

**LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

STANDING COMMITTEE ON PUBLIC ACCOUNTS

(Reference: annual and financial reports 2002-2003)

Members:

**MR B SMYTH (The Chair)
MS K MacDONALD (The Deputy Chair)
MS K TUCKER**

TRANSCRIPT OF EVIDENCE

CANBERRA

TUESDAY, 16 DECEMBER 2003

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

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

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

The committee met at 10.06 am.

Appearances:

Mr T Quinlan, Treasurer, Minister for Economic Development, Business and Tourism
and Minister for Sport, Racing and Gaming
Actew Corporation
Mr M Costello, Chief Executive
Mr M Luddy, Chief Financial Officer
Mr A Wijeratne, Executive Manager, Water
Dr G Bickford, Principal Strategic Planner

THE CHAIR: You should understand that these hearings, which are legal proceeding of the Legislative Assembly, are protected by parliamentary privilege. That gives you certain protections but it also places on you 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. The Assembly will treat as a serious matter the giving of false or misleading evidence. I thank the minister and officers for attending this hearing. Minister would you like to make an opening statement about Actew's annual report?

Mr Quinlan: No, thank you.

THE CHAIR: We will commence with questions. On page 12, in the fourth paragraph of the first volume of Actew's annual report, you state:

At this stage we do not expect the level of earnings to be maintained in 2003-04.

You go on to state that your earnings for the provision of water will be down \$12 million which, after tax, will be \$8 million for the year. How long do you expect that downturn to continue?

Mr Costello: We expect it to last only as long as stage 3 restrictions are being implemented. As a direct consequence of that, people use less water and we get less revenue. We expect stage 3 restrictions to be in force until March next year. We would not expect them to be in force much longer than that. We will just have to wait and see what the weather conditions are. It will not last much longer than that.

THE CHAIR: What will change in March? Do you expect rain?

Mr Costello: No. Once the summer is over normal consumption will drop back dramatically. On a normal summer's day, without any restrictions, we would use 260 to 270 megalitres of water, during autumn we would use 110 to 120 megalitres of water and in winter we would use 100 megalitres of water. So it is just a matter of reverting to normal conditions. We did not have stage 3 restrictions during winter this year because there was no point. Basically, stage 3 restrictions have an effect on the outside use of water. That is where they have a real impact. If the filtration plants come into operation by the end of next year, as they are scheduled to do, we will be able to provide water without stage 3 restrictions and we will revert to normal revenue.

THE CHAIR: That was my next question. How are the filtration plants going?

Mr Costello: They are on schedule, on time and on budget.

THE CHAIR: So they were ready to commence in October?

Mr Costello: We nominated October for the extension of the Googong plant and we nominated summer for the Stromlo plant. So it will be the end of the year for the Stromlo plant. We hope that it will come on line a little earlier, but that is the sort of timeframe that we are looking at. We are asking a lot of people to meet these deadlines but we believe at the moment that they will do it.

MS TUCKER: You said that an amount of water has been able to be saved through imposing restrictions and, as a result, there has been a downturn in your revenue. What argument could be put forward for the removal of those restrictions? You now have additional water as a result of the filtration equipment, so why are you not continuing with the permanent restrictions? What is the argument for that?

Mr Costello: That is a community judgment; it is not a judgment to be made by the water supplier. Under the rules at the moment, stage 1, stage 2 and stage 3 restrictions apply in certain circumstances after consultation with the government and with Environment ACT. If the exigencies do not demand it, we have no cause, under the rules, to impose restrictions. If there was no shortage of water and Stromlo was fully available because of the filtration plant, the normal situation would prevail, unless the community decided that it wanted to change the basic rules, that is, that it wanted to make either stage 1, stage 2 or stage 3, or whatever the stage, the basic or normal rule.

MS TUCKER: So you are following current rules?

Mr Costello: That is a decision for the government; it is not a decision for us to make.

MS TUCKER: I direct my question to Mr Quinlan. I refer to the water strategy that has just been released that includes a number of options, for example, the requirement to build another dam. When you made that prediction was that on the understanding that water restrictions would not be in place? That prediction was based on an understanding that the normal free use of water would continue?

Mr Quinlan: As a result of recent experience it could be argued that there should be permanent restrictions on the use of water—in other words, the profligate use of water. If the current level of restrictions were to become a permanent constraint on the use of water, this town as we know it would deteriorate. We are not watering many public parks. At this point we are sacrificing some of our sporting ovals to attain the 40 per cent level and still have those facilities available for the community. As Mr Costello said, it is a community judgment. Members of the community are put to considerable inconvenience as a result of current level 3 restrictions. In the long run people will not stand for it. People collectively will make the judgment that it is not rational to reject totally the building of another dam, no matter what.

MS TUCKER: I understand the arguments relating to the social benefits that will result from the watering of public places. My question relates more generally to whether the government has considered some permanent sort of restrictions, taking into account all those things that would have to be taken into account when making a decision about whether or not to build a new dam.

Mr Quinlan: As I said in answer to your first question, there is support for limiting the use of potable water in certain cases. But I do not think you will find that the community collectively will accept the permanent introduction of restrictions at the level that we have, which is level 3. Under level 3 restrictions individual gardens and quality of life will deteriorate.

MS TUCKER: I understand that argument. I am just interested in hearing what you have to say.

Mr Quinlan: People will suffer the inconvenience of having to go out and water their gardens within a specific time, which is not always convenient for them.

MS TUCKER: I refer to the issue of saving water. You came up with a proposal for rebates for water-saving appliances. I refer to the Queanbeyan master plumbers scheme. Council fully paid for the replacement of single-flush toilets and for water-saving showerheads. In the development of your water strategy did you do any costings on applying such a proposal in the ACT? Did you examine the potential for water savings taking into account what is happening in Queanbeyan?

Mr Quinlan: Responsibility for that water strategy is split between my portfolio and the portfolio of Mr Stanhope. I cannot state in detail exactly what work was done behind the water strategy as it does not fall within my portfolio. It falls within the conservation portfolio of Mr Stanhope.

THE CHAIR: I refer to schemes like the dam and the possible pipeline from Tantangara. What work has been done and how much effort are you expending on those schemes?

Mr Costello: The government expects a preliminary report from us by the end of this month which will cover the well-known dam options—not just dam options but alternative water supply options. We will look at the financial and hydrological sides of that and see what is possible and sensible within those terms. In doing so we are factoring in as givens the sorts of targets that are set out for water savings over the next 10 and 20 years. If my memory serves me correctly the water savings would be of the order of 10 or 20 per cent. So we will put that to the government by the end of this month.

Because we are a water utility it is not up to us to make judgments about social and environmental issues. However, we are getting a lot of work done on those issues for others to draw on. We have drawn on it extensively and the Commonwealth Scientific and Industrial Research Organisation and other scientific bodies are looking at the impact of climate change, which will have a significant effect on heating up this part of Australia. We are looking at the impact of the fires on the yield of the Cotter catchment

down through the next 30 or 40 years. It will have a significant impact on how much water comes into the Cotter.

We are worried about Googong, which is our largest water storage. It seems determined not to fill up, even with the rains. We are still only at 38 per cent, which is better but not a whole lot better than before. So there are a number of factors that are leading us in one direction. But the government clearly is determined to save water. We then have to take in account population growth. We have put all that through a model that we have tested and retested. Outsiders have looked at it to determine its value and we will see what the numbers are at the end.

THE CHAIR: In Actew's opinion we will reach a point in time when we require a new dam. We have been told that a new dam will be built, but it has been 20 years out for the past 15 years. The water strategy states that that dam will be built in 2013 or 2017 which is a critical time in relation to population growth and water capacity. Is it Actew's opinion that inevitably a new dam will be built?

Mr Costello: It is an open question whether we will build a new dam or get another water supply by drawing on an existing dam through a pipeline. If the population is going to grow in the way in which people think, if the water problems in the yield in the Cotter are as bad as we are led to believe, if the temperature impacts are what the Commonwealth Scientific and Industrial Research Organisation tells us that they will be and if there is a need to supply perhaps greater Queanbeyan and other areas, the pressure will be there to do it.

The normal period of time that it takes to build a dam and to get it up and operating and supplying water is 10 years or more. If we wanted a water supply in 2017 we would have to start a lot earlier. If we wanted access to water from Tantangara by building a pipeline, assuming we could get the approvals, which would involve New South Wales, the federal government, the Snowy Mountains Authority and any other number of people, the actual civil engineering on that could be done very quickly—in about two or three years I think.

Mr Wijeratne: That is right.

THE CHAIR: I understand that Tennent has the potential for about 180 gigalitres. Do you have some of the data on that?

Mr Costello: It is a bit less than that. I think it is about 120 or 130 gigalitres.

Mr Wijeratne: That is right.

Mr Costello: The question, however, is whether you feel in the light of all those factors you would need that big a new water supply, or whether a smaller new water supply would be acceptable. That is the sort of material that we are putting to the government.

THE CHAIR: So that is the work that you are currently doing?

Mr Costello: Yes.

THE CHAIR: Do we have approximate costs for building Tennent? Do you have any estimate of what it might cost?

Mr Wijeratne: Yes. We have preliminary estimates. We estimate that it will be in the region of \$120 million. Again these are fairly early figures. We are looking at how we can distribute water from Tennent and so on.

Mr Costello: The Tantangara option is a lot cheaper.

THE CHAIR: How much would Tantangara cost?

Mr Costello: The civil engineering would cost up to \$30 million.

Mr Wijeratne: There are a fair few other costs as well. We factor in all those costs. It is in the region of about \$60 million.

Mr Costello: Does that include water rights?

Mr Wijeratne: That includes some water rights.

Mr Costello: You would have to buy water rights from the Murrumbidgee Irrigation Area, or somewhere like that. That is about a \$1 million, or just over \$1 million, for a gigalitre. But if you did not use those water rights—and in a lot of years we would not use all of them—you could on-sell those rights. So that reduces the costs in the years that you do not use them.

THE CHAIR: Raising the Cotter was another option, which took it from four gigalitres to 70-odd gigalitres.

Mr Wijeratne: That is right.

THE CHAIR: How much would that have cost?

Mr Wijeratne: That would have been in the region of \$90 to \$100 million.

Mr Costello: That is drawing on the same catchment.

THE CHAIR: And the Coree option was being looked at?

Mr Wijeratne: We looked at the Coree option. It is around the same number but probably \$5 million or \$10 million more because it is a new structure.

THE CHAIR: The same as Cotter or the same as Tennent?

Mr Wijeratne: It is closer to Cotter than it is to Tennent.

THE CHAIR: How many gigalitres would it yield?

Mr Wijeratne: Coree would yield about 70-odd gigalitres.

MS TUCKER: I understand that you are doing work on the numbers concerning the dams. Are you also doing work on the numbers in relation to the non-use of water because water tanks are being installed on houses and grey water is being recycled?

Mr Costello: We factored into our model the targets set out in the water strategy which encompass savings, whether they be from water tanks or any other matters. Rather than taking an individual item we have simply said, "This is the government's target which has been agreed to by the community. This is what will happen." We are simply reducing the amount of water that we would be supplying by 10 per cent or 20 per cent.

MS TUCKER: I am interested to know where that work is occurring. I refer to the detail that you are going into in relation to dams. In what other ways can we address the usage of water issue? Someone needs to determine what would happen if every house had a tank and grey water recycling was developed to such an extent that we did not need to use water at all on our gardens. What would happen if every house that currently has a single flush toilet installed a dual flush toilet and a low flow showerhead? If we are to make a decision as a community we want those numbers worked out and we want a clear understanding of the environmental implications, not just in the ACT on our major river systems.

Mr Costello: I will refer to both those issues. By definition, we are assuming that the impact of everything, whether it be dual flush toilets, grey water recycling and all that, shows up in the 10 per cent per capita water consumption reduction set out in the savings targets in the water plan. You could take each one and work it out but it will be a contributing factor. We have taken those factors into account and we have reduced the amount of water that we will be required to supply by that percentage number. It is quite a lot. In fact, it is a dramatic amount if we look around the rest of Australia. It is a hard ask but we presume that that will happen for the sake of our calculations.

MS TUCKER: Where does that 10 per cent come from? Is that the government's target?

Mr Costello: Yes.

MS TUCKER: The government's target could be informed by scientific research. If the research was there the government might say, "Okay."

Mr Quinlan: You will have to ask Jon Stanhope about his plan.

MS TUCKER: I want to know who is doing the work. Is Actew doing the work now?

THE CHAIR: That is not a question for Mr Costello. He is the supplier.

MS TUCKER: Actew is doing the work now. Actew is an energy service as well. It helps people to save water. So it is perfectly within the realm of Actew. Work is being done by Actew to give us full details about the dams. That is what Actew told us. I am asking why, as an energy service, Actew is not also doing full research into other aspects?

THE CHAIR: The Treasurer said earlier that that question would be more appropriately directed to the Chief Minister, Jon Stanhope. The Chief Minister's Department is doing that coordination work.

MS TUCKER: Are you telling me that that research is not being done by Actew but by Jon Stanhope's department? Is that what you are telling me? If it is being done by the Chief Minister's Department I want to know why Actew is not doing that work.

Mr Quinlan: Actew is not measuring how much water is being saved as a result of the installation of water tanks.

MS TUCKER: Why not?

Mr Quinlan: Actew is a government public utility. Its role is to provide that utility service. We could ask but I think it is more appropriate that that is done under the wider umbrella of conservation.

MS TUCKER: That presents a problem. You are saying that Actew is an energy service, which is what it is. We were told that it would be an energy service when it was corporatised and merged with AGL. Real concern was expressed at the stage that it was made a private provider. Its mission statement says that it is a profit-making organisation and that it has shareholders. However, the problem that arises is how much of its commodity should be sold.

Mr Quinlan: You are concerned about the role of the Actew. That problem existed when it was a statutory authority. When you try to mix those roles that is when you get bad administration. Governments use a process called community service obligations to balance their business arms and their business and social activities with the community. That is the only way that you can get best operation. If you start confusing the processes to the extent that you want to confuse them, you will not get the outcomes that you need.

THE CHAIR: The member can place those questions on notice and ask them of the Chief Minister tomorrow.

MR CORNWELL: I have a two-part question. A number of people have been saying that they have in-ground sprinkler systems that are run by using various technological methods. However, they are not allowed to use them under present rules. Why is that?

Mr Quinlan: They are allowed to use the drip irrigation system as long as it is used manually. Water restrictions impose a discipline on people. If you have a sprinkler system you can turn it on and walk away.

MR CORNWELL: These systems are timed. They can set them for various times.

Mr Quinlan: Gardens can be watered between the hours of 7.00 am and 10.00 am and 7.00 pm and 10.00 pm. That is three hours in the morning and three hours at night. We do not want people to use timing systems. We do not like doing this and we are not doing it for fun; we are doing it because we have a real problem. If there are people in attendance there is a distinct probability that they will use a sufficient amount of water and that they will not overwater. They will not turn on their systems for three hours and

walk away and do that again in the evening because it is just a matter of turning on their systems.

