will start to find some difficulties.

**MR DUNDAS:** But in terms of this budget, isn't it also limiting in regard to the ability to explore other issues?

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**Mr Berry:** In the context of the reserves available. If we have to spend money that we weren't able to secure in this budget round for the purposes for which we argued, it reduces our flexibility; but we do not have any particular projects in mind that might eat up all of the reserves.

**Mr Duckworth:** Just to add to what Mr Speaker has just mentioned and to pick up your point, Ms Dundas, the strategic role and activity undertaken already by our senior project officer, and there have been several people in that role over the last 18 months, have, I think, demonstrated the return that you get on an investment when someone can devote some time to strategic issues when other parts of the organisation are highly operational by their nature. I think that, using the example you raised, if there were to be an examination of the use of technology in the chamber, and I know that there would be people in this room who would have differing views on the matter—

**MS DUNDAS:** There would need to be a consultation process first, I agree.

**Mr Duckworth:** Indeed. But that would be the sort of task that the strategic role in the organisation would take on board and look at in consultation.

**MS DUNDAS:** The point I am making, Mr Duckworth, is that, because a budget unfunded position is being taken, there isn't the flexibility to look at other things. The strategic officer is working on those issues, but if other issues come up there isn't the flexibility to address them.

**Mr Duckworth:** Yes, but there are always going to be strategic issues confronting an organisation. We have committed to keep that role alive for the next 12 months, but I think our real difficulty on the funding side of things is that the ability to make permanent staffing arrangements is constrained if you know you don't have that certainty in the future. I think the key issue for us will be to keep the arguments and demonstrate a stronger case for that type of role.

**Mr Duncan:** Certainly, we are concerned about the lack of funding for this particular position and the other positions, but I can assure members that they will not be missing out on significant IT projects because of that lack of funding, or lack of other funding. If any new IT developments and things like that were to become available, obviously we would seek separate funding for that from treasury and, hopefully, we would be able to argue our case with treasury to get that funding.

**MR HARGREAVES:** There has been discussion of a planning and environment committee recommendation that we have a public works committee in the next Assembly. We recommended into the ether a bit, because there was no new Assembly for us to recommend it to; nonetheless, it will be a legacy left behind. It has been discussed frequently that we really ought to have a separate scrutiny of bills and delegated legislation committee. Sometimes that argument has legs and sometimes it doesn't. If either or both of those committees were to emerge in their own right, would you have enough resources within the committee secretariat to cope with that?

**Mr Berry:** I think the first question is: would we have enough members to deal with it?

**MR HARGREAVES:** Maybe that will be one of the reasons that the next Assembly will

consider. Nonetheless, if it were regarded by the incoming Assembly that there was a justified need to have additional standing committees as opposed to select committees—I use those two by way of a current example—what degree of flexibility would exist within the committee secretariat? Is there any or is it stretched to the limit already?

**Mr Berry:** As to the detail, I will ask the Clerk to respond to that, but I think that the very first point is the one that we have to get our heads around, that is, how members are going to spread themselves across all these committees.

**MR HARGREAVES:** Very thinly from the backbench.

**Mr Berry:** Yes, that's right. If there were more members, that would lead, I suspect, to more requirements of the secretariat in many directions—not only in the committee area, but in other areas as well. I do not think that we can give a complete response until we know what the attitude of the Assembly might be. If Mr Duncan has any ideas in relation to that, I would be happy if he were to respond.

**Mr Duncan:** Thank you, Mr Speaker. Mr Hargreaves, as you will recall, the Fourth Assembly had five standing committees and the Fifth Assembly decided to establish a sixth standing committee plus the administration and procedure committee, which I will put in a separate category. As a result, we did an assessment then as to whether we could survive with the then five committee secretaries and we came to the judgment that we couldn't, so we adjusted accordingly. If you are telling me that the Sixth Assembly will go to seven or perhaps eight standing committees, again we will make an assessment in the Sixth Assembly and I suppose it will be up to the administration and procedure committee and the Speaker to decide on that.

**MR HARGREAVES:** I do recall very vividly that decision being taken and I have to say that when members discussed the establishing of a number of standing committees the issue of the resourcing of them did not feature at all in the discussion. I am raising the point now that when these sorts of discussions occur the resource implications of those decisions must be taken into consideration in the contemplative stage and not in the bandaid stage. Did you fund that extra position from resources or did you ask for additional funding at some other stage?

**Mr Duckworth:** The establishment of an additional standing committee at the beginning of this Assembly obviously was an issue on which the resources necessary to support it were in our minds. I think the issue at the time was: let's see how it unfolds. To pick up a point that Mr Speaker made a moment ago, the existence in a numerical sense of an additional committee does not automatically translate to an additional full-time resource. But I think it did transpire that there was a lift in the overall workload. In the beginning of the last budget year, treasury increased our budget by the equivalent of half a resource to cater for that. Staffing in the committee office—I imagine that it is not confined to this jurisdiction—will always ebb and flow somewhat with workloads, particularly select committees that sometimes appear from nowhere, and we have to adjust and we have to respond to those.

**MS MacDONALD:** They don't appear from nowhere.

**Mr Duckworth:** No, they don't appear from nowhere. I think the answer is that there

was a lift in the overall resources allocated to the committee office, largely attributable to the extra committee, but in any case of a further increase we would simply monitor the workload and initially any increased resources would be funded from within budget. If it looked like there was going to be an ongoing problem, we would make strenuous representations to treasury, which hopefully would respect the situation.

**MR HARGREAVES:** So that in any other incursion into the thinking about an increase in the elected membership of the Assembly you would be looking forward to making a submission to that inquiry to make sure that those very points that you make were firmly in front of the inquiry. I look forward to being on that committee to receive it.

**MS MacDONALD:** While we are talking about demands on committee staffing, et cetera, there has been in this Assembly a period in which we have had a fixed-term research officer working for the committees. Mr Duckworth, you referred to other jurisdictions having similar demands and constraints on their resources. I can tell you, having met with the Victorian equivalent of the education committee, that, as well as having a committee secretary, there is a permanent research officer attached to the committee.

Obviously, they operate in a much bigger jurisdiction than we do and I would not be suggesting at the moment that this Assembly could have a research officer attached to every committee. But I believe that there have been times in, for example, the public accounts committee when expert advice and research would not have gone astray. Mr Speaker, was any consideration given to providing, or was any funding asked for to provide, a full-time research officer for the committee office?

**Mr Berry:** Indeed, we asked for funding, and we received funding, for specialist advice to the scrutiny of bills committee.

**MS MacDONALD:** But that is a normal requirement.

**Mr Duncan:** On the issue of a research officer, there was a part-time research officer at some stage in the Assembly and that was converted to a full-time secretary. Again, to pick up a point that Mr Duckworth made, we have monitored the workload of the committees and applied the necessary staffing structure to try to link that workload. Certainly, as you probably would be aware, the budget for the Assembly goes before the administration and procedure committee every year and the issue of an additional research officer hasn't been raised in that forum.

**MS MacDONALD:** That's because I'm not on that committee, Mr Duncan.

**Mr Duncan:** It may well be. I could tell you that in other jurisdictions there are not only research officer positions but also quite significant administrative support. If you look at the current resources that we have, we have one administrative officer for the whole six standing committees. You would probably agree that that is not ideal, either.

**MS MacDONALD:** I do.

**Mr Duncan:** But I guess it is just a case of living within the resources we have. It goes back to our earlier point that we do run, we think, a fairly lean sort of parliament here,

and that is why we did ask for this funding.

**MR HARGREAVES:** How about skeletal?

**Mr Duncan:** We don't have any fat to do those additional strategic priority things and Territory Records Act types of projects. That is why we have indicated that, apart from our core responsibilities, which I am sure you are referring to in terms of research, we do have the additional problem of not being able to do the extra corporate governance activities.

**MRS DUNNE:** I gather that you touched on the extension to the front door, the airlock and things like that. Is any work being done upon the energy efficiency of this building, particularly the lobbies?

**Mr Berry:** In what respect?

**MRS DUNNE:** The energy nazi in me goes berserk every sitting period when I go out into the single-glazed lobby and a three-bar electric heater is running, with most of the heat from that going out the top of the single-glazed lobby. I am just wondering whether anyone has ever done any auditing of that.

**Mr Berry:** This is the plug-in electric heater.

**MRS DUNNE:** Yes, the three-bar electric heater which I spend my time turning off, because I'm an energy nazi, and other people turn on.

**Mr Berry:** I suppose that was a matter for the architects when they designed the place.

**MRS DUNNE:** Yes, it is part of the design.

**Mr Berry:** There is single glazing and there is a lot of glass, so a lot of energy escapes through the glass. Mr Duckworth might be able to help you with some details on that.