Mr Costello: Another important point is that when people have their systems on automatic they are on automatic every second day whether it rains, whether it is cool, or whether it has rained heavily and they do not need it for another 10 days, which is what we hear people saying. If it rains heavily you do not need to water for another two weeks. People still have their systems on automatic and they do not think to turn it off. That is why we ask them to turn those systems on and off manually.

MR CORNWELL: Why has the government conducted an audit of all ACT government buildings as you indicated to me in a response to a question that I asked of you? Why did you not conduct a water savings audit? The answer that I have been given is as follows:

A specific water savings audit of government office accommodation has not been undertaken.

Mr Quinlan: No.

MR CORNWELL: But why?

Mr Quinlan: Because they are all under the same restrictions as everybody else.

MR CORNWELL: Ms Tucker was talking about further savings.

Mr Quinlan: Actew is working with all clients. Many of the buildings that the government occupies do not belong to it anyhow. At this point in time we believe that we have a responsible administration. We have imposed on clients the restrictions that we have imposed on everybody else. Major users who need flexibility—and a lot of government bodies do where water is really used—have worked with Actew on its plans and programs. I think working on an agency-to-agency basis does far more than what I would suggest might be a flag waving exercise as opposed to a genuinely rational exercise.

MS TUCKER: Are you saying that in the buildings that are occupied by government agencies, whether or not they are owned by the government, those agencies are determining whether there are single-flush or dual-flush toilets in those buildings? Is that what you are saying? Are these agencies doing that work?

Mr Quinlan: We have not said, “You are a government agency, so you are different.” They are not doing anything less or anything more than all the commercial entities in town.

MS TUCKER: Why not? You have a government purchasing policy which is about you being a leader and setting an example.

Mr Quinlan: Yes.

MS TUCKER: I am referring to the purchasing of water.

Mr Quinlan: Do you think we are about to change thousands of toilets in the space of one summer? We will have stage 3 water restrictions for one summer.

MS TUCKER: You are saying that as you are only going to have stage 3 restrictions for one summer you will not do it? Is that what you are saying?

Mr Quinlan: Water restrictions will apply for one summer.

MS TUCKER: I am talking about water use generally. You have come up with a strategy. You have said that, because the water shortage is so serious, you have to build another dam. You said that you have a government purchasing policy and that you are setting the example for the rest of the community.

Mr Quinlan: Am I saying that?

MS TUCKER: That is what the government is saying.

Mr Quinlan: Is that what it is saying?

MS TUCKER: Yes.

Mr Quinlan: I will have to check that.

MS TUCKER: It does not receive much attention so I am not surprised that you know nothing about it. You are encouraging people to install low flow showerheads and to change their toilets and you are offering them rebates. I am not sure whether you are offering people a rebate in the latest strategy if they change their toilets. Surely it is a responsibility of government to show leadership by doing the right thing and reducing water usage?

Mr Quinlan: Sure, I accept that.

MS TUCKER: This water shortage issue will not go away; it will get worse. That is the point that was made earlier by Mr Cornwell.

MS MacDONALD: Recently somebody expressed concern about multiunit complexes. That person was of the belief that only one water meter was attached to each block of flats. Concern was expressed about the fact that single elderly people living in that block of units were subsidising other people living in the flats who were higher consumers of water. Do those flats have only one water meter? Do you intend installing additional meters?

Mr Wijeratne: There is only one water meter measuring flow into the complexes. The body corporate manages the consumption of water reasonably well. At this stage we have no program in place to install individual meters. In the electricity area there are individual meters and it involves a consumer charge whereas with water it is based on land and the ownership of that land. So there is that difference. That is why historically there has been one water meter for a block of units or multiunit complexes.

MS MacDONALD: Is any work being done with the body corporate at each complex to reduce the consumption of water within those complexes and to encourage people to reduce their consumption?

Mr Wijeratne: Certainly. We held forums where we sat with body corporate management groups on more than one occasion leading up to this summer. We have had discussions with them as to how we can manage these things. But internal usage and managing internal usage is an individual issue. We certainly have spoken to body corporate groups about the external use of water and measures to save water.

THE CHAIR: I received an email from Paul Perkins dated 13 January which states:

Kate

As CEO of ACTEW could I please ask that you include me on your distribution list.

Thanks in anticipation.

The email refers to updates and to what has been happening as a result of the bushfires in an endeavour to stop water catchments from being affected. Was Actew included in those lists?

Mr Costello: You said that you received an email on 13 January this year?

THE CHAIR: On 13 January this year I received an email from Paul Perkins to Kate Keane at ESB asking whether he could be put on the distribution list for the updates on what was happening as a result of the fires. When did Actew get into the loop to become informed what was happening up in the mountains?

Mr Costello: I think fairly early on, but I was not there then.

THE CHAIR: I appreciate that you might have to take that question on notice.

Mr Costello: I would rather take that question on notice as it is an important question.

Mr Wijeratne: I cannot recall. We will take that question on notice and get back to you. I was on leave until 18 January. So I am not quite certain what transpired.

THE CHAIR: I will place those questions on notice. I would like to know what warnings Actew gave about the threat to the catchments. Was Actew consulted as to what precautions needed to be taken?

Mr Costello: We will obtain that information and send it to you. I wish to clarify one thing. It is correct that we are not responsible for environmental or conservation issues. However, just as we are required to abide by health standards laid down by the health department or environmental standards laid down by an environmental department, we do not argue about them, we just implement them.

We are regarding the government's draft plan to reduce water consumption by a certain amount as a requirement on us. We may be involved in implementing it but we are not involved in devising it. We are including in our model about when or whether we will

need a new water source and a major per capita consumption reduction. We are taking that as a given, not as something that is to be discussed, in the same way as we are required to do other things. Do not think that we are ignoring the targets for reduction because we are not; we are factoring them in.

THE CHAIR: I refer to the qualification of the accounts, a question that I asked the minister the other day. What is happening in regard to the relationship between Actew and the Auditor-General over what you might see as a technical discussion? In reality we are getting qualified accounts. This is now the second year in a row. Where do we go to from here?

Mr Costello: We disagree with the Auditor-General. It is our legal responsibility under the Corporations Act to make our own judgments. We are not entitled to say, "The accounting standards state X, therefore we will do that," even though we think that that creates a false and untrue picture. We have to come to our own decision by law. We are liable if we do not. As directors we came to those decisions. If the situation were the same today or next time, I guess we would be compelled to come to the same decision. But situations change. Let us see what happens.

THE CHAIR: Are you in negotiations with the Auditor-General's office as to how we might resolve this dilemma?

Mr Costello: Not at the moment, no.

THE CHAIR: When will the new CEO be appointed?

Mr Quinlan: I cannot say. It will be soon.

Mr Costello: The chief executive officer of Actew has been appointed. That appointment was formally announced four or five weeks ago.

THE CHAIR: Congratulations, Mr Costello.

Mr Costello: Thank you.

Committee suspended from 10.37 am to 2.04pm.

Appearances:

Ms K Gallagher, Minister for Education, Youth and Family Services, Minister for Women and Minister for Industrial Relations

Chief Minister's Department

Mr M Harris, Chief Executive

Ms P Shakespeare, Director, Office for Industrial Relations

Mr W Foster, Senior Manager, Employment Policy and Workplace Relations

Ms M Whitten, Director, Corporate Services

Mr K Phillips, Financial Controller, Corporate Finance

Mr N Manikis, Executive Director, Multicultural and Community Affairs Group

Ms S Hall, Director, Office for Women

Department of Treasury
Mr P Hextell, Director, Accounting Branch
WorkCover
Mr E Janssen, Commissioner
Mr I York, Manager, Business Services
Ms M Mannion, Manager, Regulatory Leadership
Mr D Davidson, Manager—Wizard and IT Futures, IT and Communications
Mr W Creaser, Chief Inspector, Dangerous Goods
Ms J Collins, Manager, OH&S Inspectors
Ms L Saals, Manager, Information and Education
Mr P Ulrich, Manager, Labour Regulations and Workers Compensation

THE CHAIR: Good afternoon, minister. I thank you and your officers for attending the Public Accounts Committee inquiry into annual reports. You should understand that these hearings are legal proceedings of the Legislative Assembly and are protected by parliamentary privilege. That gives you certain protections but also certain responsibilities. It means that you not only are protected from certain legal action, such as being sued for defamation, for what you say at this public hearing but also have a responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter. Minister, would you like to make an opening statement on your annual reports?

Ms Gallagher: No, I will not be making an opening statement. I just seek clarification though from the chair on whether you are expecting to deal with the WorkCover annual report today.

THE CHAIR: We certainly are.

Ms Gallagher: I thought so.

THE CHAIR: Minister, we might start with that fabulous perennial issue of fireworks. Could you give us an update on where the fireworks industry is and, given some of the comments, what is happening with it in the future?

Ms Gallagher: Sure. As you know, last week we tabled the new Dangerous Substances Act, which is seeking to regulate all aspects of dangerous goods, hazardous substances and explosives, including fireworks. It is a fairly comprehensive piece of legislation and we are in a bit of a hurry to have it debated and in place so that it can regulate arrangements for next June's long weekend. You will be interested to hear that a number of matters have gone to the DPP relating to the fireworks incidents over the long weekend this year. I do not know if Erich has more detail. A further two briefs relating to fireworks were submitted to the DPP in 2003. Eleven separate charges were laid in relation to both matters, bringing the number of fireworks matters before the Magistrates Court to seven.

The arrangements that we tried to put in place for the June long weekend this year by way of voluntary compliance did not work. A matter was taken to the Supreme Court prior to the weekend, resulting in a decision being handed down that the voluntary arrangements would not hold up. Therefore, we were not able to introduce restrictions

around the sale of particular types of fireworks, which presented some difficulties with some of the incidents that arose this year.

What we have tried to do with the Dangerous Substances Act is put in place a regulatory framework—we go as far as we can, short of a complete ban—so that we hopefully do not have the same problems that arose this year. I have been saying quite publicly that if that does not work the government would have no alternative but to seek to ban fireworks.

THE CHAIR: Will the Dangerous Substances Act, as tabled last week, alleviate some of these concerns or is the problem unfixable?

Ms Gallagher: I hope it does fix the problem. The dangerous substances bill will close down the current retail outlets in places like Fyshwick. Fireworks will have to be stored in magazine type facilities. That will not only restrict opportunistic sales to members of the public—we have anecdotal evidence that these sales are occurring—but also stipulate the types of fireworks an average person can buy. A new type of consumer fireworks restricts both the quantities of explosives used and the noise effects. This will, along with increased regulation about public displays, address some of the concerns that the community has had over fireworks and will involve the cooperation of industry. I am hoping to have that industry cooperation.

THE CHAIR: The Victorian coroner handed down a report on Thursday, 4 December. He claims that there is an illegal trade in fireworks with the ACT being the major source of supply. What are we doing to stop what is still legal here in the ACT being transmitted to jurisdictions where the sale and use of those fireworks are illegal?

Ms Gallagher: WorkCover has arrangements in place with the Victorian WorkCover Authority. If there are fireworks displays in their jurisdiction they are able to trace it back and ascertain whether the fireworks have been purchased illegally in the ACT. There is a view that they can be purchased legally in the ACT but then taken across the border and used illegally or on-sold illegally, which is a problem. Also, the Commonwealth no longer requires Customs to report the traffic of fireworks coming in, a matter that the state is concerned about because it has reduced our capacity to understand what is coming into Australia and then moving around.

This matter has been taken on by workplace relations ministers. Minister Hulls in Victoria wants a national framework around fireworks, as do police ministers. It is fair to say that the ACT gets quite a bit of flak about its arrangements and the view that the other states have that we are sourcing all their fireworks. I am not sure that is entirely true, but it does put additional pressure on us to make sure that the framework we have here is as tight as it can be. As I said, if this legislation does not work, we have no other choice but to ban fireworks.

THE CHAIR: According to the Victorian coroner, the boy's friend had purchased the device in the ACT where purchasing fireworks is legal. The coroner has now recommended that the ACT and the Northern Territory ban the sale of fireworks to the public. What will it take before we get to the stage where there will be a ban on the sale of fireworks to the public?

Ms Gallagher: In relation to the coroner's comments, Wayne Creaser, the Chief Inspector of Dangerous Goods, will be here in a moment—he was not aware that he was going to be first and is rushing across London Circuit as we speak—and will be able to specifically talk about that matter. I think I have probably covered your question. From my point of view the government took the recommendations of the standing committee on board. The government has responded and the response of the standing committee and the government has stopped short of a total ban.

We have tabled the legislation now and want it in place in order to fix the problems. The government will look at what happens this June long weekend. If this legislation does not address the concerns that I have, we will reconsider our position.

MS TUCKER: I have a question on dangerous goods not fireworks. I do not know whether the ACT has a role in this, but is there any capacity for you to make comments about information available on the internet on dangerous goods—for example, how to make a C4. Is there something that we can do?

Ms Gallagher: I do not know. Could we wait for Wayne. He would probably be the best person to speak to about that.

THE CHAIR: While we are waiting for Wayne, we will deal with the next witness.

Ms Gallagher: Erich Janssen is the new OH&S Commissioner. He has not been in the job very long since the annual report was written, so that is why we are hopeful of Wayne's early arrival.

THE CHAIR: Commissioner, congratulations on your appointment. Welcome to the Public Accounts Committee.

Mr Janssen: Thank you very much. We were advised prior to these proceedings that we would not be required today in that the annual report for WorkCover was not going to be covered. The Secretariat has confirmed that it did advise the Chief Minister's Department and subsequently ourselves that that was the case. My apologies for not being prepared to the extent that the committee may expect from its officials. We simply were not expecting to be questioned on the annual report.

THE CHAIR: Obviously you were expecting to do IR first. Perhaps we should move to IR and then, when Wayne turns up, we will deal with the annual report.

Ms Gallagher: I will be led by you, Chair. I was under the impression that we would deal with the Chief Minister's Department.

THE CHAIR: My apologies. Perhaps I misunderstood what we had agreed to. We will move to IR first then.

Ms Gallagher: Do you want to do WorkCover another day?

MS TUCKER: I am interested in that question. I have a question which you can take on notice. It is the only one I have. I was given a copy of a video that told me how to make a C4.

Ms Gallagher: What is it?

MS TUCKER: It is a bomb that you can make out of products that you can buy basically anywhere. If people can easily obtain the recipe for explosives, then that is an issue. I am curious to know what the ACT government can do.

Ms Gallagher: About internet usage and things like that?

MS TUCKER: Yes, even if it is just communicating concerns to the federal government or advice on what members of the public can do if they see this stuff on the net. Are there any federal laws that say it is not okay to tell people how to make bombs?

Ms Gallagher: I am not certain about the internet, but the bill that I tabled on Thursday seeks to regulate all aspects of explosives, including handling, storage, use, possession and sale—all of that is covered in the legislation. I will get back to you on whether that covers the internet.

MS TUCKER: It is about buying the products.

Ms Gallagher: I do not know how we would do it.

MS TUCKER: You are not going to say in the bill that you cannot buy a particular sort of fertiliser or whatever it was. I imagine that is not going to be in there—unless we ban it to under 18-year-olds.

THE CHAIR: I apologise for the confusion. Would it be possible to deal with WorkCover at 3 o'clock? Would that be acceptable? We will talk about IR from a policy point of view for 45 minutes.

Ms Gallagher: Sure.

THE CHAIR: In relation to the government's policy to make the workplace safer, you have listed in your key achievements a number of bills that are coming forward; some have now been passed. What else is on the agenda? I notice that you have made an announcement that there will be some right for union officials to enter premises. What is the likely timeframe on that?

Ms Gallagher: That is in relation to the OH&S Act review, the first stage being the compliance review. We are hoping to have legislation drafted for introduction in the February or March sittings of the Assembly. That will cover the recommendations of the OH&S Council's advice to me on amendments to the act. It includes amendments to inspectors' decisions, their powers and penalties. It also has a range of enforcement tools to make the infringement notice scheme work or get regulations in order to underpin that scheme, including the right for union officials to enter a workplace if they suspect that there is an OH&S breach or to do an OH&S inspection.

THE CHAIR: So the council have recommended that the right to enter is something that they see as a requirement?

Ms Gallagher: There were two areas where there was not a unanimous decision of the council. In all the other areas that I just mentioned there was unanimous support for that. There were two areas that employer representatives did not support, that were not unanimous: firstly, the reverse onus of proof, which operates under the New South Wales OH&S Act—the onus of proving that a person has a reasonable excuse for not complying with a provision lies with the defendant—and, secondly, the right of entry for union officials into workplaces.

THE CHAIR: How is it envisaged that the right of entry will make a workplace safer?

Ms Gallagher: Currently, union officials have the right to enter workplaces if they believe an award breach or a breach of the Workplace Relations Act is evident. That does not cover OH&S situations. We believe that working together with the unions and the employers in a workplace improves OH&S. This is merely another part of that, of assisting relationships. Unions have long had the expertise in OH&S; in fact, over history they have driven OH&S in workplaces. This is about using and respecting their expertise in relation to the advice they can provide.

THE CHAIR: You said you thought that this would further relationships. Would you be surprised to hear that I have certainly been approached by a number of businesses who do not see this as working harmoniously with the business community? What will you do to allay their fears?

Ms Gallagher: There are concerns. I think this is a new entitlement that the unions have, and I think that always comes with employer resistance. In fact, I cannot think of a time when increased union powers have met with industry acceptance necessarily, but in the long run it will be a very useful way for business and unions to operate. I cannot see it bringing anything negative to workplaces. I understand that business and industry may have some concerns about it. Again, it is my job and WorkCover's job to ensure that we are providing all the support to workplaces that they currently need to ensure that confrontational situations or disagreements with unions do not arise. At the end of the day if everyone is doing what they are meant to be doing in their workplace there is no problem.

MRS DUNNE: How do you envisage that such a system would work? You say that there are existing models. Would you like to give an exposition on how union power of entry would work?

Ms Gallagher: The union officials will have no formal enforcement powers. They will not be WorkCover inspectors who have the ability to put on notices. We are hoping that it will facilitate a situation where potentially unsafe practices or workplaces can be resolved informally between a union and an employer without the necessary requirement to go to forced compliance or the involvement necessarily of WorkCover. So in a way it is trying to encourage voluntary compliance to a greater degree in a much less formal way.

MRS DUNNE: I wanted a more basic exposition. Under what circumstances would a union official be able to exercise powers of entry?

Ms Gallagher: When they had concerns about OH&S in the workplace. For example, if a member contacts them and says, “I don’t think I am getting my award entitlements,” or “I am concerned about this,” at present, under the Workplace Relations Act, they have a right of entry into that workplace. I would envisage it operating in a similar way. A union official could quite likely drive past a workplace—for example, roadworks on Northbourne Avenue—and consider it to be unsafe and seek to resolve it that way, or it could be through information provided to unions. They will have no formal enforcement powers under the act.

THE CHAIR: Is there evidence that this approach works elsewhere? I thought the recommendation of the royal commission was that we should not go back to this almost 60s approach, that it led to mistrust between employers and employees and was a retrograde step.

Ms Gallagher: There is a difference of opinion about some of the recommendations that the Cole royal commission has made. In fact, the states and territories are jointly opposed to the recommendations and the legislative framework that are coming forward. If you spend some time looking at the OH&S websites you will see that they have several studies that show where unions are involved in workplaces, as they are here in our public service. Under the OH&S Act and the Commonwealth act, the unions have quite significant powers in relation to the election of OH&S representatives. They are involved every step along the way. That has had a historical basis because that is where the expertise for OH&S has come from. I imagine that a number of studies on other websites would disagree with me but I am confident that the framework we will put in place will encourage informal resolutions of concerns that unions may have.

THE CHAIR: Is the report from the OH&S Council available to the committee? It has not been made public, has it?

Ms Gallagher: I cannot see why not. I am happy to make it available if it is not already available.

THE CHAIR: That would be kind. Thank you, minister. I think there are about 102 acts currently being reviewed by the government. Can we have a time line as to when you expect the acts under your responsibility to be finished? Which ones are coming up as urgent and which ones are seen as less urgent?

Ms Gallagher: Reviewed for compliance with OH&S?

THE CHAIR: Any of the acts that are under your control. You have the Dangerous Goods Act, certainly the OH&S Act and the Workers Compensation Act. Are there other acts there that you are currently reviewing?

Ms Davoren: We have just completed a major review of the Dangerous Goods Act. As has been previously indicated, the Occupational Health and Safety Act is being reviewed in a staged way. The minister has already indicated that the first stage will be introduced in February next year. We are also implementing a process of developing regulations to support the Occupational Health and Safety Act. We will continue refining the major review of the Workers Compensation Act that had been completed the year before last, so there may be a further bill on workers compensation arrangements.

THE CHAIR: The regulations in the Occupational Health and Safety Act are to make the on-the-spot infringement notices work.

Ms Davoren: A range of other matters. Let us look at the structure around the act. The act was introduced in 1989 and the full regulatory framework that was needed to support that act was never completed. We will be putting an emphasis in 2004 on developing further regulations in part to do that but also to present a full regulatory framework around that act.

THE CHAIR: The amendment to the act in March 2001 allowed for on-the-spot fines. From the list you read the other day in the Assembly it would appear no on-the-spot fines have been issued in almost three years.

Ms Gallagher: Yes.

THE CHAIR: Why is it taking the government so long to come up with regulations? You are doing the work to enable unions to enter workplaces, to look for OH&S breaches. You were not there for the debate in 2003.

Ms Gallagher: No. I am sorry, I missed it.

THE CHAIR: It was lauded as a major tool that would make workplaces safe in the ACT, yet we have not seen a single notice issued. If it is a fault in the regulations and the ACT why has it not been fixed earlier than this? Is it a flawed piece of legislation in its entirety?

Ms Gallagher: I can only speak about last year. Since I came into the ministry, concerns have been raised with me, from the unions and also from Mr Berry who had carriage of the amendment, about its lack of use. I sought advice from the department and was given quite detailed advice from the Government Solicitor, including other legal advice. The concern was that there were no regulations to support the issuing of infringement notices. The advice we had was not necessarily black and white. It did not necessarily support the work of the inspectors in making decisions that could be upheld. There were no regulations to support those decisions in situations that they could use. The new compliance framework will be introduced in March. I am not sure whether we can get all of the areas where we may use infringement notices addressed immediately. In New South Wales the regulations are quite extensive. We are immediately looking at areas where they are more black and white—you are either doing something or you are not doing something—and at the more subjective decisions that inspectors might make down the track.

We are certainly concentrating on this matter. As to why it has taken so long, I can only answer that from my point of view: we have been moving on it in the last year, but there has been a lot of legal advice and a lot of drafting needed, plus the fact that we have been awaiting the outcomes of the compliance report from the OH&S Council.

THE CHAIR: When would you expect to table the regulations?

Ms Gallagher: That would hopefully happen at the same time next year. By saying that, I have probably given someone in the background a heart attack. Pam might want to contradict me now.

THE CHAIR: Pam, do you want to give us a different opinion?

Ms Davoren: No. I think there will be some regulations, but again that will be a staged process over the year as there are a number of regulations to be done. All of them would not be done at the one time.

Ms Gallagher: No.

MRS DUNNE: Minister, I am just trying to get a handle on how long you and the department have been aware of the faults, the problems, with the regulations?

Ms Gallagher: Or the lack of.

MRS DUNNE: And the lack of.

Ms Gallagher: There is none.

MRS DUNNE: We have a piece of legislation that has a regulatory regime that underpins it and we have never written regulations.

Ms Gallagher: As I said, I cannot speak about what happened when the amendment was moved. When the amendment was passed in the Assembly the regulations were not there to support it.

MRS DUNNE: When was that?

Ms Gallagher: In 2001, I believe—just prior to the election.

THE CHAIR: March 2001.

MRS DUNNE: It has required the writing of regulations?

Ms Gallagher: Yes. It also coincided with the compliance review by the OH&S Council which reported to me in September or October this year about the infringement notice scheme. In the past year I have received extensive briefings on this matter. There has been varying legal opinion about what needed to be done to make the infringement notice scheme work. Some people believe that we did not need to do anything; other people believe that we needed to do quite comprehensive regulatory regulations to support that part of the act. We have come to the same view and they are being drafted now.

MS MacDONALD: Minister, can you remind me again how many people are working in this particular section?

Ms Gallagher: It is the Office of Industrial Relations now. There are about 16 staff. We have had two additional staff through the second appropriation this year. It is a small unit

within the Chief Minister's Department of about 16 staff. They have been working very hard this year with the demands that I have placed on them. That has been partly due to the OH&S Act, the industrial manslaughter legislation, the Dangerous Goods Act and the Workers Compensation Act. This area has been stretched to capacity. The job of one of the two extra staff that have been taken on was to draft regulations. That was the sole part of their existence.

MRS DUNNE: Are there OH&S inspectors on the books?

Ms Gallagher: In WorkCover?

MRS DUNNE: Yes.

Ms Gallagher: Yes.

MRS DUNNE: What do they do at the moment?

MS MacDONALD: That applies to WorkCover not to this unit.

Ms Gallagher: We are moving department. They do inspections.

MRS DUNNE: They do inspections, but when they inspect there is no regulatory framework.

Ms Gallagher: This is just in relation to on-the-spot fines, to their other enforcement powers. The framework is there, yes.

MRS DUNNE: They have other powers?

Ms Gallagher: Yes. It is just in relation to on-the-spot fines, the amendment that Mr Berry moved.

MRS DUNNE: I understand the point of view that, if you introduced an amendment to the act, it creates an on-the-spot fine and that there would need to be some regulation to underpin that.

Ms Gallagher: Yes.

MRS DUNNE: But I cannot understand why this has been so complex. We are now nearly three years down the track and we do not have a set of regulations that allows us to do what this legislation set out to do.

Ms Gallagher: I am not a lawyer, but there have been varying legal views on this. Let us look at other areas where on-the-spot fines can be issued. A pretty clear situation is an expired parking meter. Some of the advice that we were getting was that potential OH&S breaches are a lot less clear, a lot less black and white, than that. A regime needed to be put in place that specifically set out standards and codes.

MRS DUNNE: Describe what was black and what was white.

Ms Gallagher: Advice about how to make decisions that may not be black and white.

MRS DUNNE: Does this mean that the amendment was not particularly thought through? It is all very well to pass an amendment that says there will be on-the-spot fines—

Ms Gallagher: That view has been given to me. As I said, I was not around at the time. There has been a view that the amendment was moved without the necessary framework to enable it to work. We are now creating a situation where it can be used. Employers and the unions are supportive of that.

THE CHAIR: Just to finish up on the on-the-spot fines: it has been put to me that it would be very easy to simply lift the New South Wales regulations. Most of them are applicable. It has just been a lack of will on the part of the government to do it. In New South Wales, if you are not wearing your safety harness when you are in a lift there is an on-the-spot fine or if you have not got your helmet or your boots on there is an on-the-spot fine. They are not very difficult things to identify.

I find it curious that we do industrial manslaughter legislation and that we are bringing in the right for the union to enter premises, but we cannot get a simple on-the-spot fine system operational. I know that you have only been the minister for a year—Mr Corbell was the former minister and ignored it—but you have had it for a year. Is it fair to question the government's commitment to genuine occupational health and safety when we cannot even get a basic on-the-spot fine system operational in the ACT?

Ms Gallagher: I disagree with the last part. There is a commitment to make it work. This has been complicated. I cannot explain it because I am not a lawyer, but, as I have said, I have been getting quite comprehensive and complicated advice about this matter. The New South Wales regulations will be of great assistance to us when drafting ours. The amendments under the compliance framework review created an environment where we could do the regulations through this process as well, and that is what we are doing. There has not been a lack of commitment. It is unfortunate that it has taken so long. Again it is not about lack of commitment; it is about the time it has taken to work through the detail and to get the legislation in place, along with some other changes to the OH&S Act.

MS MacDONALD: Just to clarify this issue. You have been talking about the legal advice and have said that this is not necessarily a clear-cut issue. Mr Smyth has given, as an example, the wearing of a safety harness. There are situations which are not necessarily simplistic: the lighting in an office may not be bright enough and may be hazardous or air-conditioning systems may need to be checked out properly. Would they be classified as being areas which would possibly muddy the waters in terms of on-the-spot fines?

Ms Gallagher: Yes. There is a whole range of situations in the workplace which are never clear cut and which become unsafe. This has been complicated. I am not trying to walk away from it and say that we have not given it the time that has been needed. We have given this a lot of time and have worked our way through it. On the matter of whether someone is wearing a safety harness, the current powers of the inspector to

change that behaviour exist. It is just a question of whether an on-the-spot fine can be issued for that behaviour.

MRS DUNNE: If I might interpose: there is one thing that I do not understand, Minister. If there is a gradation of black through to dark grey through to white, why haven't we, at least at this stage—nearly three years down the track—got a set of regulations that allows people to address the clearly black issues, which in some cases are more likely to be life threatening? The wearing of harnesses and hats are straightforward issues. Why aren't there regulations that would allow people to address the more life-threatening issues? This does not diminish the importance of this as an issue, but people are not likely to die as a result of adverse lighting in an office.

MS MacDONALD: People are likely to die from air-conditioning systems not put in or cleaned properly.

MRS DUNNE: Yes.

THE CHAIR: This is not open for debate. The minister has a question before her.