**MRS DUNNE:** Have we done an energy audit in the last little while and tweaked at the edges?

**Mr Duckworth:** No, we haven't. I am not sure there is a building owner around who doesn't roll their eyes and wonder how to get better control of air flows and so on. We do experience it with the design of the building, the large use of glass, and the positioning within a structure that was built in the 1950s and 1960s. Trying to accommodate the equipment that it was necessary to install when the building was refurbished in the early 1990s has meant that there is plant and equipment in spaces where, if you were building a new building, you wouldn't put it. It creates draughts and it creates any number of issues.

The lobbies are of particular concern, particularly with some of those late night sittings that the Assembly endures in colder winter nights. It's a structure surrounded by glass in a courtyard that for part of the day hasn't seen sun for more than an hour. The solutions to those sorts of energy issues are obviously costly and hence haven't been able to be addressed, other than in an ad hoc and crude manner.

**MRS DUNNE:** We wish something would happen here.

**Mr Berry:** We could ask for the use of some sort of film or something on the glass to be looked at, bearing in mind that, as soon as you start looking at films that keep energy in, you keep light out and all of those sorts of things, so there are some compromises along the way. But there is no reason why we could not have a look at something along those lines.

**Mr Duckworth:** I might just add that one of the design elements that we have sought to solve or address in our remodelling of the public entrance involved energy efficiency, for the simple reason that with the current design, particularly on cold, wet, rainy days, people seek shelter under the colonnade and they proceed to open the two sliding doors, which then lets huge volumes of icy cold air in and that plays havoc with our system. The redesign that we are working towards at that entrance is aimed at creating an improved energy efficiency and that may lead to some stabilisation of the climate through the building as well. We are certainly hoping that's the case.

**MS DUNDAS:** I have a quick question about the upgrading of the public entrance and the provision for physical security budgeted for. Where are the design plans up to in terms of that?

**Mr Duckworth:** As the Speaker indicated in his opening statement, we originally sought funding for a public entrance upgrade in last year's budget and at that point in time we had developed some preliminary designs which had addressed a number of concerns about the physical safety of staff at that entrance, energy efficiency, and also some amenity issues about identity and so on. The fact that we didn't get funding last year meant that those plans, effectively, were put on the shelf. In the meantime, world and regional events have all combined to demand that parliamentary buildings like this and the people who manage them should look at the security risks, so we have taken the step of engaging a firm which is in the throes of providing an assessment to us of the security risks that present in this building. That's a process that we hope will wind up in the coming months.

There will almost certainly be recommendations for change. We do not think that no change is an option. The review report will, no doubt, be considered by the Speaker and possibly the administration and procedure committee and there will be some thought given to what sorts of measures are necessary from a security point of view. Only then can we bring the architects back to their drawing boards to say how we are going to achieve this. I am not trying to—

**MS DUNDAS:** No, I understand that. The physical security upgrade money isn't necessarily for the public entrance, but some of it might be used as the public entrance upgrade goes ahead.

**Mr Duckworth:** There is some likelihood, I think, that the public entrance will have introduced to it some element of improved security and those procedures will apply at both sides, both entrances to the building. I think we are saying that almost certainly there will need to be a new security system, because our access control system is archaic and held together with string and chicken wire literally. I think we are saying that there

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will be a need for an improved system, but there might be security policies that need to be introduced, and until such time as consensus is reached on what those should be we are not in a position to apply an architecture or design solution to dovetail with that policy.

**Mr Berry:** We have always prided ourselves on access for the community, but I think that, as an Assembly, we will have to wrestle with what is appropriate security, given recent circumstances. I trust that people will recognise that there is a need to take adequate security measures in a place like this.

**MS DUNDAS:** Did you get insurance money for the incident with the truck?

**Mr Duckworth:** Yes. That claim was settled within months of the incident. That incident did, in fact, occur at a time when we were looking at a possible redesign. We still hold on to the cash for that day when we have a—

**MS DUNDAS:** It will be used possibly as part of the entrance upgrades?

**Mr Duckworth:** I think the issue of whether or not we ever have a return of a portico at the members' entrance is going to be a key issue for us.

**THE CHAIR:** I thank you all very much for your attendance.

Auditor-General portfolio

Ms Tu Pham, Auditor-General

Mr Bernie Sheville, Director Financial Audits, Auditor-General's Office

**THE CHAIR:** I welcome the Auditor-General. Do you want to make a statement? If you do not, we will go straight into questions.