Ms Gallagher: In situations where there is behaviour in the workplace that is life threatening or a serious danger, we would not necessarily be looking to use on-the-spot fines to stop that behaviour. That is a much more serious level of an OH&S breach. On-the-spot fines deal with less serious matters, less life-threatening matters, in the workplace. We are dealing with the black and white matters first. We are going to put legislation in place to deal with the black and white matters first. We can talk about why this has taken three years. I have given you my answer. If your view is that we have not given it the priority it deserves, then I am not sure I can change your opinion on that.

MS TUCKER: You said that you had to wait for a report from the advisory council?

Ms Gallagher: Yes.

MS TUCKER: When did it come?

Ms Gallagher: I did wait. It was covered in the report of the OH&S Council. It was finished in August.

MS TUCKER: August 2003?

Ms Gallagher: Yes. I got it in September.

MS TUCKER: Did this work have to wait until the report was finished or was that not important?

Ms Gallagher: There were two things going on at the same time: firstly, this matter had been referred to the OH&S Council for advice, as they are the formal body that provides me with advice under the act; and, secondly, the Office of Industrial Relations was getting advice and looking at ways to make the infringement scheme work. The report back from the OH&S Council, which I will give you, did give me their view that we needed to make the infringement notice system work. They went through the background

and gave me two recommendations: prescribing offences in both the OH&S Act and OH&S regulations as infringement notice offences through the Magistrates Court Act, and developing further offences which can be prescribed as infringement notice offences as part of the development of best practice regulations. Those were the recommendations I got in September. Those were the priorities of the council and I have taken them on board.

THE CHAIR: When was it referred to the council?

Ms Gallagher: It was before my time. If you did not do it, it must have been Simon.

THE CHAIR: I don't think I did.

Ms Gallagher: It was Simon then.

THE CHAIR: No, that is not true. I believe we did start off the process of review of the OH&S Act.

Ms Gallagher: It says that in 2002 my predecessor, Simon Corbell, referred the matter of enforcement and compliance to the council, but it does not give the month.

THE CHAIR: If there are no further questions, on page 31 of the report we talk about implementing the national ban on asbestos manufacture and use that will commence on 31 December 2003. Given that that is now about 15 days away, are we in a position where we can ban the use and manufacture of asbestos in the ACT?

Ms Gallagher: Yes. Penny Shakespeare is not here. I believe that is part of the dangerous substances bill.

Ms Davoren: Regulations are being drafted. In the first instance those regulations will be made under the existing Dangerous Goods Act. When the new dangerous substances legislation is passed it would then be transferred to sit underneath that legislation.

THE CHAIR: The regulations are meant to start on 31 December but they are still being drafted; therefore they have not had a disallowance period in the ACT. When will the Assembly see them?

Ms Davoren: The regulations, as a normal course, would operate from the date of being made and then be subject to the disallowance process. I imagine they will be tabled in the Assembly in the first sitting week in the new year.

THE CHAIR: They will be drafted and ready for use on 31 December?

Ms Davoren: That is my understanding, yes.

THE CHAIR: I take it that the workers compensation supplementation fund is really with WorkCover?

Ms Gallagher: Sort of. Do you want to deal with it under WorkCover or now?

Ms Davoren: I can do it now.

Ms Gallagher: It sort of comes under the Chief Minister's Department.

THE CHAIR: How is it going? Are we meeting our obligations? Is the fund recovering from the collapse of HIH? What is its state at this stage?

Ms Gallagher: The fund is managing. The original costs of liability, as first thought after the HIH collapse, have come down considerably through the management of claims. I will get the detail of the number of claims for you. The majority of claims have been closed; they have been handled. There are just over 100 still outstanding. I will hand over to Phil.

Mr Ulrich: The figures reported in the annual report relate to 149 open claims as of that date. Since that period we now have a substantially lesser number than the 149. A number of these claims are subsequently reopened through courses of litigation; however, that number is decreasing substantially. You asked whether we are meeting our obligations in relation to HIH. The answer is yes, we are. All the claims have been paid.

THE CHAIR: The range from the actuaries is between \$18.4 million and \$28.8 million. There is \$26 million in the fund. Has any thought been given to a levy being imposed on employers to cover this or is that still off in the distance?

Ms Gallagher: It is something that I am aware of but not pursuing at the moment.

THE CHAIR: What would trigger you to pursue it?

Ms Gallagher: Advice from the fund manager and from my department that that is something that I should be seriously considering. I have not received that advice as yet.

THE CHAIR: Is there a timeframe on when we might see finalisation of the claims, which might be one of the triggers that would cause the levy to come into being?

Mr Ulrich: As of today we have 108 open claims. Due to the nature of workers compensation being a long business, these claims will continue for quite a number of years. We are looking to consolidate to that core group of claims by finishing off. There are about 68 claims that are currently going through a process of litigation. We are actively working towards resolving those.

THE CHAIR: The last line on page 165 says that you have a committee that advises you. The committee did not meet in the year 2002-03 due to the need to appoint new members. The committee comprises only three people, minister. How hard is it to appoint three people to a committee? I am just working my way through the output class 1.4—Workplace safety and labour regulation. It says that the committee comprises three people appointed by the minister. The current membership of the Insurers Advisory Committee is three. But then it says the committee did not meet in 2002-03 due to the need to appoint more members.

Mr Ulrich: Just by way of explanation, in relation to that particular committee, there has been a changeover in the number of players in relation to insurers taking over various

insurers and appointment of new state managers who usually hold those positions on that committee. That is part of the reason why it has not met.

THE CHAIR: It goes on to say that the committee will meet early in 2003-04. Has it met?

Ms Gallagher: I do not know the answer to that.

Mr Ulrich: We have not met, but there is a meeting scheduled.

MRS DUNNE: When?

THE CHAIR: In the next 15 days, so it could be early in 2003-04?

Mr Ulrich: There was a meeting planned for Friday this week, but we are still waiting to hear back from one of the members on that committee.

MS MacDONALD: Who runs the legal work of the supplementation fund?

Mr Ulrich: In relation to the legal work we have a number of panel providers. We also have a number of members that are carrying out legal work that were appointed by HIH. For example, there were a number of claims that were being run by legal firms that have continued. Any new claims are taken off a panel of providers that we have working in WorkCover.

MS MacDONALD: How is that panel determined?

Mr Ulrich: There was a tender process quite some time ago for this type of work and work for the nominal insurer in relation to handling the litigation of these claims.

MS MacDONALD: When you say “quite some time ago”—a year, two years, three years or four years ago?

Mr Ulrich: This was before my time. In this financial year we will be retendering for that panel.

MS MacDONALD: Would I be able to get a list of the people currently on the panel?

Mr Ulrich: Yes, no problem. Major firms are represented. I do not think it is commercial-in-confidence.

MS MacDONALD: Is there a reason why we do not use the Government Solicitor at all?

Mr Ulrich: The Government Solicitor is a member of that panel, as are Mallesons Stephen Jacques, Minter Ellison and Dibbs Barker Gosling. They are the four members that comprise the panel.

MS MacDONALD: When I get a list of the people who are on the panel would I also be able to get some information about how often the work has gone to each firm and how much it has cost?

Mr Ulrich: Yes, we can provide those figures.

THE CHAIR: In the section headed “Other initiatives” on page 32, the last dot point talks about establishing a tripartite Industrial Relations Advisory Committee to encourage open dialogue. Has that happened?

Ms Gallagher: Yes. It is unfortunately named IRAC for short.

MRS DUNNE: The first item of business is to find a new title.

Ms Gallagher: Yes, that is right. It will meet every three months. I think it had its first meeting in August; it could have been July. I had another meeting with them about three weeks ago. We have another meeting scheduled for February, which comprises members of the MBA, the Chamber of Commerce and Industry, union and public sector representation and ACTCOSS. I chair the committee.

THE CHAIR: Could you supply a full list of the committee members?

Ms Gallagher: Yes.

THE CHAIR: IRAC have been asked to coordinate a review of long service leave entitlements and of funding for safety and wage increases in community sector organisations. How will they conduct that? What resources have been given to ensure that happens?

Ms Gallagher: Officer industrialisation provides the secretariat support to that committee. A subcommittee has been working on safety net increases in the community sector. It comprises Daniel Stubbs and Peter Paramore from the ASU, the secretariat support. They gave a report back at the last meeting where they had some initial discussions about a way forward. They will be providing us with recommendations in February. I do not believe the long service leave report has gone to a working party. We have certainly discussed it at length in that forum. That is the way it has been handled. I have found, through this year’s discussions on long service leave, that there are polarised views on that. I do not think it is something on which we will have a unanimous report from the committee, but we have progressed it through that forum and I am well aware of people’s views on it.

THE CHAIR: Has the government told the committee of its expectations? Has the committee been given riding orders or a direction or are they free to travel wherever they wish?

Ms Gallagher: In relation to long service leave?

THE CHAIR: Yes.

Ms Gallagher: I referred the matter to them as another way of providing me with advice as the government reviews long service leave. The way it has been handled is that, in discussions with me around the table, they have sought to represent certain bodies. As I said, I do not believe I will be getting a unanimous recommendation from IRAC to support long service leave reform.

THE CHAIR: Did the government give direction? Have you put to them what you think is the view of the government?

Ms Gallagher: No, I have not. We have already made some amendments to the Long Service Leave Act to bring us in line with New South Wales in relation to access to pro rata entitlements on redundancy. From that, I flagged the government's intention to look at the issue of long service leave as a condition. Outside this committee I have held two forums with industry and unions, which I have chaired. I have distributed a discussion paper, but the government specifically has not formed a view. As you know, there is currently legislation before the Assembly from a member of the government. The government as a party does not have a position on the bill. I have been trying to take this matter forward, seeking advice from the community about what they think about the entitlement: whether they think it needs to be improved and how it could be improved. There has been some unanimous support for improvements to the condition and a unanimous view that perhaps long service leave is no longer the condition that it started as, where we were given 10 or 13 weeks to sail back to England. The motivation is not there, but there are other motivations for leave now. I think there was a lot of support for that.

The issue of portability of long service leave polarises the people that I have been discussing this with. Victoria has distributed a national discussion paper—I am not sure whether it has been released publicly; it went to the workplace relations ministers meeting—arguing for a national standard of long service leave around the country. That is currently being considered by jurisdictions as well.

MS MacDONALD: Have we done any analysis of the numbers of people who are accessing long service leave and the people missing out on long service leave within the territory?

Ms Gallagher: That is covered in the discussion paper. If people stay within the cleaning and construction industry they are getting their long service leave. In other areas the ACT has higher national rates of retention within jobs. People stay within the public sector primarily due to the nature of the work force, but they do move around. Our rate of people accessing long service leave is higher than the national rates. The private sector is a bit different. I think it is fair to say that there are large groups of workers who do not get access to any long service leave. That is an area of concern to me.

MS MacDONALD: Some private sector areas are still not covered by the Long Service Leave Act. For example, there is a separate clerical long service leave act where there are pro rata entitlements after 10 years and long service leave entitlements after 15 years. Has there been any analysis done of the numbers of people falling into those categories?

Ms Gallagher: I am not specifically aware of that example. There was some analysis in the discussion paper of where awards and agreements exceeded legislative frameworks.

A considerable number of workers are covered through their awards or agreements to a greater degree. I am not sure about the ones that are exempt or sit outside in terms of other legislation.

MS MacDONALD: From memory there were about three awards that were less than the legislative requirements.

Ms Gallagher: I do not think it has been raised with me by the ASU. I am happy to look at it.

THE CHAIR: Does the government have an opinion on where the Long Service Leave Act should go?

Ms Gallagher: Following the discussion paper, I held two forums and have had discussions with IRAC. I asked the department to bring me back some advice pulling together all of the information I was given at those forums and providing me with some options on the way forward. I am expecting that advice either just before Christmas or very early in the new year and that will assist me to make a decision about the way forward. When you talk to people in industry you find that they are more concerned about changes to long service leave, in terms of cost and financial impact on their business, than they are about industrial manslaughter. It is something that I want to look at very carefully before making a decision. Whilst there are some obvious benefits from industry-wide or private sector-wide portability, I cannot walk away from the significant costs, especially start-up costs, on business and small businesses. They have told me that this will be very difficult for them and I have to look at all of that.

MRS DUNNE: If you start up, say, an industry-wide or a territory-wide long service leave scheme, wouldn't it be the case, Minister, that people who are currently not in the scheme would suddenly be in the scheme? Employers might be confronted with hiring somebody who has been in the work force for 10 or 12 years. One of the things ticking over in the back of their mind is: "Gee, when are they going to come and ask to take long service leave? I don't have the funds to do that." Hitherto they have not necessarily had to make that provision. Have people made representations to you about that? It could be a limiting factor on employment.

Ms Gallagher: Those arguments have been put to me. I believe the initial costs on employers would happen in the start-up of the fund when starting to make payments, particularly for people or businesses that might not be making provisions now. I think it is less of a problem for people making provisions. The scheme, as set up under the proposed legislation, is a pay as you go. If someone is with you for one year, you pay into the fund for one year. If they leave and go to another employer, that employer starts picking it up. So employers do not get an employee coming to them at 9.5 years of service and then having to foot the bill on their long service leave—that is paid for out of the fund. Employers only pay the six months that they owe.

Employers might pay for nine years into the fund and then someone leaves. There are concerns about their own loss of investment in staff. Also, would employers employ a person with 9½ years service? You can have a philosophical argument around these things because you think, "If they have had 9½ years service they deserve to have three months off," but would an employer change the decision to employ a person because

they know that person is going to be off for the first three months of next year? These are things that businesses are telling me they are concerned about.

MRS DUNNE: It is possible for large organisations to absorb those costs. Smaller organisations are confronted, first of all, with start-up costs which they have not been making provision for because they will not be required to until some time in the future. It makes it difficult for a small organisation when someone is going to take extended leave for three months, six months or whatever because they have to backfill. This can be easily absorbed in a large public service department, but not in a three or four-man operation.

Ms Gallagher: Yes, that is right. That is what I have been told. As I said, there is polarisation of views. The unions representing the lowest paid workers provide me with all the evidence to show that their workers are really at a disadvantage. They miss out on the entitlement because they do not have the portability that public sector workers or construction workers enjoy. That is why I asked for options. I wanted to see whether there were ways to navigate through this that would particularly assist low paid workers to access an entitlement but did not require businesses to fund to the degree required. There are different views about what it would cost to start off a scheme that would cover in excess of 100,000 workers.

MS MacDONALD: You might have already said this and I missed it. Did you say when you are expecting the report back?

Ms Gallagher: Just before Christmas or in January. It is something that the government has to get a position on very quickly. We have legislation before the Assembly, so we need to be coming out very early in the new year.

THE CHAIR: If the government does not have a position, and you already have part of the legislation in the Assembly, why are you adopting a piecemeal approach? On page 34 under the heading “Future Directions” it says that the government will develop amendments to modernise entitlements under the Annual Leave Act and the Long Service Leave Act. That tells me that you have already made your decision. This will be updated no matter what anybody says.

Ms Gallagher: The annual leave amendments are before the Assembly—we have done that—as are amendments to the Long Service Leave Act to bring them in line with New South Wales. There is no doubt that we will make some other amendments to the Long Service Leave Act. I cannot tell you what they will be yet because I have not made my mind up, nor has cabinet considered them.

The bill that is before the Assembly is a private members bill. The government is in an unusual situation; I accept that. Mr Berry, who has a strongly held view that this is the right way to go, introduced the legislation in the Assembly. The rest of the Labor caucus is yet to take a position on that and will be doing that in the new year.

MS MacDONALD: The amendments before the Assembly at the moment are minor amendments compared to amendments to portability of long service leave.

Ms Gallagher: The long service leave amendments have been passed. The annual leave amendments correct a situation that has arisen.

MS MacDONALD: With public holidays not accruing?

Ms Gallagher: Yes. You have to work 28 hours or whatever to get access to an entitlement.

THE CHAIR: The third last paragraph on page 32 says that the territory workers compensation premium for 2002-03 was \$23.03 million. What was it on the previous year? Has it gone down or up?

Ms Gallagher: That is not in my portfolio. It is in the Chief Minister's portfolio.

THE CHAIR: We will keep the question for him in the morning. You might warn him. It would just be nice to know, if you are taking the hint, how we are going, whether claims are down or up, whether we are doing better and how we are handling the process. Ms Tucker has a question on explosives.

MS TUCKER: I am interested to know if there is any capacity in the ACT to respond to complaints about information available on the internet about how to make bombs.

Mr Creaser: Not in relation to information that is available on the internet. It is pretty difficult to legislate against somebody putting something on the internet, particularly when that information could go on anywhere in the world. Even the ACT government website has information under the Dangerous Goods Act on how to make explosives. The specifications in the Dangerous Goods Act currently would be sufficient to allow somebody to make some explosives. The only way we can control it is through legislation in the bill—having the appropriate penalties for people that do manufacture it illegally, supply it and use it illegally.

MRS DUNNE: It is not covered by any of the Commonwealth legislation that is designed to block unsuitable websites?

Mr Creaser: No, not the provision of that sort of information.

MS TUCKER: They think that pornography is important and not bombs.

Mr Creaser: I am not sure how effective any legislation is in blocking information on the internet.

MS TUCKER: No, but there has been an attempt to make a difference on pornography. Sex rules again.

Mr Creaser: At the end of the day, the only way we can control it is when somebody takes that information and then does something with it—actually builds an explosive. At that point they are starting to breach legislation in the ACT.

MS TUCKER: I imagine that you would have expertise in this: is there a capacity to have an alert system of some kind that is understood by retailers of the ingredients of the

explosives so that questions can be asked? Has there ever been any thinking about that kind of alert system if people were to be making explosives or are the amounts so small that they would never be noticeable?

Mr Creaser: The problem is that a lot of very common ingredients that you can buy in your local supermarket could be used to make explosives. That is the difficulty. If you start putting notices on them, it alerts people that may be dabbling that they can do these things. There is a lot of work being done at the national level through the Australian Bomb Data Centre to try to work out ways of controlling or monitoring larger sales of some of these sorts of ingredients, such as ammonium nitrate, which is commonly used as an agricultural fertiliser, and looking at increasing controls on that.

At the moment, basically anybody can go in and buy virtually any quantity of ammonium nitrate they want. If you mix it with diesel, you have an explosive. The difficulty is that they are two very common ingredients that you can buy in a petrol station and your local garden shop.

THE CHAIR: On page 28 of your report you say that there have been about 4,876 visits to workplaces during 2002-03. If you assume, say, 2,700 active days, that is about 18 visits a day. Is that enough activity, minister? Is this area underresourced or is it adequate? Are we happy that enough work is being done—visits by government officials—to enforce the law under your control?

Ms Gallagher: I think we covered this in the debate we had in the Assembly in the last week of the November sittings. I accepted that the increased work around the industrial manslaughter legislation and the OH&S compliance framework was going to place additional pressures on WorkCover. I made a commitment to run a comprehensive education program around the industrial manslaughter legislation. Also, we are introducing the amendments early in the next year to the OH&S legislation. I have already given the Assembly a commitment that I will be assessing the level of need in WorkCover.

WorkCover is a small organisation with a staff of around 67 to enforce a range of legislation in every workplace in the ACT. I certainly would not view it as overstaffed or that there are any efficiencies to be gained from within the organisation. It is something I am considering in relation to budget priorities for next year.

THE CHAIR: So it is safe from the Expenditure Review Committee?

Ms Gallagher: Nothing is safe from the ERC. I will be speaking with the commissioner about workloads and getting some advice from him. I am aware that we are increasing regulation around areas that WorkCover has responsibility for. With that comes additional responsibilities on the inspectorate as well. I want to make sure that we are supporting it with the resources it needs.

THE CHAIR: Is there any comparison between us and the other jurisdictions as to our rate of issuing improvement and prohibition notices? I see that there were two prosecutions finalised under the act in the course of the year.

Mr Creaser: We have not done any direct comparisons recently. I think the more recent comparisons were probably done in about 1995. It really depends on the focus that an individual jurisdiction has at a particular time as to the number of notices that are issued. If you are running a blitz on a particular industry sector, then the number of notices that will be issued may increase dramatically. It is really hard to make those sorts of comparisons at this stage.

In terms of prosecutions, for a jurisdiction of our size we are probably on about par with most of the other jurisdictions, except perhaps a jurisdiction like New South Wales, which has a very strong prosecutorial action. The New South Wales legislation is different to ours. In New South Wales there is a reverse onus of proof, so it is much easier for them to get prosecutions through their judicial system. We have a number of prosecutions currently in train as well and it does take time for prosecutions to go through the courts.

THE CHAIR: On page 29 you list the two prosecutions that went through the courts. One firm had a fine of \$1,000 relating to a fall of a construction worker from a height; in the other, fingers were lost in a sawmill and the fine was \$2,250. Are the penalties strong enough?

Ms Gallagher: The purpose of the amendments I will be bringing forward in February is to increase penalties under the OH&S Act to bring them in line with penalties in New South Wales. Penalties there are higher than ours.

THE CHAIR: I also noticed that the number of prohibition notices has increased 23 per cent in 2001-02 year. Is there a reason for that?

Mr Creaser: It is really about better targeting of work sites and basically hitting those work sites where we are having those problems.

THE CHAIR: What sorts of work sites did the 23 per cent come from?

Mr Creaser: The majority of those would have come out of the construction industry.

THE CHAIR: If the number of prohibition notices has gone up by 23 per cent, what will you do now to make that come down? I know that we have targeted the retail and construction industry. Does that mean that the programs we have put in place have not worked or does it mean that they need to be targeted even more?

Ms Gallagher: I would argue that voluntary compliance and informal resolution will hopefully assist the prohibition notices to come down. That is the aim. I think everyone in this room would agree that we would like them to come down. If there are situations where inspectors have to make a decision, they have statutory obligations to do that.

Our control over them, outside education, voluntary compliance and encouragement, is not very great. We have to respond to those situations where they need to be put in place. But every step is put in train prior to that to make sure that we do not get to that situation.

THE CHAIR: Last year there was a blitz at Christmas time on retail establishments. Is that happening again this year?

Mr Creaser: We have run that blitz probably for about the last three or four years. No, it is not being run this year.

THE CHAIR: Has there been an improvement in OH&S results in the retail sector?

Mr Creaser: There has been a significant improvement from year to year. When we first ran it about four years ago, we were fairly disappointed in the standard of safety we did find. In the program we ran last year there was quite a high level of compliance. We found very few problems, particularly with the bigger supermarkets and retailers. The major problems were in the earlier periods where their level of compliance was not very high.

THE CHAIR: Moving on to dangerous goods and, in particular, fireworks. On page 31 it says that the fireworks in the ACT WorkCover Fireworks Depot were removed for destruction in New South Wales. Have they all gone? Have they all been destroyed?

Mr Creaser: They are still in the process of being destroyed at the moment.

Ms Gallagher: There are a lot of them. It will be a very big event.

Mr Creaser: At this stage it is anticipated that the current batch of fireworks in New South Wales will be destroyed by March.

THE CHAIR: We were given figures of the cost when we did the estimates earlier this year. Has the cost remained the same or has it gone up?

Mr York: The original costs were \$291,000, give or take, and that has been held.

THE CHAIR: In the coronial inquiry in Victoria it was claimed that the fireworks came from the ACT. Has that been proven? I know the friend of the boy who died said that they purchased them in the ACT. Has any action as a result of that been taken in the ACT?

Mr Creaser: At this stage, we have not been able to obtain a copy of the coroner's findings, due to some industrial action in Victoria. However, I have been in fairly close contact with the police officer that was conducting the investigation. My understanding is that there is no evidence linking it directly with the ACT. The most likely scenario appears to be that the fireworks were purchased legally in the ACT by a Victorian licensed pyrotechnician and were then on-supplied from there, which means that there would be no breach in the ACT.

THE CHAIR: We are yet to get the coroner's report?

Mr Creaser: That is correct. That is my understanding of the evidence that was given to the coroner.

THE CHAIR: Thank you, gentlemen.

Hearing suspended from 3.25 to 3.46 p.m.

THE CHAIR: Minister, thank you for attending this session of the Public Accounts Committee inquiry into annual reports, and we'll open the session, for the benefit of those who might not have been here at the last session, with the official introduction.

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.

Minister, would you like to make an opening statement in regard to the sections pertaining to women's interests in the annual report?

Ms Gallagher: No, thank you, Chair; I'm happy to just move to questions.

THE CHAIR: On page 24, where the area of development of women's policies, strategy and programs appears, the middle paragraph states that the office had been consulted on appointments to all government boards et cetera. What percentage of our boards, statutory authorities and committees are now represented by women?

Ms Gallagher: On boards that ministers have responsibility for appointments to, it's about 49 per cent. On boards where nominations come from organisations, it's 47 per cent. I think that has remained fairly static from the year before.

MRS DUNNE: A recurring theme, Minister: where are we with the implementation of the government response to the Select Committee on the Status of Women?

Ms Gallagher: The table that was done for you just after estimates is being updated all the time; it's actually on the Office for Women's website. We're constantly reviewing that against the recommendations. As I said in the Assembly last week, it was never a report that we were going to be able to address immediately, because of the sheer number of recommendations, but it is certainly being used as the guiding framework for making decisions about policy and initiatives for women. But I think it's useful that it stays on the website and that we continue to update it. I don't have the report with me, but I'm sure Sue does.

MRS DUNNE: The other issue was the database of women wishing to participate in boards and boardrooms, which has been extended out of the government sector. What has been the uptake? Has there been much interest in it?

Ms Hall: There has been a lot of interest from women who previously weren't on the register, who may have been more interested in being on a community board but the register was for government boards and committees. We've had quite an increase in the number of requests from community organisations. This was part of the reason why we did expand the register, because prior to changing the conditions we weren't able to give community organisations that information.

In terms of business organisations, we've been discussing with women within the business sector how best to increase interest from the business community, because that hasn't been huge at this stage.

MRS DUNNE: In what sense are you interested in the business community—that women in business aren't putting their names forward or business organisations aren't coming to you?

Ms Hall: It's business organisations coming to us.

MRS DUNNE: So this is to be on a board of directors.

Ms Hall: Yes.

MRS DUNNE: You feel that you're not getting your message out to business?

Ms Hall: We are, but I think we could do it better.

MRS DUNNE: So what are you doing to get your message out?

Ms Hall: Through the Chamber of Women in Business, different publications, networks et cetera, we've advertised the register and its availability. We've also linked up with other networks that are encouraging women to participate in boards in the private sector. The National Foundation for Australian Women runs a national scheme, Women on Boards; we've participated with them. They've run sessions in Canberra and we've linked in with them and notified women who are on our register to start making those links. They expose women to particular private industry boards. Those are some of the things we're doing. We're also looking at profiling some of the ACT women who have been successful through the registry in getting on to private boards.

MRS DUNNE: So at the moment you seem to be addressing the supply side but not the demand side. How are you going to get men who run boards to think, "Oh well, I should have some women" and perhaps look further afield?

Ms Hall: It's a very difficult area. I think it's about one in 10; the participation of women in the business sector and the private sector nationally is very, very low and that's the same in the ACT. As I say, we have been advertising, notifying the business sector through networks. We've also been in touch with the Australian Institute of Company Directors and they're interested in talking with us about how to encourage women—as you say, the supply end but also the demand end. We're looking at a range of avenues, but it is a hard process and you can see that nationally.

MRS DUNNE: Am I right in assuming that that's the area where it's hardest? We're much more likely to find women on boards in community organisations?

Ms Hall: That's right.

MRS DUNNE: You would probably have quite high representation there?

Ms Hall: Yes.

Ms Gallagher: These are about boards that the government doesn't have any control over, so, yes—

MRS DUNNE: Yes, I understand that.

Ms Gallagher: I don't know the actual breakdown of community boards but every one I go to seems to comprise mostly women. I imagine it's pretty high.

MRS DUNNE: And would you have any sort of indicative information about the number of people on community boards?

Ms Hall: No. I could say confidently that there are more women than men, but I couldn't give figures, no.

MS TUCKER: I'm interested in how you've presented your response to the report of the Select Committee on the Status Of Women in the ACT and recommendations. You've chosen in this annual report not to give a progress report on the recommendations and I'm interested to know why. On page 125 you'll find that you explain that there's a database outlining activities across government agencies—

Ms Gallagher: I'm sorry, Ms Tucker; what page are you on?

MS TUCKER: Page 125. That's where you mention your response to the Select Committee on the Status of Women in the ACT and you say in this response that you don't want to use the other process that you've used for the elder abuse and the other one you've got in here. I'm interested to know why, in case I want to express concern about that.

Ms Gallagher: I can't see where it says we're not going to do it.

MS TUCKER: Well, you haven't done it.

Ms Gallagher: Well, primarily because the response was handed down in May and this is a June annual report, so there was one month to report on progress on the government's response against those recommendations.

MS TUCKER: So you're saying that you had already got your annual report developed by June, so that was too soon?

Ms Gallagher: Well, no, more than that; the response as at May.

MS TUCKER: I didn't think we got reports then. We get them in June—

Ms Gallagher: At the end of the financial year. But there is only a month between the government's response as of May and this in June. We were reporting against progress against the government's response; I guess it would have required us to report against one month's progress.

MS TUCKER: Okay, I accept that.

Ms Gallagher: But next year it'll be—

MS TUCKER: You'll have the full thing.

Ms Gallagher: Yes.

MS TUCKER: I guess I am still interested to know, because more time has elapsed since that time. I'll ask about one issue in particular, mental health. That really stands out if you look at what's happening, and it was raised as a particular issue for women. A gender breakdown showed that there were \$929,000 on services for men and \$190,000 on services for women. So what's your government doing to respond to that inequity?