**MR HARGREAVES:** Mr Chairman, before you start, I congratulate Tu Pham on her appointment.

**THE CHAIR:** Hear, hear. How appropriate, Mr Hargreaves. Congratulations, Tu Pham, and well deserved. You have given sterling service to the territory and no doubt will give even more now as Auditor-General.

I have just a couple of questions in relation to the budget. I note there have been a couple of significant increases and variance in expenditure. One is cash from government for outputs, and you have indicated on that—and also employee expenses, where there has been an increase—that it is largely due to wage increases. You have also mentioned IT-related support costs. In dot point 3 on page 23 you said:

employee expenses: ... is largely due to wage increases in order to maintain competitive salaries and conditions for skilled audit staff, and for recruiting additional staff with performance audit experience;

How many additional staff have you had to employ, and could you just elaborate a bit on what you mean by “to maintain competitive salaries”? That is competitive with whom, the private sector, other government agencies, commonwealth or other states? Just what do you mean by that?

**Ms Pham:** Tu Pham, Auditor-General. I think one of the significant challenges facing our office is that we do not have sufficient capacity to undertake performance audits. We have two roles. One is the audit of financial statements, and then two is performance audits. For financial statement audits we do have the capacity to deliver that part of our function. We do not have the right skills and expertise of staff to deliver performance audits. Indeed, it is of great concern that in recent years our staff turnover is about 25 per cent to 30 per cent a year.

At the moment more than 50 per cent of our staff have less than two years experience. That is an indication of how we are losing skilled audit staff to organisations that can offer better salaries and better working conditions. As you know, in recent years due to the problem with governance arrangements, everywhere auditors became in high demand and our salary levels are not competitive compared to what is offered for the same type of staff from, say, even government departments like Treasury or other big departments. We actually lose staff to Treasury and other departments.

Our salary is nowhere compared with what is offered by the National Audit Office. Hence, in the negotiation of our certified agreement in January this year a big effort has been made to increase the salary level to a level that we think we can retain our staff and hopefully attract some more people with the right skill to do performance audits. The increased funding provided for next financial year would allow us to employ two more

performance auditors.

**MRS DUNNE:** Are two enough?

**Ms Pham:** Given the program that we have in mind, we could do with five more performance auditors but at the same time we understand the strain on the budget and it is difficult to get significant increases in funding. So whatever is provided to us for next financial year would be sufficient to address an immediate increase in staff but may not be sufficient for the long-term.

**THE CHAIR:** How many auditors will that bring you up to?

**Ms Pham:** At the moment we have 27 staff but two of them are doing administrative work. So we have 24 auditors. Out of 24 auditors, only five of them are performance auditors. The rest are financial statement auditors.

**MRS DUNNE:** So, in that case, Ms Pham, what is your program of performance audits? Is the aim to systematically go through department by department, program by program? How do you select programs for performance audit?

**Ms Pham:** We have highly systematic ways of selecting performance audit topics. I think it can be internal information as well as external information. External information includes referral from members of the Assembly. Each year we would have issues raised directly with the Auditor-General from the community. Internally we look into various government programs, establish some risk profiles for some of the programs and identify the programs that have significant interest to the community. We monitor the community reaction to various issues and programs, and through that process we have identified currently a list of over 65 potential performance audits, and we could have 10 topics identified as a high priority for next financial year. I think this financial year we have not been able to deliver more than four performance audits.

**MRS DUNNE:** So it would depend on the size of the program or how long it would take to do it and how many staff you would need to do that? The four that you have done this financial year, does that take up all of your current five staff?

**Ms Pham:** Yes, yes.

**MRS DUNNE:** So they are all working on all of them or they are spreading them across?

**Ms Pham:** Up to today we have not even issued one performance audit. This financial year we lost maybe up to 75 per cent of our capacity to do performance audits. As you know, John Parkinson left, then Jo Benton left and then two more senior ones—I think Greg Martin and another officer—so out of five performance auditors, last year we lost 75 per cent of our capacity. Hence, instead of normally delivering about eight performance audits a year, we have not delivered any at this stage. So we will work very hard in the next month or so, hopefully to deliver up to four audits for the financial year, where we should have done eight

**THE CHAIR:** The two new positions will be performance auditor positions?

**Ms Pham:** Yes, yes.

**THE CHAIR:** Have you filled them yet? Oh no, of course you would not have, because they are in the budget.

**Ms Pham:** No, next year. We are in the process. Certainly the Assembly committee raised the issue in the past about our ability to deal with environmental audits. We do not have the expertise to do that at the moment. So in those two more positions, we hope that we can recruit someone who has expertise in environmental and social audits.