Ms Gallagher: I'll let Sue probably answer that in more detail. There is an interdepartmental committee, which Sue sits on. This is where it gets difficult. The Office for Women is a very small office of four women—could even be 4½—

Ms Hall: It will be 4.4 soon.

Ms Gallagher: It will be 4.4 soon. It provides policy advice to government. It's not a service delivery agency. It does work with the other agencies, and other agencies seek advice from the Office for Women. What we are doing for next year's budget is requiring agencies, when they are putting forward a budget initiative, to explain how it would impact on women or what the impact on women will be, whether it's targeted at women or not. I think that has been a gap when initiatives have been going through. Whilst the Office for Women currently sees cabinet submissions through the budget process, that turned out to be a gap; they weren't seeing all the initiatives that were coming through, and that's something that we have put in place for next year's budget.

The Office for Women provides advice about priority areas for women, but, again, something like mental health would be driven out of the department of health. Whilst the Office for Women can provide advice and encouragement and see it as a priority area, its ability to deliver initiative when it doesn't currently have a specific budget is—

MS TUCKER: I do understand that. But I guess what I'm interested to understand is how the information translates into action. You're saying that the Office for Women will ensure that there is an analysis of the impact of budget initiatives on men and women—or women; it should be both men and women but it's a women's office. I guess you're saying it's just advice that's given, but that it will be transparent at least. I'm just interested to know how it works because I've seen different models for this. If, say, the government says, "We're going to spend this much money on mental health," as I understand it you're saying that outlined in that will be that X amount of this amount of money will go to services for women?

Ms Gallagher: Yes.

MS TUCKER: But will we see how much goes to men and how much goes to children as well, or do you just have that amount of money that is going to women?

Ms Gallagher: Well, what we're going to do with this year's budget, for the first time again, is that, whilst agencies will have to identify their initiatives and impact on women or whether it's a targeted program for women, we will have a women's budget statement in the budget papers; that doesn't cover children or men. It will clearly outline the initiatives—and, if it is an initiative that covers men and women, how much will go to women—along with a snapshot of important statistical indicators for women in the ACT, which was also a recommendation of the select committee's report.

I said in estimates, and I know it doesn't carry much weight, that through last year's budget process I learned a great deal about some of the gaps that existed, particularly around articulation of initiatives and how they impact on women, or how much of that money was to go to women. In housing, for example, Mr Wood announced a housing initiative which did have a component that was to work with Toora. But that wasn't explained through the papers. When women's groups saw it, because it wasn't articulated, there was a view that there was nothing in it for women, which wasn't the case. So we've learned a great deal through that. Part of this year's changes, through the budgetary process and through transparency through the papers, is to better articulate that. The status of women report is the guiding document, I guess, in terms of relaying areas of priority and need for women in the ACT, along with advice from the Ministerial Advisory Council on Women as well, and women's groups.

MS TUCKER: Yes. So when we see a progress report in next year's annual report, will that include a response to, say, a recommendation on mental health, or will you think that's something that Health has to respond to?

Ms Gallagher: No. We will report against the recommendations, and Health will have to provide us with the data. Just before you walked in, Ms Tucker, I did mention that the government's action plan, where we're monitoring our progress against the status of women report, is up on the website. I mentioned it in the Assembly last week, and I'm happy to provide members with a copy of that.

MS TUCKER: Yes, I think you say that here. So are you ensuring that there's a gender audit of the social plan that's going to be released soon?

Ms Gallagher: Sue's been involved with the social plan discussions.

Ms Hall: Yes, in terms of the social plan, the Office for Women has had input, been part of the process and provided advice on that, and the Ministerial Advisory Council on Women have also been part of the consultation and provided a submission to that.

MS TUCKER: So are you insisting that there's actually a gender audit of the social plan that we can look at?

Ms Hall: No. What I'm saying is we've provided advice and input relating to gender. For the specifics of the social plan, you'd have to ask the policy group in Chief Minister's Department.

MS TUCKER: Well, I thought that there was a recommendation in here that there be gender analysis and audits of government policy. Did I invent that or is that in here?

Ms Gallagher: No, it is in there.

MS TUCKER: Good; that's in there. But you can't tell me that there will be such a perspective provided in the government's social plan?

Ms Gallagher: In relation to the components of the social plan, I don't know what I can say. Things that will require money will have to go through a process which involves the Office for Women, similar to the process that goes through with the budget. So in that sense there will be gender analysis done on aspects of the social plan.

THE CHAIR: Does that mean—sorry to interrupt—there will be actually funded initiatives announced in the social plan when it's released?

Ms Gallagher: Well, you'll have to wait and see.

THE CHAIR: Well, it's what you've just said. You've said initiatives—or will they be commitments that will then go through the budget process?

Ms Gallagher: Well, when you look at the economic white paper, you can see that there are commitments or ideas there that would require money.

THE CHAIR: None of which are funded. You just said there would be commitments.

Ms Gallagher: Well, you'll just have to wait and see for the social plan when it comes out. What I'm saying is that, if—I think I used the word “if”—there are elements of the social plan which require funding, it will go through the process that we've got in place for the budget.

MS TUCKER: What some of the New South Wales councils do for their social plans is have a gender audit, and that's transparent, and then they have lists of like checks and suggestions that come out of reading that gender analysis. So that's the kind of process that I was hoping that we'd see with the social plan.

Ms Hall: We'll also say that one of the other responses to the recommendation in the status of women report is to put in place something broader so that that does happen across government with all policy development. At the moment the government is working with the ABS on an ACT government information development plan and gender analysis, and the collection of gender desegregated data et cetera is going to be part of that plan. And that will be applied to all policy development. In the short term with the social plan, as the minister said, we have input at this stage and would do the sort of audit that you were talking about. That's what we do to provide our advice to policy at the moment. But in the longer term there will be the information plan.

MS TUCKER: I'm interested to see how you did that. So I guess what I'm hoping to see when the social plan is released is how the government did look at the gender implications of that plan. That's what we want to see. It needs to be a process that's transparent so we can see what the implications are.

Ms Gallagher: Yes.

MRS DUNNE: On the subject of gender audits, you were saying that you're looking to do it and to put it together, but what sort of data would you envisage being included in a gender audit? Would it be about staffing, or are you looking at something wider than that? You said you were consulting with the ABS.

Ms Hall: We're not; there's a team within Chief Minister's Department—you may want to ask them more about that tomorrow—that are looking at improving data availability and analysis across government. That includes gender analysis but also analysis in terms of disabilities, age, demographics et cetera. So it's an overall package of which gender is a part.

MRS DUNNE: So it's an overall package. But what input has the Office for Women had into that?

Ms Hall: We've been part of developmental meetings with the ABS officer who's coordinating the process and we'll continue to have input. At this stage it's still under development.

MRS DUNNE: And what's the timeframe?

Ms Hall: You'd have to ask the Chief Minister's Department policy group.

MRS DUNNE: Minister, do you feel it's a bit disempowering to have all this stuff that seems to be fragmented? It's like at the end of a sort of session of estimates when you want to bang your head against a wall because of a feeling: "I can't ask this question here because it sort of fits somewhere else." In some regard it seems to be pivotal to your sort of policy responsibility. Do you feel frustrated about the sort of fragmentation?

Ms Gallagher: The Office for Women is held in very high regard across the public service. With the raised profile of it, I guess the advice that's sought from agencies is increasing all the time and, yes, I agree we have to keep looking at ways to close off gaps where we think there are gaps in relation to women's policy. So those are the areas in relation to reporting against the budget and going through that budget process that we will be putting in place. The most frustrating thing for me is that sometimes there is a wrongly held view that the Office for Women is the agency responsible for women in the ACT, whether it be women's mental health or child-care services—that it is more of a service delivery agency. People do not understand that it is a policy agency primarily, providing advice to government, running the women's awards each year, running the women's register and holding regular forums to encourage women as decision makers; for example, at the moment the violence framework across government and the strategic plan for women across government. That's my biggest frustration, and I'm not sure that it's an easy one to solve, because I don't necessarily think it's right that it should be a service delivery agency either. It's more about integrating the policy and getting that level of integration right.

MS TUCKER: It's early days, obviously, but I think people will understand it better if it's really transparent what advice you're putting into those agencies and that people can see that the gender perspective and women perspective is actually part of governance now. When you see no mental health services for women, you wonder what's going on. I do not mean that there are none, but there's an obvious inequality there and people

perhaps do not understand quite what the function is. But the point is that they know there's a problem for women with a mental health problem, so they've got a good place to go and blame—the Office for Women—because it's obvious that that—

Ms Gallagher: That's right. It has no money to fund mental health services.

MS TUCKER: But you would hope that, if government sets up such an office, that's where you would take complaints about things not working for women, basically, because it has that specific focus.

Ms Gallagher: Yes. They do get complaints but—

MRS DUNNE: But what happens with them when you get the complaints? Do you say, "We're not a service delivery area, so tough"?

MS TUCKER: That's why I think you need transparency.

Ms Gallagher: But that's where I think things like reporting your progress against the status of women report is important, and I'm happy to keep doing that in the most transparent way, and also clearly articulating initiatives through the budget process. That's pretty transparent.

MRS DUNNE: It wasn't in the last budget, though, was it?

Ms Gallagher: Well, it wasn't there in the last budget, but that's something we've fixed.

THE CHAIR: But that's the whole point; it's a circular argument.

Ms Gallagher: Yes, but that's something we've fixed. The Office for Women with this level of responsibility and accountability hasn't been around for that long and we're fixing areas where there are gaps all the time and we will continue to do so.

THE CHAIR: So will the Office for Women be putting forward budget submissions this year?

MRS DUNNE: Are they going to be involved in the budget consultation?

Ms Gallagher: Yes.

MRS DUNNE: They will see budget cabinet submissions?

Ms Gallagher: They'll see every initiative.

MS TUCKER: We look forward to seeing that.

MRS DUNNE: I might just ask the Chief Minister then about the Office of Sustainability.

THE CHAIR: On page 25 under “Future Directions” the only future direction that seems to be pertinent to women in entirety is “develop and commence a Strategic Plan for Women”. We’re halfway through the year; has that commenced?

Ms Gallagher: Yes.

THE CHAIR: When will it be available?

Ms Gallagher: Early next year.

THE CHAIR: What will be delivered under it?

Ms Gallagher: It is a very important piece of work. The Ministerial Advisory Council on Women has been handling a lot of this. There are five key objectives; they’re in draft form. It is under consultation now and April next year was the date that I was given for release, but it has been framed. The objectives are health and wellbeing, participation and recognition, economic security and life balance, freedom from violence, and the development of sustainable government management systems to strive for equity for women in all aspects of their lives. They’re the five key draft objectives that are currently being discussed.

MRS DUNNE: But, Minister, if those draft objectives are being discussed with a draft strategic plan to come down in April next year, anything that might come out of a strategic plan—

Ms Gallagher: Sorry, it’s February—a bit earlier than I thought.

MRS DUNNE: Okay. That might obviate the need for my question because I was concerned that—

Ms Gallagher: We’d miss the budget.

MRS DUNNE: You were going to miss the budget cycle if it came down then. Are you going to get it in the budget cycle if it comes down in February, and when will it be finalised? Is that a final document or is that a green paper?

Ms Gallagher: The one in February is a draft but priorities for women—my priorities, initiatives—will go through the budget process this year.

MRS DUNNE: But will they be informed by the strategic plan?

Ms Gallagher: Yes, they will be.

MS TUCKER: We’ve got the ACT Office of Aboriginal and Torres Strait Islander Affairs and the ACT Office of Multicultural Affairs. Do they also include in their work a gender perspective?

Ms Hall: They do.

MS TUCKER: I'm asking about any number of them—the Office of Aboriginal and Torres Strait Islander Affairs, the Office of Multicultural Affairs, the Office for Ageing.

Ms Hall: We work very closely with all of those offices, being in the one area; that's one of the advantages of it. But I suppose we're utilised in different ways with the different offices. For instance, the Office of Aboriginal and Torres Strait Islander Affairs we work very closely with in relation to the needs of Aboriginal and Torres Strait Islander women. We provide sort of secretariat support to a degree to an informal working group of women from the community, the Ngunnawal Indigenous Women's Circle, and the Office of Aboriginal and Torres Strait Islander Affairs have been supporting us in doing that.

We've just recently recruited a part-time senior policy officer, an indigenous identified position within our office, and we're looking very much at working in with the Office of Aboriginal and Torres Strait Islander Affairs around some of their major issues that intersect also with the needs of women. One of the major initiatives of the Office for Ageing at the moment is looking at elder abuse. One of the policy officers from the Office for Women is part of the working group doing that work. That's the formal process. We also have informal processes going on, including with the Office of Multicultural Affairs and the Ministerial Advisory Council on Multicultural Affairs. The membership has just changed slightly, but prior to that they had a working group looking at women's issues. I met with them and have done some work with them on women's participation and barriers to participation.

MS TUCKER: So you've got a particularly close relationship with those specific work units. Do you have the same level of communication with the government agencies?

Ms Hall: I would have to say that it varies across government agencies, but we're working on having the same relationship across government. We do have an interdepartmental committee that has representatives from all government agencies. I chair that and the Ministerial Advisory Council on Women membership comes from there. That committee looks at issues relating to women, which includes the status of women report and the development of the new strategic plan. So that's a really important avenue for feeding into agencies.

Agencies also ask us to be part of their policy development processes. We are on the working group developing the homelessness strategy. We're represented on the Domestic Violence Prevention Council and the intersectorial reference group on women's corrections. So in a range of ways we do have that relationship.

Also, in terms of assessing all cabinet submissions, we have very good working relationships with agencies and can ring up or sit down and talk to the officers. With Multicultural and Community Affairs, there is the advantage of physically being there, but we're trying to strengthen that.

MS TUCKER: It sounds like you're doing great work, but it doesn't sound to me as though it's actually really structured in a formal way. You're responding to, say, the elder abuse, which obviously has a focus on women, although not at all exclusively, from memory; that report had all that financial stuff which happens to men and women. You are working with them, but I'm just wondering how we can ensure that this work is structured—not just now while there's a minister right behind it and so on, but formally,

into how government does its work. Would it be useful to have a reporting requirement in the annual report's directions to require agencies to show how they've responded to this need for a gender perspective as demonstrated by government setting up of the Office for Women. But it is generally gender as much as women; I have to keep saying that, because I think it was a bit of a mistake that it was a status of women thing, even though, when you do a gender analysis, you see women are probably not doing nearly as well as men. That's the reality at the moment. But there are particular issues sometimes for men within government agencies. But, having said that, it might be a way of structuring it into governments' thinking if they had to report on it in their annual reports.

Ms Hall: As part of the development of the strategic plan for women, we're going to be including reporting and monitoring mechanisms. With the violence framework, policy framework, we did bring it in as an annual report requirement and so we'd be looking possibly at that as an option for reporting and evaluating against the strategic plan for women. But one of the key, I suppose, priorities of the committee overseeing the strategic plan is the need for monitoring and open reporting for agencies. So that will be there.