**MS DUNDAS:** This relates to some of the work you do. When the Standing Committee on Community Services examined the annual reports for disability housing and community services, and looking specifically at the financial reports, we found an interesting way that the department had been reporting variances. There is an example where the target was 3 per cent, the result was 2 per cent, and it notes the variance as minus 1 per cent when we know that it is not that. It is something else. So the variances listed are quite misleading and this is the financial statement that the Auditor-General has prepared an opinion on. So, do you have a more specific opinion about those misleading variances listed in a number of annual reports and financial statements?

**Ms Pham:** Yes. Certainly in our office we have a view that mathematically that is the wrong calculation of the change. If the 1 per cent increased to 2 per cent, it means it is a 100 per cent increase and not a 1 per cent increase.

**MRS DUNNE:** It is a one-percentage point increase, but 100 per cent, yes.

**Ms Pham:** And there were certainly inconsistencies in the reporting of variance in terms of percentage. We have quite a number of discussions with Treasury because Treasury is the one who provides our guidelines and guidance to the department on how to report on variance. I think as a result of negotiation and discussion, I think Treasury retains the view that the percentage of variation is still appropriate, in that if it changed from 1 per cent to 2 per cent it is still a 1 per cent difference rather than a 100 per cent difference.

**MR HARGREAVES:** Does that mean a change in title? Does that mean a change in title of the column so instead of having a percentage variation it just has variation?

**Ms Pham:** Yes.

**MRS DUNNE:** Proportion of variation.

**Ms Pham:** To explain, if you say 1 per cent to 2 per cent then it is a one-percentage point change. It needs to be explained better than a straight percentage change because it is—

**MR HARGREAVES:** It is wrong.

**Ms Pham:** Yes.

**MS DUNDAS:** I think the estimates committee thinks it is wrong. The auditor doesn't.

**Ms Pham:** Bernie could explain the discussion we had with Treasury because we did have the issue with Treasury.

**Mr Sheville:** Bernie Sheville, director financial audits. I did have some discussions with Treasury. I agree that mathematically it is the wrong percentage. I was unable to convince the Treasury officials that the calculation was wrong. From the audit perspective it is not sufficient that you would start changing your audit opinions about the overall fairness of the statements, even if you do not agree with every single item that might be reported in these statements. We mostly measure that the actual reported results are correct. In the past the measurement of the variance in terms of if it is significant or not has been used mostly to filter out the ones that they are going to explain in a little bit more detail. When it gets to, say, more than 10 per cent they will include an explanation. By and large we encourage them to explain the variances anyway, including the percentage variances. We have similar issues associated with day variances—how do you measure it when it is late, is it a 100 per cent variance, or do you just report the number of weeks that it is late, for example? Those sorts of measurements we will presumably continue to have discussions with Treasury on.

**MR HARGREAVES:** I think the committee's point as made in that report to the Assembly was that it was wrong. It was misleading. It was mathematically dopey.

**MRS DUNNE:** That is a new technical audit term.

**MS DUNDAS:** That's a quote.

**MR HARGREAVES:** That is a quote. To go from three to two is a 50 per cent variance, and you would expect under what you just said that that is bigger than 10 per cent so we will have an explanation on that, except that the quantity is just so insignificant as not to warrant it. But in the interests of accuracy, presumably—I'm interested in your view—one of two things has to happen. Either they get it right and stop telling lies in it, or they change the title of the column which just says straight variation. In which case you can have a number of weeks, you can have three to two as one, you can have anything you like. But how do you cop that one?

**Ms Pham:** I think it is important that when the user of the report reads the variance I think they need also to read the explanation and the nature of the performance measure to see the significance of the percentage change. One example, if a performance for that in terms of revenue collection is 3 per cent and if that 3 per cent increases to 4 per cent, if you look at only 1 per cent increase it does not show the significance of 4 per cent of revenue compared to 3 per cent of revenue. You are talking about hundreds of millions of dollars, or a large amount. But the 1 per cent does not show that. However, we are hoping that by reading the explanation the user will see that 1 per cent in this case is not a 1 per cent increase, it is 1 per cent of the whole same revenue base in terms of that performance.