THE CHAIR: Earlier in the report, or in the answer to the question, you said that your relationship with departments varies, so who's the best at paying attention to the status of women and who's the worst?

Ms Hall: I didn't mean it varied in quality. For instance, there are some areas in some government departments where issues come up. In terms of ACT Health, there are a lot of issues. These have been highlighted through the status of women report, so issues for women are coming up and are being looked at. There are a number of people who are aware of those and there are a number of discussions going on.

I'm just trying to think of the example of another agency. For instance, we hadn't had much to do with ACT WorkCover until we were looking at issues within the sex industry and then we were able to set up committees and relationships so that we could look at that. So that's what I meant about it varying. But, as I say, we do have an interdepartmental committee and all agencies are committed to being part of that and they all participate.

MS TUCKER: Do you get invited to put in a view when this government signs on to any kind of interstate agreement, national agreement, treaty et cetera?

Ms Gallagher: I'm notified. I get written to by the Chief Minister, as I think all members do.

MS TUCKER: So is the Office for Women involved in a formal way? For example, there's been communication recently from the Chief Minister about trade in services, so is the Office for Women involved in informing government positions?

Ms Hall: It depends on if it comes through a cabinet submission. Because of our role in assessing cabinet submissions, if it's something that's going to follow that process then we are involved.

Ms Gallagher: From my understanding, there is not formal referral to the Office for Women. It may be a question that can be asked tomorrow. But they're not referred to the Office for Women. Certainly, that is the case from my point of view; I'll let Mike add to it.

THE CHAIR: No, no. Mr Harris is actually attempting to get through a committee hearing without saying a word. I caution you, Minister, that if you break his duck now he'll have wasted two hours, 22 minutes and 37 seconds.

Ms Gallagher: He's got tomorrow to go as well, I think. It's certainly something that I monitor within my office. If I had a concern or wanted advice from the Office for Women, I would seek their advice. For instance, I had a letter written to me from the Chief Minister about an agreement and I remember specifically sending a note to my senior adviser, saying, "I'd like to keep an eye on this agreement and what's going on with it."

MS TUCKER: What was that—the General Agreement on Trade in Services?

Ms Gallagher: Yes, I think that was the letter. I just wanted to keep an eye on it and have a bit more of a look at it in relation to all aspects of my portfolio.

MS TUCKER: Yes. It would be interesting to see a gender analysis done of that. As you know, the Public Accounts Committee is looking at the General Agreement on Trade in Services and there are certainly commentators looking at gender implications of that kind of international agreement. We've asked for information about how much input the government have had and how much detail they've gone into in understanding the implications for the ACT. I would like to know whether the Office for Women put in anything to the government on the General Agreement on Trade in Services.

MRS DUNNE: I have just a couple of issues that relate to treaties and perhaps should have been brought up under WorkCover, but they will fit easily here. You might recall, Minister, that a while ago I asked you questions in the Assembly about the ACT joining up to the ILO convention—

Ms Gallagher: I think it is 182, worst forms of child labour.

MRS DUNNE: Yes, on child labour. Have we made any progress on that and, if not, why not? I get the impression that it's the "if not" by the body language.

Ms Gallagher: I think I explained in the Assembly that I got some advice that our legislation was compliant with 182 and the Commonwealth disagreed—

MRS DUNNE: The feds disagreed.

Ms Gallagher: And there were a couple of other states in the same position. You asked the question right at the time when we were disagreeing with the Commonwealth. There have been about two or three months of discussions between officials. A couple of other states—I can't think which ones they were—were in the same position as us. It was specifically related to one matter.

MRS DUNNE: My understanding is that it was about a definition about prostitution—definitions on minors in prostitution. Is that correct?

Ms Gallagher: Yes. And, from memory, films, pornography.

MRS DUNNE: That was it.

Ms Gallagher: I received advice, I think two weeks ago, that we will need to make an amendment to an act to ensure that we are compliant, and that we will be doing that very soon. I can't think of the name of the act, though, that we have to amend; but I was going to write to you.

MRS DUNNE: It was three or four months ago that this was raised and the negotiations had been going on for some time before I raised it. It was very much the view of the Commonwealth from my understanding that—

Ms Gallagher: They wanted it ratified.

MRS DUNNE: Well, yes, they do want it ratified and I would have thought that all governments in Australia would want it ratified.

Ms Gallagher: They do, yes.

MRS DUNNE: I gained the impression after hearing evidence today and after listening to earlier questioning that the territory was sort of holding out because it did not want to amend this piece of legislation. Rather than fighting for three or four months about whether or not to amend the legislation we could have spent that time amending it so that the Commonwealth would have been in a position to ratify the convention. Do you think in hindsight that it was worth the fight? It might have been better if we had just rolled over and did what was asked of us so that we could have ratified the convention earlier.

Ms Gallagher: I operated on advice that I had received, which was to the effect that the ACT was compliant and that discussions were to be held with the Commonwealth. I was not in a position to disagree with advice that was coming to me. A number of other states were in a similar position. In hindsight I do not think we are in a worse position now. All governments in Australia are committed to the ratification of article 182. The Commonwealth acknowledged that that required some negotiation, in particular, in relation to laws and to non-compliant areas. The advice I received a couple of weeks ago was to the effect that the ACT had conceded that we must amend this legislation in order for this ratification to occur. That is what we will be doing.

MRS DUNNE: When will that occur?

Ms Gallagher: I will get back to you with a date on that. That was not in the advice I received, but I will get back to you with the name of the act that we have to amend.

MRS DUNNE: I refer to a related issue—sexual servitude. That is another matter that needs to be raised with the police minister. Some work has been done or some progress has made at the Commonwealth or the Australian Police Ministers Council level. Since you made a submission to Ms Nori's committee in New South Wales what work, if

anything, has been initiated? Has the Office for Women done anything to address those issues? Some of the material that was included in the submission highlighted some of the significant problems in the sex industry, albeit in the less-regulated end of the market. Is that a priority issue that requires more participation by your office?

Ms Gallagher: The Office for Women was involved in preparing the submission to Ms Nori's inquiry. That required a partnership with the police and with WorkCover. That submission and submissions from around the country went to the women's MINCO, the Ministerial Council on the Status of Women. The matter was discussed and it was resolved at that conference that police ministers were the appropriate ministers to deal with the issue. It was also resolved that the police should proceed with issues that involved them in each jurisdiction. The conference resolved to seek the opinion of the federal immigration minister on any amendments to visas that needed to be made to protect women in that situation.

MRS DUNNE: Did the registrar's office participate in the preparation of that submission?

Ms Hall: Yes, it did.

MRS DUNNE: What about subsequently?

Ms Gallagher: The Office for Women does not have an ongoing role. The police and WorkCover play a role in the regulation of brothels, but the role of the Office for Women was to provide a submission to the New South Wales inquiry. That is what it has done.

Ms Hall: The Office for Women is represented on the committee that is currently reviewing the occupational health and safety code of practice for the sex industry. It is also looking at safety issues.

Ms Gallagher: As you alluded to earlier, sexual servitude is occurring in unregulated areas.

MRS DUNNE: That means that it is a job for the police and the Registrar of Brothels and Escort Agencies.

Ms Gallagher: That is right.

MRS DUNNE: I will take that up with the Attorney-General and the Minister for Police and Emergency Services.

THE CHAIR: I thank the minister and all those members of staff who attended the committee hearing this afternoon.

Short adjournment

Appearances:

Mr W Berry, Speaker, Legislative Assembly for the Australian Capital Territory
Legislative Assembly Secretariat

Mr T Duncan, Clerk

Mr M Kiermaier, Deputy Clerk

Mr I Duckworth, Manager, Corporate Services

Ms J Henderson, Manager, Committee Office

Mr R Lutton, Manager, Hansard and Communications

Mr D Skinner, Senior Projects Officer

THE CHAIR: The Public Accounts Committee calls the Speaker and representatives of the ACT Legislative Assembly Secretariat. Thank you for attending the committee hearing. You should understand that these hearings, which are legal proceedings of the Legislative Assembly, are protected by parliamentary privilege. That gives you certain protections but it also places on you 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.

The Assembly will treat as a serious matter the giving false or misleading evidence. I ask witnesses on the first occasion that they speak to identify themselves and the capacity in which they are appearing at this hearing. Mr Speaker, would you like to make an opening statement to the committee on the Secretariat's report?

Mr Berry: Thank you, Mr Chair. We are pleased to be here today to subject ourselves to the scrutiny of this committee and, of course, the ACT community. I think the report speaks for itself. There is no point in me touching on issues that are mentioned in the report, other than to mention the errata introduced in the Assembly in last sitting period that essentially deals with public interest disclosures. On the back of the second page of that document there is a reference to the changes that are to be made to public interest disclosures. At this point I will leave it to you and your colleagues to subject us to your powerful scrutiny that this committee offers. I offer all my staff to you for questioning, if you choose to do so.

THE CHAIR: Thank you, Mr Speaker. Page 110 of your report refers to the fact that the Assembly paid \$580,000 to consultants. That figure seems quite high, given the fact that the entire budget for the Assembly is \$4.6 million. Is there a reason why the Secretariat contracts out such a large amount of its work?

Mr Berry: I will ask the clerk to respond to that question.

THE CHAIR: Welcome, Mr Duncan. Congratulations on your first public hearing as Clerk of the Assembly.

Mr Duncan: Thank you, Mr Smyth. I will ask Mr Duckworth to answer part of that question, but I have an opening comment. I suppose on face value those figures appear to be high. Basically, those figures relate to costs for fairly standard sorts of services—stationary, security and the provision of building services. I do not think that the figures are any higher than they have been in previous years. They are all fairly constant. However, there are some figures that are slightly different or a little out of the ordinary—

I might get Ian to comment on this—that is, the figure for MGT Canberra Architects and the figure for Starcom Worldwide (Australia) Pty Ltd. The Starcom Worldwide figure relates to the development of the Assembly's logo. Members are probably aware that the Standing Committee on Administration and Procedure gave approval for the development of a logo. We have been doing quite a bit of work on developing that logo.

MS MacDONALD: It is a nice logo too.

Mr Duncan: Thank you, Ms MacDonald. I will ask Ian to comments on MGT and any other issues.

Mr Duckworth: Those consultancy figures certainly represent the two largest amounts of expenditure in our budget. Court Recording Services cost us \$143,000. That organisation would be engaged as we speak in its vital work of recording Assembly proceedings and public hearings such as this one. For an agency the size of ours, which has a staff of 25 supplemented by a dozen or so casuals, we just do not have the depth of experience that is necessary to perform that service with our existing resources. Given our intermittent sittings, I think the contract with that organisation has served us well.

The contract was put in place some years ago after the completion of a competitive process. The cleaning contract is another contract that is a necessary part of our existence in this building. That contract, which was subject to a competitive tender process, is up for renewal next August. As the clerk mentioned, a lot of those figures represent expenditure on regular services, such as travel and security. Specialist legal advice is required from time to time. Stationary forms part of our ongoing business. An amount of \$36,000 was allocated for preliminary designs for improvements to our entrance—a long-standing issue.

Last year Mr Speaker wrote to the treasurer seeking funding in last year's budget to make some changes to the public entrance. We were not successful in securing that funding. An approach has made this year to re-request such funding. Those designs are still in existence. It is our desire to move to introduce changes like that.

THE CHAIR: On that last issue concerning the building, Mr Speaker and I were at a function the other day at which the issue of the future of the building did arise. Is any work being done on the upkeep and maintenance of the building? Are any proposals under way to replace the building?

Mr Berry: I have no plans to replace the building. However, if at some time the Assembly is brave enough to make a decision about additional members, it might bring that issue more into focus. We might then decide how to deal with the issue. For my part it has been interesting thinking about these issues whilst debate on that issue ensued. What might the numbers be? How will we deal with them in the framework of this building? There is no plan to do anything about this building. We have to wait and see what the Assembly does in the future. Somebody might make that decision in due course, but I do not think it will be me.

Mr Duckworth: The final item in the list of consultancies at which we were looking a moment ago is a \$20,000 investment that was made during 2002-03 when we commissioned a study into lifecycle costings associated with various elements of this

building. We are conscious of the fact that the interior of this building was quite considerably renovated in the early 1990s. The exterior of the building—which has dated—was largely untouched. I think that was because of the need to exercise budgetary restraints when we came into this building.

THE CHAIR: Is the building not heritage listed?

Mr Duckworth: No. That is another constraint that we work within. I think it is fair to say that, in the past few years, we have been eager to come to terms with future costs that might arise from this building. As Mr Speaker suggested, changes to the size of the Assembly might be one influence. If nothing happens and we remain as we are we will be most anxious to identify and foreshadow some of the costs that might arise in the future in maintaining this building. Some of those costs have been estimated 15 years from now. We would need to anticipate the high peaks.

Mr Berry: Page 34 of the report makes some reference to lifecycle costings.

MS MacDONALD: My question relates to the committee office and the provision of a research officer. One of the major roles of the committee secretariat is to provide support to each committee. Its work also includes doing research for committee inquiries. For a short time a research officer was working in the committee office but that position is no longer available. Has any consideration been given to establishing a permanent research officer position? I believe that the creation of a position for a permanent officer would be valuable.

booboo

Ms Henderson: From time to time we have had research officers in the committee office on a short-term arrangement. We had a research officer for a part of the last financial year. After looking at the workloads we decided that there was no need for a research officer at the moment. We looked at the workloads of particular committees, established that some were more active than others and we allocated the workload accordingly. As you would be aware, one committee secretary is working on two committees. If the need arises we will look again at that position, but it is not a position for which we have budgeted. We have to determine each issue on a case-by-case basis.

Mr Berry: A permanent researcher or adviser is attached to the scrutiny of bills committee. That position is necessary because of the specialist work that is required to be done by that committee. If there were a need for specialist research I am sure that I would hear pretty quickly about such a need. We would then try to make funds available for research to ensure that the committee process continued in its usual productive way.

MS MacDONALD: That might fulfil minimum requirements. However, if you had a permanent research officer that person would be kept busy full time.

Ms Henderson: We actually found that not to be the case. The research officer that we had for a part of the last financial year was brought in at a time of fairly heavy activity in one committee. The officer supported that committee for some time. I have discussed this issue with committee secretaries and it is their view that at the moment we are okay. However, if we were given a few more inquiries in February we might have to have another look at that issue.

MS TUCKER: There is no mention in your report of ecologically sustainable development, or ESD. I thought that was something most agencies did. Is there a reason for that? Whole of government issues are listed in the annual reports. I do not know whether all agencies are doing that—it could be a bit varied—but that is not something that you have done. Is it your belief that there is no requirement to do that?

Mr Duncan: If there were such a requirement we have obviously missed it.

MS TUCKER: Other agencies report on that issue. It might have been an oversight on your part this year.

Mr Duncan: The annual report directions change from year to year. I would like to think that we are pretty advanced in our energy efficiency rating for this building, for example, the lights, dual flush toilets and things like that. In the past we have rated quite highly.

MS TUCKER: You just have not reported on it.

Mr Duncan: If that was a requirement we have missed it.

MS TUCKER: I think you do quite well compared to some other buildings in the provision of water and energy. I hope that you report on that aspect next year. I refer to the section in the report that relates to passenger vehicles. You would be aware that the cars that Ros Dundas and I are driving are hybrid vehicles. It would be interesting to establish whether those vehicles have saved any money. I could not establish from the figures in the report whether or not they have saved any money. Perhaps those statistics are reflected somewhere else in this report. Are there any environmental benefits to be gained as a result of using hybrid cars? Has an analysis been carried out to establish whether there have been any cost or energy savings?

Mr Berry: Some issues arise as a result of the determination of the Remuneration Tribunal relating to members' vehicles. If you are talking only about members' vehicles, the tribunal has determined the entitlements. Members are able to deal with their vehicle requirements free of any influence by the Assembly.

MS TUCKER: I take your point. It would still be interesting to establish what cost there has been to the Assembly in the supply of those vehicles.

Mr Berry: We can provide an answer to your question.

MS TUCKER: Will you take that question on notice?

Mr Duckworth: In many respects I agree with Ms Tucker. That information should have been included in our commentary on passenger vehicles. We are required under the directions for annual reports to provide details about the make-up and size of the fleet. We have to state whether we are using four-cylinder or six-cylinder vehicles. It was probably an oversight that we did not identify two of the vehicles as being hybrid vehicles.

We are willing to take on notice your question about the costs of running those vehicles. I inform the committee that there are significantly reduced fuel costs each month as a result of the running of those vehicles. I am sure that Ms Tucker is aware of the fact that there are fuel reductions as she drives one of those vehicles. We will provide that information to the committee.

THE CHAIR: Does that mean you will be downgrading the office utility vehicle to a small four-cylinder Japanese-style vehicle rather than the present exceedingly powerful six-cylinder Ford?

Mr Berry: All I am obliged to do is to ensure that we adhere to the Remuneration Tribunal's findings in relation to these matters.

THE CHAIR: I was referring to the office utility vehicle rather than to members' vehicles.

Mr Berry: I do not know whether they make one that is robust enough.

MS TUCKER: How many staff cars do we have for Secretariat staff?

Mr Duckworth: Secretariat staff have a vehicle for general use. The provision of the clerk's vehicle, which is determined by the Remuneration Tribunal, is available for use by office staff for things such as attending meetings and so on. So Secretariat staff really have access to two vehicles.

MS TUCKER: So the truck that is used is Barry's truck?

Mr Duckworth: It is the Secretariat's vehicle and, as such, it requires home garaging. Given that the building manager is on call, it is appropriate that he garage that vehicle.

MS TUCKER: Is that vehicle used for heavy duty work?

Mr Duckworth: Sometimes it is used to pick up things, which saves on delivery costs and so on. So it serves a useful purpose.

MS TUCKER: It might not be possible to get a hybrid version of a truck such as that at this stage?

Mr Duckworth: We are required to home garage that vehicle as we do not have secure on-site parking. As I said earlier, it assists with after-hours on-call arrangements. Some years ago changes to taxation rules resulted in the introduction of fringe benefits tax liabilities and personal tax liabilities for people driving that vehicle. A commercial vehicle such as that seemed to be the solution to the problem. So it is an appropriate vehicle as it is used for that purpose. However, if it were used also as a passenger vehicle we would run into additional tax liabilities—liabilities that I confess are somewhat complicated. I cannot recall the precise details.

MS MacDONALD: Ever since becoming a member of the Legislative Assembly I have thought it would be a good idea to hold a barbecue in the courtyard to enable bonding between members.

Mr Berry: That issue has been raised before. Initially, it appears to be a good idea, but a number of issues would arise. Who would clean it? It introduces another management issue in the Assembly because there are hazards associated with barbecues. What sort of barbecue would we have? There are all those sorts of issues. This is the second occasion on which this issue has been raised. It did not appear to be something that members were hungry for, so to speak.

THE CHAIR: So you are not suggesting that the matter be referred to the Public Accounts Committee to investigate it?

Mr Berry: No, I am not. I merely respond to the pressures and demands of members as best I can. I have to say that that is not something that is high on my list of priorities.

MS MacDONALD: Yes, I have noticed that.

MS TUCKER: The Auditor-General's report No 10, which refers to the Legislative Assembly Secretariat, states:

During the audit instances were identified where the Secretariat's financial operations and internal controls could be improved. These matters have been reported to management, along with appropriate recommendations.

Could you elaborate a little on that?

Mr Duckworth: Without suggesting for a moment that the Auditor-General's report is simply a repeat of previous years, I reassure the committee that it is uncommon for a team of auditors to come into an organisation and not make some recommendations in relation to possible improvements. Reflecting on earlier reports, I think you will find that similar comments have been made every year. We welcome the annual audit as an opportunity not just to look at our financial statements but also to look at our systems and procedures.

It is fair to say that this year the Audit Office raised some concerns about the financial statements and about whether or not some of the underlying audit papers that were examined in providing those audit findings were entirely reliable in coming to a logical conclusion. As a result, in the past week we received a report from our accounting and taxation advisers who examined all those audit papers. They made some recommendations that we fully accept relating to a monthly sign-off process. So the financial statements that we provide to the Audit Office next year will ensure that the monthly processes we undertake during the year in reconciling bank accounts, fringe benefits tax liabilities to the tax office and those sorts of things are a little more clear cut.

The Audit Office emphasised that there were no underlying concerns; it was just that it had some difficulty arriving at the figures that we had in our financial statements. The Audit Office has been involved in discussions with the accounting firm. It is satisfied that we are taking the issue on board. I am confident that the issues that it detected this year will not be repeated next year.

THE CHAIR: Mr Speaker, some concern has been expressed in the past about IT security in the building. What steps have been taken to make IT access for members and their constituents more secure?

Mr Berry: We have done some work recently in relation to that issue.

Mr Lutton: We picked up the recommendations from the Standing Committee on Administration and Procedure relating to the InTACT inquiry and we are working through them. As there is a fair bit of work in that for us it has set our work plan probably for the next 12 months or so.

We already have in place generic InTACT security arrangements. InTACT works with us and globally to ensure that our system is meeting its requirements. We will be looking at developing a local service level agreement with InTACT. We will determine to what extent security documentation needs to be updated and applied specifically to the Assembly.

Mr Duncan: I wish to add to those comments. You would be aware that there were incidents in the last 12 months prior to the incident that occurred that led to the report. I think it is fair to say that InTACT has implemented some revised procedures. It contacts us and liaises with us a lot more directly on IT security issues. So there is a clear delineation between the legislature and the executive. I think the service level agreement that we have developed will enhance that. I think the procedures that have been put in place to deal with IT security for Legislative Assembly members, staff or Secretariat are more enhanced than they were, say, this time last year.

THE CHAIR: That is reassuring. When I was in Bangladesh recently my inbox was deleted. I look forward to seeing the benefits of those improvements.

Mr Duncan: Indeed, yes.

Mr Berry: That issue was examined because it was an issue of concern. I understand that literally hundreds of deletions occur from time to time. Unhappily, your inbox was caught up in those general deletions. We require staff members who have as part of their duty statement an obligation to look at those sorts of issues and to ensure that they do not affect Assembly members. We must prevent those sorts of things occurring. To my knowledge that is the first time that anything of that sort of thing has happened. Sometimes issues emerge and they have to be dealt with as they emerge. This is an example of such an issue.

THE CHAIR: I refer to the erratum that you mentioned at the start of proceedings. The update actually reveals there were two disclosures in 2002-03. Could any information be made available to the committee about those disclosures? What did they involve? What progress has the Ombudsman made?

Mr Berry: I would not like to keep anything from the committee. I am trying to establish whether I would be breaching any privacy issues if I were to disclose those matters. What do you think about that, Mr Duncan?

Mr Duncan: You could just outline events for members without revealing anyone's identity.

Mr Berry: An incident was reported to the clerk some time ago—a disclosure about an event in this place. It was not recorded as a disclosure at the time. In later correspondence from two staff members the matter of the public interest disclosure was raised. After consultation with the clerk I was of the view that we ought to take some advice in relation to it.

I believed that, as a consequence of the disclosures not being made in the normal way in accordance with the Public Interest Disclosure Act, they might nevertheless need to be regarded as public interest disclosures under the act. That was confirmed by quite detailed legal advice. Those matters have now been referred to the Ombudsman who is the proper authority to investigate claims made by staff members. That is an ongoing process.

THE CHAIR: Would you wait for the Ombudsman to report and then take whatever action was appropriate?

Mr Berry: It would be up to the Ombudsman to report. The legislation includes penalties in relation to some of the matters. I suppose it is up to the Ombudsmen to go through these issues and to report to the Assembly in due course.

Mr Duncan: If the Ombudsman recommends that certain action be taken in relation to the Secretariat I think Mr Speaker will try to implement those recommendations. The question that arises is whether the Ombudsman will recommend that members take certain action, given that a member employs the two complainants. I am not quite sure how that would work. I do not know whether the Ombudsman plays a role in relation to members and the control of their staff. But that issue certainly has to be thought through.

Mr Berry: I am pleased to report that the clerk's office has upgraded its procedures in order to take into account the legal advice that we received in relation to the matter. When there is a public interest disclosure that does not follow the requirements of the act it will still be regarded as a public interest disclosure as a result of the new procedures that have been developed by the Secretariat.

MS TUCKER: Has any reference been made to reception and exhibition room bookings?

THE CHAIR: No.

MS TUCKER: I notice that there has been a steady increase in the use of those areas. I do not have a problem with that. It is good if members of the community are able to use those spaces. But does that have any budget implications for us?

Mr Berry: It would. If more people use those facilities, more maintenance is required.

MS TUCKER: But those people might be paying for that service. There is a reference to this issue on page 39 of the report but the numbers are not broken down to reflect members or sponsors.

Mr Berry: Mr Duckworth will probably be able to say something about the rates that are being charged. I think they are quite favourable. That will probably give members some idea of why it is becoming so popular.

MS TUCKER: It would be interesting to know the ratio of members and sponsors and those who pay for that space.

Mr Duckworth: There might even be some overlap with issues that have been dealt with by the Standing Committee on Administration and Procedure. The clerk might want to make some comments on this issue as he has been associated with those developments. In broad terms, there is a need to strike a balance between making Assembly facilities available to members of the public. Generally, members have strongly supported that move because those rooms place a burden on the resources of the Secretariat. There are costs associated with maintaining those facilities for after-hour functions. Staff members have to be supplied and cleaning, energy use and other issues have to be determined.

It is clear to staff in the Secretariat that those operations are run at a loss. They are subsidised by the Secretariat's budget, which has caused us some concern. Some years ago the treasurer noted that and we were given some additional funding to cover some of the overtime costs. Because of the popularity of the facility, given the current rates that are charged, the additional overtime budget has been well and truly accounted for. Is it fair to say that the Standing Committee on Administration and Procedure is looking at that issue?

Mr Duncan: Yes. The Standing Committee on Administration and Procedure is looking at this matter. Within the next few months that committee will be reviewing the policy to determine whether the rates that we are charging are appropriate, given commensurate other venues, and whether we ought to start charging for the use of equipment and things like that, because currently we do not. There is a flat room charge for both rooms. We have two rates—a non-profit group rate and a commercial rate. I think it costs in the region of \$27 a day, which is pretty good value for any building in Canberra at present.

Mr Berry: Without trying to pre-empt what the Standing Committee on Administration and Procedure decides in relation to this issue, one of the matters that concerns me is access to the Assembly and how that assists with our connection with the community. To one degree or another that might be the price that we have to pay—to offer these attractive rates—so that we can still attract people to come and use the place. Let me draw an analogy.

When we were located in the old Assembly building over the road, not many people wanted to go near the place because of the unpopularity of self-government at the time. This issue could be regarded as a demonstration of maturity for the Assembly as more people are prepared to be around the place. I think that is a good thing for the institution. We must encourage more people to come and use our facilities and take away positive messages about what happens here.

MS TUCKER: I refer to page 52 of the report and to the entry "Current Liabilities". There is also a reference to this issue in the notes forming part of the financial

statements, which I have only just found. The budget for 2003 is \$156,000 but in 2002 it was \$336,000. What is meant by the term “payables”? What does that cover?

Mr Duckworth: I do not want to mislead you, Ms Tucker. Normally one of my staff would be present and that person would know about such issues. I would rather take that question on notice and provide an informative response to the committee rather than attempt to inform you and mislead you.

MS TUCKER: The note forming part of the financial statements refers to “trade creditors, accrued expenses and other creditors”. I do not know what that means.

Mr Duckworth: Current liabilities basically are liabilities that you would expect to have to deal with in the next 12 months. When preparing financial statements under accrual accounting practices you effectively look at your situation at 30 June. You might well have expenses that you have not yet paid for in cash but that you have taken on board. So it might be the value of invoices that we had at 30 June that have yet to be paid.

We take delivery of furniture and so on and we pay most of our accounts within 28 days. Often we will receive goods and services and it is a month before we pay for those services. I suspect that those payable amounts are simply outstanding amounts at 30 June. We have received the goods but we have not yet paid that account. Obviously, it is prudent financial management to pay the account at the 28-day mark and to keep the money in the bank until then.

I can say with some degree of certainty that the figures are just simply the value of outstanding amounts at 30 June. The budget figure of \$156,000 would have been an estimate at the time the 2002-03 budget papers were developed. At the end of the year the actual outcome was something different. I will take that question on notice.

MS TUCKER: I was interested to know what was involved as there was quite a big difference in actual figures, budgeted figures and the amount that you then paid. But it might be just the timing of it.

Mr Duckworth: One of the things that we addressed was the removal of that last minute rush at the end of the financial year. One of the benefits of accrual accounting is that it does away with that spend up at the end of the financial year. But we still find that there is a tendency by the business community to get transactions and invoices out of the way before the end of the financial year. As I said earlier, if we receive an invoice any time after the first week of June, it is quite likely that we will not pay that amount until early July. The financial statements are really just a reflection of the value of those unpaid bills.

However, I take your point. There is a difference in the figures. It might well have been that a year before 30 June 2003 is when that estimate would have been submitted to Treasury. However, 12 months later it is quite different.

Mr Berry: I refer to the ESD issue and to the reporting requirements—an issue that was mentioned earlier in crossfire. We like to observe those requirements but we are not obliged to do so. The ESD issue is nothing more than an oversight.

THE CHAIR: That is true, Mr Speaker. I thank Mr Speaker and his staff for attending this afternoon.

The committee adjourned at 5.14 pm.