**MS DUNDAS:** Well, in a minus 1 per cent variance as indicated in the column, there is not always an explanatory note put to that because it is such a small variance. Why would you think that it was hiding something quite bigger than that? Mr Sheville, you indicated this was an ongoing discussion with Treasury. Are you hopeful that there might

be some more accurate reporting in the future?

**Mr Sheville:** I am hopeful. I will continue to try to apply the pressure that I can.

**MR HARGREAVES:** Perhaps we might have the same conversation with Treasury then, Mr Chairman.

**THE CHAIR:** Indeed. That might be sensible.

**MRS DUNNE:** Tomorrow morning.

**MR HARGREAVES:** Sounds good to me.

**MRS DUNNE:** One of the things that I am particularly interested in, this morning Mr Harris said that he had been charged by the government to start making some inroads into performance measures. You touched on this, Mr Sheville, by asking if you are five weeks late are you 100 per cent late or some proportion of 100 per cent late. A lot of the performance measures in these output classes, as this committee has been saying for three years, just are not very good. They are fairly meaningless and they are mainly quantity measures. Does the audit office have a view about the efficacy of the measures in output classes?

**Ms Pham:** We believe that a number of performance measures need to be improved in terms of meaningfulness and relevance. I think that Treasury also has recognised that there are areas to be improved. We had a number of initial discussions with Treasury and we hope we will work with Treasury in the coming months or so on the performance measures. We had to audit the performance measures. We had to audit a large number of performance measures. The time and effort put into these performance measures is not beneficial in bringing about some significant improvement in efficiency or effectiveness.

We feel that the auditor has to go through the file and count the number of reports to be provided and calculate the variance so that we can say it is accurate. Sometimes we wonder whether or not our effort in auditing is time well spent. So we did have a discussion with Treasury before and we will work with them to reduce the number and also make sure that the ones that remains in the financial statement will be the ones that are relevant and meaningful.

**MR HARGREAVES:** Not workload indicators but performance indicators?

**MRS DUNNE:** Yes. You are not interested in workload indicators? You were interested in workload indicators but what we have got here, for instance, some of the ones we went through this morning are support for cabinet meetings and processes. Do you particularly care whether it is 35, 48 or 36?

**Ms Pham:** I think performance measure should cover a bit of quantity, a bit of quality and also outcome and timeliness. We may have too many in quantity. I think quantity in some areas is quite useful to indicate the level of workload and the level of future efforts but I think the right move would be to move to more performance outcomes on outcome and output rather than qualities and timeliness.

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**MS DUNDAS:** Just to quickly follow on from that discussion about indicators, budget paper 5 that came down with the 2004-05 budget was a discussion paper in a sense about triple bottom line reporting and indicators in that sense. Do you see yourself being part of those discussions? If triple bottom line reporting is implemented in any budgets in the out year you are going to have to provide an audit opinion on that. So do you feel that you are able to participate in those discussions?

**Ms Pham:** We certainly offer to work with Treasury in the development of measures that can be used in triple bottom line reporting so that these measures can be auditable. Yes, we do intend to work closely with Treasury to provide our feedback and input into the development further from that budget paper No 5.

**MS MacDONALD:** We talked on the public accounts committee about the Audit-General's budget, but the variance between last year's estimated outcome and budget and this year's budget is 33 per cent, according to page 20. I have just quickly done the calculations and the variance between this year and next year is 2 per cent; and 1.99 per cent in 2006-07 and 1.95 per cent in 2007-08. Obviously you have had a huge increase from last year to this year and we know the reasons for that—to bring you more up to speed with what you need for performance audits and triple bottom line and all the other things that you need to be doing. Of course there is never enough money, but do you think that this huge increase, that injection, this year will bring you up to what you need and then you will be able to cope with the CPI-type increases from then on?

**Ms Pham:** I think it is quite reasonable to have CPI increases for future years. Having said that, we would like to be able to review the operation of the office and our capacity to deliver the audits and other services required by the Assembly. At the moment, I developed a strategy plan for the office and we will very carefully look at what we will deliver, not only this year but for future years. That would give a much better basis next year to come back and hopefully argue for another budget that will help us deliver our work. At the moment, I think the 2005-06 budget is the minimum funding required for us to address some of the immediate problems. In future, every year we will come back with some funding request.

**MS MacDONALD:** So next year the public accounts committee can look forward to another client?

**Ms Pham:** Yes. Thank you for the support from the public accounts committee. We are very grateful to have that support so that we can do our job better.

**THE CHAIR:** Thank you all very much for attending today and assisting the committee.

**The committee adjourned at 6.04 pm.**